

Nova Scotia

Prescription Monitoring Program

Business Plan 2009/2010

Contents

<i>Section</i>	<i>Page</i>
Historical Background.....	2
Introduction.....	3
Business Planning.....	3
Program Cost Projections 2009/2010.....	8

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 increasingly 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 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 Province of Nova Scotia (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 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 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.

Area	Year 2 (2008/09) Outcomes	Status		
		Complete	In Progress	Outstanding
Reputation/Brand	<ul style="list-style-type: none"> > Branding of name to better represent the Program’s activity > Conduct baseline survey of perception of the Program among prescribers and dispensers 	X	X	
Financial	<ul style="list-style-type: none"> > Develop, approve and implement financial policies: 			

Area	Year 2 (2008/09) Outcomes	Status		
		Complete	In Progress	Outstanding
Human Resources and Infrastructure	<ul style="list-style-type: none"> > Identify functions that cannot be delivered through the infrastructure provided by the Administrator under the service agreement or by linkages to DEANS and develop a plan to address gaps 		X	
Stakeholder Relations	<ul style="list-style-type: none"> > Increased public awareness of monitored drug issues and the role of the Program > DHAs receive regular and relevant Program information > Secure web portal for health professionals is operational on a 24/7 basis > Understand the structure of Non-Insured Health Benefits (First Nations & Inuit Health) and establish an ongoing information-sharing relationship. > Information needs of law enforcement and addiction services are identified > Public website for the Program is operational 		X	<p>(Moved to 09/10)</p> <p><i>Review during next strategic planning session in November 2009</i></p> <p>(Moved to 09/10)</p> <p>(Moved to 09/10)</p>

Comments on the Status of the Year Two Outcomes

The status of several outcomes set for the 2008/09 period have been impacted by the requirement for additional time to complete the branding and communications process, which includes initiation of the public web site. These steps were delayed to ensure that appropriate stakeholder input was obtained. Once these initiatives are completed, several others identified as outstanding, or in progress will proceed. All goals marked above as in progress or outstanding are scheduled for completion by the end of April 2009. As a result of the Boards recent review, several items were moved to year three for completion.

Year 3 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. The identified activities and initiatives needed to achieve these outcomes are also noted.

Area	Year 3 (2009/10) Outcomes	Activities/Initiatives
Reputation/Brand	<ul style="list-style-type: none"> > Significant positive shift in the perception of the Program (re-survey of perception of the Program among prescribers and dispensers) > The Program's advocacy role is well defined 	<ul style="list-style-type: none"> > Repeat web based survey one year from initial completion and evaluate changes. > Recommended for review during next strategic planning session in November 2009
Financial	<ul style="list-style-type: none"> > Develop, approve and implement financial policies: <ul style="list-style-type: none"> - Delegation of authority (signing authority) > Approval of multi-year funding to support the strategic plan. > Consider options for, and feasibility of, cost recovery structures 	<ul style="list-style-type: none"> > Requirement for and process for signing authority to be determined as potential non DoH funding options are identified. > Actions required to be determined through further extension of the strategic plan in 2009/10 > Actions to be considered in 2009/10 strategic planning sessions
Business Process Excellence	<ul style="list-style-type: none"> > Approval of the final organization chart for the Program > Modified policy governance model is established > Develop, approve and implement policies for: <ul style="list-style-type: none"> - E-prescribing of monitored drugs - Advocacy role of the Program > Develop and implement a process for regular policy review > Consider requirement to eliminate the duplicate prescription pad > Analysis of the system change requirements and consideration of alternate systems to eliminate the duplicate prescription pad (also 	<ul style="list-style-type: none"> > On completion of DUR Committee and policy work, finalize the governance model for the Board. > Program staff to work with committee members and Board to complete policy in keeping with the provincial and federal regulations regarding E-prescribing. > Establish a schedule which will see all policies reviewed every two years > Recommended for further review during next strategic planning session in November 2009. > Medavie staff to assess the change requirements for removal of the duplicate pad

Area	Year 3 (2009/10) Outcomes	Activities/Initiatives
	<p>consider in the context of e-prescribing)</p> <ul style="list-style-type: none"> > Enhanced utilization of real-time electronic edits to manage utilization of monitored drugs > Consideration of recommending the addition of benzodiazepines to the list of monitored drugs. > Completion of strategic planning session to look forward three years 	<ul style="list-style-type: none"> > PMP staff to examine potential modifications to edits and obtain feedback from pharmacies to determine possible actions > Ongoing review of information by the Board to determine the recommendation to be made. > Administrator to initiate planning session for the Board in the Fall of 2009.
Programs and Services	<ul style="list-style-type: none"> > Potential education audiences identified; their learning needs identified; and programs designed > Educational programs implemented > Establish a research plan; secure funding; and, identify research partners 	<ul style="list-style-type: none"> > As per identified needs and defined services. > Review during next strategic planning session in November 2009 > Following establishment of the DUR Committee, PMP staff to work with the committee and the Board to establish the focus for a research plan and to initiate efforts to identify partners.
Human Resources and Infrastructure	<ul style="list-style-type: none"> > 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 	<ul style="list-style-type: none"> > To be determined depending on any identified gaps.
Stakeholder Relations	<ul style="list-style-type: none"> > DHA's receive regular and relevant program information > Understand the structure of Non-Insured Health Benefits (First Nations & Inuit Health) and establish an ongoing information-sharing relationship. > Information needs of law enforcement and addiction services are identified 	<ul style="list-style-type: none"> > Subsequent to initiation and work of DUR committee. > With the input of the Board, NSPMP staff to initiate further discussions with First Nations and Inuit Health to understand needs and potential information sharing opportunities. > With the input of the Board, NSPMP staff to initiate ongoing discussions with Law enforcement and addiction services to clarify information needs.

Program Cost Projections 2009/10

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 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: \$0.740 (based on a projected 2.5% EPA over the 2008/2009 transaction fee)

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 2007/08	Projected 2008/09	YTD (Oct 31 st) 08/09 ¹	Revised Projection 08/09 ²	Projected 2009/10 ³
Fixed Fees	268,068	276,486	161,283	276,486	283,398
Variable Fees ⁴	366,032	372,305	241,051	413,230	465,885
Flow Through (line charges)	51,959	52,800	36,909	63,273	63,000 ⁵
Flow Through (Board/Committee Expenses)	7,232	10,500	1,667	10,500 ⁶	10,500
TOTAL:	697,506	712,090	440,910	763,489	822,783

Notes:

1. The year to date column is based on information from April 1, 2008 – October 31, 2008 in all cost areas.
2. Revised projections for 2008/2009 have been provided due to higher variable fees (increased claims volumes) and line charges than originally projected in the last business plan.
3. The projected numbers for 2009/2010 are based on an anticipated Economic Price Adjustment (EPA) of 2.5%.
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. While a 10% increase in claims volumes is projected for 2009/2010, we anticipate a decreased line fee charge will be realized. As such we have not predicted an increase in this area. As this is a flow through charge, the Department of Health will only be billed for actual costs – additional savings/cost will depend on the rate change realized.
6. Although the usage of committee expenses has been limited to date, it is anticipated that the remaining period will see increase in this. The Board will be completing a spring session with a strategic planning component. As well, establishment of the Programs DUR Committee will add to the expenses incurred.

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.

Estimated Operational Costs 2009/10	
Cost Area	Projected Cost
Fixed Costs	283,398
Variable Costs	465,885
Line Charges (flow through)	63,000
Committee (flow through)	10,500
Subtotal:	822,783
Costs Related to Strategic Initiatives	
Initiative	Projected Cost
Assessment of effort required to remove the pad from the PMP system	To be covered under current cost structure
Establishment of DUR Committee	To be covered under current cost structure
Enhance utilization of real time edits	To be covered under current cost structure
Strategic Planning Session (fall)	To be covered under current cost structure
Subtotal	---
Total Projected Program Budget:	822,783

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