



**Interlocal Agreement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 5  
AGENDA DATE: Thu 03/11/2004  
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**SUBJECT:** Approve a six-month extension of the interlocal cooperative agreement between Travis County and City of Austin for pharmacy services and pharmaceuticals to be provided by the City to Travis County Medical Assistance Program enrollees from April 1, 2004, through September 30, 2004, with reimbursement by County in an amount not to exceed \$690,000.

**AMOUNT & SOURCE OF FUNDING:** Funding is included in the Fiscal Year 2003-2004 Operating Budget of the Community Care Services Department Travis County Reimbursed Fund.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Community Care  
**DEPARTMENT:** Services

**DIRECTOR'S  
AUTHORIZATION:** Trish Young

**FOR MORE INFORMATION CONTACT:** Elaine Carroll, Patient Services Administrator/972-4077

**PRIOR COUNCIL ACTION:** Approved Interlocal Cooperative Agreement for Pharmacy Services, Sept 26, 1996

Approved extension through September 30, 2003, September 26, 2002

Approved extension through March 31, 2004, August 28, 2003

**BOARD AND COMMISSION ACTION:** N/A

**PURCHASING:** N/A

**MBE / WBE:** N/A

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Pharmaceuticals for enrollees in the City of Austin Medical Assistance Program (MAP) and the Travis County Medical Assistance Program (Travis County MAP) are dispensed by community pharmacies participating in a centrally managed network under a contract awarded by the City of Austin to Eckerd Health Services (EHS) on October 1, 1998. The EHS contract originally was intended to end September 30, 2003, though it was extended through March 31, 2004.

Under the Interlocal Cooperative Agreement for pharmacy services, the City agrees to provide for the dispensing of pharmaceuticals to eligible Travis County residents enrolled in Travis County MAP and the City of Austin utilizes a City contract with EHS to provide such services for Travis County. The Interlocal Cooperative Agreement also provides that Travis County will reimburse the City for costs incurred by City on behalf of Travis County MAP enrollees who receive pharmaceutical services through the City's contract with EHS.

On September 22, 2003, the City of Austin Community Care Services Department and Travis County jointly issued a pharmacy services solicitation seeking a new pharmacy program to implement the federal 340B Drug Pricing Program for pharmaceutical services provided to MAP enrollees and patients of the Community Health Centers (CHC). No responsive bids were received from that Request For Proposals



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(RFP) and on December 22, 2003, the RFP was re-issued. The re-issue will close on Wednesday, February 18. Separate City of Austin and Travis County contracts will be negotiated with the successful proposer, thus negating a future need for a City-County Interlocal Cooperative Agreement of this type.

This 6-month extension request will provide latitude and flexibility in contract negotiation and program implementation, as well as align the ending dates of both the Eckerd Health Services contract and the Interlocal Agreement such that both end September 30, 2004. The extension will allow continued payment by Travis County to City of Austin for services provided to Travis County MAP enrollees under the present City contract with EHS.

City Council is requested to approve a 6-month extension to this pharmacy services Interlocal Agreement for a period of six months, from April 1, 2004, through September 30, 2004.