



**PHARMACY MANAGEMENT CONSULTING
SERVICES**

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

November 2007

PHARMACY MANAGEMENT CONSULTING SERVICES

Monthly Summary Report November 2007

Summary of Activities for November

Provided below is a summary of key activities for the month of November, 2007.

A second Pharmacy Operations/Guardian Implementation Manager has been hired and will officially join the Maxor team in December, 2007. Contact was initiated with seventeen potential candidates for the Clinical Pharmacy Specialists positions including three phone interviews. A professional management recruiting service has been retained to help assist in filling the vacant Director of Pharmacy position as well as a third Operations Manager/Guardian Implementation position. A quarterly staffing model assessment was completed and Maxor is working with CPR/CDCR human resources to identify open positions and readdress processes for filling vacancies. California Correctional Institute (CCI) has hired a state pharmacist-in-charge (PIC) and efforts are underway to fill the San Quentin position.

Guardian has been successfully implemented at CMC as of November 13, 2007. Phase I is complete; however, Maxor continues to provide on-site support throughout the transition period to further refine processes and workflow. Group Guardian training sessions were held the week of November 26, 2007 and included pharmacists-in-charge from six facilities that will be the next Guardian sites. The initial 2 day training session focused on the processes used at FOL, MCSP and CMC--such as medication management assessment, missing medication and service level measurement and pharmacy layout/process flow. The second day of training included a site visit to existing Guardian facilities to gain first hand experience. The process was designed to develop buy-in, improve PIC management skills and provide a better understanding of the entire processes at their facility. In addition to Guardian training, the fourth quarterly, state-wide PIC meeting was held on November 14, 2007. Training focused on QI and service measures, the Pharmacy Dashboard, Guardian implementation, formulary implementation, and an overview of correctional healthcare and the California Prison Receivership.

Clinical Pharmacy Specialists (CPS) are actively engaging in formulary implementation at their assigned facilities. They are now providing reports on nonformulary expenditures and working with the Chief Medical Officer, Health Care Manager, and Pharmacist-in-Charge to develop methods to reduce both high volume and high cost nonformulary usage for items where a formulary equivalent is available. They are also assisting facilities in implementing the therapeutic interchange programs. In addition, CPS are beginning to complete facility inspections to confirm implementation of approved policy and procedures and to ensure the inspection process is accurate.

On the clinical front, two additional therapeutic interchange programs have been approved. A disease medication management guideline (DMMG) for acute and chronic seizure was approved. A schizophrenia DMMG was provided to the P&T Committee in November 2007. Discussions were postponed until February 2008 per special request of the Coleman Court Expert and the CDCR Chief Psychiatrist. A protocol and data collection tool for evaluating the implementation of the Asthma Medication Management Guidelines has been developed. The data collection form is currently being pilot tested by CPS in selected facilities.

For the month of November 2007, Maxor was able to provide \$160,648 in cost avoidance by directly working with the facilities to ensure the correct contracted items were purchased and an additional \$150,546 by working with the wholesaler to ensure the best price contracted items were sufficiently stocked at the regional distribution centers. P&T therapeutic category initiatives provided an additional cost avoidance of \$600,830 for the month of November.

Also during November, a Maxor senior leadership team visited San Quentin at the request of the Receiver's Office to review certain medication management issues. The Maxor team met with CPR and CDCR pharmacy and nursing staff assigned to the facility; observed the medication management process including both cellside and pill line distribution processes; examined issues relating to reception center processing; and discussed a number of concerns related to the overall medication management processes. A summary of the observations and concerns was prepared along with a plan of action and forwarded to the Receiver's Chief of Staff for consideration.

It has been determined that the proposed centralized pharmacy facility to serve the California Department of Corrections and Rehabilitation will be leased by the state of California. The Department of General Services (DGS) will therefore assist in identifying potential locations for the centralized pharmacy facility. Additionally DGS will also assist in the negotiation, lease and build-out of the property once the site is selected. The DGS broker will assist in negotiating competitive lease terms with potential property owners. DGS will take the minimum specifications that have been identified and through the services of the DGS space planning and design teams, work with the property owners to develop a build-out plan that will meet both the needs of CDCR and ensure that applicable local and state codes, state standards and other requirements are met. Once build-out costs for each potential site have been compared, a recommendation will be made to the Receiver regarding the selected site.

Earlier this year, Maxor was asked to assist the Receiver's Office with requesting proposals for pharmaceutical wholesaler services. The selected vendor will be engaged by CPR to provide pharmaceutical products to all CDCR facilities. Toward that end, a comprehensive Request for Proposals was prepared and issued on September 24, 2007. Submissions were due on the first day of November. The RFP required detailed information from each proposing entity, outlined the specifics upon which the proposals were to be evaluated and provided each proposing party with CDCR pharmaceutical utilization data upon which the proposals were to be based.

In response to the RFP, three proposals were received and each of the proposing companies was interviewed by an evaluation team on November 15th. The evaluation team consisted of Maxor, CPR and CDCR representatives. Each proposal was independently reviewed to examine its responsiveness to the RFP and to assess the company's proven experience, capabilities and resources, at both the corporate and individual levels, in providing Pharmaceutical Wholesale services.

The offers outlined in the proposals reflect both the exceptional buying power of CDCR as well as the benefits of the utilization controls and contracting improvements being implemented under the Receiver's direction. The evaluation committee focused its review in three broad areas: service levels, value added capabilities and financial terms. Each company was also afforded the opportunity to clarify their proposals, and each availed themselves of that opportunity. A final recommendation to the Receiver is to be provided in early December 2007 for consideration.

Summary of Changes to Timeline

In the sections below, a listing of objectives completed, objectives delayed, 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.
- Objective A.2. Direct lines of authority were established to all pharmacy services personnel and linkages to central medical staff were defined.
- Objective B.1. 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.
- Objective B.4: Develop and implement an effective and enforceable institution audit process.
- Objective C.1: Monitor wholesaler (vendor) to ensure contract compliance.
- Objective D.3: Develop an effective means of documenting and tracking employee training, education, performance, and disciplinary action.
- Objective F1: Develop and implement improved reporting and monitoring capabilities with existing pharmacy system.

Objectives Delayed

- All objectives except for F.2 (connectivity), C.5 (340B pricing) and A1.1 (hiring clinical specialists) are progressing according to schedule. Guardian implementation will be delayed in the Initiative tracking grid.
- Objective B.3: Develop and implement effective and enforceable Disease Medication Management Guidelines (DMMG). All contractual medication

guidelines have been submitted and approved with the exception of mental health (schizophrenia, bipolar disorder, depression). It was requested by the Coleman mental health court expert that Maxor coordinate efforts with CDCR psychiatry leadership who are currently working on complete clinical management programs for the psychiatric disease states. The first of which (schizophrenia) will not be complete until February 2008. The timeline for completion of the remaining three DMMGs will be dependent upon CDCR psychiatry and the Coleman coordination team.

Objective Timelines Proposed for Change

Refer to the Proposed Roadmap Objective Changes submitted October 2007 with revised Maxor Timeline and Tracking Grid.

Objective Timeline 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 at each facility as the pharmacy operating system (Guardian RX) is implemented. Each facility pharmacy will also be inventoried by the wholesaler as part of the wholesaler contract requirement. Maxor completed a full inventory of narcotics as part of the baseline surveys.
- Objective F.2 – Establish basic connectivity in all pharmacies in the first quarter. An initial timeline extension of 90 days was granted. Facility level deficits and the need for process standardization concurrent with implementation have resulted in delays to objective completion. Currently, this is being accomplished by a joint CPR-Maxor IT Network through Guardian installation and is expected to be completed by the end of 2008.

Issues or Obstacles to Success

- **GuardianRx[®] Implementation.** A modified implementation plan has been approved by the Office of the Receiver to allow for the rapid deployment of Guardian to CDCR facilities. This rapid deployment plan will allow for the timely provision of much needed data for reporting and monitoring purposes. A modified staffing model to accommodate more Guardian teams and drop-in support was approved to help expedite Guardian implementation and support immediate and critical operational support needs as identified in the CDCR pharmacies. Maxor is actively recruiting to fill the newly approved Drop-In Team positions.
- **Contracting.** Efforts to assist the CDCR in obtaining direct contracts with P&T approved drug manufacturers has been challenging. Additional state mandated requirements has complicated and delayed the process. Maxor remains committed to helping the CDCR achieve the best available purchasing options by continually engaging CDCR contracting regarding identified obstacles to progress.

- **State-wide Implementation of Initiatives.** Ongoing implementation of new procedures, operational changes and quality improvement activities has been slower than anticipated due to deficits in facility level management experience/skill and infrastructure problems greater than originally identified. The result is that more direct, hands-on support is required by Maxor staff to support and facilitate process change and mentor staff.

Monthly Attachments

The section below contains links to the Pharmacy Dashboard, Pharmacy Inspection Grid, and other important tracking grids and attachments provided for review.

Appendix A - Pharmacy Dashboard



Pharmacy Dashboard
12.11.07.xls

Appendix B - Pharmacy Inspection Grid



Pharmacy Inspection
Grid 12.11.07.xls

Appendix C – Maxor Timeline and Tracking Grid



Appendix C Revision
10.3.07 draft