

# APPENDIX 10



## April 2010 Pharmacy Performance Report

### Overview

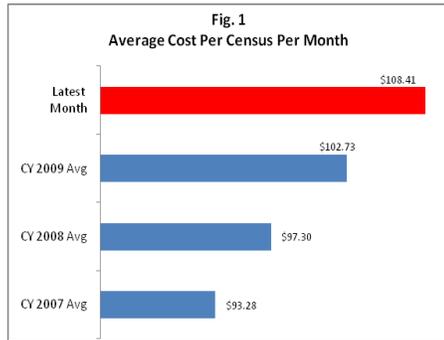
- Pharmacy Program goals are to improve quality, cost-effectiveness and safety of prescribed pharmaceutical therapies at CDCR.
- **HEADLINES:**
  - GuardianRx conversions completed at all 33 facilities, with final site (CMF) conversion in April.
  - Central Fill Pharmacy opens; staff training, equipment installation and initial stocking of facility has begun.
  - April 2010 drug purchases increased slightly compared to March, totaling \$16.4 million.

### Recent Accomplishments

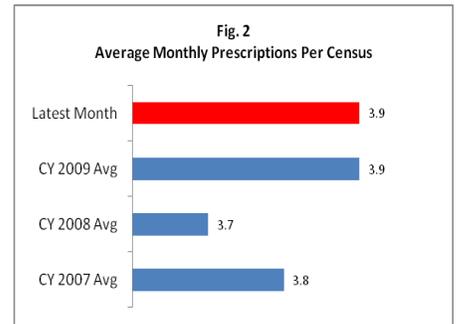
- GuardianRx Conversions:
  - GuardianRx conversions are complete at all 33 institutions. This extensive effort has dramatically improved the availability of data on medication utilization and prescribing. The final conversion site, CMF went live the week of April 19, 2010 as scheduled.
- Central Fill Pharmacy Facility
  - CFP implementation plan and schedule for the first eight sites is proceeding as scheduled.
  - CFP staff was identified and began training activities during the first week of April. Comprehensive training on all aspects of the CFP operation, including inventory, prepacking, and GuardianRx order entry have been conducted.
  - Initial prepackaging of medication into blister cards has begun in order to stock up for the initial implementations. As the implementation process proceeds, the prepacking operation will increase its workload significantly.
  - Final equipment acceptance testing continued. Factory Acceptance Testing was completed in April, with shipping and installation of the automation equipment being staged into the CFP facility. Pre-packing equipment installation has been completed and staff were trained by the manufacturer on the equipment. Sortation equipment installation has begun. Extensive customer acceptance testing will be conducted throughout the month of May.
- 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.
  - Based on feedback from the OTC initiative, the committee reviewed several OTC items:
    - The committee approved as an addition to the Formulary (with restrictions) Prenatal vitamins - Restricted to female institutions for pregnant females only. Indication must be written on the prescription.
    - The committee considered a request to add Fish Oil back to the Formulary, however the request was denied following a lengthy discussion and review of medical necessity.

**Key Performance Indicators**

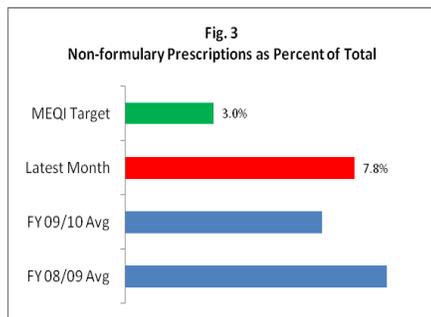
Pharmacy cost per member per month (PMPM) in April 2010 increased over last month.



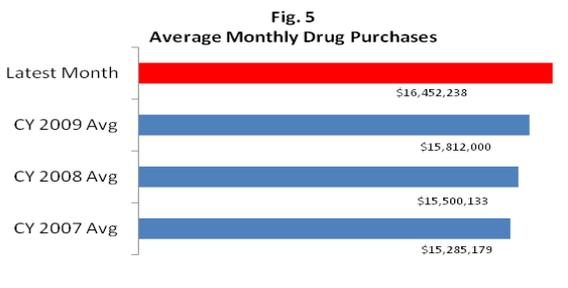
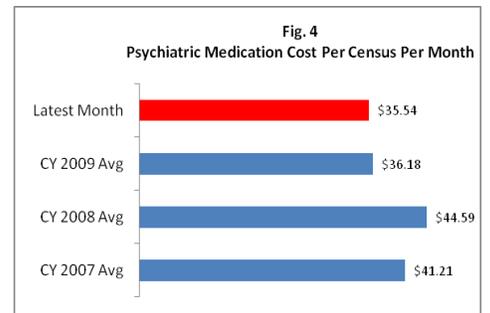
Prescriptions PMPM averaged 3.9 in April equal to last year.



The proportion of non-formulary prescriptions increased from 5.5% in the prior month to 7.8% in April.



Psychiatric Medication Cost PMPM continues to remain below prior levels. April costs were \$35.54 per inmate per month.



**Financial Profile**

- Drug purchases in April were \$16.4M, up slightly from the prior month.
- Return to Stock credits have shown a steady climb since the program was implemented in September 2008. Monthly credits now average \$1.3 million per month.
- Maxor's contract billings to date (through March) are 5% under budget for FY 2009/10.



**Issues, Risks, and Challenges**

- CFP equipment and software testing will require extensive attention during next two months to validate operations.

**Upcoming Activities**

- CFP automation acceptance testing sessions continue beginning in May and continuing through final installation.
- First CFP implementation set for CSP-SAC in mid-June.



**May 2010 Pharmacy Performance Report  
Submitted June 15, 2010**

**Overview**

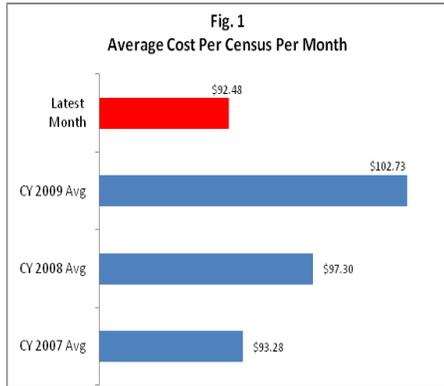
- Pharmacy Program goals are to improve quality, cost-effectiveness and safety of prescribed pharmaceutical therapies at CDCR.
- This report covers activities for the month of May 2010. Most data is current as of May 2010.
- **HEADLINES:**
  - Central Fill Pharmacy readies for implementation; staff training, equipment installation and initial stocking of facility continues.
  - May 2010 drug purchases down significantly from April, totaling almost \$14.4M; management of inventory overstock contributes to decline.

**Recent Accomplishments**

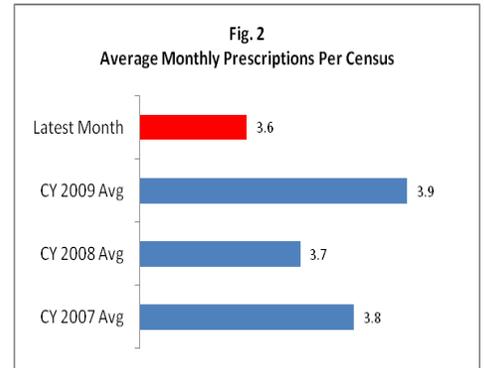
- **GuardianRx Conversions:**
  - GuardianRx conversions were completed at all 33 institutions in April. Follow-up and continuing support has been provided to RJD and CMF throughout May to ensure conversion success.
- **Inventory Management:** Focus has continued on improving management of inventory at the facility level. Regular overstock reports show significant progress in reducing excess inventory and have contributed to reduction in monthly costs in May.
- **Central Fill Pharmacy Facility**
  - CFP implementation plan and schedule for the first eight sites is proceeding as scheduled.
  - CFP staff training on all aspects of the CFP operation, including inventory, prepacking, and GuardianRx order entry continues.
  - Initial prepackaging of medication into blister cards has begun in order to stock up for the initial implementations. As the implementation process proceeds, the prepacking operation will increase its workload significantly.
  - Final equipment installation and acceptance testing continued.
- **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 pharmacy inspection report data and process was discussed by the P&T Committee; decision was made for the P&T Committee to follow-up on corrective actions for facilities with continued inspection issues and to review and update the inspection criteria.
  - A newly revised medication error reporting tool developed by Nursing was reviewed by the P&T Committee and is currently being pilot tested in several facilities. Level 4 medication errors submitted over the last year will be analyzed to assist in targeting quality improvement efforts.
  - P&T reviewed formulary requests and made a determination to substitute another product for Pancrealipase as soon as pricing information on newly released products becomes available. The committee also denied a request to add Rifaximin to the formulary for use in hepatic encephalopathy (HE). Rifaximin will remain non-formulary, and its use restricted to patients with history of HE who failed Lactulose or who are unable to tolerate other therapies due to adverse effects.

**Key Performance Indicators**

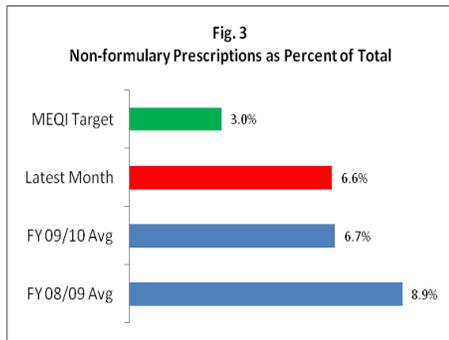
Pharmacy cost per member per month (PMPM) in May 2010 decreased significantly compared to prior two months. Average for CY 2010 to date is \$98.79 (down 3.8% from last year).



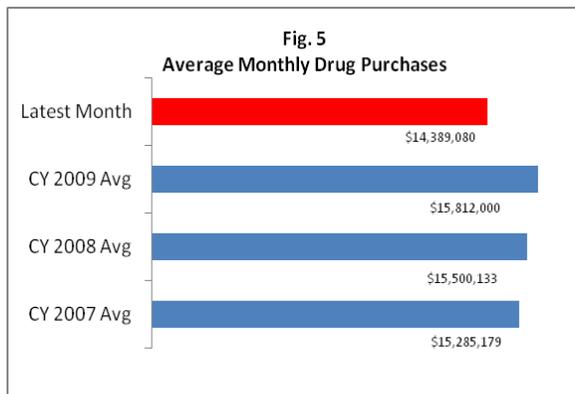
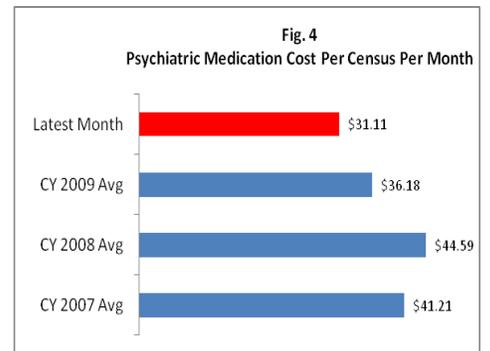
Prescriptions PMPM decreased to 3.6 in May. CY to date average is slightly lower than CY 2009.



The proportion of non-formulary prescriptions decreased from 7.8% in the prior month to 6.6% in May, but still below target level.



Psychiatric Medication Cost PMPM continues to remain below prior levels. May costs were \$31.11 per inmate per month.



**Financial Profile**

- Drug purchases in May were about \$14.4M, down significantly from \$16.4M the prior month. This amount includes \$388,519 in purchases made for the initial stocking of the Central Fill Pharmacy during the month. The amount of purchasing through the CFP will steadily increase as the implementation process moves forward.
- Maxor's contract billings to date (through May) are 4.5% under budget for FY 2009/10.

**Issues, Risks, and Challenges**

- CFP equipment and software testing will require extensive attention during June to validate operations. Implementations at CSP-SAC and MSCP will need to be evaluated and adjustments made to the implementation process as needed.

**Upcoming Activities**

- New Pharmacy Services RCEA to start in mid-June.
- CFP automation acceptance testing sessions continue through final installation.
- First CFP implementation set for CSP-SAC in mid-June.



## June 2010 Pharmacy Performance Report Submitted July 15, 2010

### Overview

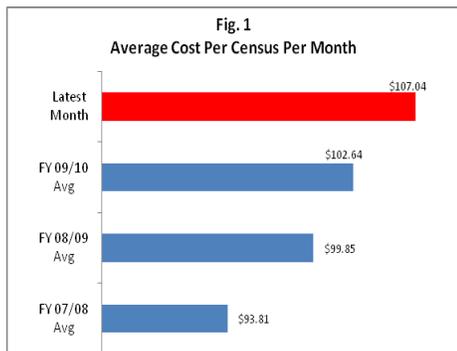
- Pharmacy Program goals are to improve quality, cost-effectiveness and safety of prescribed pharmaceutical therapies at CDCR.
- This report covers activities for the month of June 2010. Most data is current as of June 2010.
- **HEADLINES:**
  - New Pharmacy RCEA, Dr. Clifton Louie began work in mid-June.
  - Central Fill Pharmacy continued to prepare for implementation; staff training and initial stocking of the facility continues. Extensive equipment and software testing.
  - June 2010 drug purchases up significantly from prior months totaling \$17.2M; however \$1.0M of this total was related to initial stocking of the Central Fill Pharmacy.

### Recent Accomplishments

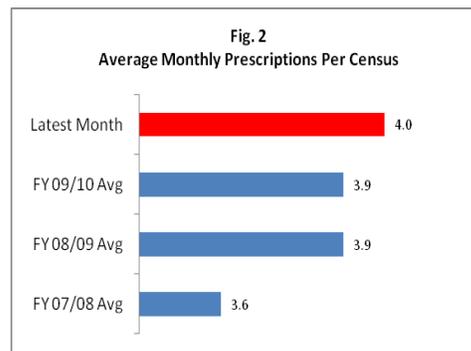
- Inventory Management: Focus has continued on improving management of inventory at the facility level. Regular overstock reports continue to show progress in reducing excess inventory.
- Central Fill Pharmacy Facility
  - CFP implementation plan and schedule for the first eight sites is proceeding; however initial pilot testing at CSP-SAC was postponed to week of July 12<sup>th</sup> to address network connectivity and software interface issues.
  - CFP staff training on all aspects of the CFP operation, including inventory, prepacking, and GuardianRx order entry continues.
  - Initial prepackaging of medication into blister cards continues in order to stock inventory at the CFP for the initial implementations. As the implementation process proceeds, the prepacking operation will increase its workload significantly.
  - Final equipment installation and acceptance testing continued.
- Pharmacy & Therapeutics Committee Activity:
  - The system-wide Pharmacy and Therapeutics (P&T) Committee reviewed monthly pharmacy metrics and decided to reevaluate the performance targets previously adopted. A P&T Committee workgroup was to be appointed to review the performance targets for each of the measures.
  - The pharmacy inspection report data and a summary analysis of the reporting was reviewed by the P&T Committee. Pharmacy Administration was asked to consider additional on-site validation tests of the inspection report data.
  - A review of Level 4 medication errors submitted over the last year was presented to the P&T Committee to assist in targeting quality improvement efforts. This information will be shared with facility medical leadership. A collaborative effort was initiated with Nursing to align Pharmacy policy and procedure, Chapter 27 (Reporting of Medication Errors and ADRs) with the new error reporting tool developed by nursing.
  - P&T reviewed formulary requests and made the following changes to the formulary:
    - Added Zenpep (pancrelipase) capsules 10,000 units lipase/ 34,000 units Protease / 55,000 units Amylase
    - Added Norvir (Ritonavir) 100 mg tablets.
    - Deleted Pancrease (pancrelipase) Tablet: lipase 8000 / amylase 30,000 / protease 30,000 units

**Key Performance Indicators**

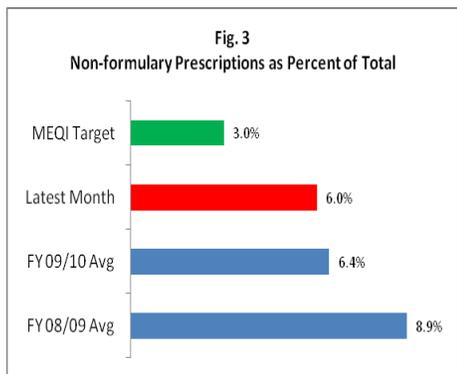
Even though drug cost per member per month in June 2010 showed an increase over prior months; the average for FY 09/10 was \$102.64 (up just 2.8% from the prior FY).



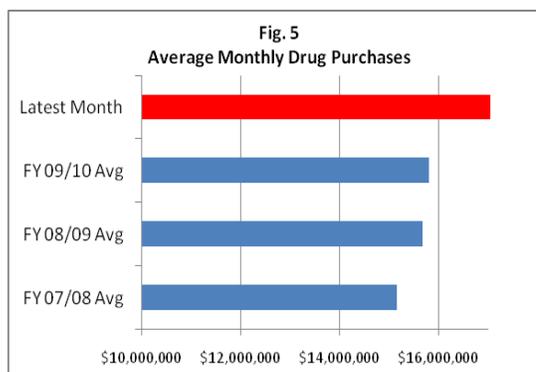
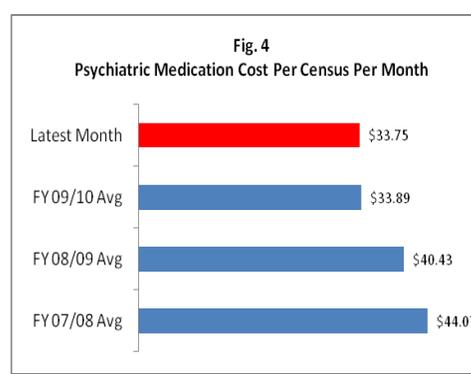
Prescriptions PMPM increased slightly to 4.0 in June; however FY 09/10 average held steady at FY 08/09 levels.



The proportion of non-formulary prescriptions continued to show a decrease--down to 6.0% in June; but remains below target level.



Psychiatric Medication Cost PMPM continues to remain below prior levels. June costs were \$33.75 per inmate per month.



**Financial Profile**

- Drug purchases in June were about \$17.2M, up significantly from the prior month. However, this amount includes \$1,002,492 in purchases made for the initial stocking of the Central Fill Pharmacy during the month. The amount of purchasing through the CFP will steadily increase as the implementation process moves forward.
- Total drug purchases for FY 09/10 were \$189,573,493; representing an increase of only 0.7% when compared to the FY 08/09 total of \$188,206,396.
- Maxor's contract billings to date (through June) are 4.5% under budget for FY 2009/10.

**Issues, Risks, and Challenges**

- CFP Implementations at the pilot facilities (CSP-SAC and MSCP) will need to be evaluated and adjustments made to the implementation process as needed. This may require changes to the implementation schedule.

**Upcoming Activities**

- CFP automation acceptance testing sessions continue throughout the month of July as the pilot implementations begin. First CFP implementation set for CSP-SAC week of July 12th.
- P&T Committee meets July 20<sup>th</sup>.