

APPENDIX 9

PRISON HEALTH CARE SERVICES

ALLIED HEALTH SERVICES DIVISION



December 2009 Pharmacy Program Performance Summary
Submitted January 22, 2010

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 December 2009, and the data are through December.
- **HEADLINES:**
 - CY 2009 drug purchases up 2% from 2008, totaling \$189.7 million.
 - As of December 31st, GuardianRx conversions were complete at 29 of 33 facilities (87.9%). Schedule for remaining four sites has been set by Core Leadership Team.
 - Central Fill Pharmacy construction and automation design continues to progress.

Recent Accomplishments

- MEQI goals, objectives tasks and timelines distributed to facilities.
- Post Central Fill staffing model approved; implementation planning activities continue.
 - Implementation strategies developed and prepared for leadership decisions in early January.
 - CFP workflows, duty statements and related planning documents continue to be refined.
 - Preliminary implementation site criteria developed and site recommendation/schedules prepared; meetings with impacted facility staff leadership teams set.

Key Performance Indicators

<p>Pharmacy cost PMPM (Fig. 1) in 2009 averaged \$102.73, up from \$97.30 in 2008.</p> <div style="text-align: center;"> <p>Fig. 1 Average Cost Per Census Per Month</p> <table border="1"> <tr><th>Category</th><th>Value</th></tr> <tr><td>MEQI Target</td><td>\$90.00</td></tr> <tr><td>Latest Month</td><td>\$111.18</td></tr> <tr><td>CY 2009 Avg</td><td>\$102.73</td></tr> <tr><td>CY 2008 Avg</td><td>\$97.30</td></tr> <tr><td>CY 2007 Avg</td><td>\$93.28</td></tr> </table> </div>	Category	Value	MEQI Target	\$90.00	Latest Month	\$111.18	CY 2009 Avg	\$102.73	CY 2008 Avg	\$97.30	CY 2007 Avg	\$93.28	<p>Prescriptions PMPM averaged 3.9 in 2009 (Fig. 2), above targeted level and slightly higher than previous years.</p> <div style="text-align: center;"> <p>Fig. 2 Average Monthly Prescriptions Per Census</p> <table border="1"> <tr><th>Category</th><th>Value</th></tr> <tr><td>MEQI Target</td><td>3.5</td></tr> <tr><td>Latest Month</td><td>3.9</td></tr> <tr><td>CY 2009 Avg</td><td>3.9</td></tr> <tr><td>CY 2008 Avg</td><td>3.7</td></tr> <tr><td>CY 2007 Avg</td><td>3.8</td></tr> </table> </div>	Category	Value	MEQI Target	3.5	Latest Month	3.9	CY 2009 Avg	3.9	CY 2008 Avg	3.7	CY 2007 Avg	3.8
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<p>The current proportion of non-formulary prescribing (Fig. 3) shows improvement but is still well above the MEQI target.</p> <div style="text-align: center;"> <p>Fig. 3 Non-formulary Prescriptions as Percent of Total</p> <table border="1"> <tr><th>Category</th><th>Value</th></tr> <tr><td>MEQI Target</td><td>3.0%</td></tr> <tr><td>Latest Month</td><td>5.6%</td></tr> <tr><td>FY 09/10 Avg</td><td></td></tr> <tr><td>FY 08/09 Avg</td><td></td></tr> </table> </div>	Category	Value	MEQI Target	3.0%	Latest Month	5.6%	FY 09/10 Avg		FY 08/09 Avg		<p>Psychiatric Medication Costs PMPM continue to decrease from prior levels. CY 2009 average was 18.8% lower than the CY 2008 average.</p> <div style="text-align: center;"> <p>Fig. 4 Psychiatric Medication Cost Per Census Per Month</p> <table border="1"> <tr><th>Category</th><th>Value</th></tr> <tr><td>Target</td><td>\$30.00</td></tr> <tr><td>Latest Month</td><td>\$38.37</td></tr> <tr><td>CY 2009 Avg</td><td>\$36.18</td></tr> <tr><td>CY 2008 Avg</td><td>\$44.59</td></tr> <tr><td>CY 2007 Avg</td><td>\$41.21</td></tr> </table> </div>	Category	Value	Target	\$30.00	Latest Month	\$38.37	CY 2009 Avg	\$36.18	CY 2008 Avg	\$44.59	CY 2007 Avg	\$41.21		
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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.
- Ophthalmic NSAIDs category review completed. Selected ketorolac (Acular) 0.5% to be added to the formulary. A therapeutic interchange was developed for P&T approval in January.
- The P&T Committee received the final pain management guidelines and discussed the need to ensure the formulary aligned with the new guidelines. Changes to the formulary will be presented to the Committee for approval in January.

GuardianRx Conversions

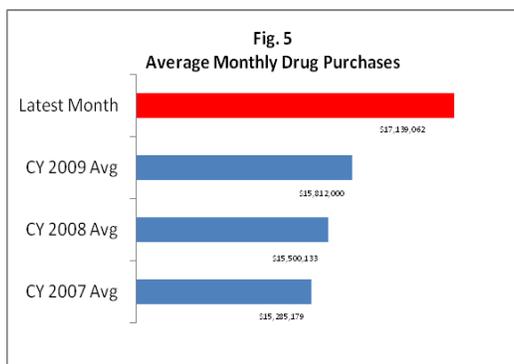
- GuardianRx conversions are complete at 29 of the 33 institutions. Schedules for the remaining four sites (SCC, RJD, SOL and CMF) were adopted by the Core Leadership Team, with final completion set for April 2010.

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.
- Post Central Fill staffing model received approval from CPHCS leadership; preparation of union and employee notices have been initiated in conjunction with HR and labor relations staff.

Financial Profile

- During CY 2009, drug purchases totaled \$189.7 million, up slightly from CY 2008 (\$186 million), representing an increase of about 2.0%. In 2009, the system spent almost \$11.1 million more for HCV medications than in 2008. Over the same time, HIV costs increased by about \$3.1 million. While HCV/HIV costs increased, spending on psychiatric medications was about \$12.9 million less in 2009 than in 2008.



- Drug purchases in December were about \$17.1 M, the highest month of this CY. However, the prior month saw the lowest monthly drug purchases; together, November and December were in line with the yearly average of \$15.8 million per month.
- Targeted Drug Contracts resulted in a cost avoidance of approximately \$20.3 million in CY 2009.
- Total cost avoidance when compared to prior trend lines in December was almost \$3.6 million bringing the CY 2009 total to approximately \$48.4 million.

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.
- Follow-on actions related to the approval of the CFP staffing plan including establishment of position authority and interaction with unions remain potential risks in delay of the CFP implementation.
- Additional risks to current service delivery continue as vacancies are not being authorized for replacement in a timely manner. Pharmacy leadership is working with Finance and HR on these issues.

Upcoming Activities

- CFP automation design testing of prototype units set for late January.
- Pharmacy Services Manager position has been filled. Together with current Pharmacy Services Manager, planning for transition of pharmacy management to State employees will begin in January

PRISON HEALTH CARE SERVICES

ALLIED HEALTH SERVICES DIVISION

**January 2010 Pharmacy Performance Report****Overview**

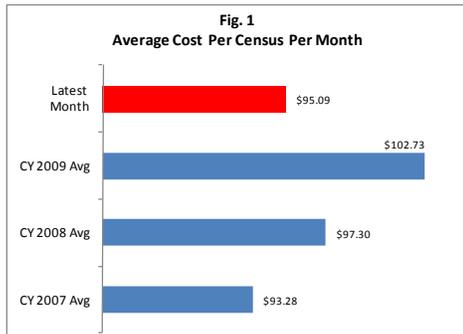
- Pharmacy Program goals are to improve quality, cost-effectiveness and safety of prescribed pharmaceutical therapies at CDCR.
- **HEADLINES:**
 - January 2010 drug purchases are down significantly from a December high, totaling \$14.6 million.
 - As of the end of January, GuardianRx conversions were complete at 30 of 33 facilities (90.9%). The schedule for the remaining three sites has been set by the Core Leadership Team, with completion of all sites targeted for the end of April.
 - The Central Fill Pharmacy (CFP) initial build-out construction is complete. Initial automation prototype testing is completed. Implementation plans and staffing preparations continue, with a focus on detailed workplans, schedules and requirements.

Recent Accomplishments

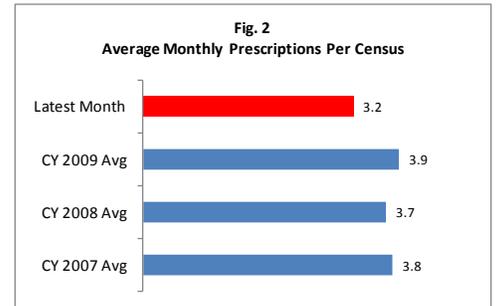
- CPHCS Pharmacy leadership assignments were authorized. Wayne Gohl (Operations) and Gene Roth (Central Fill Pharmacy) were named to share duties as Acting Chief of Pharmacy.
- **Pharmacy & Therapeutics Committee Activity:**
 - The system-wide Pharmacy and Therapeutics (P&T) Committee reviewed monthly metrics and several QI initiatives to enhance pharmacy operation and medication management, including the project targeting a reduction in unnecessary OTC medications and the pilot project reviewing issues related to early renewals of prescriptions.
 - A therapeutic interchange for ketorolac (Acular) 0.5% was approved for this recent addition to the formulary.
 - The P&T Committee reviewed and approved multiple changes to the formulary in order to match the formulary to the newly approved pain management guidelines.
 - The committee approved a new pharmacy P&P, Ch. 43, Medication Profile and Drug Regimen Review. The policy will be processed and distributed by the Policy Compliance Unit. This policy requires a pharmacist to review medication profile and drug regimen of patients in licensed intermediate care and licensed skilled nursing facility beds as clinically necessary to ensure appropriate drug therapy is provided in compliance with regulatory and practice standards.
 - Regarding clozapine policy and mental health providers, the P&T Committee approved revisions to the drug interactions sections and the deletion of the patient consent requirement. The revised policy will be distributed by mental health leadership.
- **GuardianRx Conversions:**
 - GuardianRx conversions are complete at 30 of the 33 institutions (SCC Guardian Rx conversion was completed successfully).
 - Schedules for the remaining three sites (RJD, SOL and CMF) were adopted by the Core Leadership Team, with final completion set for April 2010.
- **Central Fill Pharmacy Facility**
 - CFP implementation plan and schedule for the first eight sites have been approved by leadership.
 - CFP workflows, duty statements, budget documents and related planning documents continue to be refined.
 - Initial build-out construction and preliminary checklist walk-through is completed. Automation design prototype testing was completed the last week of January. Final equipment acceptance testing and installation schedules are confirmed. Final equipment installation will be finished by April 23rd.
 - Union notices related to CFP activation have been sent out by HR and labor relations staff.
 - Weekly staffing meetings are being conducted, with staffing model follow-up and detailed implementation planning activities continuing.

Key Performance Indicators

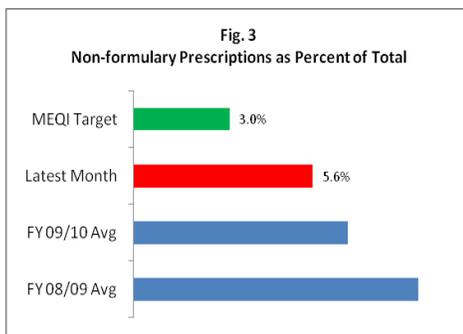
Pharmacy cost per member per month (PMPM) in January 2010 averaged \$95.09 down significantly from the prior year average.



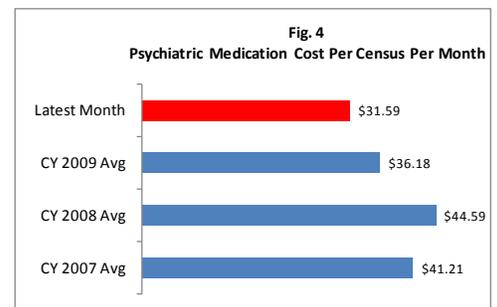
Prescriptions PMPM averaged 3.2 in January which is lower than previous years.



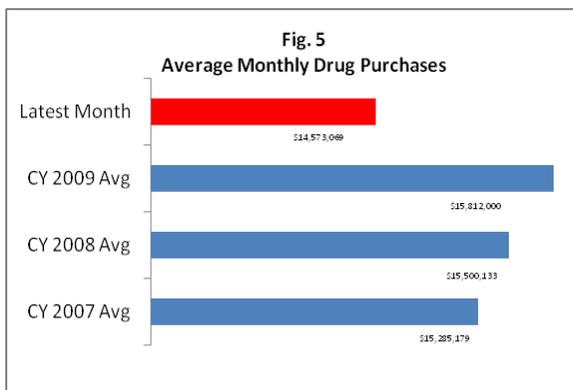
The current proportion of non-formulary prescribing (5.6%) shows improvement but is still well above the 3% target.



Psychiatric Medication Costs PMPM continue to decrease from prior levels. January costs were \$31.59, well below CY 2009 average.



Financial Profile



- Drug purchases in January were about \$14.6M, down significantly from the prior month and from the CY 2009 average of \$15.8 million per month.
- Targeted Drug Contracts resulted in a cost avoidance of approximately \$1.5 million in January.
- Total cost avoidance when compared to prior trend lines in January was almost \$6.3 million.
- Maxor's contract billings to date (through January) are 5% under budget for FY 2009/10.

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.
- The CFP staffing plan, including timely establishment of position authority and interaction with unions, remains a potential risk in delaying the CFP implementation.

Upcoming Activities

- CFP automation acceptance testing sessions is set for March and for early April.
- GuardianRx conversions for final sites are set for go-live: SOL (3/8/2010); RJD (3/22/2010) and CMF (4/12/2010).



February 2010 Pharmacy Performance Report

Overview

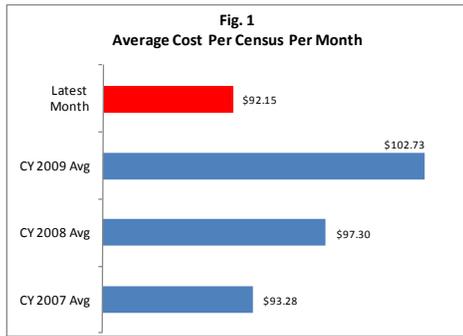
- Pharmacy Program goals are to improve quality, cost-effectiveness and safety of prescribed pharmaceutical therapies at CDCR.
- **HEADLINES:**
 - February 2010 drug purchases continue downward trend from a December 2009 high, totaling \$14.1 million.
 - OTC initiative targeting a reduction in non-medically necessary items was rolled out with a 90-day transition period; some OTC items will no longer be available, while others will be available only with non-formulary approval.

Recent Accomplishments

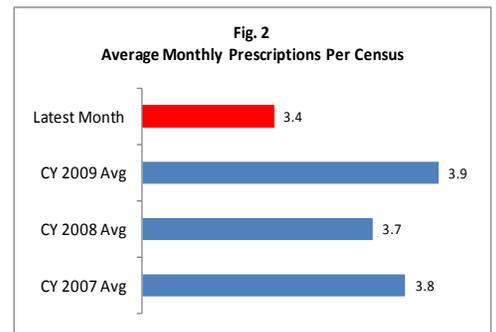
- Pharmacy & Therapeutics Committee Activity:
 - The system-wide Pharmacy and Therapeutics (P&T) Committee reviewed monthly pharmacy metrics and were provided with an update on the status of the Central Fill Pharmacy program.
 - The committee finalized formulary changes consistent with the approved OTC initiative, removing selected OTC items from the formulary. These OTC items contribute to an increased workload for health care staff, such as nurses who administer and deliver medications and pharmacists who dispense these items. A carefully constructed implementation package was prepared and distributed to assist in this transition.
 - The committee approved a revised pharmacy P&P, Ch. 9, Prescription Requirements. The policy will be processed and distributed by the Policy Compliance Unit. This policy revision extends the allowable prescription duration to twelve months.
 - A subcommittee including mental health and pharmacy representatives was formed and tasked with the review and update of the list of medications subject to heat restrictions (Ch. 34, Heat Risk Medications). The subcommittee is to bring a final recommendation to the P&T Committee in March for final approval.
- GuardianRx Conversions:
 - GuardianRx conversions are complete at 30 of the 33 institutions (SCC Guardian Rx conversion was completed successfully).
 - Schedules for the remaining three sites (RJD, SOL and CMF) were adopted by the Core Leadership Team, with final completion set for April 2010.
- Central Fill Pharmacy Facility
 - CFP implementation plan and schedule for the first eight sites have been approved by leadership. Meetings with the CEOs and PICs at the facilities were held and input sought on the implementation plans.
 - CFP workflows, duty statements, budget documents and related planning documents continue to be refined.
 - Final equipment acceptance testing and installation schedules are confirmed. Factory Acceptance Testing will be in two stages: March 18th and April 7-8th. Final equipment installation will be finished by April 23rd.
 - Staffing activities are being monitored on a weekly basis with plans to begin initial training and pre-packing operations starting April 1.
 - Extensive efforts were made to identify and initiate the purchase of operating supplies, equipment and service agreements needed to support the opening of the facility.

Key Performance Indicators

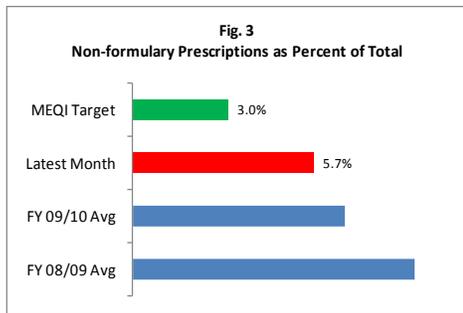
Pharmacy cost per member per month (PMPM) in February 2010 averaged \$92.15 down significantly from the prior year average.



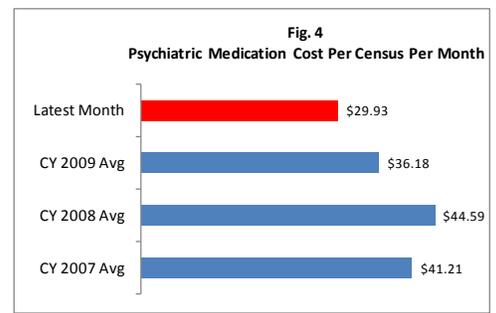
Prescriptions PMPM averaged 3.4 in February which is lower than previous years.



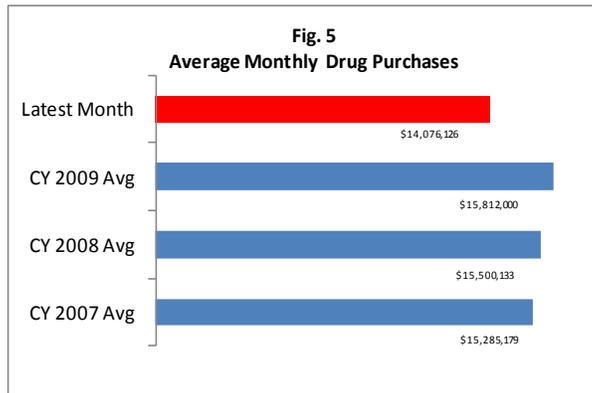
The current proportion of non-formulary prescribing (5.7%) shows improvement from the prior year but is still well above the 3% target.



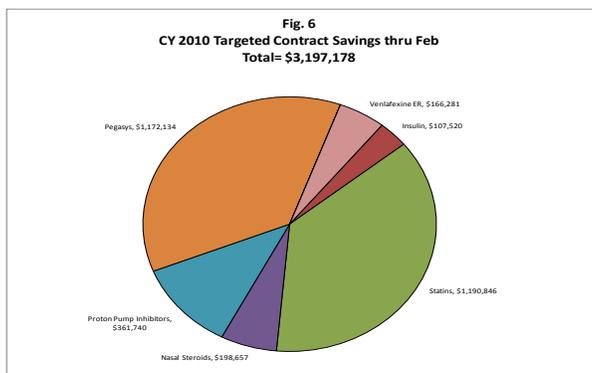
Psychiatric Medication Cost PMPM continues to decrease from prior levels. January costs were \$29.93, well below CY 2009 average.



Financial Profile



- Drug purchases in February were about \$14.1M, down 3.5% from the prior month and down about ten percent from the CY 2009 average of \$15.8 million per month. However, because February has fewer purchase days, results should be viewed cautiously.
- Targeted Drug Contracts resulted in a cost avoidance of approximately \$3.2 million in the first two months of CY 2009.
- Maxor's contract billings to date (through February) are 5.6% under budget for FY 2009/10.



Issues, Risks, and Challenges

- CFP staffing, including timely establishment of position authority and interaction with unions, remains a potential risk in delaying the CFP implementation; active work is ongoing to mitigate these risks.

Upcoming Activities

- CFP automation acceptance testing sessions is set for March 18th and for early April 7-8th.
- GuardianRx conversions for final sites are set for go-live: SOL (3/8/2010); RJD (3/22/2010) and CMF (4/12/2010).