Nova Scotia
Prescription Monitoring Program

Business Plan: 2008/2009

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Historical Background

The Prescription Monitoring Association of Nova Scotia (PMANS) was incorporated in October 1991. In January 1992 the PMANS began operating a prescription monitoring program to monitor the prescribing and dispensing of specific narcotic and controlled drugs in Nova Scotia with the objective of curbing the overuse, misuse and diversion of these substances. Policy guidelines were established to give the program the ability to monitor specific narcotic and controlled drugs through the use of a triplicate prescription pad. Pharmacists were required through legislation to dispense these drugs only when they were prescribed on a triplicate prescription pad.

Although PMANS was a voluntary association, it played a vital role in identifying the need to establish a legislative framework to support the operations of a prescription monitoring program. Consequently, the *Prescription Monitoring Act* was approved in October 2004 and subsequently proclaimed along with the Prescription Monitoring Regulations in June 2005. A Prescription Monitoring Board was appointed with the legislated mandate to establish and operate a prescription monitoring program for Nova Scotia. The objects of the Nova Scotia Prescription Monitoring Program (NSPMP) are to promote:

- the appropriate use of monitored drugs; and
- the reduction of abuse or misuse of monitored drugs.

Under the authority of the *Prescription Monitoring Act*, Medavie Blue Cross was appointed as the Administrator of the NSPMP.

In conjunction with the new legislation, the Administrator implemented an on-line system to receive prescription information for the specified list of monitored drugs. This information had historically been compiled using the part of the triplicate prescription pad which pharmacies were required to send into the program. By the end of 2007, all community pharmacies were submitting this information via the on-line system.

With the reduction in manual data entry work, the staff of the NSPMP became increasing involved in customer service oriented tasks and analytical processes. The services offered through the NSPMP were expanded and efforts to engage various stakeholders were initiated.

Early in 2007, the Prescription Monitoring Board held a governance session. As a result, the Prescription Monitoring Board now operates under a governance charter, which clearly defines its governance responsibilities. The Board maintains a policy framework to provide guidance to the Administrator and to ensure the NSPMP meets its legislative requirements.

During the 2007/08 fiscal year, the Prescription Monitoring Board undertook an extensive strategic planning process. A comprehensive three-year plan was developed to cover operational and governance policy, business process, stakeholder relations and fiscal planning.

Introduction

The development, approval, implementation and ongoing evaluation of an annual business plan are essential for the continued growth and success of the PMP. The annual business plan identifies the Prescription Monitoring Board's current, and planned strategic business objectives in support of this mandate. The annual business plan is developed in collaboration with the Department of Health and the Administrator. The business plan draws from various documents and is intended to:

1. Track progress on ongoing operational/strategic initiatives;

2. Document strategic initiatives planned for the upcoming year;

3. Provide Program cost projections, based on estimates of operational costs incurred under the Service Agreement between Medavie Blue Cross Inc. and the Province of Nova Scotia (2005); and

4. Provide estimated costs associated with strategic initiatives requiring funding outside of the Service Agreement between Medavie Blue Cross Inc. and the Province of Nova Scotia (2005).

Within the Business Plan document, the previous year's outcomes will be reviewed, as well as the planned objectives for the upcoming fiscal period. The final sections of the Business Plan will provide information on the financial structure and cost projections associated with the Business Plan.

Business Planning

Year One Outcomes (2007/08)

The following table documents the status of the operational and strategic outcomes established for the first year of the strategic plan, some of which have been further refined by the Prescription Monitoring Board.

Area	Year One Outcomes (2007/08)	Status		
		Complete	In Progress	Outstanding
Reputation/Brand	▸ Approve strategic plan and establish a strategic milestones grid for transparency and accountability	**X**		

Area	Year One Outcomes (2007/08)	Status		
		Complete	In Progress	Outstanding
Financial	▸ Annual business planning/funding cycle established with DOH	X		
	▸ Funding for Year 1 of Strategic Plan approved	X		
	▸ Develop, approve and implement financial policies: - Annual review and approval of budget by Board - Payment of contractors - Regular financial reports to the Board by Administrator - Approval of unbudgeted expenses	X		
Business Process Excellence	▸ Approve an interim organizational structure for the Program	X		
	▸ In conjunction with the DOH, establish a service agreement with our Administrator (Medavie Blue Cross)		X	
	▸ 100% of pharmacies are submitting prescriptions for monitored drugs online (note: will never achieve 100% online transactions)	X		
	▸ Approve a policy format for the Program	X		
	▸ Review and refine the Board's terms of reference	X		
	▸ Review Executive Committee's terms of reference	X		
	▸ Review the purpose, structure, accountability and name of the Program Operations Committee (POC)	X		
	▸ Review the Program's privacy policy	X		
	▸ Develop, approve and implement policies for: - Governance - Confidentiality and information sharing - Conflict of interest - FOIPOP requests handled by the Administrator - Committees - Law enforcement engagement - Complaints management - Management of the monitored drug list - Alerts/notifications - Annual reports - Communications (media representation, stakeholders, public) - Policy template and approval	X		
	▸ Investigate process and system requirements for e-prescribing of monitored drugs		X	
Programs and Services	▸ Prescribers and dispensers understand how to access the Program		X	
	▸ Prescribers and dispensers are aware of how the Program can help them in their practice		X	
	▸ Establish a working link with DEANS so the Program can utilize DEANS for research, evaluation and education expertise	X		

Area	Year One Outcomes (2007/08)	Status		
		Complete	In Progress	Outstanding
Human Resources and Infrastructure	▸ Secure in-kind liaison from the DOH ▸ Secure funding from the DOH for contractors as needed	**X** **X**		
Stakeholder Relations	▸ Formal relationship with the DOH established, including: an ongoing senior departmental contact for the Program; and, at least annual meetings with the Minister to review the Program's annual report and business plan (including cost projections)		**X**	

Year Two Outcomes (2008/09)

The following table documents the status of the operational and strategic outcomes established for the second year of the strategic plan, some of which have been further refined by the Prescription Monitoring Board. The activities and initiatives needed to achieve these outcomes are also noted.

Area	Year Two Outcomes (2008/09)	Activities/Initiatives
Reputation/Brand	▸ Branding of name to better represent the Program's activity	▸ The DoH Liaison & Administrator, with input from the Board, will determine a process to proceed with branding the PMP in conjunction with an overall communications plan. Costs, action steps, and completion time frames will be established. ▸ Will be undertaken on approval of funding required.
	▸ Conduct baseline survey of perception of the Program among prescribers and dispensers	▸ The DoH Liaison & Administrator, with input from the Board, will determine the methodology for conducting a baseline survey; establish the costs, action steps and completion time frames. ▸ Will be undertaken on approval of funding required.
Financial	▸ Develop, approve and implement financial policies: - Funding from non-DOH sources - Delegation of authority (signing authority)	▸ Policies will be developed for Board approval during the 2008/09 year.
Business Process Excellence	▸ Finalize service agreement with Administrator.	▸ The Administrator will draft a service level agreement to be reviewed with the DoH Liaison and the Board. The content and finalization of this document will be contingent on formal review and discussions. ▸ Will be signed by the end of fiscal 2008/09.

Area	Year Two Outcomes (2008/09)	Activities/Initiatives
	▸ Approve an organization chart for the Program ▸ Establish a process to evaluate progress against the strategic plan	▸ Finalize organizational chart ▸ A quarterly report format will be implemented in the 2008/09 year.
	▸ Establish a program evaluation process	▸ Convene information committee to determine appropriate Program evaluation processes based on service agreement and program objectives.
	▸ Develop, approve and implement policies for: - Research and strategic initiatives - Data integrity management - E-prescribing of monitored drugs - Advocacy role of the Program ▸ Analysis of the system change requirements and consideration of alternate systems to eliminate the triplicate prescription pad (also consider in the context of e-prescribing) ▸ Consider "circle of care" for information sharing and formulate recommendations to the DOH for regulatory change ▸ Program receives reports from the coroner on drug-related deaths ▸ Analysis of cost/benefit of adding benzodiazepines to the list of monitored drugs	▸ Policies will be developed for Board approval during the 2008/09 year. ▸ Continued monitoring of status of e-prescribing to determine requirement for this policy. ▸ Monitor status of e-prescribing and if approved, the Administrator will complete a cost estimate of completing this analysis for the Board. ▸ The DoH Liaison & Administrator, with input from the Board will review the potential parties involved in 'circle of care' and assess the extent of the regulatory amendments needed to optimize the "circle of care". Regulatory amendments be recommended and undertaken as determined appropriate. ▸ The DoH Liaison will report to the Board on the feasibility of this outcome based on an in-depth evaluation completed by Non-Insured Health Benefits (NIHB), Health Canada. ▸ Action will be undertaken as deemed appropriate. ▸ DoH Liaison, with input from the Board, will contract an individual to conduct a cost benefit analysis of adding benzodiazepines to monitored drug list.
Programs and Services	▸ Develop a DUR "hub" with the organizational structure to support it	▸ Approve terms of reference for a DUR committee and establish a framework of linkages to maximize the committee's effectiveness.
	▸ Retrospective, concurrent and prospective monitoring of the utilization of monitored drugs is established.	▸ Establish as mandate for the DUR Committee.

Area	Year Two Outcomes (2008/09)	Activities/Initiatives
	▸ Potential education audiences identified; their learning needs identified; and programs designed	▸ Identify learning needs though surveys, DUR and practice review. ▸ Link to educational interventionists through the Drug Evaluation Alliance of Nova Scotia (DEANS).
Human Resources and Infrastructure	▸ Identify functions that cannot be delivered though the infrastructure provided by the Administrator under the service agreement or by linkages to DEANS and develop a plan to address gaps	▸ Facilitate a Board planning day to further discuss this in the third quarter of 2008/09.
Stakeholder Relations	▸ Increased public awareness of monitored drug issues and the role of the Program.	▸ The DoH Liaison & Administrator, with input from the Board will develop a communications plan to increase public awareness and stakeholder awareness of the PMP
	▸ DHAs receive regular and relevant Program information	▸ The DUR Committee will, with input from DHAs, identify standard reports that will be posted on a public website.
	▸ Understand the structure of Non-Insured Health Benefits (First Nations & Inuit Health) and establish an ongoing information-sharing relationship.	▸ Include a representative from the Atlantic Region of NIHB in the DUR Committee.
	▸ Information needs of law enforcement and addiction services are identified	▸ The Administrator, with input from the DoH Liaison and the Board will establish communications with addictions services to consider information sharing that would benefit both parties. ▸ Ongoing information sharing initiatives with law enforcement to be reviewed.
	▸ Public website for the Program is operational	▸ The DoH Liaison and Administrator, with input from the Board, will contract for the development of a website in conjunction with an overall communications plan and funding approval.

Program Cost Projections 2008/09

The Administrator is funded to operate the PMP in accordance with the *Prescription Monitoring Act* and Regulations and based on Schedule D of the Service Agreement between Medavie Inc. and the Province of Nova Scotia (2005). Under the Service Agreement, Medavie Inc. bills the cost of administering the PMP to the Nova Scotia Department of Health under three categories:

Fixed Costs:

Fixed costs for the PMP include the costs of salaries and overhead for program management (Manager and Consultant), analytical resources, and the Medical Consultant and associated overhead. The base annual fixed cost established in the 2005 Agreement was $253,857. This cost increases each year by the EPA (Economic Price Adjustment) as stipulated in the contract.

Variable Costs:

The variable costs include those items which change based on the activity of the PMP. The following are included in the variable costs:

- Customer service representative salaries
- Administrative support
- Prescription pad costs
- Overhead expenses related to staff, data processing and data storage

As the volume of claims processed increases, the costs of various activities, systems and overhead also increases. Under the Service Agreement, variable costs for PMP are billed as 'transaction fee'. A transaction fee is attracted for each net claim processed. This cost is also increased each year by the EPA. Transaction fees under the Service Agreement follow:

2005/06: $0.665
2006/07: $0.686 (includes a 3.0% EPA over the 2005/06 transaction fee)
2007/08: $0.702 (includes a 3.0% EPA over the 2006/07 transaction fee)
2008/09: $0.720 (a 2.5% EPA increase was used for purpose of this estimate)

Flow through Charges:

Flow through charges represent billing items that are charged directly to the Department of Health on an 'as incurred' basis. There are two areas where flow through costs are incurred:

1. Board/Committee Expenses: all expenses related to Board and Committee meetings.

2. Line Charges: charges levied by the claims carriers (such as Emergis) to transmit claims through their lines.

Operational Costs under the Service Agreement (Comparison of Actual and Projected Costs):

Cost Area	Actual 2006/07	Projected 2007/08	Projected 2008/09
Fixed	262,005	268,068	276,484
Variable	282,524	357,371	372,305
Flow Through (line charges)	14,366	46,503[1]	52,800
Flow Through (Board/Committee Expenses)	8,106	6,897	10,500[2]
TOTAL:	567,001	678,839[3]	712,090

1. *The significant increase in Flow Through (line charges) is due to the transition to electronic submission*

2. *Committee Expenses for 2007/08 were lower than usual, due to the Board's focus on the strategic planning process and payment of meeting expenses through that project. Projections for fiscal 08/09 are based on anticipated Board/Committee activity for the period.*

3. *Increases in variable costs during 07/08 relate to increased volumes in claims processed through NSPMP. With the initiation of the on-line system, all nursing home/long term care prescribing is now required to be submitted on line – this presents a significant increase in the variable costs in 07/08 as well as overhead related to data systems maintenance, data storage, etc.*

Overall Projections (Including Costs under the Service Agreement and Costs of Strategic Initiatives)

A reasonable determination of overall program expenses considers the fixed, variable and flow through charges (detailed above) under the Service Agreement, as well as new costs related to strategic initiatives. The need for funding to support strategic initiatives outside the Agreement is determined on an annual basis in the context of operational savings.

The following estimates, therefore, include operational costs projections under the Service Agreement and costs related to strategic initiatives that are not specified in the Service Agreement and may require funding outside the Service Agreement.

Operational Costs under the Service Agreement	
Cost Area	**Projected Cost**
Fixed Costs	276,484
Variable Costs	372,305
Line Charges (flow through)	52,800
Committee (flow through)	10,500
Subtotal:	**712,090**
Costs Related to Strategic Initiatives	
Initiative	**Projected Cost**
PMP Communications Plan and Branding Exercise	20,000
PMP Public Website	5,000
Cost Benefit Analysis for adding benzodiazepines to monitored list	20,000
Subtotal	**45,000**
Total Projected Program Budget:	**757,090**

Note: Actual costs will fluctuate based on variable cost experience, and more detailed requirements definition with respect to strategic initiatives.