Nova Scotia Prescription Monitoring Program

Business Plan 2011/12

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.

The Prescription Monitoring Board has developed a core strategic planning process. The process began in 2007/2008 with the completion of the first comprehensive three-year plan which covered 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

Second Strategic Planning Cycle (2010/2013)

Year-to-Date Outcomes (2010/11)

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. The strategic planning cycle runs from April 2010 to March 2011 therefore the status reflected below represents year-to-date accomplishments:

Area	Year One Outcomes (2010/11)	Status			Comments
		Complete	In Progress	Outstanding	
Reputation /Brand	• Pilot and refine survey then distribute survey to prescribers and dispensers to determine their perceptions of the Program.	X			*Survey distributed and completed by end of Nov 2010.*
	• Develop a communications plan to address issues identified though the survey.		X		*Communications plan in development based on survey results.*
Financial	• Develop, approve and implement financial policies: - Delegation of authority(signing authority)			X	*Board initiative*
	• Consider options for, feasibility of, cost recovery structures.			X	*Board initiative*
	• Develop and approve a policy for funding received from non DoH sources.			X	*No progress made to date, item remains outstanding.*

Area	Year One Outcomes (2010/11)	Status			Comments
		Complete	In Progress	Outstanding	
Financial *(continued)*	• Identify sources of funding from foundations, etc. for stakeholder meetings, conferences, workshops, etc	**X**			*List of potential funding sources identified for conference/stake holder meeting.*
Business Process Excellence	• Review the Program's drug utilization review (DUR) activities and consider options for refining and improving the process.		**X**		*DUR committee report in development for the Board to review.* *Discussion held with potential researchers to develop research ideas.* *Meeting to be held with Criminal Intelligence Service Nova Scotia around potential aggregate data review.*
	• Provide advice to the Minister of Health regarding monitoring of benzodiazepines.	**X**			*Meeting held with Minister of Health to discuss potential monitoring of benzodiazepines.*

Area	Year One Outcomes (2010/11)	Status			Comments
		Complete	In Progress	Outstanding	
Business Process Excellence *(continued)*	• Obtain approval from the Department of Health for on-going staff to support the Board.			X	*Board Initiative*
	• Investigate options for sharing with groups, such as Addiction Services, access to aggregate level Program data.		X		*Preliminary discussions held with Addictions Services to facilitate aggregate level reporting to District Health Authorities (DHA).*
Programs and Services	• Complete investigation of system changes and brief Minister on options.		X		*IT system investigations are continuing. Discussion ongoing on a contractual basis between Medavie Blue Cross and Department of Health.*
	• Prioritize educational topics that are identified by the Board and the Committees.		X		*Progress has been made and will continue as an ongoing strategic initiative.*
	• Establish a research plan; secure funding; and identify research partners.		X		*Research groups have been pursued however funding remains outstanding.*

Area	Year One Outcomes (2010/11)	Status			Comments
		Complete	In Progress	Outstanding	
Programs and Services *(continued)*	• Identify research that the Program will encourage stakeholders and partners to pursue.		X		*Progress made towards identification of research projects based on Program outcomes.* *Medical Consultant continues to explore PMP data through research projects and development of new potential projects.*
Human Resources and Infra-structure	• Funding approved for plan to address functional gaps that cannot be delivered through the infrastructure provided by the Administrator under the service agreement or by linkages to DEANS.			X	*Board initiative*
	• Establish a staff resource for the Board.			X	*Board initiative*
	• Refine responsibilities and accountabilities of staff with respect to the Board and the Administrator.			X	*Board initiative*

Area	Year One Outcomes (2010/11)	Status			Comments
		Complete	In Progress	Outstanding	
Stakeholder Relations	• Develop a plan to establish a framework to facilitate regular communication with key stakeholders though meetings, conferences, workshops, etc.		X		*This will be further developed and refined through the communications plan.*

Comments on the Year-to-Date Status of the Year One Outcomes

The Program has made significant progress on many of the strategic initiatives to date. The status of several Board initiatives set for the 2010/11 period, specific to Financial and Human Resource and Infrastructure areas for the Program remain outstanding and may be further reviewed by the Board to determine their strategic priority.

Second Strategic Planning Cycle

Year 2 Planned Outcomes (2011/12)

The following table documents planned outcomes for the operational and strategic initiatives established for the second 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 2 (2011/12) Planned Outcomes	Activities/Initiatives
Reputation/Brand	• Implement communications plan.	• Work with NSPMP Board to prioritize and implement the new NSPMP Communications Plan. • Continue to meet with Stakeholder groups and communicate the new plan and future strategic objectives of the Program.

Area	Year 2 (2011/12) Planned Outcomes	Activities/Initiatives
Reputation/Brand *(continued)*		• Liaise with stakeholder groups to build engagement around the objectives and strategies outlined in the Communications Plan. • Determine potential sources of funding to implement initiatives based on the Communications Plan.
Financial	• Pursue sources of funding for stakeholder meetings, conferences, workshops, etc.	• Develop a budget to determine the amount of funding required to hold a conference/workshop. • Contact potential funding sources with conference/workshop objectives and request donation for funding.
Business Process Excellence	• Implement opportunities for refining and improving the Program's DUR activities. • Encourage evaluation partners to evaluate the impact of the action taken on benzodiazepines. • Act on investigation re: - giving groups, such as Addiction Services, access to Program data.	• Establish a plan to implement refined or new DUR activities. • Work with IT to refine and implement the new DUR activities. • Educate staff on refined or new DUR activities. • Communicate new DUR activities to stakeholders through Program communication tools. • Dependent on the direction taken by the Minister of Health. • Promote awareness of Program data through regular aggregate reporting to DHAs and other stakeholders.

Area	Year 2 (2011/12) Planned Outcomes	Activities/Initiatives
Business Process Excellence *(continued)*		• Dependent on the outcome of the investigation, implement Addiction Services staff access to patient profiles with patient consent.
Programs and Services	• Act on direction from Minister regarding system changes. • Advocate and facilitate support for education and research that meet the objects of the Program and/or measure its effectiveness.	• Undetermined at present. Discussion occurring at a contract level around costing structure and IT system changes. Identification of appropriate path will be completed once direction is provided. • Continue to work with various stakeholders in identifying the opportunities and facilitate appropriate education topics. • Work within NSPMP Committees and Board to identify educational topics and facilitate implementation and communication of recommended topics. • Continue to utilize linkages to organizations and researchers to promote research projects which meet the objects of the Program and measure its effectiveness. • Program staff will continue to support data requests and research enquiries.
Human Resources and Infrastructure	• Define a process for Board staff review.	• Board Initiative.

Area	Year 2 (2011/12) Planned Outcomes	Activities/Initiatives
Stakeholder Relations	• Implement 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 continue to work with stakeholders to clarify information needs. • Participate in meetings, conferences or workshops to promote the NSPMP. • Continue to liaise and build relationships with stakeholders. • Seek opportunities to network and foster new relationships.

Program Cost Projections 2011/12

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 current 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 attached for each net claim processed. This cost is also increased each year by the EPA. Transaction fees under the Service Agreement follow:

2007/08: $0.702
2008/09: $0.722
2009/10: $0.739
2010/11: $0.760
2011/12: $0.775 (based on a projected 2% EPA over the 2010/2011 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 is 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 2009/10	YTD (Oct 31st) 10/11[1]	Projected 2010/11	Revised Projections 2010/11[2]	Projected 2011/12[3]
Fixed Fees	282,035	169,155	287,676[4]	289,980	295,780
Variable Fees[5]	461,296	308,956	512,473	529,639	582,603[6]
Flow Through (line charges)	64,129	41,359	69,300	70,901	77,991[7]
Flow Through[8] (Board/Committee Expenses)	10,396	5,593	10,500	10,500	10,500
Total	**817,856**	**525,063**	**879,949**	**901,020**	**966,874**

The information above is based on the current funding structure of the NSPMP. Discussions with regards to the fixed, variable and flow through cost components of NSPMP have been initiated between Medavie Blue Cross and the Department of Health. The outcome of these discussions may impact each individual cost component as well as the overall cost for administration of the NSPMP.

[1]The year-to-date column is based on information from April 1, 2010 to October 31, 2010 in all cost areas.

[2] Revised projections for 2010/11 have been provided due to higher variable fees (increased claims volumes) and line charges than originally projected in the last business plan. Also the projected EPA for 2010/11 was estimated to be 2% and the actual EPA for 2010/11 is 2.8% due to adjustments made by Statistics Canada.

[3]The projected numbers for 2011/12 are based on an anticipated Economic Price Adjustment (EPA) of 2%.

[4]Medavie Blue Cross has confirmed actual fixed fee costs of 289,980.85 for 2010/11. The fixed fee projected value has been adjusted up from 287,676 to reflect the actual.

[5]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).

[6]A 10% increase in claims volumes is projected for 2011/12. This is consistent with 2007/08 – 2008/09 as well as 2008/09 – 2009/10 increase in claims volume.

[7] The 10% increase in claims volume has also been applied to the line charges revised projections to determine the 2011/12 projected amount.

[8]Although the usage of committee expenses has been below projections to date, it is anticipated that the remaining period will reflect projected 2010/11 amount.

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.

Estimated operational costs usually 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. However, due to the potential restructuring of the NSPMP pricing model, the estimation of costs associated with Strategic Initiatives is not feasible at this time. The primary item for consideration in this area would be the potential change to the system technology; however, this item would be part of the higher level pricing discussions. As well, the province's move towards a Drug Information System (DIS) should be considered in any decision to move ahead with a technology change for the Program. More clarification on the potential implementation date of the DIS and the modifications to the PMP operations is required to assess the overall strategic vision for 2011/2012.

The following estimate includes only operational costs projections:

Estimated Operational Costs 2011/12	
Cost Area	**Projected Cost**
Fixed Costs	295,780
Variable Costs	582,603
Line Charges (flow through)	77,991
Committee (flow through)	10,500
Total Projected Program Budget:	**966,874**

Note: Actual costs will fluctuate based on variable cost experience.