



**PHARMACY MANAGEMENT CONSULTING
SERVICES**

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

November 2008

PHARMACY MANAGEMENT CONSULTING SERVICES

Monthly Summary Report November 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 November 2008.

Key activity during this reporting period focused on:

- actively working with the ongoing CDCR Pharmacy & Therapeutics Committee to continue to foster improvement;
- maintaining an active and aggressive purchasing and contracting program;
- extending the GuardianRx® pharmacy operating system to additional facilities and initiating a follow-up process; and,
- continuing pharmacy services support and participation in a variety of CPHCS quality and process improvement initiatives.

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 34-Heat Risk Medications and Chapter 8-CDCR Drug Formulary. Three requests for Formulary change requests were reviewed by the Committee; however no changes were made in the Formulary in November. It was noted that the therapeutic interchange program now includes 19 drug classes and that all major therapeutic drug classes have been reviewed. A cycle of ongoing therapeutic class review will continue to ensure a regular review of all drug classes. The P&T Committee will continue to review Formulary related requests at each of its meetings.

Efforts related to provider education in formulary processes and medication utilization management have continued, including participation in medical and mental health clinical leadership meetings to share information on the formulary and non-formulary processes. Monthly metrics data showing utilization trends and costs are provided to the P& T Committee and are being shared for general consumption via the pharmacy newsletter (*Pharmacy Horizons*) which is sent to a wide audience of CDCR providers and pharmacists, as well as published on the CPHCS website.

Clinical Pharmacy Specialists (CPS) continued their active support of pharmacy initiatives by providing in-service training to providers, pharmacy and nursing staff on the Hepatitis, Bipolar Disorder, Hyperlipidemia and Asthma Disease Medication Management Guidelines. The CPS staff also conducted in-service to facility staff on pharmacy policy and procedures, including Chapter 8-CDCR Drug Formulary, Chapter 9-Prescription Requirements, Chapter 15-Confiscated Medications, and Chapter 27-Reporting of Medication Errors and ADRs. Additionally, the CPS team discussed targeted non-formulary purchases with facility leadership.

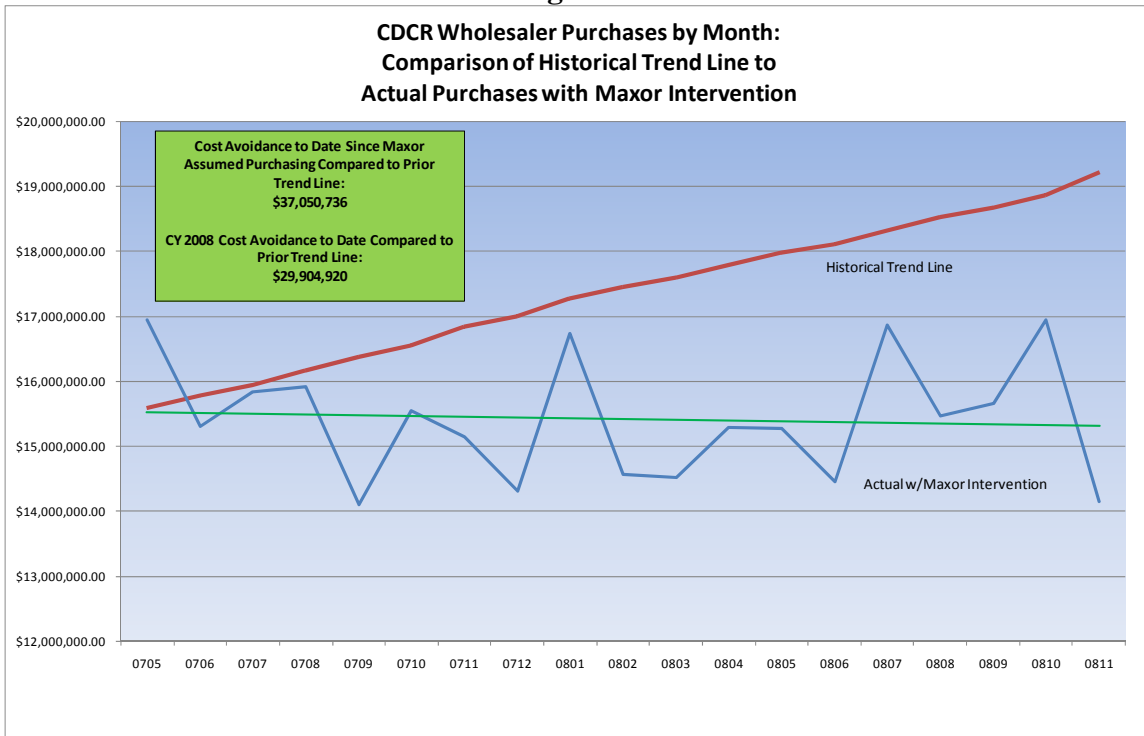
The use of the *MC Strategies* online training and assessment tool to provide in-service training has continued, with two new modules added on pharmacy policies and procedures Chapter 30-Pharmacy Technicians and Ancillary Staff and Chapter 38, Prescription Turn-Around Time.

Additionally, a self-report survey of CDCR facilities was conducted to assess the levels of service and need for sterile parenteral compounding. This review will be followed by a detailed onsite assessment and preparation of a gap analysis to identify needed improvements in this service area.

Purchasing and Contracting Activities

Cost avoidance resulting from improved management oversight and direction of purchasing and contract activities has continued. Total net savings since Maxor was asked to assume responsibility for purchasing and contracting in April of 2007 now totals about \$37.0M (see Figure 1 below). In 2008 alone, year-to-date cost avoidance is approximately \$29.9M.

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, \$140,720 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 \$213,495 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 \$1.5M:

Targeted Contract Item	Cost Avoidance this Month
Statins	\$636,653
Pegasys	468,296
Proton Pump Inhibitors	179,670
Asmanex	103,446
Nasal Steroids	88,763
Insulin	48,434
Proventil HFA	52,000
Total	\$1,577,262

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). Pre-conversion meetings and training at upcoming facilities (LAC and PVSP) continue as scheduled.

A revised schedule for the next six conversion sites has been approved, detailing conversion activities through March of 2009. 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. As a part of the “Go-Back” schedule, an imaging application that scans prescription into the enterprise-based system is being rolled out to GuardianRx facilities. This application enhances the pharmacist review function and enables copies of prescriptions to be accessed anywhere authorized in the enterprise. Initial response to the imaging add-on has been very positive.

Maxor has continued to work with the CPHCS Project team to explore options for 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. Data has been collected in order to begin building conversion tables. Two conversion options are being planned, based on whether or not a replacement system can be implemented in the current software environment.

Other Activity

During the month of November, 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 and submitted to the Receiver for final approval.

During November, the statewide centralized hiring efforts for Pharmacist I and Pharmacist II positions continued. Pharmacist positions continue to be difficult to recruit. Maxor pharmacy leadership continues to work with *Plata* Human Resources staff to discuss a variety of recruitment options, including consideration of additional part-time pharmacist positions.

Maxor has continued to support a variety of health care improvement initiatives including providing pharmacy expertise and assistance in the design and renovation projects, supporting the access to care initiative and participating in the reception center project now underway.

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 continues.

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

No new issues or obstacles have been noted during this reporting period.

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 12 16 08 |

Appendix B - Pharmacy Inspection Grid



CY 2007 2008
Master Inspection Gri

Appendix C – Maxor Timeline and Tracking Grid



Maxor timeline.xls