

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # B-11

Urgent

Routine

AGENDA DATE September 30, 2014

CEO Concurs with Recommendation YES  NO

4/5 Vote Required YES  NO

(Information Attached)

SUBJECT:

Approval to Enter an Agreement with Financial Marketing Concepts, Inc. (FMC) for Participation in the Coast2Coast Rx Discount Card Program

STAFF RECOMMENDATIONS:

1. Approve the agreement with Financial Marketing Concepts, Inc. (FMC) for participation in the Coast2Coast Rx Discount Card Program.
2. Authorize the Chairman of the Board of Supervisors to sign the Coast2Coast Rx Card County Marketing Agreement with Financial Marketing Concepts, Inc.

FISCAL IMPACT:

There is no cost to the County or its residents, for participation in the pharmacy discount program offered by Financial Marketing Concepts, Inc. The County will receive a royalty of \$1.25 for each prescription purchased through a participating pharmacy that results in a paid claim. The royalty does not increase the final cost to the cardholder. Royalties from this program of up to \$20,000 annually would increase discretionary revenue to the County with the intent of using the funds for programs in the Healthy Community priority.

BOARD ACTION AS FOLLOWS:

No. 2014-509

On motion of Supervisor Chiesa, Seconded by Supervisor Withrow

and approved by the following vote,

Ayes: Supervisors: Chiesa, Withrow, Monteith, and Chairman De Martini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: O'Brien

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

ATTEST:

  
CHRISTINE FERRARO TALLMAN, Clerk

File No.

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**DISCUSSION:**

Pharmacy discount card programs offer cardholders savings on individual prescriptions. State and local governments that agree to “sponsor” a program by the use of their seal or logo, can receive royalties from two widely used programs: Coast2Coast Rx Discount Card Program provided by Financial Marketing Concepts, Inc. (FMC) in partnership with the California State Association of Counties (CSAC); and the CVS Caremark Prescription Discount Card Program in partnership with the National Association of Counties (NACo).

Staff has carefully reviewed the two programs listed above in order to recommend the program that will provide the greatest savings on multiple health care services, including benchmarking with other counties who participate in discount pharmacy programs. Both programs offer discount cards to residents and both offer royalties to the County. A comparison of the two programs follows:

<b>Benefit</b>	<b>Coast2Coast Rx</b>	<b>CVS Caremark</b>
Services eligible for savings at no cost to residents	<ul style="list-style-type: none"> <li>▪ Prescriptions</li> <li>▪ Vision</li> <li>▪ Dental</li> <li>▪ Hearing</li> <li>▪ Lab and Imaging</li> <li>▪ Diabetes supplies &amp; equipment</li> <li>▪ Veterinary services</li> <li>▪ Pet prescriptions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Prescriptions</li> <li>▪ Pet prescriptions</li> </ul>
Additional services available at a cost to residents	None	<ul style="list-style-type: none"> <li>▪ Vision including LASIK and PRK</li> <li>▪ Lab and Imaging</li> <li>▪ Hearing</li> <li>▪ Diabetes supplies</li> </ul>
Cost to residents	None	\$69-\$79 annually
Average savings to residents	55%	24%
Royalty to County	\$1.25 per prescription	\$1.00 per prescription

Staff is recommending the Coast2Coast Rx Discount Card program for participation by the County. Coast2Coast currently operates its discount card program in 29 other California counties.

The Coast2Coast Rx Discount Card Program is not medical insurance and is not intended to replace insurance. It is designed to assist County residents who are uninsured and underinsured, and those whose prescriptions may not be covered under their existing insurance policy. The program can also assist those with high deductibles or Healthcare Savings Accounts. In some instances the card can be used to offset the

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gap between the initial coverage limit and the catastrophic coverage threshold for Medicare Part D participants. Additional benefits include discounts on vision, dental and hearing services, lab and imaging tests, diabetes supplies and veterinary services and pet prescriptions.

- The Coast2Coast Rx Discount Card is accepted at over 59,000 participating pharmacies including all major chains and most independents. Within Stanislaus County participating pharmacies include Costco, CVS, Raleys, Rite Aid, Safeway, Save Mart, Target, Walgreens, Wal-Mart, Boies Medical Center Pharmacy in Modesto and Turlock, Carranza Pharmacy in Hughson, Ceres, Modesto, Riverbank and Oakdale, and Quesenberry's in Turlock and Waterford. The program includes over 60,000 drugs in its formulary, including name brand and generics.

Through the Coast2Coast program, Stanislaus County residents could save up to 75% on an individual prescription, with annual savings up to 55%. The free card is available to everyone with no enrollment and no restrictions on age or health status. One card may be used by the entire family. There are no added fees or costs at the point of sale and no cap on the number of times the discount care can be used. The card does not have an expiration date. Of note, cardholder information is held confidential and is not used for any other purpose.

The recommended agreement with FMC would renew automatically every year for an additional one year period unless the County provides a 30-day written notice to terminate, or unless terminated by default. Royalties to the County would continue to be paid as long as Stanislaus County residents continue to use the card when filling prescriptions; however, if the County terminates the agreement, the amount of the royalty would decrease from \$1.25 per filled prescription to \$0.25 per filled prescription.

Upon approval of the Board of Supervisors, the County will approve the card design prior to FMC's printing of the card. FMC will print and distribute the cards at no cost to the County, at participating pharmacies and to such governmental offices as designated by the County (i.e., libraries, Health Services Agency locations, etc.). FMC will handle all administration of the card including providing monthly usage and savings reports to the County.

**POLICY ISSUE:**

The County is not mandated to participate in any discount pharmacy program. Absent Board of Supervisors approval, residents of the County may decide to participate in other similar programs that do not result in royalties to the County. Approval of this item supports the Board priority of A Healthy Community by assisting County residents in receiving necessary pharmacy and health services as a reasonable cost.

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**STAFFING IMPACT:**

There is no staffing impact associated with this item. Existing Chief Executive Office staff will work with FMC to finalize the roll out of the Coast2Coast Rx Discount Card Program.

**CONTACT PERSON:**

Cindy Thomlison, Deputy Executive Officer. Telephone (209) 525-6333.

## **Coast2Coast Rx Card County Marketing Agreement**

**THIS MARKETING AGREEMENT** dated this 30th day of September, 2014, by and between **Financial Marketing Concepts, Inc.**, hereinafter "FMC" a Florida corporation, d/b/a the **Coast2Coast Rx** Discount Card Program, with its principal place of business at: 1102 A1A North, Suite 202, Ponte Vedra Beach, Florida 32082, and **Stanislaus County**, a political subdivision in the State of California, hereinafter "COUNTY" with its principal place of business at 1010 10<sup>th</sup> Street, Suite 6500, Modesto, CA 95354.

W I T N E S S E T H:

**WHEREAS**, FMC has created a discount prescription card program, to-wit: the **Coast2Coast Rx** Card, which provides discounts on prescription medications, and other ancillary discounts as outlined in paragraph #1 below, to individuals and families, and

**WHEREAS**, FMC can provide COUNTY the opportunity to offer its **Coast2Coast Rx** discount prescription card to its residents at no cost to COUNTY, and

**WHEREAS**, COUNTY is desirous of providing the **Coast2Coast Rx** discount prescription card to its residents at no cost to COUNTY:

**NOW, THEREFORE**, in consideration of the mutual terms, covenants and conditions herein contained, it is agreed as follows:

1. **Benefits.** FMC will provide its **Coast2Coast Rx** discount prescription card at no cost to COUNTY, its residents and their family members, and will pay COUNTY a Royalty for each prescription filled that results in a paid claim as listed on Schedule "A" hereof. In addition to the discounts on prescriptions, the card also offers discounts on dental, vision, hearing, diabetes supplies, lab and imaging tests, and veterinary services, along with other complimentary discounted services that may be added from time to time in the future.

2. **Term.** This Agreement will automatically renew every year for another one (1) year term unless COUNTY gives FMC thirty days (30) written notice to terminate, or unless earlier terminated by default. Royalty to COUNTY will continue to be paid as long as COUNTY's residents continue to fill prescriptions under this program, as long as FMC receives its compensation for those prescriptions, and as long as this Agreement is not terminated by COUNTY, or COUNTY endorses another discount Rx card. In the event COUNTY terminates this Agreement or endorses another discount Rx card, then Royalty will cease. In any event, COUNTY may cancel this Agreement with thirty days (30) written notice for any reason and the royalty will be paid until the end of the thirty day (30) period of time.

3. **FMC's Obligations.**

a. FMC will provide to COUNTY, its residents and their family members the **Coast2Coast Rx** discount prescription card at no cost to its residents or COUNTY, and will pay a Royalty to COUNTY based on the use thereof. The Royalty will be paid at the rate as listed on Schedule "A," so long as COUNTY does not terminate this agreement, and has not endorsed another discount prescription card after the execution of this Agreement. In the event COUNTY does execute an agreement with another discount prescription card after the execution of this Agreement, the Royalty will cease.

b. FMC will print, distribute and market the prescription cards for the COUNTY at FMC's cost. COUNTY will approve the card design prior to FMC's printing of the card.

c. FMC will handle all administration of the card including the providing of monthly usage and savings reports online to COUNTY. FMC will assign a unique Group Code to COUNTY, so that COUNTY's usage can be tracked when the card is used at participating pharmacies, whether in COUNTY's geographical area or anywhere in the United States, Guam or Puerto Rico.

d. FMC will distribute its **Coast2Coast Rx** cards to participating pharmacies in the COUNTY and to other such governmental offices (such as libraries, health departments, etc.) designated by the COUNTY.

e. FMC will include a link on its [www.coast2coastrx.com](http://www.coast2coastrx.com) website for the COUNTY to link to from its website that will describe the **Coast2Coast Rx** card program. Using the website, COUNTY residents will have the opportunity to print a card, search for participating pharmacies, search for the discounted price of their specific medication(s), and learn about all the other benefits offered by the **Coast2Coast Rx** program.

f. FMC, with COUNTY's approval, will promote the program in all appropriate media formats, including newspaper, radio, television and internet.

g. FMC and its Pharmacy Benefit Manager will not use any resident's information except as necessary to process prescriptions, and for no other purpose whatsoever. Neither FMC nor its Pharmacy Benefit Manager will contact, transfer, share or sell resident information to any third party. Both FMC and its Pharmacy Benefit Manager are HIPAA compliant. Neither FMC nor its Pharmacy Benefit Manager will solicit cardholders to use Pharmacy Benefit Manager's mail order unless directed to do so by COUNTY.

h. FMC's overall average discounts for its cardholder base in 2013 were over sixty-one percent (61%). Percentages of discounts range up to seventy-five percent (75%).

4. **Indemnification.** FMC shall indemnify COUNTY and hold the COUNTY harmless from any loss, claim, liability or expense resulting from FMC's negligence.

5. **COUNTY's Obligations:** COUNTY will provide the opportunity for its residents to receive FMC's **Coast2Coast Rx** discount prescription card and will host a press conference attended by one or more county officials and a representative from FMC/**Coast2Coast Rx** to announce the launch of the program. FMC will provide a speech template for the county officials that can be modified by the county officials and FMC's Director of Communications will assist in the media invites for the press conference.

6. **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of California and, venue for any proceedings shall be in Stanislaus County.

7. **Use of County Seal.** COUNTY grants to FMC, and FMC accepts, a nonexclusive, nontransferable, limited and revocable license to use the **County Seal** in connection with the **Coast2Coast Rx** discount card program as described in this agreement, and specifically, but not by way of limitation, that FMC has the right to use the **County Seal** on the discount card, on the website, and in FMC's letter provided to participating pharmacies that informs pharmacies about the program.

8. **Notice.** Any notice required by this Agreement shall be in writing, by certified mail, to the address of each party first set forth above, or at such other address as may hereafter be designated by either party in writing.

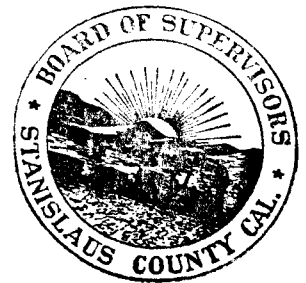
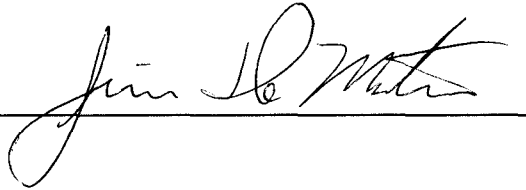
9. **Entire Agreement.** This Agreement contains all the rights, duties and obligations of each party, and this Agreement may not be modified or amended except in writing, signed by both parties.

**IN WITNESS WHEREOF** the parties have hereunto signed this Agreement on behalf of the corporate entity for which they have legal authority to enter into.

**STANISLAUS COUNTY, CALIFORNIA**

Date: 9-30-2014

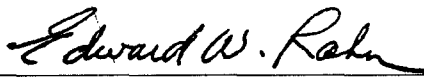
BY



**Financial Marketing Concepts, Inc., d/b/a the  
Coast2Coast Rx Discount Card Program**

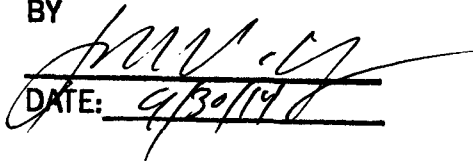
Date: 9-29-14

By:



Edward W. Rahn  
President

**APPROVED AS TO FORM:  
STANISLAUS COUNTY COUNSEL  
BY**



DATE: 9/30/14

# Schedule "A" FOR STANISLAUS COUNTY, CALIFORNIA

## **Coast2Coast Rx** Card Program Royalty Payments

FMC has offered the opportunity for STANISLAUS COUNTY, CALIFORNIA, to provide its residents, at no cost to COUNTY or its residents and their family members, the **Coast2Coast Rx** card program, and agrees to pay COUNTY a royalty as follows:

As long as this Agreement is in full force, then every time a resident or their family member purchases a prescription through a participating pharmacy using the COUNTY card, and FMC receives compensation for that prescription, FMC will pay COUNTY One Dollar and Twenty-five cents (\$1.25) per paid claim on a monthly basis.

Name & title of person(s) to receive reports and royalty check every month:

Checks made out to Stanislaus County

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Address: 1010 10th St, Suite 6800  
City: Modesto State: CA Zip: 95354  
Phone: \_\_\_\_\_ Email: \_\_\_\_\_

If County Contact for ongoing matters is different than above, please provide the contact's name:

Cindy Thomlison, Deputy Executive Officer  
Name & title of contact  
Address: 1010 10th St, Suite 6800  
City: Modesto State: CA Zip: 95354  
Phone: (209) 525-6333 Email: thomlisonc@stancounty.com

FMC Initials: EWR

County Initials JD



# Coast2Coast Rx Discount Card Program

September 30, 2014

# Pharmacy Discount Card Programs

- Pharmacy discount card programs
  - Offer cardholders savings on individual prescriptions
  - Are not medical insurance/do not replace insurance
  - Are designed to assist residents who are uninsured/underinsured and those whose prescriptions may not be covered under existing insurance policy
  - Can assist with high deductibles or Health Savings Accounts
  - Can be used to offset gap in initial coverage limit and catastrophic coverage threshold for Medicare Part D participants

# Pharmacy Discount Card Programs

- Two programs provide royalties to State and local government agencies that allow the use of their seal on the card:
  - Coast2Coast Rx Discount Card Program provided by Financial Marketing Concepts, Inc. in partnership with California State Association of Counties (CSAC)
  - CVS Caremark Prescription Discount Card Program in partnership with National Association of Counties (NACo)

# Pharmacy Discount Card Programs

## COMPARISON OF TWO PROGRAMS

- Both programs offer prescription discount cards free of charge to residents of participating counties
- Both programs provide royalty payments to participating counties
  - Coast2Coast: \$1.25 per prescription filled using discount card
  - CVS Caremark: \$1.00 per prescription filled using discount card

# Pharmacy Discount Card Programs

## COMPARISON OF TWO PROGRAMS

- Coast2Coast offers additional eligible services at *no cost* to residents: vision, dental, hearing, lab & imaging, diabetic supplies
- CVS Caremark offers additional eligible services at a cost of \$69-\$79 annually: vision, hearing, lab & imaging, diabetic supplies

# Pharmacy Discount Card Programs

## COMPARISON OF TWO PROGRAMS

- Average annual savings to residents using Coast2Coast: 55%
- Average annual savings to residents using CVS Caremark: 24%

# Coast2Coast Rx Discount Card

- The Coast2Coast Rx Discount Card is accepted at over 59,000 participating pharmacies nationwide
- Locally participating pharmacies include:

Costco

Raleys

Safeway

Target

Boies Medical Center

Quesenberry's

CVS

Rite Aid

Save Mart

Walgreens

Carranza Pharmacy

# Coast2Coast Rx Discount Card

- Coast2Coast will print and distribute discount cards at no cost to Stanislaus County
- Cards will be distributed through local pharmacies, County libraries and other locations as designated by the County
- Monthly usage reports will be provided to the County
- All cardholder information is held confidential and is not used for any other purpose



# Coast2Coast Rx Discount Card

## RECOMMENDATIONS

1. Approve the agreement with Financial Marketing Concepts, Inc. for participation in the Coast2Coast Rx Discount Card Program
2. Authorize the Chairman of the Board of Supervisors to sign the Coast2Coast Rx Card County Marketing Agreement with Financial Marketing Concepts, Inc.

# Coast2Coast Rx Discount Card Program

Questions?