

APPENDIX 6



**PHARMACY MANAGEMENT CONSULTING
SERVICES**

**Monthly Summary Report
To
California Prison Health Care
Services**

September 2009

PHARMACY MANAGEMENT CONSULTING SERVICES

Monthly Summary Report September 2009

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 through the month of September 2009.

Pharmacy and Therapeutics Committee Activities

The Pharmacy and Therapeutics (P&T) Committee continued its monthly meetings to review utilization trends, address formulary issues; and review and approve pharmacy policies and procedures. During September, P&T activities included:

- Chapter 41, Specialty Pharmaceutical Purchasing was approved and sent to the policy, procedure and evaluation division for review and distribution to the field.
- Initiatives to address prescription duration and OTC utilization are underway with implementation expected to begin in November or December.
- A new policy and procedure was created to address quantity limits on certain groups of drugs and define packaging quantities for the planned central fill facility. The P&P is currently undergoing the process of review and modification prior to P&T deliberation, with approval expected in November.
- Coordination with Utilization Management is underway to establish the appropriate level of IV services based on facilities' ability to compound IV admixtures. Solutions include premix products and outsourcing depending on facility need and capability.

Pharmacy Staff Development and Training Activities

Clinical Pharmacy Operations Specialists (CPOS) in-serviced pharmacy and provider staff on pharmacy P&P Ch.8, CDCR Drug Formulary, Ch.35, Therapeutic Interchange, Ch.25, Inspection of Medication Storage Areas, and Ch.38, Prescription Turn-Around Time. In addition, CPOS discussed non-formulary approval and utilization with providers and leadership staff based on purchases and utilization data in Managed Care reports and provided in-service to facilities on the Hepatitis C medication algorithm.

CPOS presented a Pharmacotherapy Management Consult (PMC) to Medical leadership at MCSP analyzing MCSP overall utilization with focus on non-formulary and OTC use as well as early renewal practices. The PMC will be presented to all medical providers in October. CPOS also presented the first Mental Health PMC to MCSP mental health leadership followed by a presentation of mental health utilization (overall, NF and OTC) to all mental health providers. Training was also conducted on Managed Care reports and performance metrics for regional analysts, mental health, and QI staff.

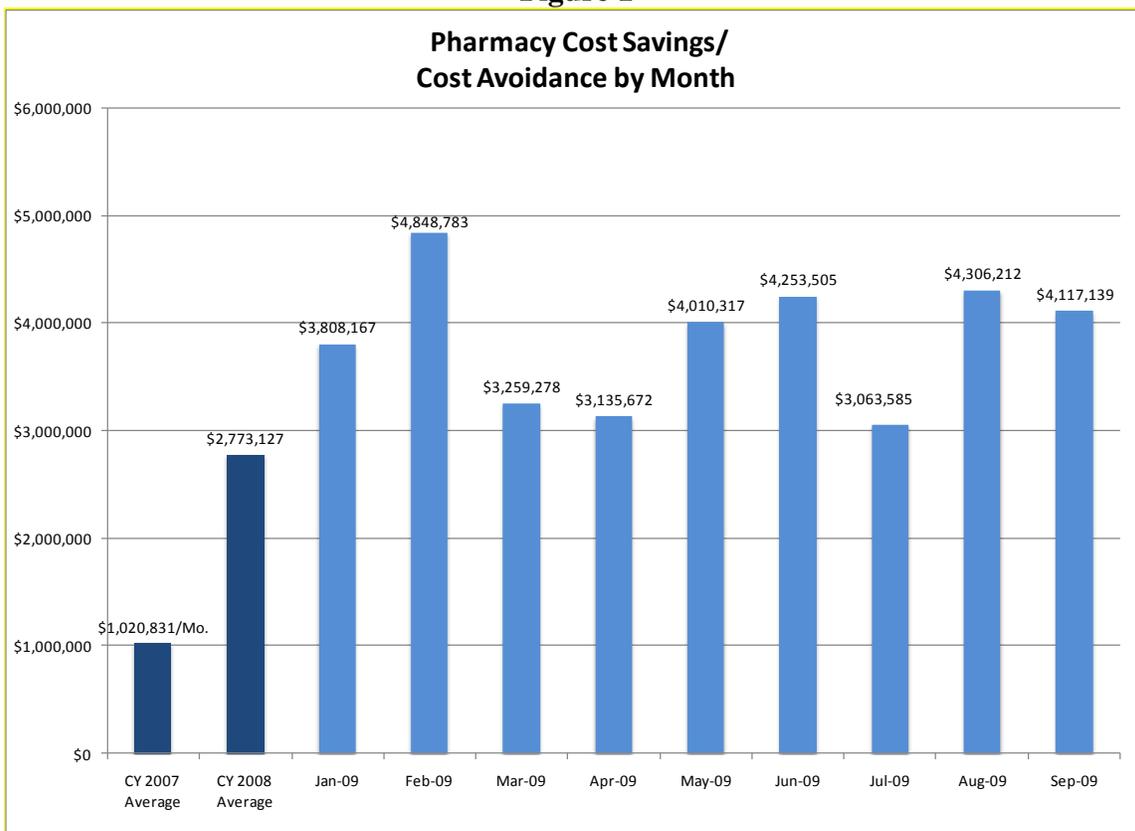
The September PIC monthly conference call topics included OIG audits including the tracking of licensed health care providers, influenza vaccinations including H1N1 vaccine availability, medication error reporting, CURES CSOS and monthly managed care reports workshops.

Our clinical team also discussed pharmacy training needs with CPHCS employee training unit. Topics included new employee training, future training needs in pharmacy operations and eventually transitioning existing training now provided through MC Strategies to the oversight of CPHCS training unit. During this month, two revised MC Strategies lessons were deployed (P&P Ch. 15 and 17) to PIC and pharmacy staff. MC Strategies completion rate system-wide is now at 90%.

Purchasing and Contracting Activities

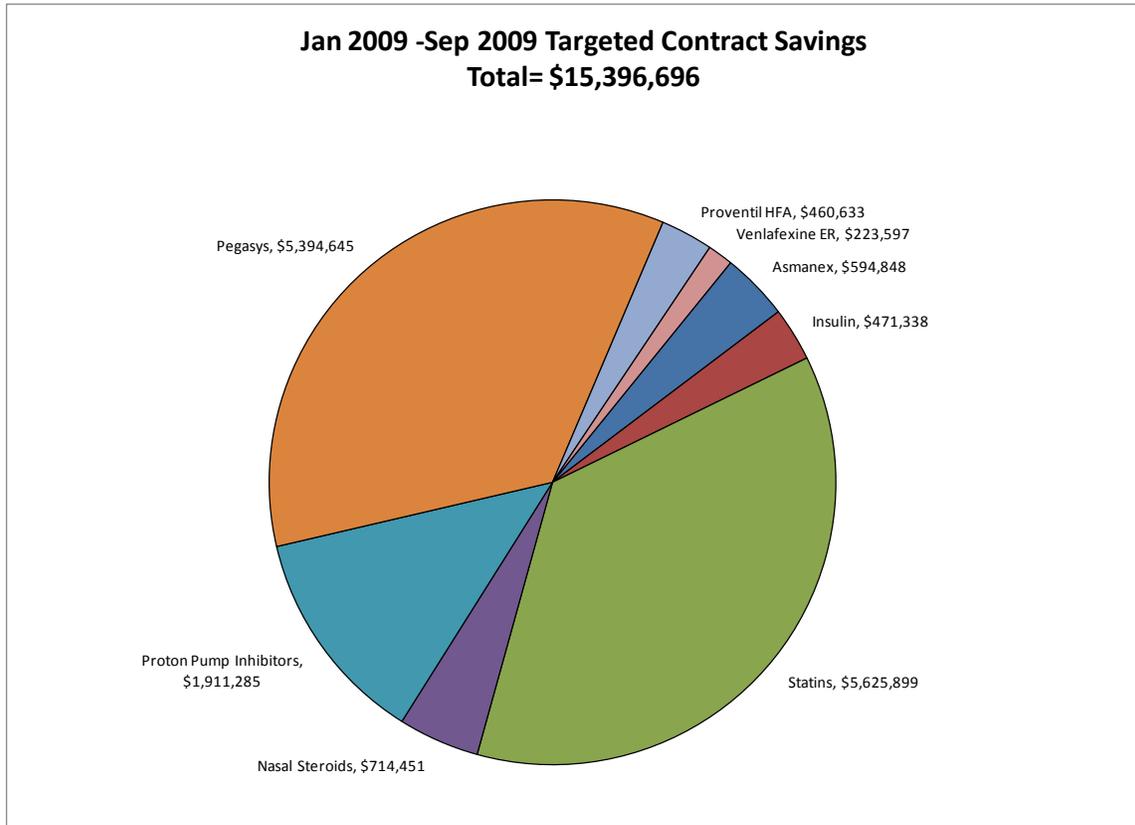
We continue to track and report on cost avoidance resulting from improved management oversight and direction of pharmacy purchasing and contract activities. Cost avoidance in 2008 totaled \$33.3M when compared to prior trends, averaging about \$2.8M per month. During the first nine months of 2009, significant cost avoidance has continued, with a cost avoidance of approximately \$34.8M (Figure 1 shows cost avoidance by month below).

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. In July, \$ 108,325 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 \$ 194,008 in cost avoidance by directly working with the facilities to ensure the correct contracted items were purchased. Additionally, cost savings for the first nine months of this year attributed to various targeted contract initiatives totaled nearly \$15.4M (see Figure 2).

Figure 2



Notable progress has been achieved over the course of this year in reducing expenditures for mental health medications. Psychiatric medication costs thus far in CY 2009 are averaging \$5.7M per month, down significantly from the \$7.1M per month experienced in CY 2008. Purchases of psychiatric medication comprised 32.9% of all purchases in September, compared to 45% in 2008.

Work continues with the CPHCS public health staff on the distribution of vaccine and Tamiflu in the system in response to the H1N1 flu strain.

Guardian Implementation

GuardianRx® has been successfully implemented in twenty-six sites (CCC, HDSP, FOL, MCSP, SQ, SAC, CMC, CVSP, ISP, COR, SATF, CIW, CCWF, VSPW, DVI, NKSP, KVSP, LAC, PVSP, SVSP, CCI, WSP, CRC, CAL, ASP, and CEN). Pre-conversion meetings and training at upcoming facilities continue as scheduled.

Central Fill Pharmacy Facility

Work on the Central Fill Pharmacy is progressing well. The building contractor is proceeding on schedule with the renovations and build out of the facility. Meetings with Cornerstone Automation Systems have been held to coordinate equipment automation issues.

Additionally, work related to the staffing and operation of the facility has continued. Meetings have begun to plan the process of moving positions for CFP and reevaluate time lines and system wide pharmacy staffing. Currently only 100 Pharmacist I and 135 pharmacy tech positions are budgeted and have position authority. Work is being done to define the pharmacy staffing model going forward and the interim staffing model until CFP is fully operational. This includes budgeting in the EAW for the temporary pharmacy positions that no longer have position authority. A meeting is scheduled for the first week in October to start working on the notice to the union etc. A second meeting was held with finance and personnel to answer questions regarding employee transition and to take next steps in timeline for staffing to central fill model.

Other Activity

An acting PIC was appointed at CIM until implementation of GuardianRx is complete. The position will be reassessed after implementation. During September, 11 candidate files were reviewed, 4 interviews conducted, 3 interviews declined, 4 interviews pending, and 2 are offers pending. Recruiting activities at pharmacy schools has been temporarily suspended due to the transition in staffing model. Centralized hiring is working with the Maxor team to identify current actual authorized positions that are vacant. All other job postings will be removed from VPOS and SPB until such times as a new staffing model is created.

Building committees began work again for the new enhanced facilities "CCC's" to replace the previous 10K beds project. Maxor leadership is participating in the planning process. Currently the 10K bed template pharmacy is being used as a place holder until details become clearer.

A work group was formed to include clinical leadership to develop performance metrics for prescribers related to medication use. The group has had two meetings to date.

Summary of Changes to Timeline

In the sections below, a listing of objectives completed, objectives delayed and objective timelines proposed for change (subject to review and approval of 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 A4: Establish key performance metrics used to evaluate the performance of the pharmacy services program. *(Completed, with continued refinement as GuardianRx® is implemented.)*

- Objective A5: Establish standardized monitoring reports and processes designed to continually assess program performance. (*Completed, with continued refinement as GuardianRx® is implemented.*)
- 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 C.3: Implement a process to insure that the best value contracted item is used.
- 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

Objective E.2, relating to the development of the Central Fill Pharmacy Facility is progressing, but due to delays in selecting the site location, leasing arrangements and contracting for the automation services, as well as the identification of additional state specifications, completion of this objective will be delayed until the first quarter of 2010.

As discussed in earlier reports, the roll out of the GuardianRx® system (Objective F.3) has been delayed, and will not be fully implemented statewide until early in 2010.

Objective Timelines Proposed for Change

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

Issues or Obstacles to Success

Budgetary concerns remain as efforts to reduce pharmacy program costs continue. Key among these concerns is addressing a significant difference between the historical pharmacy staffing levels approved in prior appropriations cycles and the actual staffing levels required by current workloads and processes. While implementation of the Central Fill Pharmacy will help in bridging this gap, there will need to be clear understandings of how mission critical services will be maintained in the interim and during the

implementation of the CFP. Meetings with CPHCS leadership and finance staff are ongoing to address these issues.

Monthly Attachments

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

Appendix A - Pharmacy Dashboard



Copy of 2009
Pharmacy Dashboard

Appendix B - Pharmacy Inspection Grid



CY 2008 - 09 Master
Inspection Grid.xls



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October 2009

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Monthly Summary Report October 2009

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 through the month of October 2009.

Pharmacy and Therapeutics Committee Activities

The system-wide Pharmacy and Therapeutics (P&T) Committee reviewed pharmacy dashboard and monthly metrics and several QI initiatives to enhance pharmacy operation and medication management. Actions taken included the following:

- The committee has been working collaboratively with nursing leadership to align nurse protocols with CDCR formulary. The committee approved several changes in protocol medications to eliminate any conflict with CDCR formulary. The protocols were referred to the Guidelines Committee to complete the process.
- Chapter 42, Prescription Quantity Standards: The Committee approved a new Pharmacy Policy & Procedure to standardize prescription quantities. The new policy is currently undergoing final review by Plata parties and will be distributed as soon as the review is completed.
- Intravenous Infusion Antibiotics and Others Products: The Committee reviewed a plan to make intravenous infusion antibiotics available in all CDDR facilities. The plan was created in collaboration with CPHCS Utilization Management leadership. The details are included in the attached communication.

Additionally, Chapter 7 After Hours Pharmacy Services (revision), and Chapter 11, Dental Urgent Medication Process (new) were released to the field by the CPHCS Policy Development Unit. The balance of the updated policies and procedures should be released in November.

Pharmacy Staff Development and Training Activities

Clinical Pharmacy Operations Specialists (CPOS) in-serviced pharmacy and provider staff on the following pharmacy policies:

- Ch. 19 - Medications Brought into a CDCR Facility by Patients
- Ch. 20 – Floor Stock Orders

- Ch. 35- Therapeutic Interchange
- Ch. 25 – Inspecting Medication Storage Areas
- Ch. 31 - Use of Tricyclic Antidepressants

In addition, CPOS discussed non-formulary approval and utilization with providers and leadership staff based on purchases and utilization data in the pharmacy Managed Care reports.

CPOS presented Pharmacotherapy Management Consults (PMC) to Medical leadership at CCWF, CVSP and MCSP. At CVSP, the PMC was presented to medical providers focusing on non-formulary and OTC utilization, however the CMO was called away at the last minute and did not participate in the PMC consultation. AT MCSP, the CPOS presented a PMC report discussing overall non-formulary and OTC utilization and early renewal data with medical providers. The Regional Medical Director (RMD) was present and participated in the presentation and discussions. The presentation was well received. MCSP is working on a plan to address the recommended action items. Utilization will be assessed again in three months and feedback will be provided to the facility. The CPOS also prepared an abbreviated PMC report of overall non-formulary and OTC utilization for CCWF. The report was shared with the RMD, who in turn shared it with the facility leadership.

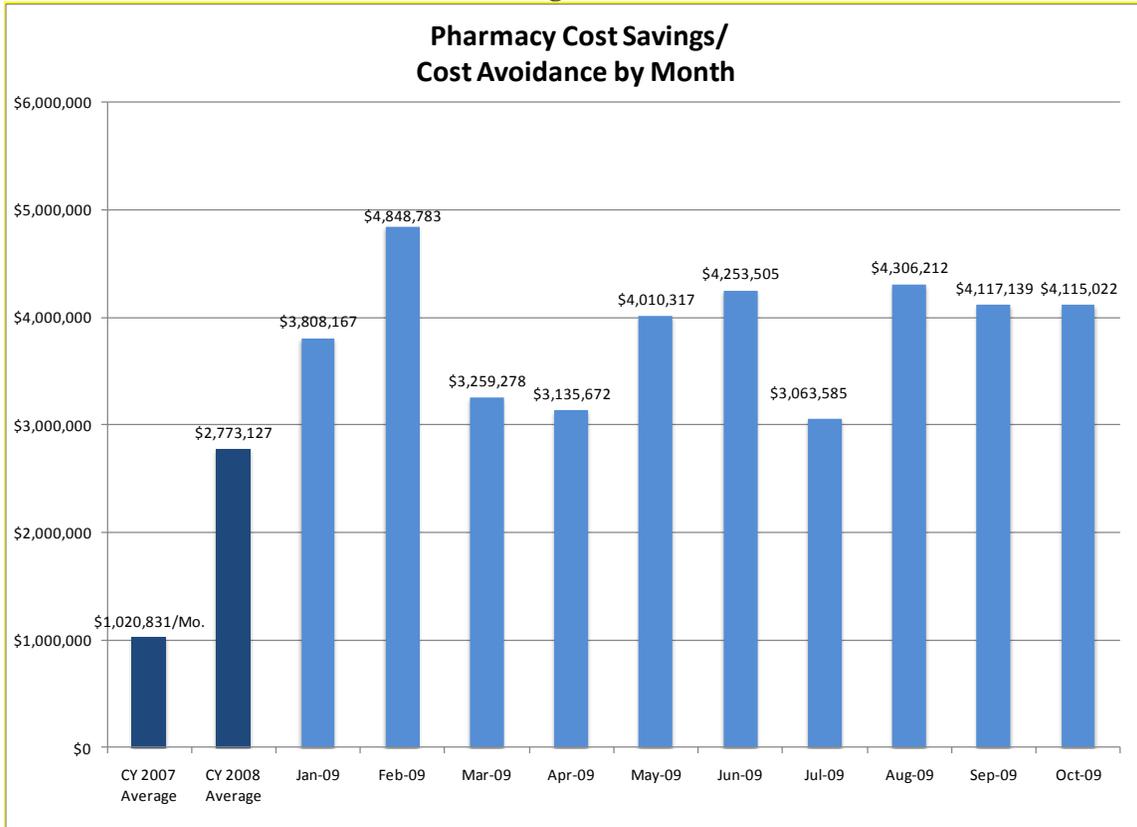
The October PIC monthly conference call covered H1N1 flu vaccine, seasonal flu, & waste management topics. Additionally, a detailed training tool outlining how to obtain medical performance metrics from Managed Care reports was sent to PICs.

During this month, two MC Strategies lessons on Ch. 19, Medications Brought into a CDCR Facility by Patients and Ch. 20, Floor Stock Orders were released to PIC and pharmacy staff. MC Strategies completion rate system-wide is now at 89%.

Purchasing and Contracting Activities

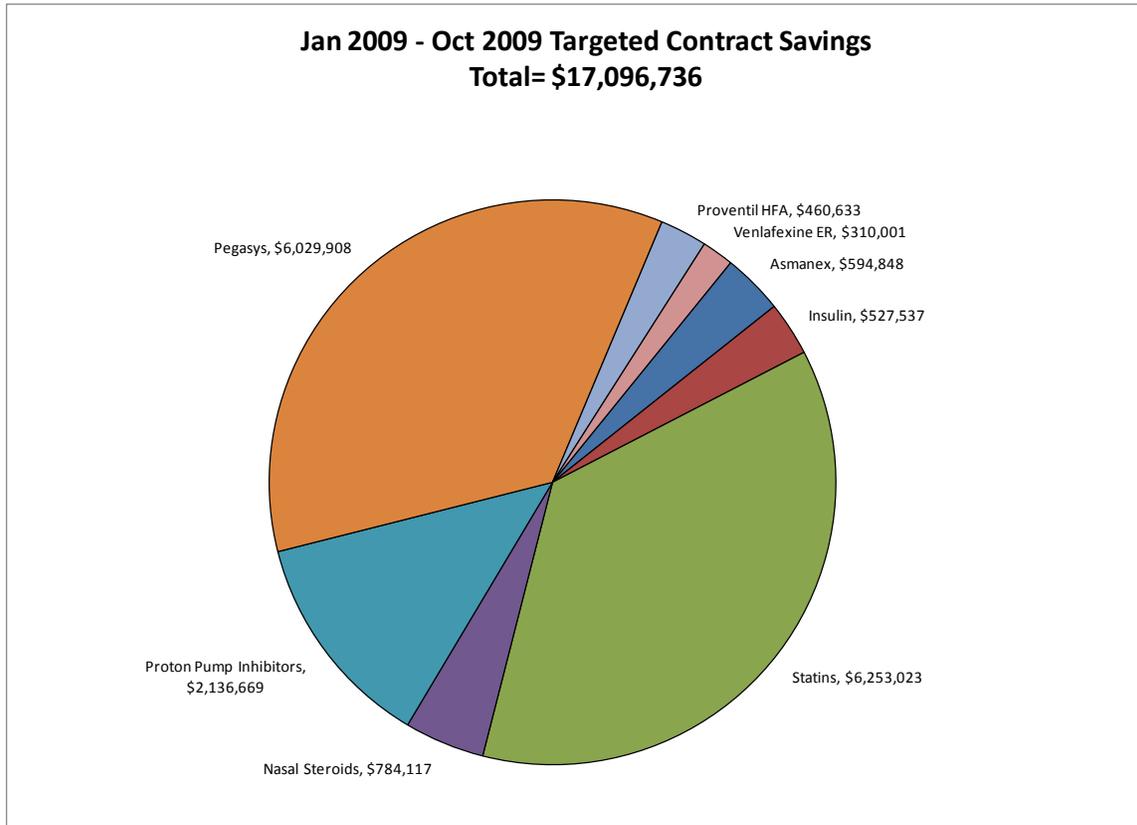
We continue to track and report on cost avoidance resulting from improved management oversight and direction of pharmacy purchasing and contract activities. Cost avoidance in 2008 totaled \$33.3M when compared to prior trends, averaging about \$2.8M per month. During the first ten months of 2009, significant cost avoidance has continued, with a cost avoidance of approximately \$38.9M (Figure 1 shows cost avoidance by month below).

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. In October, \$120,294 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 \$170,486 in cost avoidance by directly working with the facilities to ensure the correct contracted items were purchased. Additionally, cost savings for the first ten months of this year attributed to various targeted contract initiatives totaled just over \$17M (see Figure 2).

Figure 2



Guardian Implementation

Through October, GuardianRx® has been successfully implemented in twenty-eight sites (CCC, HDSP, FOL, MCSP, SQ, SAC, CMC, CVSP, ISP, COR, SATF, CIW, CCWF, VSPW, DVI, NKSP, KVSP, LAC, PVSP, SVSP, CCI, WSP, CRC, CAL, ASP, CEN, PBSP and CIM). Pre-conversion meetings and training at upcoming facilities continue. CTF go-live is set for November, however infrastructure issues may result in schedule changes for the remaining four facilities (SCC, RJD, SOL and CMF).

Central Fill Pharmacy Facility

Work on the Central Fill Pharmacy is progressing well. The building contractor is proceeding on schedule with the renovations and build out of the facility. Meetings with Cornerstone Automation Systems have been held to coordinate equipment automation issues.

Additionally, work related to the staffing and operation of the facility has continued. Meetings to plan the process of moving positions for CFP and reevaluate time lines and system wide pharmacy staffing have been held. Work is being done to define the pharmacy staffing model going forward and the interim staffing model until CFP is fully

operational. This includes budgeting for the temporary pharmacy positions that no longer have position authority.

Other Activity

During October, interviews were held for the PIC positions at CAL & CCC. Additionally, nine candidate files were reviewed this month however SPB has changed the software for applicant certification and the lists are currently unavailable. Seven interviews were conducted, 1 declined due to furloughs and 1 is still pending, 2 offers of employment were made and both accepted. One offer from the previous month was withdrawn due to position authority removed.

Summary of Changes to Timeline

In the sections below, a listing of objectives completed, objectives delayed and objective timelines proposed for change (subject to review and approval of 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 A4: Establish key performance metrics used to evaluate the performance of the pharmacy services program. *(Completed, with continued refinement as GuardianRx® is implemented.)*
- Objective A5: Establish standardized monitoring reports and processes designed to continually assess program performance. *(Completed, with continued refinement as GuardianRx® is implemented.)*
- 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.
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- Objective C.1: Monitor wholesaler (vendor) to ensure contract compliance.
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- 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

Objective E.2, relating to the development of the Central Fill Pharmacy Facility is progressing, but due to delays in selecting the site location, leasing arrangements and contracting for the automation services, as well as the identification of additional state specifications, completion of this objective will be delayed until the first quarter of 2010.

As discussed in earlier reports, the roll out of the GuardianRx® system (Objective F.3) has been delayed, and will not be fully implemented statewide until early in 2010.

Objective Timelines Proposed for Change

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Issues or Obstacles to Success

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Monthly Attachments

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Appendix A - Pharmacy Dashboard



Copy of 2009
Pharmacy Dashboard

Appendix B - Pharmacy Inspection Grid



Copy of CY 2008 -
09 Master Inspection

PRISON HEALTH CARE SERVICES

ALLIED HEALTH SERVICES DIVISION



November 2009 Pharmacy Program Performance Summary
Submitted December 17, 2009

Overview

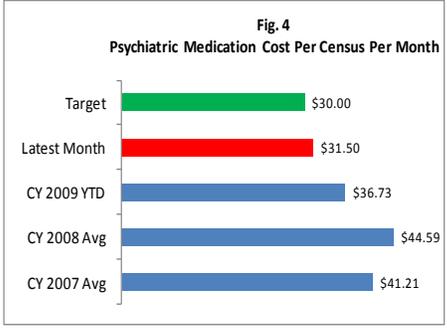
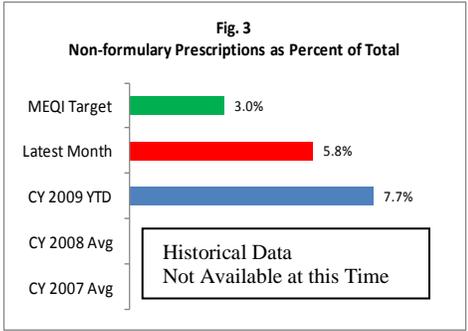
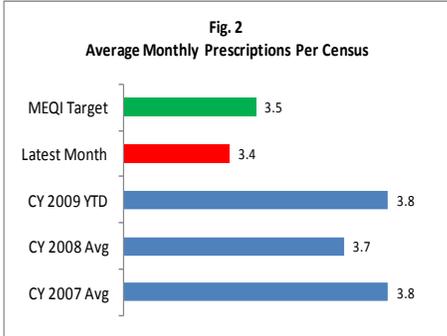
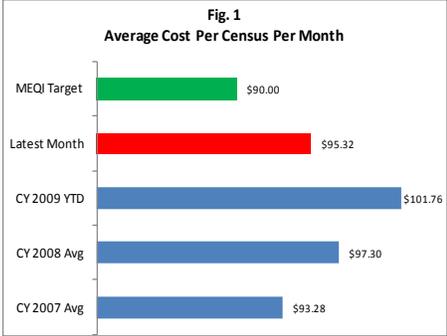
- Pharmacy Program goals are to improve quality, cost-effectiveness and safety of prescribed pharmaceutical therapies at CDCR. Activities described in this report are for November, and the data are through November.
- HEADLINES:**
 - Newly adopted MEQI initiative will help healthcare executives and clinicians act on pharmacy quality and cost drivers.
 - GuardianRx conversions now complete at 29 of 33 facilities (87.9%).
 - Central Fill Pharmacy construction and automation design continues to progress.

Recent Accomplishments

- MEQI stakeholders and sponsors established initial goals, objectives tasks and timelines.
 - Preliminary performance measures were established to identify intervention targets.
 - Enterprise and regional leaders have committed to take action with institutions to meet MEQI goals.
 - New system-wide reports will support initiative monitoring that will lead to decisions to improve prescribing patterns.
 - CPHCS clinical leadership has been briefed on the MEQI action plan.

Key Performance Indicators

<p>Pharmacy cost PMPM (Fig. 1) in November was the lowest thus far this year, but is due in part to fewer purchase days because of the holidays.</p>	<p>Prescriptions PMPM were lower in November, but yearly average is still above target and in line with previous years.</p>
<p>Despite recent efforts, the current proportion of non-formulary prescribing (Fig. 3) is almost twice the MEQI target.</p>	<p>Psychiatric Medication Costs PMPM continue to decrease from prior levels. 2009 YTD average is 17.6% below CY 2008 average.</p>



Pharmacy & Therapeutics Committee Activity

- The system-wide Pharmacy and Therapeutics (P&T) Committee reviewed pharmacy dashboard and monthly metrics and several QI initiatives to enhance pharmacy operation and medication management.
- After-Hours / Emergency Fill Update-The third party administration contract is expected to be finalized and made available December 1, 2009. All facilities will have access to the contract but initial roll-out will occur at FOL, SAC HDSP and CAL.
- 12 Month Pilot Update / Early Renewal Report - Two facilities are participating in the project, CCC & HDSP. Several barriers to success have been identified, including providers not trusting the expired medication process and not remembering to write for 12 months. The need for additional training on the expired medication report and medication reconciliation forms was identified and is being addressed.
- OTC-Nonpharmaceutical Workgroup Report – implementation documents from the workgroup were disseminated to P&T members for final review.
- Provision of IV Medication – The IV infusion service level/plan has been deployed to facilities. The plan detailed a list of core pre-mixed IV antibiotics that were made available to all CDCR facilities through the Prime vendor and outlined appropriate service levels for each facility based on presence (or absence) of sterile compounding environment.

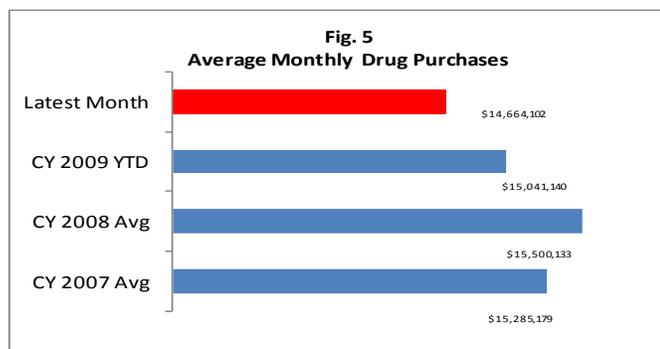
GuardianRx Conversions

- GuardianRx conversions are complete at 29 of the 33 institutions. Schedules for the remaining four sites (SCC, RJD, SOL and CMF) remain under review by the Core Leadership Team due to infrastructure needs.

Central Fill Pharmacy Facility

- Construction and build-out continues on or ahead of schedule.
- Automation design reviews continue, with onsite prototype testing set for last week of January.
- Most significant risk to schedule continues to be need for resolution of interim and post CFP staffing issues. Comprehensive staffing package provided to Finance on November 20, 2009.

Financial Profile



- Average overall monthly pharmacy expenditures show a decrease in November (Fig. 5). The decrease is in part attributed to fewer purchase days due to holidays.
- Targeted Drug Contracts have resulted in YTD cost avoidance of approximately \$18.6 million.
- Total cost avoidance when compared to prior trend lines in November was \$5.9 million bringing the YTD total to approximately \$44.8 million.
- Staffing plan approvals are still pending.

Issues, Risks and Challenges

- Leadership engagement in program improvement initiatives is essential to realizing potential gains. AHS and other engaged clinical leaders are working to improve visibility of initiative and imperative with fresh deliverables.
- Budget uncertainties may diminish the potential impact of planned pharmacy initiatives that could improve cost-effectiveness. AHS is working with clinical leaders to demonstrate adverse impact of initiative rollback on cost/quality.
- Need to resolve interim and post CFP staffing issue represents most pressing need. Delay in resolving staffing plan not only risks delay to CFP implementation, but risks service delivery as vacancies are not currently being authorized for replacement.

Upcoming Activities

- CFP automation design testing of prototype units set for late January.
- Regional and facility “report cards” and patient action lists will help target potential prescribing pattern improvements.
- Quality and safety indicators are under development and will supplement cost and use metrics to drive performance.
- Date-specific goals for reaching cost and quality goals are under development; improvements are targeted in 2010.