Nova Scotia Prescription Monitoring Program

Business Plan 2012/13

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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 Wellness 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; and
4. Provide estimated costs associated with strategic initiatives which require funding.

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 operational costs and costs associated with strategic initiatives.

Business Planning

Second Strategic Planning Cycle (2010/2013)

Year-to-Date Outcomes (2011/12)

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 strategic planning cycle runs from April 2011 to March 2012 therefore the status reflected below represents year-to-date accomplishments:

Area	Year Two Outcomes (2011/12)	Status			Comments
		Complete	In Progress	Outstanding	
Reputation /Brand	• Implement communications plan.		**X**		*Development of Communications Plan ongoing.* *Continue to liaise with prescribers, pharmacists and law enforcement stakeholder groups to communicate the services and information available.*
Financial	• Pursue sources of funding for stakeholder meetings, conferences, workshops, etc.			**X**	*Fall 2012 is projected target date for stakeholder meeting.*

Area	Year Two Outcomes (2011/12)	Status			Comments
		Complete	In Progress	Outstanding	
Business Process Excellence	• Implement opportunities for refining and improving the Program's DUR activities.		**X**		*Ongoing review of the Program's threshold reports by the DUR Committee. Methylphenidate is the first category under review.* *In order to facilitate appropriate input from experts, committee members and Board the process is ongoing.*
Programs and Services	• Act on direction from Minister regarding system changes.		**X**		*IT system changes are ongoing and have been a large area of focus.* *The new Provincial Drug Information System (DIS) implementation, will require system changes such as the pad removal, new data feed and DUR requirements.*

Area	Year Two Outcomes (2011/12)	Status			Comments
		Complete	In Progress	Outstanding	
Programs and Services *(continued)*	• Advocate and facilitate support for education and research that meet the objects of the Program and/or measure its effectiveness.		**X**		*eAccess was approved by the NS Department of Health and Wellness.* *Progress has been made and will continue as part of an ongoing strategic initiative.* *Research groups have been pursued however funding remains outstanding. Some progress has been made towards identification of Program outcomes.* *Medical Consultant continues to explore PMP data through research projects and new projects are ongoing.*
Human Resources and Infra-structure	• Define a process for Board staff review.	**X**			*Board initiative.*

Area	Year Two Outcomes (2011/12)	Status			Comments
		Complete	In Progress	Outstanding	
Stakeholder Relations	• Implement 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 Two Outcomes

The Program has made significant progress on many of the strategic initiatives to date. The status of several initiatives set for the 2011/12 period; remain outstanding due to increased effort related to IT system changes. The implementation of a Provincial Drug Information System and the eAccess for prescribers and pharmacists are two very important initiatives which have impacted considerably on the workload for the Program. It is anticipated that the outstanding objectives will be completed by the end of 2012/13.

Third Strategic Planning Cycle

Year 3 Planned Outcomes (2012/13)

The following table documents planned outcomes for the operational and strategic initiatives established for the third year of 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 3 (2012/13) Planned Outcomes	Activities/Initiatives
Reputation/Brand	• Re-survey prescribers and dispensers to determine their perceptions of the Program.	• Revise survey and then distribute survey to prescribers and pharmacists to determine their perceptions of the Program. • Consider distribution method of survey in an attempt to achieve a higher participation rate.

Area	Year 3 (2012/13) Planned Outcomes	Activities/Initiatives
Reputation/Brand *(continued)*	• Consider options for communicating the value of the Program to the public	• Assess results of survey and determine next steps based on results. • Continue to liaise with stakeholder groups to build engagement around the objectives and strategies outlined in the Communications Plan. • Assess revision of website to broaden the stakeholder groups. • Consider funding options to develop a video which would include testimonials about the Program's role and collaborative approach. • Proactively reach out to media outlets to raise awareness for the issue and educate on the Program's role.
Financial	• Board to begin developing a plan for the budgeting process when the current Medavie contract expires in 2015.	• Board initiative.
Business Process Excellence	• Board to revisit Program governance in conjunction with the plan for a new administrative service contract.	• Board initiative.
Programs and Services	• Investigate options for the Program to actively promote its own education and research agendas.	• Continue to work with various stakeholders in identifying the opportunities and facilitate appropriate education topics.

Area	Year 3 (2012/13) Planned Outcomes	Activities/Initiatives
		• 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	• Board to begin developing a plan for the division of functions between staff and Administrator when the current Medavie contract expires in 2015.	• Board Initiative.
Stakeholder Relations	• Survey key stakeholders to determine their perceptions of the Program.	• Develop survey and distribute list to key stakeholder group. • Review survey results and determine action plan to address any issues.

Program Cost Projections 2012/13

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). A new pricing model was agreed upon and came into effect on December 1, 2011. This new model will provide significant cost savings and is more reflective of the current state of the Program. Under the new model, Medavie Inc. bills the cost of administering the NSPMP to the Nova Scotia Department of Health & Wellness under three categories:

Fixed Costs:

Fixed costs for the NSPMP include the costs of salaries and overhead for all program staff members which includes; Customer Service Representatives, Business Support Analysts and the Manager. 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:

Under the new costing model the variable cost component consist of a fee per prescription processed by the Program and is only associated with the systems and systems maintenance required. This provides a significantly lower variable fee for the NSPMP and assist in managing costs with increase volumes of prescriptions. The transaction fee effective December 1, 2011 through to March 31, 2012 is $0.133 per prescription processed. This cost is also increased each year by the EPA. Transactions fees under the Service Agreement are as follows:

2010/11: $0.760
2011/12: $0.133 (effective December 1, 2011 and based on the new pricing model)
2012/13: $0.137 (based on a projected 3% EPA over the 2011/12 transaction fee)

As well, the number of prescription pads will continue to be billed as a variable cost with the 2011/12 cost per pad for production and shipping as the following:

1 pad - $8.15
3 pads - $4.73
6 pads - $3.88

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 three 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.
3. Courier charges for the shipping of emergency pads.

Operational Costs under the Service Agreement

(Comparison of Actual and Projected Costs)

Cost Area	Actual 2010/11[1]	Projected 2011/12[2]	Revised Projections 2011/12[3]	Projected 2012/13[4]
Fixed Fees	289,981	299,855	410,181	645,286
Variable Fees[5]	539,009[6]	582,603[7]	452,338[8]	184,728[9]
Flow Through (line charges)	69,997	77,991	83,865[10]	92,252[11]
Flow Through[12] (Board/Committee Expenses)	7,012	10,500	10,500	10,500
Total	**905,999**	**970,949**	**956,884**	**932,766**

[1] The actual column is based on the old pricing model.
[2] The projected column is based on the old pricing model.
[3] Revised projections for 2011/12 have been provided due to the new pricing model effective December 1, 2011. They are a combination of the old pricing model and the new pricing model which became effective on December 1, 2011.
[4]The projected numbers for 2012/13 are based on an anticipated Economic Price Adjustment (EPA) of 3%.
[5] Variable fees include transaction rate and the costs association with the production and shipping of duplicate pads under the old costing model.
[6] The transaction rate for 2010/11 was $0.775 (based on a projected 2% EPA over the 2010/2011 transaction fee.
[7]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).
[8] The transaction rate effective Dec 1, 2011 under the new pricing model is $0.133 per transaction processed.
[9]Variable fees are at a rate of $0.137/net claim processed for the 2012/13 year. A 10% increase in claims volumes is projected for 2012/13. This is consistent with previous year over year increase in claims volume.
[10] The flow through under revised projections 2011/12 now includes the PMP pad production and distribution.
[11] The 10% increase in claims volume has also been applied to the line charges revised projections to determine the 2012/13 projected amount.
[12]Although the usage of committee expenses has been below projections to date, it is anticipated that the remaining period will reflect the revised projections for 2011/12.

On December 1, 2011 a new pricing model was implemented. This new pricing model was negotiated and agreed upon by Medavie Blue Cross and the Nova Scotia Department of Health and Wellness. The new pricing model, which incorporates an additional staff member along with the implementation of the eAccess, more accurately reflects the current status of the Program's cost drivers and needs.

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 province's move towards a Drug Information System (DIS) will result in system changes which will be necessary for the NSPMP to implement in order to receive prescription data from the DIS and maintain its system's functionality. Currently, the Program is working to assess the required system modifications to support the PMP operations with the implementation of the DIS. Clarification and investigation on the impacts of the required system changes will be managed through the change request process between DHW and the Administrator.

The following estimates 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 and Wellness:

Estimated Operational Costs 2012/13	
Cost Area	**Projected Cost**
Fixed Costs	645,286
Variable Costs	184,728
Line Charges (flow through)	92,252
Committee (flow through)	10,500
Total Projected Program Budget:	**932,766**
Costs Related to Strategic Initiatives	
Initiative	**Projected Cost**
Assessment and completion of DIS work for PMP system functionality.	Requirement for funding to be assessed during initial investigation stage.
Subtotal	**---**
Total Projected Program Budget:	**932,766**

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