



**PHARMACY MANAGEMENT CONSULTING  
SERVICES**

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

**October 2008**

# PHARMACY MANAGEMENT CONSULTING SERVICES

## Monthly Summary Report October 2008

### Summary of Activities

Implementation of the goals and objectives of the Road Map for improvements to the CDCR pharmacy program continued to make progress during this reporting period. This report updates activities during the month of October 2008.

Key activity during this reporting period focused on:

- activities related to building and equipping a central fill pharmacy;
- actively working with the ongoing CDCR Pharmacy & Therapeutics Committee to continue to foster improvement;
- maintaining an active and aggressive purchasing and contracting program; and
- continuing to extend the GuardianRx® pharmacy operating system to additional facilities.

#### Central Fill Pharmacy Facility

During the month of October, work continued on the development of the Central Fill Pharmacy Facility. DGS, CDCR and Maxor are working cooperatively to negotiate final lease and/or purchase terms with the property owner. Additionally, preliminary work continued on block diagram floor plans for the new pharmacy facility and development of build-out specifications.

Concurrently, a contract for automation equipment and services for the Central Fill Pharmacy facility was finalized. A draft contract document detailing the specifications and requirements was prepared in conjunction with attorneys representing the CPHCS and with contracting specialists at CDCR. Final review and approval is anticipated in November with a proposed start date of November 20, 2008.

A follow up meeting was also held with the California State Board of Pharmacy to examine the applicable Board rules and to address in advance any potential licensing issues. A plan was presented to present an orientation to the centralization concept model to the Licensing Board Subcommittee in December and to the Board at large in January.

### Pharmacy Staffing and Training Activities

During October, the statewide centralized hiring efforts for Pharmacist I and Pharmacist II positions continued. Pharmacist positions continue to be difficult to recruit. During the month, three additional interviews were held for Pharmacist-In-Charge positions. Maxor pharmacy leadership met with Plata Human Resources staff to discuss a variety of recruitment options, including consideration of additional part-time pharmacist positions and to explore the possibilities related to foreign recruiting. Additionally, a recruiting event was held at the California Society of Health-System Pharmacists meeting.

Also in October, the quarterly staffing assessment was completed. A request was forwarded to Finance to move the remaining unassigned positions into place to address increased workloads at CAL, LAC, SCC, SQ and SVSP.

During October, the Quarterly PIC meeting was held and was well attended. Topics and presentations covered during the meeting included a focus on leadership, review of the centralized hiring process, staff scheduling, purchasing v. dispenses reports, an update on the GuardianRx implementation process, review of the influenza vaccination program and a discussion on procurement of specialty pharmaceuticals.

Additionally, training and review was provided to orient the PICs to the new clinical and managed care reports that will be routinely produced beginning in November. Monthly report sets will be auto-emailed to PICs starting the first week of November for the October reporting period. The expectation is for the PIC to distribute and review the reports with CMO/HCM and clinical staff. These reports include system-wide, facility level and provider level report cards.

Clinical Pharmacy Specialists (CPS) continued their active support of pharmacy initiatives by providing in-service training to providers, pharmacy and nursing staff on the Hyperlipidemia and Diabetes Disease Medication Management Guidelines. Additionally, the CPS team conducted multiple in-services to health care staff on pharmacy policies and procedures, formulary changes, the non-formulary process and other topics as requested. Policies covered by CPS staff included: Chapter 8 – CDCR Drug Formulary; Chapter 9 – Prescription Requirements; Chapter 26 – Investigational Medications; Chapter 27 – Reporting medication Errors and Adverse Drug Reactions; Chapter 30 – Pharmacy Technicians and Ancillary Staff; Chapter 31 – Use of Tricyclic Antidepressants; and Chapter 39 – Transfer Medications. The CPS staff also began targeted interventions for non-formulary medication use utilizing available purchasing data.

The use of the *MC Strategies* online training and assessment tool to provide in-service training has continued, with new modules added on pharmacy policies and procedures including Chapters 23, Repackaging and Compounding of Non-sterile Medications and 29, Impaired Pharmacy Personnel.

### Pharmacy and Therapeutics Committee Activities

The Pharmacy and Therapeutics (P&T) Committee has continued its monthly meetings to address formulary issues, discuss and approve Disease Medication Management Guidelines (DMMG); review and approve pharmacy policies and procedures.

The P&T Committee approved revisions to Chapter 15-Confiscated Medications and approved DMMGs for Bipolar Disorder and Hepatitis C. Formulary changes were reviewed and several additions approved. Additions to the formulary in October included phytonadione (Vitamin K) (tablets and injectable), two oral contraceptives Lo/Ovral (norgestrel/ethinyl estradiol) and Loestrin 1/20 (norethindrone/ethinyl estradiol). In addition, the formulary antihistamine/decongestant product was changed to a pseudoephedrine free formulation. The P&T Committee also approved two therapeutic interchanges for Alphagan P (brimonidine) and Cosopt (dorzolamide/timolol).

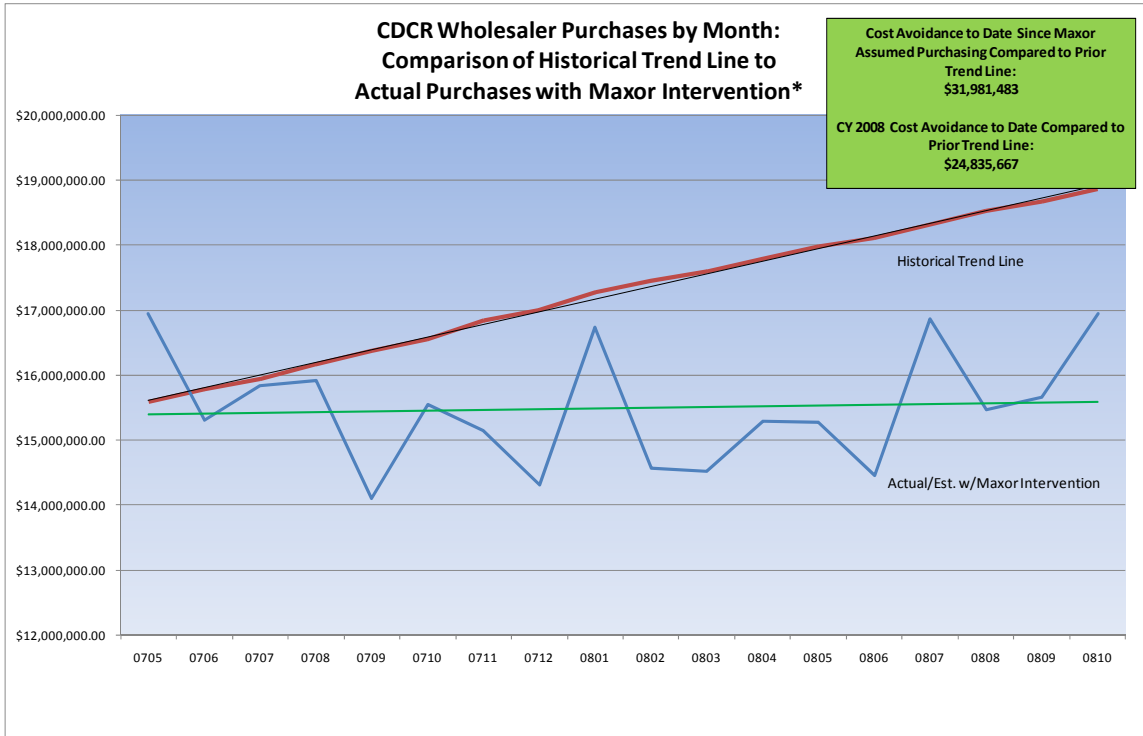
Efforts continued related to provider education in formulary processes and medication utilization management. The Maxor Medical Director has continued to participate in both medical and mental health clinical leadership meetings. During these meetings, information on the formulary and non-formulary processes is shared and data showing utilization trends and costs has been provided. Maxor's Medical Director also actively participated in the Clinical Leaders Strategic Retreat held in October.

In addition to sharing this type of data directly with the provider leadership groups, a series of informational columns are being produced for general readership via the pharmacy newsletter. The second installment in this series was published in the October *Pharmacy Horizons* newsletter.

### Purchasing and Contracting Activities

The cost avoidance resulting from improved management oversight and direction of purchasing and contract activities continues to yield positive results. Total net savings since Maxor was asked to assume responsibility for purchasing and contracting in April of 2007 now totals about \$31.98M (see Figure 1 below). In 2008 alone, year-to-date cost avoidance is approximately \$24.84M.

**Figure 1.**



Contract, purchase and inventory monitoring efforts continue to yield results by avoiding unnecessary costs due to out-of-stock orders and ensuring that the correct contracted items are purchased. This month, \$179,023 in cost avoidance was realized by working with the wholesaler to ensure the best priced items were sufficiently stocked at the regional distribution centers and another \$194,153 in cost avoidance by directly working with the facilities to ensure the correct contracted items were purchased. Cost avoidance savings for this month attributed to various targeted contract initiatives totaled more than \$1.6M:

Targeted Contract Item	Cost Avoidance this Month
Statins	\$643,565
Pegasys	501,232
Proton Pump Inhibitors	178,341
Asmanex	119,973
Nasal Steroids	78,974
Insulin	52,094
Proventil HFA	38,432
<b>Total</b>	<b>\$1,612,611</b>

The Maxor team is also continuing its efforts to objectively validate the improvements for any facility moving from non-passing to passing status in their monthly inspection

reports. An analysis of the inspection process including a detailed review of facility level progress was conducted and presented to the P&T Committee in October 2008.

An operational process review by Maxor pharmacy specialists of inventory and purchasing controls was conducted at CMC during September to assess compliance with operational policy and procedures and to identify opportunities for improved inventory control and accountability. A report detailing findings of the review was provided to both the facility and CPHCS leadership in October. In addition, the Maxor executive team participated in an in-depth review, as requested by the Office of the Receiver, of medication administration practices and post-Guardian implementation status at CMC—a report was prepared and utilized by the principle CPHCS investigator for a coordinated report presented to the Receiver.

### Guardian Implementation

GuardianRx® has been successfully implemented now in seventeen sites (CCC, HDSP, FOL, MCSP, SQ, SAC, CMC, CVSP, ISP, COR, SATF, CIW, CCWF, VSPW, DVI, NKSP and KVSP).

Based on an earlier determination, a review of the GuardianRx® implementation schedule was conducted by the GuardianRx Steering Committee to assess progress following conversion of the first third of the state's facilities. A decision was jointly reached and approved by members of the steering committee to revise the GuardianRx® rollout schedule in order to allow time for more training, to allow a reasonable period of time to orient newly recruited nursing implementation leadership staff, to improve efficient use of limited rollout team resources and to allow facilities with significant infrastructure issues additional time to address those challenges. A revised schedule for the next six conversion sites has been approved, detailing conversion activities through March of 2009. A schedule for the remaining facilities is still under discussion and development by the steering committee. Additionally, a schedule has been developed to return to facilities that have already implemented GuardianRx in order to assess their status, provide supplemental operational oversight and training and to upgrade the facilities with new system functionality. This effort is viewed as an essential component of monitoring and sustainability efforts. CCC, HDSP, FOL, MCSP, SAC, SQ, CMC, CCWF, VSPW, CIW, COR, SATF, CVSP and ISP are scheduled for Go-back training and assessments between November 2008 and April 2009.

In a related activity, Maxor continued to work with the CPHCS Project team to explore the feasibility of replacing Pelican Bay's Drug Therapy Management System (WORx) with the GuardianRx system, due to the pending expiration of support for the WORx system. Weekly conversion meetings for the PBSP effort have begun.

Operational drop-in team support was provided at both CAL and CEN in October. Assessments were completed at the DMH pharmacy in CMF as a part of the operational transition of that pharmacy to CDCR.

## 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 CPHCS) and a listing of timeline changes that have been approved by the CPHCS 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 A3: A complete update of system-wide pharmacy policies and procedures has been completed. Ongoing maintenance and regularly scheduled policy reviews are now underway.
- 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 and the Department of Mental Health.
- Objective B3: Develop and implement effective and enforceable Disease Medication Management Guidelines.
- Objective B.4: Develop and implement an effective and enforceable institution audit process.
- Objective C.1: Monitor wholesaler (vendor) to ensure contract compliance.
- Objective D2: Complete skill set inventory of state and registry employees and provide required training, performance measures, and disciplinary measures as needed for existing employees.
- 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 A1.1 (hiring clinical specialists) are progressing according to the revised schedule adopted earlier this year as a part of the Receiver's overall Plan of Action. Hiring qualified clinical pharmacists has been difficult. Active recruitment efforts for hiring of clinical pharmacists continue and a new approach encouraging the development of entry-level positions to the required competency level was approved.

Objective E.2, relating to the development of the Central Fill Pharmacy Facility is progressing, but due to delays in selecting the site location and contracting for the

automation services, completion of this objective will likely be delayed until the third quarter 2009. Continued evaluation of the progress will be made and a request for timeline change will be submitted once final contracts are in place for the facility build-out and equipment installations.

## **Objective Timelines Proposed for Change**

No additional changes to objective timelines are proposed at this time.

## **Objective Timeline Change Approvals**

**Objective F.4 GuardianRx® Implementation.** Approval was previously requested to change the current timeline calling for completion of the GuardianRx® implementation by the end of December 2008 to May of 2009. This change is consistent with the jointly developed implementation schedule agreed to by the Maxor/CPHCS GuardianRx® teams. Due to further changes in the implementation schedule approved by the steering committee, it is anticipated that completion of this objective will be delayed until the end of 2009. A formal revision to the GuardianRx® schedule is forthcoming.

## **Issues or Obstacles to Success**

As noted in previous reports, the amendment of policies and procedures to improve processes, enhance quality of services and increase accountability creates workforce management and labor relations challenges. Maxor leadership, in conjunction with CPHCS and CDCR staff are working through these challenges as they arise, however, the coordination and implementation activities and resources required to address these challenges are significant and have resulted in some delays in implementation of amended policies. As the improvement process proceeds, managing this aspect of the change process will continue to present challenges requiring significant attention and resources.

## Monthly Attachments

The section below contains links to the Pharmacy Dashboard, Pharmacy Inspection Grid, and the Timeline Tracking Grid attachments provided for review.

### Appendix A - Pharmacy Dashboard



2008 Pharmacy  
Dashboard 11.6.08.x

### Appendix B - Pharmacy Inspection Grid



Inspection Report  
Summary 11.05.08.xl

### Appendix C – Maxor Timeline and Tracking Grid



Maxor timeline.xls