Nova Scotia Prescription Monitoring Program

Business Plan 2010/11

Table of Contents

Prescription Monitoring Program
PO Box 2200, Halifax NS B3M 4W2
T 902.496.7382 **F** 902.481.3157
www.nspmp.ca

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 Nova Scotia Prescription Monitoring Program (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 all pharmacies submitting prescriptions for monitored drugs on-line, in 2008 the NSPMP modified the prescription pad to a duplicate format.

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. In November 2009 the Prescription Monitoring Board revisited its strategic plan with the view of updating its mission, values and vision to reflect the successful achievement of most of the operational and strategic outcomes established in 2007/08. The Board also reviewed outstanding operational and strategic outcomes and established a new set of outcomes for the next three years.

Introduction

The development, approval, implementation and ongoing evaluation of an annual business plan are essential for the continued growth and success of the NSPMP. 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 the progress of 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 Administrative Fee Schedule in the Agreement between Medavie Blue Cross Inc. and the Nova Scotia Department of Health (2005); and

4. Provide estimated costs associated with strategic initiatives requiring funding outside of the Administrative Fee Schedule in the Agreement between Medavie Blue Cross Inc. and the Nova Scotia Department of Health (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

First Strategic Planning Cycle

Year Three Outcomes (2009/10)

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

Area	Year Three Outcomes (2009/10)	Status			Comments
		Complete	In Progress	Outstanding	
Reputation /Brand	• Significant positive shift in the perception of the Program (re-survey of perception of the Program among prescribers and dispensers).		**X**		*Survey in development, for pilot in 2010/11.*
	• The Program's advocacy role is well defined.		**X**		*Board defined advocacy – as promoting & educating about the Program. Will be addressed further during 2011/12.*
Financial	• Develop, approve and implement financial policies: - Delegation of authority (signing authority)				**(Moved to 2010/11 by Board)**
	• Approval of multi-year funding to support the strategic plan.				*Removed by Board.*

Area	Year Three Outcomes (2009/10)	Status			Comments
		Complete	In Progress	Outstanding	
	• Consider options for, and feasibility of, cost recovery structures.				**(Moved to 2010/11 by Board)**
Business Process Excellence	• Approval of the final organization chart for the Program.	**X**			
	• Modified policy governance model is established.				*Moved to 2013, closer to expiration of contract with Administrator.*
	• Develop, approve and implement policies for e-prescribing.			**X**	*E-prescribing to be worked on as part of systems investigations. Policy will be considered once e-prescribing direction is decided.*
	• Develop and approve policies for the Programs data integrity.			**X**	*To be completed by 2008/09 year end.*
	• Develop, approve and implement policies on Advocacy role of the Program.				*Policy on advocacy will be developed through the communications plan in 2010/11.*

Area	Year Three Outcomes (2009/10)	Status			Comments
		Complete	In Progress	Outstanding	
	• Develop and implement a process for regular policy review.	X			*Process in progress to investigate the benefits and risks of system changes.*
	• Consider requirement to eliminate the duplicate prescription pad.		X		*Process in progress to investigate the benefits and risks of system changes.*
	• Analysis of the system change requirements and consideration of alternate systems to eliminate the duplicate prescription pad (also consider in the context of e-prescribing).		X		*Process in progress to investigate the benefits and risks of system changes.*
	• Enhanced utilization of real-time electronic edits to manage utilization of monitored drugs		X		*Process in progress to investigate the benefits and risks of system changes.*
	• Consideration of recommending the addition of benzodiazepines to the list of monitored drugs.		X		*Brief the Minister on the options for monitoring benzodiazepines and confirm the direction to proceed. (Board Initiative)*

Area	Year Three Outcomes (2009/10)	Status			Comments
		Complete	In Progress	Outstanding	
	• Completion of strategic planning session to look forward three years.	X			
Programs and Services	• Potential education audiences identified; their learning needs identified; and programs designed.		X		*Progress has been made in education guidelines for program. Further clarification on educational topics, audiences and the Program's role will be ongoing.*
	• Educational programs implemented		X		*The program has participated in some educational programs. Further clarification on educational topics, audiences and the Program's role will be ongoing.*
	• Establish a research plan; secure funding; and, identify research partners				**(Moved to 2010/11)**

Area	Year Three Outcomes (2009/10)	Status			Comments
		Complete	In Progress	Outstanding	
Human Resources and Infra-structure	• Funding approved for plan to address functional gaps that cannot be delivered though the infrastructure provided by the Administrator under the service agreement or by linkages to DEANS.		X		**(Moved to 2010/11)**
Stakeholder Relations	• DHA's receive regular and relevant program information		X		*Some progress made, remains ongoing through DUR committee.*
	• Understand the structure of Non-Insured Health Benefits (First Nations & Inuit Health) and establish an ongoing information-sharing relationship.		X		*On going through DUR committee.*
	• Information needs of law enforcement and addiction services are identified		X		*Some progress made, remains ongoing.*

Comments on the Status of the Year Three Outcomes

The status of several outcomes set for the 2009/10 period has been impacted by the requirement for additional time to the complexities and detailed investigation required to analyze the benefits and risks of technological changes being considered. Once these initiatives are completed, several others identified as outstanding, or in progress will proceed. As a result of the Boards recent review, some 09/10 items were moved to year one (2010/11) of the new strategic plan for completion.

Second Strategic Planning Cycle

Year 1 Planned Outcomes (2010/11)

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

Area	Year 1 (2010/11) Planned Outcomes	Activities/Initiatives
Reputation/Brand	• Pilot and refine survey then distribute survey to prescribers and dispensers to determine their perceptions of the Program. • Develop a communications plan to address issues identified though the survey.	• Survey prescribers and dispensers and provide results to the Board for further evaluation. • Based on survey results develop a communications plan to address issues identified.
Financial	• Develop and approve a policy for funding received from non Department of Health sources. • Identify sources of funding from foundations, etc. for stakeholder meetings, conferences, workshops, etc.	• Work with the Board to determine requirement and process for signing authority if potential non Department of Health funding options are identified. • Work with the Board to consider options and feasibility of cost recovery structures.

Area	Year 1 (2010/11) Planned Outcomes	Activities/Initiatives
Business Process Excellence	• Review the Program's drug utilization review (DUR) activities and consider options for refining and improving the process.	• Work with members of the DUR committee to generate potential options and review with the Board. • Utilize linkages to research organizations and experts who may provide ideas to develop DUR activities. • Talk with stakeholder groups such as Addiction Services and law enforcement about valuable DUR initiatives.
	• Implement direction from Minister regarding benzodiazepines.	• Analyze the system and program requirements to meet the direction from the Minister and if applicable implement the required changes.
	• Obtain approval from the Department of Health for on-going staff to support the Board.	• Board initiative.
	• Investigate options for sharing with groups, such as addiction services, access to aggregate level Program data.	• Further to the results of the DUR Committee.
Programs and Services	• Complete investigation of system changes and brief Minister on options.	• Administrator will complete benefits and risks of system changes and provide report to the Board.
	• Prioritize educational topics that are identified by the Board and the Committees.	• Practice Review Committee (PRC) and Board will propose educational topics and determine appropriate groups to deliver the topics.

Area	Year 1 (2010/11) Planned Outcomes	Activities/Initiatives
	• Identify research that the Program will encourage stakeholders and partners to pursue.	• PMP staff will work with the DUR Committee and the Board to establish the focus for research plans and to initiate efforts to identify partners.
Human Resources and Infrastructure	• Establish a staff resource for the Board. • Refine responsibilities and accountabilities of staff with respect to the Board and the Administrator.	• Board Initiative • Work with Board to define roles and accountabilities based on the Service Obligations Agreement between the Board and the Administrator.
Stakeholder Relations	• Develop a plan to establish a framework to facilitate regular communication with key stakeholders though meetings, conferences, workshops, etc.	• With input from the Board, Program staff will work with key stakeholders to clarify information needs. • Participate in required meetings, conference or workshops to promote the NS PMP. • Provide input as required to assist in the development of a communications plan. • Implement the communications plan as required.

Program Cost Projections 2010/11

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

Fixed Costs:

Fixed costs for the NSPMP 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 NSPMP. 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 the NSPMP are billed as a '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
2007/08: $0.702
2008/09: $0.722
2009/10: $0.739
2010/11: $0.754 (based on a projected 2% EPA over the 2009/2010 transaction fee)

Flow Through Charges:

Flow through charges represents 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 2008/09	Projected 2009/10	YTD (Nov 30th) 09/10[1]	Projected 2010/11[2]
Fixed Fees	275,486	282,035[3]	188,023	287,676
Variable Fees[4]	417,551	465,885	298,560	512,473[5]
Flow Through (line charges)	63,218	63,000	41,989	69,300
Flow Through[6] (Board/Committee Expenses)	4,828	10,500	3,984	10,500
Total	**761,083**	**821,420**	**532,556**	**879,949**

[1] The year to date column is based on information from April 1, 2009 – November 30, 2009 in all cost areas.
[2] The projected numbers for 2010/11 are based on an anticipated Economic Price Adjustment (EPA) of 2.0%.
[3] Medavie Blue Cross has confirmed actual fixed fee costs of 282,035 for 2009/10. The fixed fee projected value has been adjusted down from 283,398 to reflect the actual.
[4] The variable costs indicated above are calculated based on actual and projected levels of net claims processed multiplied by the variable rate (adjusted by the projected EPA).
[5] A 10% increase in claims volumes is projected for 2010/11. This is consistent with 2007/08 – 2008/09 as well as 2008/09 – 2009/10 increase in claims volume.
[6] Although the usage of committee expenses has been below projections to date, it is anticipated that the remaining period will see an increase. The DUR committee is now established and the Department of Health expense policy coverage was revised in November 2009.

A reasonable determination of overall program expenses considers the fixed, variable and flow through charges, 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 and costs related to strategic initiatives that are not covered under the contract between Medavie Blue Cross and the Department of Health.

Estimated Operational Costs 2010/11	
Cost Area	**Projected Cost**
Fixed Costs	287,676
Variable Costs	512,473
Line Charges (flow through)	69,300
Committee (flow through)	10,500
Subtotal:	**879,949**
Costs Related to Strategic Initiatives	
Initiative	**Projected Cost**
Complete initial investigation into potential PMP system change options**.**	Requirement for funding to be assessed during initial investigation stage.
Pilot and survey prescribers & dispensers on perception of the Program.	Dependent on type and complexity of survey technology used.
Develop a communication plan to address issues identified through the survey.	To be covered under current cost structure – work with existing committees and Board.
Subtotal	**---**
Total Projected Program Budget:	**879,949**

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