

APPENDIX 14



**PHARMACY MANAGEMENT CONSULTING
SERVICES**

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

July 2008

PHARMACY MANAGEMENT CONSULTING SERVICES

Monthly Summary Report July 2008

Summary of Activities July 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 July 2008.

Key activity during this reporting period focused on:

- 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;
- maintaining an active and aggressive purchasing and contracting program; and,
- extending implementation of the GuardianRx® pharmacy operating system to additional facilities;

Central Fill Pharmacy Facility

During the month of July, work continued on finalizing recommendations related to the Central Fill Pharmacy Facility. Two concurrent efforts neared completion: selection of a site location for the facility and selection of an automation vendor to design and equip the facility.

A site recommendation has been prepared for consideration by the Office of the Receiver. A meeting to review the final recommendation was held on July 23rd and a final selection decision letter approved on July 30, 2008. With the final recommendation approved, the DGS staff, CDCR and Maxor will negotiate final lease and/or purchase terms with the property owner.

Concurrently, work continued on the related recommendation to address automation needs for the Central Fill Pharmacy facility. The RFP for automation needs 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 were evaluated. On July 9, 2008, two firms were selected to make oral presentations and to address follow-up questions. A finalized recommendation for selection of an automation vendor has been prepared and was presented to the Office of the Receiver on July 23, 2008. Additional internal

coordination at the request of the Receiver's Chief of Staff is underway and a final selection is anticipated in mid-August. Once the recommendation is approved, negotiation of a final contract can begin and work on the Central Fill Facility will proceed.

Pharmacy Staffing and Training Activities

Key staffing activities during this month included the transition to a process of centralized 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 questionnaires have been developed. Maxor support staff assignments have been realigned to assist in this effort, with ongoing training/transition underway. Interviewing for vacancies using the revised hiring process commenced in July. Five Pharmacist I candidates have been interviewed, with several other interviews scheduled. As the centralized hiring process continues, opportunities for refinements and improvements in application processing, reference checks and credentialing are identified and implemented.

Additionally, four Pharmacist I registry candidates were interviewed, resulting in the hiring of 3.2 FTE Pharmacist I for ASP.

A statewide PIC meeting was held on July 10, 2008 and was well attended. Training included Chapter 21 (Reporting theft or loss of medications); Chapter 16, (Handling of Pharmaceutical Waste); Diabetes Disease Medication Management Guideline (DMMG); and pharmaceutical contract compliance. Additionally, an update on the status of the Road Map goals and objectives was provided.

Clinical Pharmacy Specialists (CPS) continued their active support of pharmacy initiatives by providing in-service training to providers, pharmacy and nursing staff on the Chronic Obstructive Pulmonary Disease (COPD) and Diabetes DMMG. Additionally, during the month of July, 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.

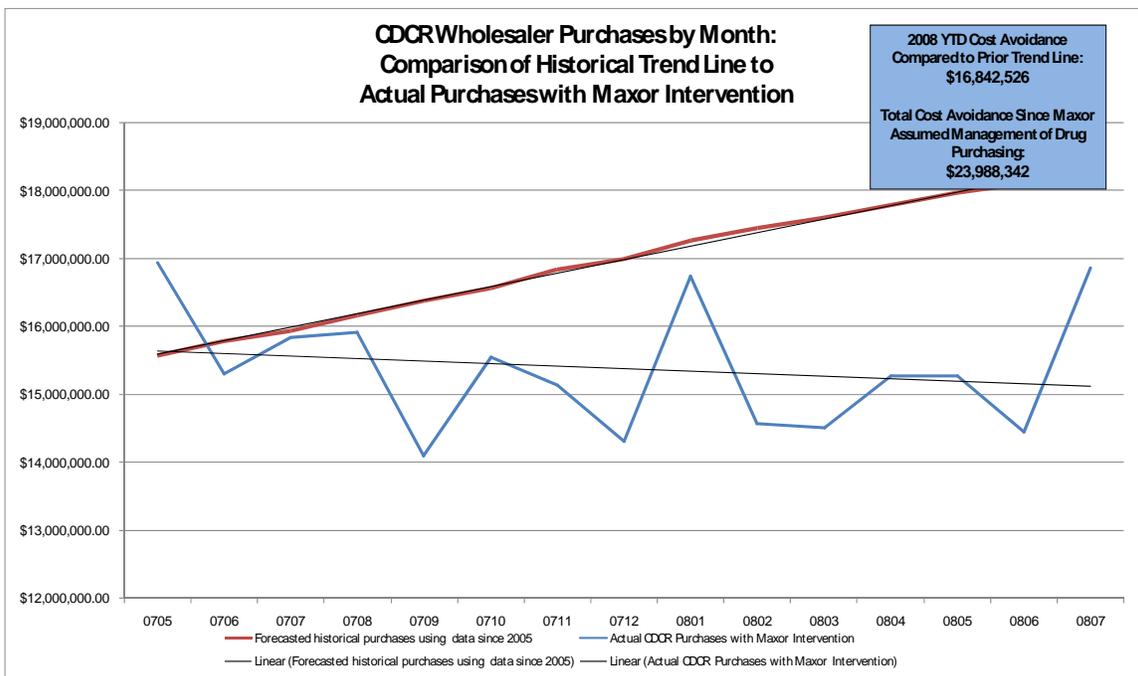
Pharmacy and Therapeutics Committee Activities

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 22 (Repackaging and Compounding of Non-Sterile Medications); and Chapter 29 (Impaired Pharmacy Personnel). Additionally, Chapter 30 (Drug Regimen Review) was deleted and replaced with a new "Guidelines for Profile and Drug Regimen Review" including a chart abstraction form.

Also during July, a formal request for a representative from the Department of Mental Health (DMH) to serve on the P&T Committee was reviewed and approved. A Major Depressive Disorder DMMG was approved and distributed. Formulary additions were reviewed and approved for six additional medications. The P&T Committee additionally discussed and voted to block prescribing and purchasing of herbal and homeopathic medications due to medical necessity and efficacy concerns. Finally, a therapeutic interchange program to facilitate appropriate dosing of Abilify (a formulary antipsychotic medication included in the Schizophrenia DMMG) was also approved.

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 about \$24.0M (see Figure 1 below). Just in 2008, year-to-date cost avoidance is in excess of \$16.8M.



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, \$138,921.25 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 \$204,588.36 in cost avoidance by directly working with the facilities to ensure the correct contracted items were purchased.

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 12 facilities (CVSP, ISP, RJD, CAL, CEN, LAC, CRC, CIW, CIM, WSP, NKSP and CCI).

Guardian Implementation

GuardianRx® has been successfully implemented now in eleven sites (CCC, HDSP, FOL, MCSP, SQ, SAC, CMC, CVSP, ISP, COR, SATF). Group training for Pharmacists-in-Charge on the GuardianRx® system and the implementation process has continued as scheduled.

During July, a review of the GuardianRx® implementation schedule was conducted 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 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 is under review and will be issued upon final approval.

Additionally, 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. Maxor leadership met with the Office of the Receiver in July to discuss aspects of this critical next step. While work continues on bringing the central fill pharmacy to reality and the rollout of the GuardianRx® system to the remaining CDCR facilities continues, concurrent efforts will be made to prepare and test an electronic medication administration record (EMAR) and to develop provider order entry components.

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, and the DMMG for major depression approved in July. The DMMG for bipolar disorder is currently under 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 discussed above, 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

None.

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



Pharmacy Dashboard
08.06.08.xls

Appendix B - Pharmacy Inspection Grid



Pharmacy Inspection
Grid 8.8.08.xls

Appendix C – Maxor Timeline and Tracking Grid



MaxorTimeline.xls