



Recommendation for Action

File #: 20-3316, **Agenda Item #:** 21.

10/29/2020

Posting Language

Authorize negotiation and execution of an agreement with Avita Drugs, LLC for pharmacy services in the amount of a fee based on the total amount of prescriptions administered, for an initial term of November 1, 2020 through October 31, 2021 with four automatic twelve-month renewal options ending on October 31, 2025, for a cost to be determined based on the total number of prescriptions administered.

Lead Department

Austin Public Health.

Fiscal Note

This item has no fiscal impact.

For More Information:

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Additional Backup Information:

This Agreement authorizes Austin Public Health (APH) to partner with Avita Drugs, LLC, an outpatient contract pharmacy to provide services to eligible clients to receive certain outpatient drugs at reduced prices pursuant to the 340B Drug Pricing Program. Avita's unique expertise in developing, operating, and maximizing the benefits of the 340B Drug Purchasing Program could potentially leverage between \$144,000 and \$360,000 in revenue to APH annually. Actual revenue will be based on the participation of clients at the Austin Public Health Sexual Health Clinic. Revenues generated from this program must be utilized to support public health sexual health programming.

Section 340B of the Public Health Service Act requires pharmaceutical manufacturers participating in Medicaid to sell outpatient drugs at discounted prices to health care organizations that care for many uninsured and low-income patients. The 340 Drug Pricing Program allows 340B-entities to stretch limited federal resources and expand health services to the patients and communities they serve. Entities use 340B-savings to provide free care for uninsured patients, offer free vaccines, provide services in mental health clinics, and implement medication management and community health programs. Austin Public Health will participate as an entity to provide preventive HIV medications such as Pre-exposure Prophylaxis (also known as PrEP) and Post Exposure Prophylaxis (also known as PEP) prescriptions to high-risk clients.

Strategic Outcome(s):

Health and Environment.