CALIFORNIA
PRISON HEALTH CARE
RECEIVERSHIP CORP.

J. Clark Kelso, Receiver

John F. Tighe
Vice President
Corrections Corporations of America

Dear Mr. Tighe,

Thank you for your letter in response to the draft strategic plan "Achieving a Constitutional Level of Medical Care in California's Prisons." Your insight and comments are extremely valuable and we are grateful for your commitment to support the California Prison Health Care Receivership while developing our strategic plan. Below are responses to items that were addressed in your letter.

Goal 1: *While I understand that in the CDCR system you may need to designate specialty teams to handle medical escort and transportation functions until you can get the system working, our experience is that you need to:*

- *Have consistent custody staff assigned to medical during normal operations (IE: when inmates are routinely seen in medical), and*
- *Insure that your shift supervisors and chief knows from his/her Warden that medical appointments take precedence and are not cancelled or modified without consent of the health authority (HAS)*

We are in agreement with you, in fact we are stressing this direction in our Preliminary Operational Reviews; custody staff are to be held accountable for facilitating, monitoring and ensuring all inmate/patients are present for all health care appointments scheduled within the prisons or at outside community providers. Our Health Care Access Units of custody personnel are assigning correctional officers to specific posts at all points of health care access so that there is consistency in the personnel responsible for ensuring access is not delayed, disrupted or cancelled. We have now completed the initial installation of the Health Care Access Units through our Preliminary Operational Reviews at 24 of the prisons and Access Units will be completed at all 32 prisons in the fall of this year.

- *Further, we have found that using the web based Medical Development International (MDI) scheduler for off-site appointments gives us a great management tool to see who is scheduled, when, and by provider. That way we can anticipate needs, cluster transportation if appropriate and reschedule in a priority fashion if we have unavoidable conflicts in the schedule or the provider needs to reschedule.*

Thank you for the recommendations regarding the use of (MDI); we will explore the possibility of utilizing the system.

Goal 2: *Some thoughts on pharmacy management and off-site provider networks and access:*

- *We concur with the importance of an approved formulary but would add that the P&T committee needs to review and update it at least quarterly to insure that the most appropriate and cost effective medications are on the formulary. At CCA through a continual focus on formulary compliance and drug utilization management (DUR), in 2007 our costs are averaging $20.08 Per Member Per Month (PMPM).*

The Office of the Receiver has contracted out the Management of the Pharmacy Services to the MAXOR Corporation. Included in the contract requirements is the development of a CDCR Pharmacy Formulary. The initial work on the formulary has been completed and is currently in use. The Pharmacy and Therapeutics Committee is constantly addressing formulary issues which results in regular modifications to the formulary. The current process calls for a comprehensive annual evaluation and revision of the formulary, but in fact, formulary issues are addressed on a monthly basis. The CDCR has already realized significant cost saving which are attributable in part to the new formulary process.

- *We have been using a mail-order system for 10 years and have been very happy with the quality and service levels. Again, this may not be appropriate for CDCR however, you may want to consider this type of system. It gives a cost effective approach and 24/7 access to a pharmacist for our facilities.*

The MAXOR Corporation has developed a Road Map that includes the redesign of processes from the procurement of medications to the method of distribution, including a centralized pharmacy process. It is anticipated that a centralized distribution process will reduce operating costs and improve the quality of the pharmacy services.

- *Objective 3 is one that all correctional systems struggle with. The objective states that "by July 2009, we will establish a specialty care and hospital provider contracting program at a statewide level". Tying this together with concerns by providers that CDCR payments for services rendered I would recommend that you look at out-sourcing this function. We would be happy to demo the system we use so that you can see what is available and why we use them. It has improved greatly not only our cost but the timeliness of care and treatment.*

The Office of the Receiver is contracting with the Chancellor Consulting to negotiate and develop master contracts for specialty and inpatient services. Contracting for Medical Specialty Services is an ongoing challenge and we are competing for some of the same scarce provider resources that the general medical community utilizes. The development of a specialty provider network is a top priority of the Receivership.

Goal 4: *This goal is far-reaching and clearly important to the success of the plan. My one caution would be to make sure the basics are in place first (medical records system, good lab and radiology, etc) before focusing a lot of effort and resources on data base and technology initiatives. They are exciting but can distract from the foundational activities that are essential to good patient care. As we discussed when we were together in Sacramento, we have found that doing the electronic record and interfacing lab, pharmacy and soon radiology has been the most beneficial improvement in our patient care delivery system. We now have real-time date to manage quality and utilization.*

Efforts are currently underway for the development of our laboratory, medical records and radiology systems and operational process standards. We currently have our Maxor pharmacy solution implemented at 5 institutions and have an aggressive schedule for rolling out the remaining sites. Due to the urgency of our mission, we have clinical and technical tracks implementing in parallel including our healthcare network and our Clinical Data Repository (CDR). The CDR will provide a central location for all of our clinical system data as well as provide patient centric clinical information to the appropriate healthcare staff and partners via a web based portal.

Goal 5: *With 33 facilities requiring a facility upgrade and the need for additional specialty beds, this will be an immense undertaking. We look forward to you seeing our 3,060 bed La Palma (Arizona) facility that will be operational and receiving CDCR inmates in July of this year. We have learned a great deal having built and operated many facilities in multiple locations and would be happy to share our learning and suggestions.*

We greatly appreciate the offer to tour your facility in Arizona as well as your offer to share experiences in designing correctional facilities.

Your comments proved to be very helpful and supportive. We look forward to working collaboratively with you in the future.

Sincerely,

Clark Kelso, Receiver
California Prison Health Care Receivership, Inc