



**PHARMACY MANAGEMENT CONSULTING
SERVICES**

**Monthly Progress Report
To The
California Prison Health Care
Receivership Corporation**

April 2007

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PHARMACY MANAGEMENT CONSULTING SERVICES

Monthly Progress Report April 2007

Introduction

The California Prison Health Care Receivership Corporation (CPR) and Maxor National Pharmacy Services Corporation (Maxor) entered into an agreement to provide pharmacy management consulting services for achieving necessary improvements to the California Department of Corrections and Rehabilitation (CDCR). The required improvements are outlined in the *Road Map* adopted by the CPR and are organized into seven primary goals. Each goal is supported by specific objectives and timelines for accomplishing those objectives.

This document provides a status report of the progress made during the month towards achieving each goal, summarizes any changes to the projected timelines, identifies potential obstacles or issues that may delay or impact progress and provides an updated timeline and financial status for the project. In reviewing the progress made during the month of April, several key accomplishments are worth mentioning.

Exciting progress was made this month as connectivity was established at six facilities, allowing Maxor to move forward with the implementation of the interim pharmacy operating system (Guardian Rx). Initial implementation sites have been selected and include FOL, CSP SAC, SQ, CMF and MCSP. Folsom will be the first facility online, with deployment scheduled for May 8th, 2007. Full implementation of Guardian Rx will bring the CDCR project to a much higher level and will offer advanced operational support and reporting functions previously not in existence.

Maxor maintains its commitment to improving pharmacy operations, patient care and fiscal responsibility. Continued improvement in purchasing and work with the pharmacy wholesaler has resulted in over \$92,000 in saving for the month of April. Maxor hopes to provide even greater fiscal savings and improved continuity of care by assuming all management responsibility of the MHA GPO contract as appointed by the Receiver. As of April, Maxor will also assume immediate responsibility over the CDCR portions of the following: a) Prime vendor pharmaceutical contracts b) All existing manufacture pharmaceutical contracts c) Contract for reclamation and destruction for pharmaceuticals.

Further enthusiasm worth noting includes the addition of a Pharmacy Director, Yana Paulson, PharmD to the Maxor/CPR Team. Maxor is thrilled to finally have a Director on board and feels that Dr. Paulson will be an exceptional addition the team.

Summary of Key Points in this Report

The following summary listings highlight key accomplishments, delays experienced and obstacles or issues related to achieving the required goals and objectives noted in more detail within this month's Progress Report.

Objectives Completed

- Objective A.1. A central pharmacy services administration, budget and enforcement authority was established on January 23, 2007. Recruitment and selection efforts for key management positions continued in the month of April.
- Objective A.2. Direct lines of authority were established to all pharmacy services personnel and linkages to central medical staff were defined. Meetings were held with CPR legal and personnel representatives to further define direct line authority with regards to State personnel requirements.
- Objective B.2. A revised and reconstituted Pharmacy & Therapeutics Committee was established. Meetings are held the second Tuesday of each month. Current membership includes representation from central, regional and institutional level providers, as well as experts representing *Coleman* and *Perez* issues.

Objectives Delayed

- All objectives except for F.2 and C.5 are progressing according to schedule.

Obstacles or Issues for Success

Please refer to the specific goal for a complete discussion:

- Maxor's scope of work anticipated hiring at least 4 clinical specialists including one with specialty training in psychiatry during the first quarter; despite active recruiting efforts only one clinical pharmacist has been hired to date. (Goal A)
- Several P&T action items were not finalized in March or April as anticipated. (Goal A & B)
- No infrastructure currently exists for disciplines to disseminate and deploy P&T Committee initiatives and directives. (Goal B)
- The problems addressed in last month's progress report regarding 340B challenges due to confidentiality agreements and inconsistent and incorrect contract information are no longer seen to be an obstacle as Maxor has assumed all contract responsibilities for the CDCR. The Office of the Receiver has requested approval from the vendors with confidentiality agreements, and responses are pending. (Goal C)
- The issue regarding the lack of an effective reclamation and destruction contract will soon be resolved. Vendor selection has occurred, and final scope-of-work negotiations are underway. (Goal C)
- IT related challenges mentioned in previous monthly reports are being addressed by a joint CPR/Maxor IT working group. Connectivity issues are rapidly being resolved. (Goal F)

Progress Report by Goal

For each goal in the *Road Map*, a summary of actions taken and progress achieved during the last 30 days is listed, along with the identification of any obstacles or issues that may impede progress.

Goal A

Develop meaningful and effective centralized oversight, control and monitoring over the pharmacy services program.

Actions Taken

- Yana Paulson, PharmD, joined the Maxor/CPR team as Director of Pharmacy April 30, 2007. (Objective A1, see Attachment A)
- A Drop-In Team leader is in place and 2 pharmacy technicians started April 30, 2007. One additional technician will start the second week of May. Recruiting for the 4th technician position is underway. (Objective A1, E1)
- The organizational chart has been updated to include newly hired staff. (Objective A2; see Appendix B)
- Four revised or new policy and procedures were approved through P&T. Dissemination of the policies is awaiting guidance from the Chief Medical Officer, Office of the Receiver. The Policy & Procedure related to P&T Committee functions and membership was delayed by the committee due to poor attendance in April 2007. (Objective A3, B1)
- Maxor has been successful in retrieving PPTS data from every facility for 2006. (Objective A4)
- A strategic initiative tracking grid was created with proposed milestones and timelines. The draft grid has not yet been finalized for distribution. This new grid provides a higher level of detail and inter-timeline milestones and will accompany the Timeline Grid. (Objective A4, A5)
- The Maxor/CPR facility inspection team met to discuss baseline facility inspection results in an effort to populate a criteria-based grid used to compare and contrast facilities. The grid was used to evaluate operational readiness, workload and potential problems. The grid was also used to rank order the facilities for the implementation of the interim pharmacy operating system (Guardian), sites for Model Implementation and locations that need attention from the Drop-In pharmacy management team. (Objective A4, A5, B4)
- All facility baseline audits were completed in March 2007, and findings distributed to the facilities by the second week of April 2007. Each PIC was provided the inspection tools and instructed to complete monthly inspections and submit their reports by the end of the first week each month. Areas identified as problems or failures are to be addressed immediately at the facility level. The Director of Pharmacy and CDCR Pharmacy Service Manager will review the reports, assess the corrective actions and status and populate the stoplight grid for review by P&T. Clinical pharmacy specialists will participate in the process once hired. (Objective A5)

- Approval of asthma, hypertension and hyperlipidemia guidelines was delayed by P&T attendance April 2007. Discussion and approval were delayed until May 2007. (Objective A5)

Objectives Completed

- Objective A.1. A central pharmacy services administration, budget and enforcement authority was established on January 23, 2007. Recruitment and selection efforts for key positions continued in the month of April 2007.
- Objective A.2. Direct lines of authority to all pharmacy services personnel were established and linkages to central medical staff were defined. Meetings were held with CPR legal and personnel representatives to further define direct line authority with regards to State personnel requirements.

Issues or Obstacles to Success

- Maxor's scope of work anticipated hiring 4 clinical specialists including one with specialty training in psychiatry during the first quarter. Due to the national pharmacist shortages and timelines for graduates completing residency and fellowships, one clinical pharmacist has been hired to date. Maxor continues to aggressively recruit for these positions by engaging a professional recruiter (ProMed Search Firm, LLC) and coordinating efforts with CPR/CDCR human resources.
- Several important P&T initiatives were not addressed or approved during the April 2007 meeting due to poor attendance. A lack of movement on these issues has caused a significant delay in meeting key *Roadmap* objectives related to guideline development, formulary management, and policy and procedure revision and implementation.

Goal B

Implement and enforce clinical pharmacy management processes including formulary controls, Pharmacy and Therapeutics committee, disease management guidelines, and the establishment of a program of regular prison institution operational audits.

Actions Taken

- MC Strategies, the software educational and tracking tool for pharmacy employees, is active. Training programs and P&P revisions are currently being loaded into the software for immediate deployment. As disease management guidelines are approved by the P&T Committee, training modules will be added to the program. (Objective B1, B2, B3)
- The first pharmacy newsletter, *Pharmacy Horizons*, was published in April 2007. The newsletter provides timely updates to pharmacy and medical personnel about changes occurring in the pharmacy program, pharmacy policy and procedure updates and P&T initiatives and mandates. (Objective B1, B2, B3)
- As stated under Goal A, P&T approval of proposed disease management guidelines (asthma, hypertension and hyperlipidemia), the correctional formulary and policy revisions (Chapter 4 – Pharmacy P&T Committee) was delayed due to

attendance. Discussion and approval of the above stated items has been delayed until May 2007. (Objective B1, B2, B4, A3, A4, A5)

- Also as stated under Goal A, an institutional audit process has been established. The Maxor/CPR team has completed baseline inspections and pharmacists-in-charge will be responsible for submitting their first monthly inspection in May, 2007 (Objective B4, A4, A5)

Objectives Completed

- Objective B.2. A revised and reconstituted Pharmacy & Therapeutics Committee was established on February 13, 2007. Current membership includes representation from central, regional and institutional level providers and Court expert representatives from the *Coleman* and *Perez* cases.

Issues or Obstacles to Success

- No infrastructure currently exists for disciplines to disseminate and deploy P&T Committee initiatives and directives. P&T members have been tasked with the responsibility of developing an implementation plan for their respective disciplines.
- As stated under Goal A Obstacles, attendance at the April P&T Committee meeting has delayed movement on several key *Roadmap* objectives.

Goal C

Establish a comprehensive program to review, audit and monitor pharmaceutical contracting and procurement processes to ensure cost efficiency in pharmaceutical purchases.

Actions Taken

- Maxor will assume all management responsibilities of the MHA GPO contract, made effective by decisions of the Receiver in April 2007 with concurrence by DGS. In addition, Maxor will assume responsibility over the CDCR portions of the following existing DGS pharmaceutical contracts: a) Prime vendor pharmaceutical contracts, b) All existing manufacture pharmaceutical contracts, and, c) Contract for reclamation and destruction for pharmaceuticals. (Objective C3)
- Maxor team members have attended meetings with CPR staff, to include the Chief of Staff for the Receiver, to discuss the new contracting arrangements and transition plans. A meeting with DGS, Maxor and CPR staff has occurred to discuss a seamless transition and outstanding, unresolved contract amendments needing CDCR input (Objective C3)
- Maxor has worked with the CPR staff to solicit informal bids from vendors to address the absence of a complete and effective reclamation and destruction contract. Recommendations have been made to the Receiver's office after analyzing various Return Drug Vendor proposals. DGS has been informed to

- notify Amerisource Bergen, and remove the existent incomplete articles in the existent contract addressing reclamation of pharmaceuticals. (Objective C2)
- Upon receipt of the correct GPO contract pricing list (after operating under the incorrect assumptions provided by the DGS since January 2007), a more accurate email was sent to the PIC of each facility informing them of the contracted items that are immediately available to their pharmacy and demonstrating the savings they would have received in previous months had they been purchasing the most cost efficient contracted NDC product. (Objective C3)
 - As a result of efforts to communicate with the PICs to identify contracted items and improve purchasing, approximately \$35,364 was saved in April 2007. (Objective C3)
 - Maxor continues to work with the Wholesaler to meet CDCR's volume demands for stocking the appropriate contracted items in their regional distribution centers. Currently over the past month, as a result of our stock requests to Bergen, we have been able to capture approximately \$56,951 in savings. (Objective C4)

Objectives Completed

- All objectives are in progress.

Issues or Obstacles to Success

- The problems addressed in last month's progress report regarding 340B challenges due to confidentiality agreements and inconsistent and incorrect contract information are no longer seen to be obstacles.
- The lack of an effective reclamation and destruction contract is being resolved. A vendor contract will soon be completed.

Goal D

Develop a meaningful pharmacy human resource program that effectively manages staffing, compensation, job descriptions, competency, performance assessment, discipline, training, and use of the workforce including temporary employees and non-pharmacist staff.

Actions Taken

- The Maxor/CPR team has met to evaluate data from the employee tracking system and baseline facility inspections in order to create a pre-centralization staffing model. A formal recommendation to the CPR regarding interim staffing recommendations for locations with significant need is forthcoming. (Objective D1, D4)
- Maxor has been working with the assigned CPR human resources representative with focus on replacing registry PICs with State PICs. A registry PIC was placed at Calipatria to resolve the absence of a PIC and ensure compliance with state laws. A state PIC has been hired at Centinela. The certified lists are being evaluated by Maxor, and candidates are contacted to move quickly on interviews

- at any site with a registry PIC. Recruiting strategies are underway to identify more potential candidates. (Objective D1)
- A partial audit of the pharmacy Registry contracts was completed and findings along with recommendations were forwarded to the Receiver's office for review. After review by CDCR contracting, a final recommendation for continued auditing will be made (Objective D 1)
 - Data from the skills survey sent out in February was analyzed and a summary report was generated. Technical, clinical, and operational skill needs were identified for all staff. Training modules will be developed in MC Strategy to address the needs. (Objective D2)
 - A Guardian training team has been chosen and includes the Drop-In Team technologists and two CDCR technicians. More trainers will be identified as Guardian is implemented at each new facility. A Guardian pre-training model has been prepared and will be loaded into MC Strategies as a pre-training tool prior to on-site installation and implementation of the pharmacy operating software. (Objective D2)

Objectives Completed

- All objectives are in progress.

Issues or Obstacles to Success

- No previously unidentified or significant issues or obstacles have been encountered in this reporting period.

Goal E

Redesign and standardize overall institution level pharmacy drug distribution operations for inpatient and outpatient needs. Design, construct and operate a centralized pharmacy facility.

Actions Taken

- Availability and costs of prepackaged blister card product continues to be evaluated to determine if it is possible and affordable to obtain prepacked product for use in the facilities for inmate self administered medication. This would improve product quality control and improve work flow speed for the pharmacies. This would also move the facilities toward the packaging concept that will be used in centralization. (Objective E1)
- The facility pharmacy and central pharmacy concept models were distributed to pharmacists-in-charge and the regional physicians, nurses and P&T members. (Objective E1, see Attachment D)
- Maxor staff met with automation vendors to assess equipment and operational models and opportunities to assess any potential new systems in the industry. Follow up meetings are scheduled for May 2007. (Objective E2)
- Two pharmacy technicians officially joined the pharmacy Drop-In Team in April 2007. One additional technician will start the second week of May 2007. Recruiting for the remaining technician member continues. (Objective E1)

- Weekly San Quentin Quality Improvement Team (SQ-QIT) meetings were established on 4/5/2007. A number of improvement items were discussed and work has begun in the following areas: pill line expansion, delivery of orders to the pharmacy, evaluation of night lockers (Documed), pharmacist intervention and order clarification, nursing reconciliation of medication administration records and medication order renewals. (Objective E1)
- A meeting was held between the SQ QIT and custody staff at SQ regarding pill line expansion. This initial meeting lead to the development of an inmate movement grid. The idea is to overlay medication pill line times over the custody grid with consideration of dosing interval, insulin needs and bedtime medication timing. (Objective E1)
- Discussions regarding controlled substance practices at Folsom State Prison have begun between the Drop-In Team and the facilities pharmacy staff and chief medical officer. The Folsom PIC will coordinate the development of procedures with nursing staff. Emphasis will be placed on accountability to include nursing shift reconciliation and discrepancy reporting. Implementation of proposed changes will begin May 4, 2007. (Objective E1)
- The controlled substance policy and procedure (Ch. 18) outlining the ordering, securing and disposal of controlled substances was rewritten in a attempt to standardize the handling of controlled substances across all facilities. It will be presented to P&T in May 2007 and implementation will begin May 11, 2007 at Calipatria, Valley State Prison for Women, Folsom and High Desert. (Objective E1)
- Further activity is underway in assessing potential lease properties for the Central Fill Facility. Requirements are being gathered and lease options are being discussed in attempts to determine the best operationally efficient and cost effective strategic option for implementation. (Objective E2)

Objectives Completed

- All objectives are in progress.

Issues or Obstacles to Success

- No previously unidentified or significant issues or obstacles have been encountered in this reporting period.

Goal F

Based on a thorough understanding of redesigned work processes, design and implement a uniform pharmacy information management system needed to successfully operate and maintain the CDCR pharmacy operation in a safe, effective and cost efficient way.

Actions Taken

- Connectivity has been established at FOL, CSP SAC, SQ, CMF and MCSP. (Objective F2)

- Initial test sites for the implementation of the interim pharmacy operating system, (Guardian Rx), chosen in the order of connectivity coordinated by the CPR include Folsom, CSP SAC, CMF (2 pharmacies), SQ, and Mule Creek. (Objective F2, F4)
- Deployment of Guardian Rx at Folsom has been scheduled for May 8, 2007. Folsom prescription data, including patient names, medications, instructions, doctors, and pharmacy inventory have been converted/formatted for Guardian Rx and made available for review and testing. (Objective F4)
- A full demonstration of Guardian Rx was presented to Maxor Corrections staff and to Rionna Jones (SEIU Local Union 1000, District Bargaining Unit 20 Representative, a union representative for pharmacy technicians). (Objective F4)
- CDCR prescription labels for Guardian Rx have been ordered. (Objective F3)
- MaxSource reporting options are being customized and built for the specific needs of CDCR such as prescription renewal reports and Medication Administration Records. (Objective F5)
- The Maxor/CPR facility inspection team met with additional Maxor leadership to discuss the audit findings and to identify facilities requiring immediate attention and prioritize the implementation of Guardian Rx. (Objective F3)
- Evaluation of the VistA program was stopped as this goal is no longer viable. (Objective F3)

Objectives Completed

- All objectives are in progress.

Issues or Obstacles to Success

- IT related challenges mentioned in previous monthly reports are being addressed by a joint CPR/Maxor IT working group. Connectivity issues are rapidly being resolved.

Goal G

Develop a process to assure CDCR pharmacy meets accreditation standards of the designated health care review body (NCCHC or ACA) and assist in obtaining accredited status.

Actions Taken

- No action taken in the first 90-days, pending completion of related objectives.

Objectives Completed

- All objectives are in progress.

Issues or Obstacles to Success

- No previously unidentified or significant issues or obstacles have been encountered in this reporting period.

Summary of Changes to Timeline

In the sections below, a listing of completed objectives, objective timelines proposed for change (subject to review and approval of CPR) and a listing of timeline changes that have been approved by the CPR are provided.

Objectives Completed

- Objective A.1. A central pharmacy services administration, budget and enforcement authority was established on January 23, 2007. Recruitment and selection efforts for key management positions continued in April 2007.
- Objective A.2. Direct lines of authority were established to all pharmacy services personnel and linkages to central medical staff were defined. Meetings were held with CPR legal and personnel representatives to further define direct line authority with regards to State personnel requirements.
- Objective B.2. A revised and reconstituted Pharmacy & Therapeutics Committee was established. Meetings are held the second Tuesday of each month. Current membership includes representation from central, regional and institutional level providers, as well as experts representing *Coleman* and *Perez* cases.

Objectives Delayed

- DGS confidentiality agreements with specific vendors (Roche, Astra Zeneca and Lilly) in earlier preferential pricing contracts have presented a challenge in providing aggregate data to the Heinz Family Philanthropy for analysis of 340B pricing. The delay is expected to be resolved as Maxor and the Receiver have assumed all contracting responsibility for the CDCR. (Objective C5)

Objective Timelines Proposed for Change

- No timeline extension requests are proposed this reporting period.

Objective Timelines Change Approvals

- Objective C.2.1 – Completion of a system-wide baseline inventory in the first quarter. The baseline inventory included only controlled substances. A full inventory will be conducted once the pharmacy operating system (Guardian RX) is fully implemented.
- Objective F.2 – Establish basic connectivity in all pharmacies in the first quarter. A timeline extension of an additional 90 days has been approved.

Conclusion

Maxor remains committed to the accomplishment of the *Road Map* goals and objectives and has prepared this Progress Report as part of its ongoing initiative to maintain direct, open and constant communication with CPR throughout the pharmacy improvement project.

Maxor would like to thank the Receiver, his staff, and CDCR for their cooperation and support.

Appendix A—Curriculum Vitae, Yana Paulson, PharmD

Appendix B—Updated Organizational Chart

Appendix C—Dashboard

Appendix D—Pharmacy Concept Model