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Council File Number
04-0579

Title
LA-RX PLAN / PRESCRIPTION DRUG BULK PURCHASING CONSORTIUM

Subject
Motion - The City of Los Angeles is facing a healthcare crisis. There are 2.7 million in Los Angeles County that are uninsured and without prescription drug benefits. In the City of Los Angeles, 40% of non-elderly people are uninsured and 35% of the City's full-time working families are uninsured. Minority communities bear the brunt of these figures with 54% of Latinos uninsured, 50% of Asian / Pacific Islanders uninsured, 21% of African Americans uninsured, and 16% of Caucasians uninsured. The number of persons uninsured is rising at an accelerated rate, and prescription drug costs are rising between 5 and 10 times the rate of inflation. These rising costs threaten to price healthcare and prescription drugs out of the reach of patients here in Los Angeles. It is the responsibility of the City to do what it can to remedy these problems, beginning with the cost of prescription drugs. The City of Los Angeles would greatly benefit from forming a prescription drug bulk purchasing consortium, whose members would include residents, businesses, other private entities, and the City on behalf of its employees. The purpose of such a consortium, called "LA-Rx," would be to save the City money on the prescription drug benefits it provides to its employees and to reduce the costs of prescription drugs for City residents. The City would open enrollment to residents, businesses, and other private entities in the City of Los Angeles and issue a Request for Proposal to solicit bids from competing Pharmaceutical Benefits Managers (PBM). The PBM would negotiate price discounts, rebates, or other options that would achieve the greatest savings on prescription drugs with prescription drug manufacturers and wholesalers; establish a drug formula based on the benefits package currently available to City employees; issue a pharmacy card to city workers and other enrollees; and provide access to or create a pharmacy network. Other states and the U.S. Department of Veteran affairs have consolidated purchasing of prescription drugs. This has secured substantial discounts for participants. The LA-Rx plan builds on these models. THEREFORE MOVE that the City Council INSTRUCT the Personnel Department, with assistance from the Offices of the City Administrative Officer and the Chief Legislative Analyst, to report in 60 days on the feasibility of establishing a prescription drug bulk purchasing consortium, whose members would include residents, businesses, other private entities, and the City on behalf of its employees.

Last Change Date
12/07/2005

Mover	**Second**
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Archive History

3-26-04 - This day's Council session
3-26-04 - Ref to Personnel and Arts, Parks, Health and Aging Committee
3-26-04 - File to Personnel Committee Clerk
12-28-04 - For ref - Communication from the Personnel Department relative to convening a steering committee and providing technical administrative assistance in the evaluation, development and review of a Request for Proposals (RFP) for a new prescription drug program for all City residents.
12-29-04 - Ref to Personnel and Arts, Parks, Health and Aging Committees - to Personnel Committee Clerk
2-23-05 - File to Arts, Parks, Health and Aging Committee Clerk per Personnel Committee Clerk

5-4-05 - Council Action - Arts, Parks, Health and Aging Committee report ADOPTED *AS AMENDED (see attached motions) to:
1. AUTHORIZE the Personnel Department to convene a steering committee and provide technical and administrative assistance in the evaluation, development, and review of a proposed Request for Proposal (RFP) for a new prescription drug program for all City residents, the City' s prescription drug purchasing for employees on workers' compensation, the County of Los Angeles, and other governmental entities.
2. INSTRUCT the Personnel Department to include the following members in the aforementioned steering committee: Employee Benefits Division, Personnel Department; Risk Management, City Administrative Officer; City Attorney; Department of Aging; two health care experts, one with expertise in pharmacy and one from the Los Angeles County Health Services Department; a health plan consultant with expertise in Pharmacy Benefit Management; and one consumer advocate.
5-4-05 - Council Action - Personnel Committee report ADOPTED *AS AMENDED (see attached motions) to:
1. AUTHORIZE the Personnel Department to convene a steering committee and provide technical and administrative assistance in the evaluation, development and review of a proposed Request for Proposal (RFP) for a new prescription drug program for all City residents, the City's prescription drug purchasing for employees on workers' compensation, the County of Los Angeles and other governmental entities.
2. INSTRUCT the Personnel Department to include the following members in the steering committee: Employee Benefits Division, Personnel Department; Risk Management, City Administrative Officer; City Attorney; two health care experts, one with expertise in pharmacy and one from the Los Angeles County Health Services Department; a health plan consultant with expertise in Pharmacy Benefit Management; and one consumer advocate.
5-4-05 - Council Action - *Amending Motion - Villaraigosa Mover 2005 / Smith - ADOPTED - MOVE that the matter of the Arts, Parks, Health and Aging and Personnel Committees' Reports, relative to the feasibility of establishing a prescription drug bulk purchasing consortium, Item No. 26 (Council File 04-0579) on today's Council Agenda, BE AMENDED TO require that the Steering Committee be convened in 30 days; require that a status report be provided 60 days after the Committee is convened; and to require the Steering Committee to provide a final report and RFP, on a new prescription drug purchasing program, within 120 days of convening.
5-4-05 - Council Action - *Amending Motion - Villaraigosa Mover 2005 / Cardenas - ADOPTED - HEREBY MOVE that Council AMEND the Arts, Parks Health and Aging and Personnel Committees' reports (Item No. 26, Council File 04-0579) relative to the feasibility of establishing a prescription drug bulk purchasing consortium to REQUIRE the steering committee member from the Department of Aging to be an expert in medicine and prescription drug issues for seniors; and to REQUIRE that one member be an expert in purchasing drugs and health care policy; and further, that the committee report on the fiscal requirements and on-going costs to the City.
5-6-05 - File to Personnel Committee Clerk OK
5-9-05 - File in files
5-11-05 - This day's Council session - Motion - Zine for Villaraigosa Mover 2005 / Greuel - MOVE that the matter of the Arts, Parks, Health and Aging, and Personnel Committees' Reports, relative to the feasibility of establishing a prescription drug bulk purchasing consortium, Council File 04-0579, on the May 4, 2005 Council Agenda, BE AMENDED to CHANGE the Department of Aging Steering Committee member to an expert in Medicare and prescription drug issues for seniors; and, ADD one more member who is a health care expert in bulk purchasing, prescription drugs, and/or health policy to the Steering Committee.
5-11-05 - Ref to Arts, Parks, Health and Aging Committee
5-11-05 - File to Arts, Parks, Health and Aging Committee Clerk
7-13-05 - Council Action - Arts, Parks, Health and Aging Committee report ADOPTED to:
AMEND Council's action of May 4, 2005, relative to the make-up of the Steering Committee, to:
a. Change the Department of Aging Steering Committee member to an expert in Medicare and prescription drug issues for seniors.
b. Add one more member who is a health care expert in bulk purchasing, prescription drugs, and/or health policy to the Steering Committee.
7-18-05 - File to Arts, Parks, Health and Aging Committee Clerk OK
7-19-05 - File in files
10-21-05 - For ref - Communication from the Personnel Department, dated October 20, 2005, relative to the status of the Discount Prescription Drug Program.
10-21-05 - Ref to Personnel Committee
10-21-05 - File to Personnel Committee Clerk
11-15-05 - Council Action - Personnel Committee report ADOPTED, SUBJECT TO APPROVAL OF THE MAYOR to:
1. AUTHORIZE the Personnel Department with assistance of the City Attorney, City Administrative Officer's Risk Management Division, and experts in the areas of public health and prescription drugs to develop and release a Request for Proposal (RFP) for a discount prescription drug card program.

2. INSTRUCT the Personnel Department to evaluate all qualified RFP responses and to report back to the City Council on the proposed vendor(s) and cost for this service.
3. AUTHORIZE the Controller to transfer $50,000 from Human Resources Benefits, 100/61 Account 9200 to Personnel Department 100/66 Contractual Services Account 0304 to provide for expert consultant services in the development and evaluation of the RFP.
11-17-05 - File to Mayor
11-28-05 - Mayor's message concurred in action of November 15, 2005
11-28-05 - File to Calendar Clerk
12-6-05 - File to Personnel Committee Clerk OK
12-7-05 - File in files