



Legislation Text

File #: 2024-0410, **Version:** 1

To: Sonoma County Board of Supervisors

Department or Agency Name(s): Department of Health Services; Public Infrastructure Department

Staff Name and Phone Number: Tina Rivera 707-565-4774; Johannes Hoevertsz 707-565-3585

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

Genoa Healthcare, LLC Sublease and Pharmacy Services Agreement

Recommended Action:

- A) Authorize the Director of Sonoma County Public Infrastructure to execute a Sublease Agreement in a form approved by County Counsel, between the County of Sonoma, a political subdivision of the State of California, ("County") and Genoa Healthcare, LLC, a Pennsylvania limited liability company ("Genoa"), and a Consent to Sublease Agreement, between the County of Sonoma and SR Lakes Waterfall DE, LLC, a Delaware limited liability company and Redbird SR Lakes Waterfall DE, LLC, a Delaware limited liability company (collectively, "Landlord") for a sublease by the County to Genoa Healthcare for a term of three years for a 329 square foot section of County-leased office space located at 2235 Challenger Way, Suite 108, Santa Rosa, at a monthly rent payable to the County by Genoa of \$658.00 per month (\$2.00 psf/month) through June 30, 2027.
- B) Authorize the Director of Health Services, or designee, to execute a Pharmacy Services Agreement with Genoa Healthcare LLC to operate an on-site pharmacy at 2235 Challenger Way for a three-year term ending June 30, 2027.

Executive Summary:

The Sonoma County Public Infrastructure (SPI) Department, in consultation with the Sonoma County Department of Health Services (hereinafter, "DHS"), requests Board consideration of a proposed Sublease Agreement, a Consent to Sublease Agreement, and Pharmacy Services Agreement to enable the establishment and operation of an on-site pharmacy in a 329 square foot section of County-leased office space at 2235 Challenger Way, Suite 108, to be occupied and operated by Genoa Healthcare LLC, in support of DHS Behavioral Health Division and their clients.

Under the terms of the Sublease Agreement, Genoa may use the subleased premises only for the purpose of an on-site pharmacy and for providing pharmacy products and services as defined in the Pharmacy Services Agreement. Genoa will be solely responsible for the cost and management of converting the subleased premises into a pharmacy. The initial term of the Sublease Agreement is three years and will expire on the same date as the Pharmacy Services Agreement, with automatic one-year renewals under the same terms and conditions.

The Consent to Sublease Agreement is required by the Landlord to allow the County to enter into the Sublease Agreement with Genoa, and it sets certain conditions for the Sublease Agreement. The Landlord has waived its

right to require the County to restore the sublease premises back to its original office condition after termination of the Sublease Agreement.

Under the terms of the Pharmacy Services Agreement, Genoa will dispense prescribed medication to patients of the Behavioral Health (BH) Division of DHS and will work closely with nurses and psychiatrists to ensure dispensing efficacy. Genoa works specifically with community behavioral health settings providing very flexible pharmacy services that are attuned to the needs of individuals with serious mental health challenges.

Discussion:

DHS currently partners with Creekside Pharmacy to purchase medications which require psychiatric nurses and the licensed vocational nurse for Youth & Family Services to spend significant time in managing the medication room, medication inventory, and packaging of individual medication kits for clients. Genoa Pharmacy opening an outlet at The Lakes complex would alleviate staff of these administrative functions allowing them to focus on providing Medi-Cal claimable nursing services including medication education, managing groups, home visits, medical case management, and coordinating with both psychiatrists and physicians. By being on-site, the pharmacy would be easily available to clients attending appointments at The Lakes.

Genoa Pharmacy offers pharmacy services embedded in behavioral health campuses to provide medications in close coordination with DHS staff to increase flexibility with how medications are administered to BH patients. The arrangement will be at no cost to the County. Genoa Pharmacy will only serve DHS clients. Genoa offers services specifically for the unique needs of BH clients and have established services in several California counties including:

- Butte County (Chico, CA)
- Santa Barbara County (Santa Barbara, CA)
- San Luis Obispo County (SLO, CA)
- Kings County (Hanford, CA)
- Tri-City Mental Health (Pomona, CA)
- Tulare County (Visalia, CA)

Genoa customizes pharmacy services for each individual by:

- Providing pre-filled pill organizers to make it easier for consumers to take morning, afternoon, and evening medications
- Synchronizing prescription refills that align refill dates and simplifying refill pick-ups to coincide with clinic appointments
- Conducting proactive medication adherence outreach calls for prescription refills
- Offering free mail or delivery services
- Providing 24/7 on-call support at no charge
- Helping with insurance prior authorizations to avoid delays in care
- Administration of long acting injectables (LAIs) by a pharmacist
- Building and maintaining relationships with physicians, caregivers, and consumers
- Filling all medications, not just mental health, from any doctor.

The Sublease Agreement and Consent to Sublease Agreement set the conditions to allow Genoa to establish and operate on-site pharmacy at County leased office space at 2235 Challenger Way, and include the following

terms:

- Location: 2235 Challenger Way, Suite 108
- Area: 329 square foot section of County lease space at Suite 108, Room P
- Rent: \$658.00 per month (\$2.00 per square foot)
- Increases: Annual 3% adjustment for renewal terms, after initial 3-year term.
- Term: Three years, and conterminous with the Pharmacy Services Agreement
- Improvements: Demising and converting space the responsibility and cost of Genoa
- Use: On-site pharmacy and for providing pharmacy products and services as defined in the Pharmacy Services Agreement
- Termination: Either Party may terminate the sublease with 90 days prior written notice

This item also requests approval from the Board of Supervisors to enter into the agreement because Genoa is seeking indemnification from the County.

Strategic Plan:

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Healthy and Safe Communities

Goal: Goal 1: Expand integrated system of care to address gaps in services to the County's most vulnerable.

Objective: Objective 3: Increase investment in programs that treat underlying causes of homelessness, including substance abuse, mental illness, poverty, and lack of affordable housing.

Racial Equity:**Was this item identified as an opportunity to apply the Racial Equity Toolkit?**

No

Prior Board Actions:

December 5, 2017 - Execute lease 2235 Challenger Way.

November 7, 2017 - Notice of intent to lease 2235 Challenger Way and budget allocation to cover one-time relocation costs.

FISCAL SUMMARY

Expenditures	FY24-25 Adopted	FY25-26 Projected	FY26-27 Projected
Budgeted Expenses	\$7,896	\$7,896	\$7,896
Additional Appropriation Requested			
Total Expenditures	\$7,896	\$7,896	\$7,896
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other	\$7,896	\$7,896	\$7,896

Use of Fund Balance			
General Fund Contingencies			
Total Sources	\$7,896	\$7,896	\$7,896

Narrative Explanation of Fiscal Impacts:

The \$658 monthly rental payment for the sub-lease will cost \$7,896 per annum and be paid to DHS. DHS in turn will credit its own lease payment of \$23,243.23 per month. In short, DHS will be reimbursed **at cost** for the 329 square feet it will be sub-leasing to Genoa. DHS will neither make nor lose money from the sub-lease. Based on terms summarized above, this monthly rate will stay flat for the first three years and then increase by 3% annually thereafter.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

There are no changes to the work or number of allocated represented staff.

Attachments:

- Attachment 1 - Draft Sublease Agreement
- Attachment 2 - Draft Consent to Sublease Agreement
- Attachment 3 - Draft Agreement with Genoa Healthcare LLC

Related Items "On File" with the Clerk of the Board:

None