

APPENDIX 13



**PHARMACY MANAGEMENT CONSULTING
SERVICES**

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

June 2008

PHARMACY MANAGEMENT CONSULTING SERVICES

Monthly Summary Report June 2008

Summary of Activities June 2008

Progress in implementing the goals and objectives of the Road Map for improvements to the CDCR pharmacy program continued on schedule during this reporting period. This report updates activities during the month of June 2008.

Key activity during this reporting period focused on:

- extending implementation of the GuardianRx® pharmacy operating system to additional facilities;
- moving forward to build, equip and bring into operation a central fill pharmacy;
- updating staffing assessments, addressing pharmacy staffing needs and continuing the development of improved staff competencies;
- actively working with the ongoing CDCR Pharmacy & Therapeutics Committee processes to maintain positive momentum; and,
- maintaining an active and aggressive purchasing and contracting program.

Guardian Implementation

GuardianRx® has been successfully implemented now in eleven sites (CCC, HDSP, FOL, MCSP, SQ, SAC, CMC, CVSP, ISP, COR, SATF). In addition, medication management assessments are underway at SCC, CAL, and CEN. Group training for Pharmacists-in-Charge on the GuardianRx® system and the implementation process has continued as scheduled, with a two-day training session held in June. Three training sites (MCSP, COR, SAC) are open and available for pre-training and are being utilized by future implementation facilities.

Additionally, an evaluation committee was formed earlier in the year to review report requests from the GuardianRx® system. A set of standardized utilization and provider reports for improved monitoring and reporting purposes have been created, reviewed, edited and approved for use and will be released monthly beginning in August. As they become available, the reports will be made available monthly to Pharmacists-In-Charge, Chief Medical Officers and Health Care Administrators.

A revised GuardianRx® schedule was prepared to reflect a change in PBSP implementation due to time needed to address information technology issues at the facility.

As the initial GuardianRx® implementation and deployment proceeds, work has begun on the next phase of the project intended to extend automation efforts out from the pharmacies to the actual medication management process. A key next step, building upon the foundation provided through the GuardianRx ® system, is to move towards an electronic medication administration record (EMAR) and eventually to a provider order interface for direct entry of prescriptions. Over the next several months, while work continues on bringing the central fill pharmacy to reality and continuing the rollout of the GuardianRx® system to the remaining CDCR facilities, concurrent efforts to prepare and test the EMAR and order entry components will take place. Maxor will be meeting with the Office of the Receiver in July to discuss this critical next step.

Central Fill Pharmacy Facility

During the month of June, extensive work continued on ensuring that the Central Fill Pharmacy Facility becomes a reality in early 2009 as scheduled. Two concurrent efforts are nearing completion: selection of a site location for the facility and selection of an automation vendor to design and equip the facility.

Previous site locations considered for the location of the facility were rejected due to flood plain considerations. A second review of potential locations located outside the area floodplains was initiated with the assistance of DGS and their contracted commercial property broker, Cornish and Carey. This review considered four additional sites.

Each site was visited on two occasions by senior Maxor team members and evaluated for its potential use as a Central Fill Facility. DGS/Cornish and Carey solicited initial cost data from each site as well. A site recommendation has been prepared for consideration by the Office of the Receiver. Once a final recommendation is approved, the DGS staff, CDCR and Maxor will negotiate final lease and/or purchase terms with the property owner.

At the same time, a Request for Proposal was prepared to address automation needs for the Central Fill Pharmacy facility. Because the RFP for pharmacy automation needs must be completed and the automation vendor chosen in order to finalize the floor plans and related specifications for the centralized pharmacy facility, it is important that the site recommendation and RFP process be closely coordinated. The RFP was issued on May 8, 2008 with responses due June 20th. A mandatory bidder's conference was held on June 3rd, with a number of potential bidders in attendance. Four detailed proposals were received in response to the RFP and are currently under evaluation. A recommendation for selection of an automation vendor is anticipated by mid-July.

Pharmacy Staffing

Efforts to maintain adequate pharmacy staffing levels were complicated in the past few weeks by unexpected delays in CDCR releasing the new registry staff contract matrix for use. This delay resulted in the loss of a significant number of registry staff as contracts expired and changed with little or no notice. The resulting staffing shortfalls required an extensive crisis response to manage services and backfill vacated registry positions. The

required response diverted key pharmacy management resources for some time in an effort to ensure minimum service levels were maintained. The delayed release of the new registry matrix potentially jeopardized not only pharmacy services in many facilities, but also threatened the conversion to GuardianRx® at CCC and HDSF.

In order to avoid such situations in the future, Maxor strongly recommends that CDCR include a 60-day transition period in any future changes in registry contracts so that continuity in service levels can be maintained during such a changeover.

Beyond dealing with the registry contract transition, a key staffing activity during this month was completion of and reaching agreement on the processes involved in centralizing the hiring for Pharmacist I and Pharmacist II positions statewide. This effort, initiated by the Office of the Receiver and involving both Maxor and CDCR, is intended to assist in filling critical vacancies for pharmacists and includes updated processes for credentialing, coordination of interviews and making final selections. Standardized duty statements for both Pharmacist positions have been developed and are currently under review. Reference check questionnaires and scored interview formats are under development. Interviewing for vacancies using the revised hiring process will commence in July.

There was also some progress on several key vacancies during the month of June. Maxor selected Alison Farrell as Director of Pharmacy for CDCR, a position that has been vacant for a number of months. Additionally, a long-time vacancy for PIC at the CCI facility was filled by registry position. Recruitment activities continued for Clinical Pharmacy Specialists, including conducting six preliminary interviews with potential CPS candidates. To assist in the recruitment efforts, an initiative was approved to establish a Clinical Pharmacy Specialist entry level track that will enhance the development of these specialized skill sets.

Pharmacy and Therapeutics Committee Activities

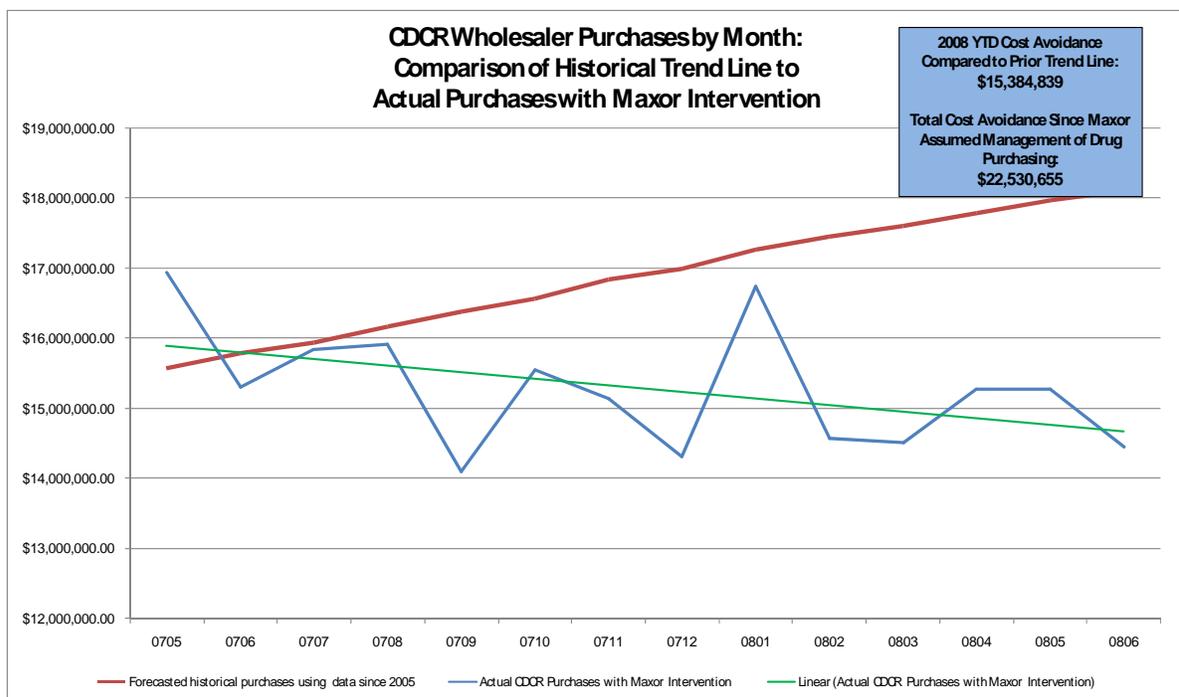
The Pharmacy and Therapeutics (P&T) Committee has continued its monthly meetings to address formulary issues, discuss and approve Disease Medication Management Guidelines (DMMG), and review and approve pharmacy policies and procedures. The P&T Committee approved revisions to Chapter 28 (Parole & Discharge); Chapter 7 (After Hours Pharmacy Services); and approved new procedures in Chapter 37 (Pharmacy Staff Scheduling and Position Appointments); Chapter 38 (Prescription turn-Around Time); and Chapter 16-Appendix I (Guidelines for Handling Pharmaceutical Waste).

The P&T Committee also realized an important milestone in June. The CDCR (CPR Edition) Formulary is one year old this month. The CDCR Formulary plays an important role in the Pharmacy *Road Map to Excellence* as adopted by the *Plata* Federal Court. Primarily, it is a key health care management tool oriented to the specific needs of the CDCR inmate-patient population, and reflects the goals of standardization of a contemporary, evidence-based, efficient, safe and cost effective correctional healthcare system.

During this reporting period, the Clinical Pharmacy Specialists conducted multiple in-service training sessions for health care providers, nursing and pharmacy staff on pharmacy policies and procedures, formulary changes and the non-formulary process.

Purchasing and Contracting Activities

The combined impact of the improved management oversight and direction made possible through the various initiatives already implemented and currently underway have resulted in a more cost-effective pharmaceutical purchasing and contracting system. Net savings since Maxor was asked to assume responsibility for purchasing and contracting in April of 2007 now totals more than \$22.5M (see Figure 1 below). Just in 2008, year-to-date cost avoidance is in excess of \$15.3M.



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, \$120,468 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 \$203,752 in cost avoidance by directly working with the facilities to ensure the correct contracted items were purchased.

Additional contracting/purchasing activities relate to efforts to improve inventory management. A new bar code checking program has been developed to encourage inventory corrections when a brand swap is required. All sites on the GuardianRx® system are being instructed to scan in all returns for reuse or waste and provided training on closing the loop on inventory controls. Regular review of purchases v. dispenses is also taking place and additional inquiries are made as needed. COR completed a

conversion to patient-specific processes in June and WSP has initiated planning for a similar conversion.

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. To date, inspection status has been validated for 10 facilities (CVSP, ISP, RJD, CAL, CEN, LAC, CRC, CIW, CIM and WSP).

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.

Objectives Delayed

All objectives except for A1.1 (hiring clinical specialists) and a portion of B.3 relating to the approval of psychiatric DMMGs 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.

The initial development of psychiatric medication guidelines was postponed beyond the original timeframes at the request of CDCR psychiatry, but activities have resumed with the first of three DMMGs (Schizophrenia) approved by the P&T Committee in May. The DMMGs for major depression and bipolar disorder are currently in review.

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/CPR GuardianRx® teams. Due to the change in the implementation schedule required to accommodate information technology issues at PBSB, the schedule will now extend into June of 2009.

Issues or Obstacles to Success

Coordination of Registry Contracts

As noted earlier in this report, a lack of planning and coordination, coupled with a delay in finally processing and releasing new registry contracts resulted in a major staffing concern with serious potential ramifications for patient care and ongoing improvement efforts. Until such time as the CDCR becomes less dependent upon registry personnel to staff its pharmacy operations, such concerns will continue; as such, coordination and careful planning of key contracting and transition activities is imperative. Maxor reiterates its recommendation that any such changes include a 60-day transition period so that continuity of care can be maintained and appropriate planning conducted ahead of time, rather than in a crisis management mode.

Contract Approvals

As Maxor continues to implement contracts in support of the CDCR P&T Committee clinical decisions, some delays in processing contract documents for final approvals have occurred as various CDCR requirements are examined. While the need for such reviews is understood, it is imperative that any delays resulting from these activities be minimized in order to realize the contract benefits accruing from these arrangements. Many of the contracts are based on the ability to influence market share for a particular class of drugs within CDCR and require an implementation transition timeframe. The longer the delay in finalizing a contract, the longer the delay in realizing the cost avoidance opportunities such contracting offers.

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 7 11 08.xls

Appendix B - Pharmacy Inspection Grid



CY 2007 2008
Master Inspection Gri

Appendix C – Maxor Timeline and Tracking Grid



MaxorTimeline.xls