

# **EXHIBIT 10**



*The Road Map to Excellence*  
*Patient Safety—Evidenced Based Practice—Cost Effective*  
*A California Approach*

**California Prison Health Care Receivership Corporation**  
**Pharmacy Management Consulting Services**

*Maxor's First Ninety Days*

A Plan

Submitted to the  
California Prison Health Care  
Receivership Corporation

Effective  
January 1, 2007

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**Introduction**

The following planning document is submitted pursuant to the Agreement made effective January 1, 2007, by and between the California Prison Health Care Receivership Corporation ("CPR") and Maxor National Pharmacy Services Corporation ("Maxor") to provide pharmacy management consulting services to CPR. The purpose of this document is to clearly outline the activities that will be ongoing and the milestones that are to be accomplished in the first 90 days of the Agreement. The Agreement incorporates goals, objectives and timelines originally proposed in the *Road Map from Despair to Excellence* and further defined through Maxor's response to the CPR Request for Proposals.

**Concept of Operation**

The Scope of Work for the above referenced Agreement is outlined in seven key goals. Each goal is supported by a number of objectives outlining necessary tasks to be accomplished to achieve the desired outcome. Each objective is further defined by identifying detailed actions to be taken. This document outlines those actions to be taken in the first 90 days of the contract.

Maxor's CPR Pharmacy Project Team will be structured to ensure that the goals and objectives outlined in the *Road Map* are achieved in an effective manner. Maxor will assign an overall Project Manager from its senior executive ranks to oversee integration of the various goals and objectives and to serve as principal liaison with the Office of the Receiver. Maxor will assign Senior Team Leaders with responsibility for oversight of each goal to ensure tasks are identified and accomplished in a timely manner. The team structure will be flexible to adapt to changing needs and circumstances as the project develops.

The following Maxor personnel will serve as the principal project team:

- Project Manager: Glenn Johnson, MD
- Pharmacy Administrator: Matt Keith, RPh, BCPS, FASHP
- Senior Pharmacy Consultant: Dick Cason, RPh. MS.
- Clinical Pharmacy Consultant: Melanie Roberts, RPh., PharmD
- Pharmacy Information Officer: Rick Pollard
- Pharmacy Nurse Advisor/Liaison: Marjorie Pulvino, RN, PhD (\*)
- Pharmacy UM/CQI Consultant: Kaye Cloutier, RN

**Note: (\*) Subject to approval of Receiver and/or Receiver's Chief of Staff**

### **Summary of 90-Day Priorities**

This plan identifies key goals and objectives to be accomplished in some detail in the following pages. Many of these actions are designed to address priority concerns identified by the CPR and the *Road Map*. In general terms, the priority focus of Maxor during the first 90 days of the contract will include:

- Establishing communication and coordination channels through the CPR for managing project activities;
- Assuming management responsibility for oversight and monitoring of the CDCR pharmacy services program;
- Filling critical staff vacancies to ensure adequate pharmacy coverage for all facilities;
- Taking immediate corrective measures to address any identified patient safety issues;
- Developing essential connectivity between pharmacy management and individual facilities to facilitate electronic reporting and monitoring systems; and
- Initiating comprehensive review and reform of the pharmacy policies, procedures, formulary processes and management practices, including the development of performance monitoring systems.

Detailed actions anticipated for each goal and corresponding objective are outlined in the following pages.

## Goals, Objectives and Related 90-Day Actions

**Goal A:** *Develop meaningful and effective centralized oversight, control and monitoring over the pharmacy services program.*

**Objective A.1:** **Establish a central pharmacy services administration, budget and enforcement authority.**

### **Related 90-Day Actions:**

- Sacramento Office to be established NLT January 1, 2007.
- Key Project team members to arrive on site for orientation and initial briefings by Project Leader and Corporate Headquarters.
- Lines of communications to be established with CPR and CDCR Health Services office.
- Schedule initial meeting with Receiver and the Receiver's staff to receive initial guidance and project direction.
- In conjunction with the Receiver's staff attorney, develop plans and timelines for implementing centralized oversight, control and monitoring over the CDCR pharmacy services program.
- Establish on site Maxor presence with a Project Manager, Senior Pharmacy administrator, two Pharmacy consultants, the CDCR central office pharmacist, and support staff.
- Commence Recruitment of a Director of Pharmacy Services, Assistant Director and 8 clinical specialists.

**Objective A.2:** **Establish direct lines of authority to all pharmacy services personnel and define linkage to central medical staff.**

### **Related 90-Day Actions:**

- With the approval of the Receiver, Schedule and conduct system wide CDCR Pharmacy staff information briefings on the approved Road Map.
- Document and disseminate clear organizational reporting relationships and chains of command and coordination.

- Orient all pharmacy staff to the *Road Map*. Establish a compact: delineate roles, responsibilities and expectations of leadership and staff. Communicate the organizational structure.
- Identify early adopters to participate as active change agents and communicate with pharmacists-in-charge to assure clear understanding and ongoing communication structure.

**Objective A.3: Update and maintain system-wide pharmacy policies and procedures.**

**Related 90-Day Actions:**

- Establish policy and procedure review team.
- Develop and adopt policy and procedure review process and schedule for standardizing policies and procedures for all institutions and care levels.
- Review existing central policies and procedures.
- Solicit input from institution level policies and procedures to identify best practices.
- Begin to roll out standardized policies and procedures to institutions, with an emphasis on addressing patient safety risk issues on a priority basis.

**Objective A.4: Establish key performance metrics used to evaluate the performance of the pharmacy services program.**

**Related 90-Day Actions:**

- Identify available information sources and establish data reliability.
- Define operational targets for pharmacy and institution level teams.
- Develop a pharmacy initiative tracking grid (for projects with finite timelines), balanced scorecard (clinical, service, financial and workforce measures), and dashboard (workload measures) to include historical benchmarks, measures, targets and milestones for the program. These documents will serve as a start point for a performance

measure system focusing on outcome data and will continue to be refined throughout the project.

- Create institution level dashboards to provide performance benchmarks and comparisons, and set targets to structure improvement (institution level report card for prescribers and pharmacy).
- Begin process of instituting an organizational culture in which the balanced scorecard and dashboard are central themes in meetings at every level.

**Objective A.5: Establish standardized monitoring reports and processes designed to continually assess program performance.**

**Related 90-Day Actions:**

- Initiate rudimentary reports based on available data. More sophisticated reporting will be contingent upon the implementation of a fully integrated pharmacy information management system.
- Use an action plan tracking grid to establish timelines and monitor implementation of the Road Map.
- Establish initial standardized institution audit process to assess adherence to standards of practice and P&P.
- Establish a stoplight grid to post institution audit results with links to detail reports. Post on website or other shared forum to allow comparison between institutions. Discuss at monthly P&T committee meetings.
- Require corrective action plans from institutions not meeting requirements.
- Develop a standardized format for identification of needed disease management guidelines, criteria development, data collection, reporting, monitoring and follow-up.

**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.*

**Objective B.1:** **Revise and reconstitute, as needed, the current P&T committee and implement measures to allow for strong P&T oversight of prescribing and dispensing patterns.**

**Related 90-Day Actions:**

- Assess current P&T Committee.
- Within the first 30 days of contract implementation, identify and meet key CPR and CDCR clinical personnel (Medical, Mental Health and Dental).
- Develop an interdisciplinary P&T Committee with membership experienced in formulary management. Include central, regional and institution level participation as appropriate. Provide specific recommendations for the appropriate representation on a newly formed P&T Committee. Staff recommendations with designated clinicians and submit to the Receiver's Office for approval
- In conjunction with CPR's Project Management Office, schedule the initial P&T meeting within 45 days of contract initiation.
- Establish a clear committee charter utilizing principles stated in Objectives A3, A4, and A5.
- Assign committee members responsibility for various functions; assign implementation oversight and ownership to gain accountability from all members.
- Methodically work through the formulary categories and various reports and measures identified under Goal A to implement initiatives as identified.
- Review the entire formulary identifying "quick hits" and any patient safety risks, with P&T Committee action around the overall review as a priority on the meeting agenda.

- Establish a process of routine scheduled review of the entire formulary by therapeutic category through the P&T Committee to assure a sustained up-to-date formulary is maintained.

**Objective B.2: Establish methodologies and schedules for tracking and monitoring formulary compliance and prescribing behavior.**

**Related 90-Day Actions:**

- Establish direct liaison and routine meetings with the CPR Director of Nursing and staff as she may designate to discuss pharmacy management processes and receive input.
- Assess current CQI program and review pharmacy component for existing indicators, the process for identifying opportunities for improvement and the methodology utilized to resolve those issues. Begin the design pharmacy CQI component to fit into existing model when possible.
- Initiate the development of a formal Pharmacy CQI program.
- Establish measurable indicators to monitor physician practice patterns including formulary compliance and prescribing behavior.
- Establish variance reports to review and compare patient outcomes for care delivered outside the approved disease protocol.
- Develop indicators specific to treatment protocols that identify expected and actual outcomes. Identify variances and establish process to monitor and report positive/negative, long/short term effects on a patient's health and functioning which are attributed to care (medication therapy) given. (Begin this process--indicators will be added as new protocols are developed).
- Review current staff development program to assist in the development of a strong communication process.

- Establish a mechanism for a training program for approved protocols that provides educational in-service to health care providers prior to implementation.
- Begin the creation of online training courses and maintain online protocol manual for reference resource.
- Establish protocol for peer review of noncompliant practitioners. Determine if negative outcomes were attributed to noncompliance.
- Assess how to implement a formal CQI process for peer review that meets California state statutes and is incorporated into existing CDCR medical committee structure.

**Objective B.3: Develop and implement effective and enforceable peer-reviewed treatment protocols.**

**Related 90-Day Actions:**

- Assess disease treatment guidelines in use.
- Begin process to review, revise or develop formal, evidence-based disease treatment guidelines with consensus of clinical stakeholders (initially for epilepsy, hypertension, asthma, diabetes, hyperlipidemias, HIV disease, Hepatitis C, and mental illness-at a minimum, schizophrenia, bipolar disease and depression) which delineate medication utilization expectations.
- Assess current UM Program for data collection capabilities, available reports and potential resources.
- Initiate development of a formal Pharmacy Utilization Management Program that will effectively monitor progress of patient throughout health care delivery system. Design pharmacy UM component to fit into existing model when possible.
- Develop mechanism(s) to evaluate patient compliance, participation in chronic care clinics, exacerbations of illness, transfers to ER and hospitals, outpatient testing, diagnostic procedures, etc. and relate these occurrences to the expected outcomes of the disease management protocol.

- Determine reports needed to monitor health care outcomes. Develop process to obtain reliable data and format reports to P&T Committee.

**Objective B.4: Develop and implement effective and enforceable institution audit process.**

**Related 90-Day Actions:**

- Develop and publish a schedule for regular institution operational audits. The audits will encompass all areas of operations, accountability and compliance using the performance benchmarks, measures, protocols and reporting mechanisms developed pursuant to the Road Map.

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

**Objective C.1: Monitor wholesaler (vendor) to ensure contract compliance.**

**Related 90-Day Actions:**

- Schedule meetings with the California Department of General Services, CDCR Pharmacy central office staff, and contracted pharmaceutical vendor to discuss *Road Map* and discuss processes for the review, auditing and monitoring of pharmaceutical contracting and procurement processes to ensure cost efficiency in pharmaceutical purchases.
- Download CDCR purchases directly from the wholesaler and audit contract pricing.
  - (1) Review purchases for Overcharges
  - (2) Review purchases for Contract Maximization and Least Expense of Relative Value
  - (3) Rebate analysis and reconciliation

- Meet with Amerisource Bergen and DGS to actively participate in the credit/rebills process and ensure that CDCR is credited in full for any loss in contract pricing or rebates not received.
- Ensure Wholesaler is stocking the contracted items at an appropriate level in each of its local Distribution Centers
- Intercept individual orders for appropriateness
- Review Registry Billing hours
- Collect available CDCR CY 2006 pharmacy data and analyze for trends and projections
- Continually audit CDCR purchases and closely monitor the credit/rebills process.

**Objective C.2:      Develop process to monitor inventory shrinkage.**

- Conduct system-wide pharmacy inventory to establish baseline.
- Concurrently, Maxor staff member experienced in inventory control will conduct on-site inspections to survey and document deficiencies.
- Establish ongoing liaison with both the Office of Inspector General and the CDCR Internal Affairs Division.
- Establish a written inventory control procedure that compares all purchases vs. all dispenses to identify potential diversion or misuse of CDCR pharmaceuticals.
- Monitor inventory on perpetual basis, with random spot checks of physician orders and medication administration records to validate electronic data during operational audit reviews.
- Report any suspected diversion to the Receiver, Office of the Inspector General and the CDCR internal affairs division and assist in any investigations deemed necessary.

**Objective C.3: Implement process to ensure that the best value contracted item is used.**

**Related 90-Day Actions:**

- Compare each requirement for replenishment with all available contracts to ensure the best relative value item is purchased.
- Establish process to analyze purchases on a quarterly basis to ensure contract compliance, Prime Vendor availability of the best contracted item and facility adherence to purchasing policies.
- Develop an arrangement mutually agreeable to the Receiver and DGS for the coordination and improvement of pharmaceutical procurement and contracting activities.
- Verify contract compliance by the pharmaceutical manufacturers, collection and reconciliation of all rebate payments, and formulary compliance.
- Establish liaison with the Office of the Receiver, designated California state agencies and CDCR's P&T Committee to obtain contracts, through DGS, with pharmaceutical manufacturers to take maximum advantage of the CDCR's and the State's significant purchasing power in an effort to reduce medication costs.
- Evaluate the effectiveness of DGS contracts and the need for the CDCR to execute pharmaceutical contracts independent of the State.

**Objective C.4: Consolidate and standardize pharmacy purchasing through development of a centralized supply procurement system.**

**Related 90-Day Actions:**

- Maxor's Operation Support team in conjunction with CPR's Chief Medical Information Officer and Chief Information Officer will determine an interim solution to immediately begin capturing uniform dispensing data and improve patient safety. Any solution suggested will require a

discussion on connectivity at each facility, the equipment/hardware requirements, as well as security.

- Once an interim solution is agreed upon, six test sites will be identified to begin implementation and building a baseline model for pharmacy operations.

**Objective C.5: Evaluate feasibility of achieving 340 B preferential pricing on all drug purchases.**

- Identify 340B preferential pricing savings potential.
- Establish work group to explore and evaluate potential contractual arrangements with 340b covered entities that would establish eligibility for CDCR inmate patients.

**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.*

**Objective D.1: Hire and train new employees as needed to replace registry personnel.**

**Related 90-Day Actions:**

- Commence recruitment for a Director and assistant Director of Pharmacy
- Enhance clinical representation on the Maxor Pharmacy Management team.
- Prepare job descriptions for the Pharmacy Director, Assistant Director and Clinical Pharmacists
- In conjunction with the Receiver's Office, determine the organizational placement and supervisory relationship for eight clinical pharmacist positions.

- Commence recruitment of Clinical Pharmacist positions to include consideration of requesting assistance from a California School of Pharmacy.
- In conjunction with the CPR Staff Attorney's Office and CDCR's Human resource Office, 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.
- Reevaluate staffing pattern versus workload and interim practice model (prior to full system redesign) to determine appropriate staffing compliment and numbers.
- In coordination with the Office of the Receiver and CDCR, hire employees to fill vacant pharmacy manager (Pharmacist II) positions
- In coordination with the Office of the Receiver and CDCR, hire employees to fill all other vacant positions.
- Train new employees and define methodologies for monitoring and evaluating employee competence and performance.

**Objective D.2: Complete skill set inventory of State and registry employees and provide required training, performance measures, and disciplinary measures as needed for existing employees. Establish new hire orientation checklist and identify annual mandatory training and education series.**

**Related 90-Day Actions:**

- Identify knowledge deficits in clinical, operational, and fiscal matters.
- Develop and obtain approval of new hire orientation checklist.
- Develop annual in-service training modules.
- Prioritize in-services and develop schedule for conducting training.

- Develop and implement a highly trained and well managed "Drop In" pharmacist team to deploy to institutions requiring high priority assistance. Test the team's responsiveness and capabilities at the San Quentin facility.

**Objective D.3: Develop effective means of documenting and tracking employee training, education, and disciplinary action.**

**Related 90-Day Actions:**

- Identify key data elements for employee training, education and disciplinary tracking system.
- Develop and begin implementation of comprehensive employee tracking system.

**Objective D.4: Reevaluate previous staffing patterns at each institution in light of the adoption of new technologies to improve efficiency and the transition of volume to the centralized pharmacy.**

**Related 90-Day Actions:**

- Evaluate current system-wide workload standards for pharmacists and technicians.

**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.*

**Objective E.1: Prior to centralization, implement standardized operations in all existing institution level operations to correct problems identified in audits.**

### **Related 90-Day Actions:**

- Initiate a system wide assessment of CDCR institutional pharmacy drug distribution operations and establish a baseline for standardization and revision.
- Identify and develop best practice models for “ambulatory” care distribution model using existing resources and pre-centralization model (correct high risk safety and control issues).
- Identify and develop best practice models for “inpatient” care areas.

**Objective E.2: Design, construct and operate a centralized pharmacy facility in coordination with CPR.**

### **Related 90-Day Actions:**

- Assess benefits of using and, if appropriate, utilize a third party “Central Fill” facility for limited services, such as packaging, as an interim measure until the centralized facility is built.
- Develop straw model for centralization concept.
- Begin an assessment of potential sites for establishing a centralized pharmacy facility to include as a minimum: Fresno, Stockton and Sacramento. Criteria should include access to lines of transportation (air and ground), location, proximity to pharmaceutical distribution centers, ability to recruit and maintain qualified pharmacy staff and costs.
- In conjunction with CPR, determine general location, survey, real estate and identify a suitable location for the centralized pharmacy facility.
- In conjunction with CPR and/or State, plan ownership (CPR, State or Maxor) of rights in facility and equipment and plan for any transfers, if necessary, of such property following termination of this Agreement.

**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.*

**Objective F.1: Develop and implement improved reporting and monitoring capabilities with existing pharmacy system.**

**Related 90-Day Actions:**

- Create a data repository of prescription data from the existing PDS system and assign an industry standard identifier to all drugs to allow for consistent data accumulation and reporting.
- Provide data input guidance to pharmacies to insure data consistencies are maintained.
- Develop rudimentary utilization management and pharmacy reports based on standard managed care and pharmacy benefit manager practices.
- Provide initial data information to the CPR CMO for analysis.

**Objective F.2: Identify and solve connectivity issues throughout all pharmacies to ensure that web-based software, reporting, and data can be easily accessed at each facility.**

**Related 90-Day Actions:**

- Survey the pharmacies, conducting on-site visits in all sites to evaluate current connectivity issues and obstacles to achieving connectivity.
- Identify and employ stopgap measures to overcome connectivity issues.
- Establish basic connectivity in all pharmacies.

**Objective F.3: Procure a state-of-the-art pharmacy dispensing system in coordination with the Office of the Receiver.**

**Related 90-Day Actions:**

- Organize an interdisciplinary team of pharmacy experts with clinical, operational, fiscal, and technological backgrounds to assist in evaluating the requirements for the pharmacy dispensing system.

**Objective F.4: Transition each institution to a uniform pharmacy information management system.**

**Related 90-Day Actions:**

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

**Objective F.5: Develop and implement reporting tools to facilitate clinical, operational, and fiscal management of the CDCR pharmacy operation.**

**Related 90-Day Actions:**

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

**Objective F.6: Integrate pharmacy information management system with auxiliary technologies such as central supply management, physician order entry, electronic MAR, and barcode checking.**

**Related 90-Day Actions:**

- Meet with the CPR Chief Medical Information Officer and the CPR Information Office to discuss strategies for the pharmacy interface to the overall medical information system.
- Visit and assess on going data gathering projects such as that in the Pelican Bay institution.

**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.*

**Objective G.1: Establish CDCR commitment to pursue accreditation and determine the accrediting organization standards to be followed.**

**Related 90-Day Actions:**

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

**Objective G.2: Develop a readiness grid identifying the standards and assigning assessment responsibilities to members of the team.**

**Related 90-Day Actions:**

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

**Objective G.4: Apply for accreditation audit at one or more institutions. Expand audits to all institutions on a defined schedule.**

**Related 90-Day Actions:**

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

**Attachments:**

- A. CDCR Pharmacy Improvement Project Organization Chart
- B. Project Team CVs
- C. Revised Contract Fiscal Note
- D. Supplemental Fiscal Note