

STATE OF COLORADO

COLORADO DEPARTMENT OF CORRECTIONS

2862 South Circle Drive
Colorado Springs, CO 80906-4195
Phone: (719) 579-9580
Fax: (719) 226-4755
Web: www.doc.state.co.us



Bill Owens
Governor

Joe Ortiz
Executive Director

September 15, 2006

Honorable Jack Taylor
Colorado State Senator
Chairperson, Legislative Audit Committee
200 E. 14th Avenue, 3rd Floor
Denver, CO 80203

Dear Senator Taylor:

We have received the request to submit a letter to the Legislative Audit Committee detailing the actions we have taken to respond to audit recommendations specific to Internal Health Care Provided to Inmates released in October, 2005. Pursuant to the instructions, the Department of Corrections offers the enclosed information.

Thank you for the opportunity to update the Legislative Audit Committee on the Department's progress regarding the audit.

Please contact me if you need additional information.

Sincerely,

Joe Ortiz
Executive Director

attachment

Cc: Barry J. Pardus, Assistant Director of Clinical Services
Becky Richardson, Managing Legislative Auditor

The Department of Corrections' Actions
Internal Health Care Provided to Inmates Performance Audit
October 2005

Rec. No.	Recommendation Summary	Implementation Status	Actions Taken	Impact Of Other Factors
1	<p>Meet health intake standards for all inmates by</p> <p>(a) reassessing current intake processes and procedures and developing appropriate strategic and contingency plans for completing all mandatory screenings and examinations;</p> <p>(b) communicating any changes to intake and clinical staff; and</p> <p>(c) developing a mechanism for tracking completion of the intake process and any subsequent clinical follow-up.</p>	<p>Implemented (July 2006)</p> <p>Implemented (June 2006)</p> <p>Implemented (July 2006)</p>	<p>The Chief Medical Officer (CMO) and Chief of Clinical Services (CCS) met with Regional Health Service Administrators (RHSAs) to review current policies, changes and education requirements. Communication and implementation strategy was complete July 2006.</p> <p>Communication and education of changes regarding intake policies and procedures has occurred through on-site meetings with intake staff. Communication and education to all other clinical staff has occurred via monthly HSA meetings.</p> <p>Implemented intake and clinical follow-up audit tools to track the success of the implementation. Developed and implemented a new chart review form to be completed regarding all inmate facility transfers. Developed and implemented a new intake lab order form.</p>	
2	<p>Ensure the consistent application of current standards of care by (a) evaluating and updating current standards, guidelines, and protocols;</p> <p>(b) developing checklists and flow sheets for use by staff and for inclusion in inmates' medical</p>	<p>Implemented (Jan. 2006)</p> <p>In Progress</p>	<p>Current standards and guidelines were reviewed by the CMO, CCS and the Policy and Procedures Committee. As a result, the clinical standards were updated along with the relevant Departmental Administrative Regulations (ARs). Standards, guidelines and protocols will continue to be evaluated and updated on an annual basis. Monthly provider meetings include clinical education and also serve as a forum to identify areas for further educational opportunities. Milliman Chronic Care guidelines have been purchased and the HSAs and providers received training in Feb. 2006.</p> <p>Developing with our managed care partner, Physician Health</p>	<p>The Montez Remedial Plan compliance process has taken a major share of time of our CMO and CCS. The Department's Business Technologies (BT) staff has also had a major portion of their time devoted to the electronic tracking component of the compliance plan.</p>

	<p>records; and</p> <p>(c) conducting more routine and comprehensive reviews of medical records.</p>	<p>Implemented (Dec. 2005)</p>	<p>Partners (PHP), auditing tools and flow sheets. The Department's goal is to integrate them into the electronic medical record within the next 24 months.</p> <p>The Peer Review Committee performs on-site medical record reviews on all providers and results are addressed by the committee, CMO and CCS. The RHSAs have audit tools that also address some components of medical record reviews.</p>	
3	<p>Improve medication management policies and practices by (a) developing and ensuring compliance with drug treatment protocols;</p> <p>(b) making additional, easily accessible drug-drug interaction and drug-disease information available for use by clinical staff;</p> <p>(c) reevaluating policies and establishing a formal process for over-the-counter medications for sale through Canteen Services; and</p> <p>(d) adopting a medication alert system to notify clinical staff of medical conditions or over-the-counter medications that could be contraindicated for certain inmates.</p>	<p>Not Implemented</p> <p>Implemented (Sept. 2006)</p> <p>In Progress</p> <p>Not Implemented</p>	<p>The plan to contract with an external Pharmacy Supply partner was unsuccessful because they could not meet the Department's specifications. The Department is currently in the process of hiring pharmacy staff, developing policy and procedure, restructuring the physical plant, improving the electronic medical administration (eMAR), and integrating the inventory system to include quality management and utilization management. The Department is actively pursuing pharmacy consulting services to address these issues.</p> <p>The current eMAR and electronic pharmacy software system reviews drug to drug interactions at the time the medication is ordered. The software now has drug-disease interaction information capabilities. The Quality Committee reviews all pharmacy related quality issues and addresses all issues on an individual as well as system-wide improvement basis.</p> <p>The Department met with the Attorney General's Office, in March 2006, to determine the legal capabilities with regard to this recommendation. Based on this meeting, the Department will present the findings to the canteen committee for approval.</p> <p>See response to recommendation 3a.</p>	
4	<p>Ensure inmate medical records are complete and</p>	<p>Implemented</p>	<p>The development and</p>	

	<p>current by (a) adopting procedures for periodic review of medical records to ensure compliance with established policies and formats and</p> <p>(b) developing methods to ensure external provider information is received and appropriate follow-up care and treatment is provided in a timely manner.</p>	<p>(July 2006)</p> <p>Implemented (July 2006)</p>	<p>implementation of policy and audit tools to review each individual provider's medical records at the facility level is complete. Compliance issues are reported to the Quality Committee through the Peer Review Sub-Committee.</p> <p>PHP implemented a program to electronically obtain and review external provider requests, in a timely fashion, for services and upon approval is scheduled through the Department. Non-approvals are communicated to the requesting provider with the appropriate medical rationale. The Department receives external provider utilization at the monthly joint meeting. Internally, the Department's HSAs have been educated related to missed external provider appointments and will audit and provide ongoing individual improvement plans.</p>	
5	<p>Develop and implement a comprehensive and proactive quality management program by (a) reassessing and revising the current structure to ensure committees are multidisciplinary, that they meet and report regularly, that responsibility and accountability are clearly assigned;</p> <p>(b) routinely identifying and reviewing programs, activities, and quality-of-care issues at both clinic and staff levels as well as system wide; and</p> <p>(c) developing and measuring outcomes related to the quality of care provided to inmates.</p>	<p>Implemented (July 2006)</p> <p>Implemented (July 2006)</p> <p>In Progress</p>	<p>At this time, the Department's Quality Manager is in place and all quality committees and sub-committees are active and functioning with monthly meetings taking place. The Quality Management AR has been recently revised for 2006.</p> <p>Continuous Quality Initiative (CQI) teams are in place and operational at all facility clinics. The Department's Quality Manager is conducting regular meetings and addressing individual and system wide quality issues and implementing changes with audit tools to track future improvement.</p> <p>The Department is developing and implementing auditing tools to measure care outcomes. The tools were developed from Milliman Guidelines, HEDIS, the Michigan DOC's chronic care guidelines and other national standards. Diabetes is the first to be introduced system wide.</p>	
6	<p>Improve use and management of critical decision-making information by periodically reviewing key operating data, developing additional data sources, ensuring the accuracy and reliability of data, taking steps to minimize data discrepancies among facilities, and monitoring for compliance among clinic and</p>	<p>Implemented (July 2006)</p>	<p>The Department has established monthly meetings with PHP to address data collection needs and necessary changes as well as utilization, quality, claims, financial, and provider reporting. The meeting also</p>	

	clinic staff.		conducts reviews to determine data accuracy and to improve critical decision making by the Department's clinical leadership.	
7	<p>Ensure clinic staffing levels are appropriate and provide efficient, quality health care by (a) identifying all critical factors needed to establish optimal staffing levels;</p> <p>(b) conducting and documenting regular staffing analyses; and</p> <p>(c) making permanent and temporary staffing changes based on the annual analysis.</p>	<p>Implemented (Sept. 2006)</p> <p>Implemented (Jan. 2006)</p> <p>Implemented (Sept. 2006)</p>	<p>A comprehensive clinical staffing analysis for all facilities was conducted in Feb. 2006 as an annual review comparing staffing models to actual staffing patterns. As a result, clinic hours of operation were modified and staffing levels adjusted to coordinate with the new hours and new staffing guidelines. This analysis will be re-evaluated during the first quarter of the new fiscal year.</p> <p>The Department will conduct a staffing analysis as a component of the annual budget process.</p> <p>See responses to recommendations 7a and 7b.</p>	
8	Ensure copayment policies and practices comply with statutory intent by either assessing copayments for every type of clinic encounter or proposing legislation to include current regulatory exclusions in statute.	In Progress	The Department has reviewed the AR regarding copayment and has been revised it to better meet the intent of statute. The Department will continue to coordinate with the Attorney General's Office regarding further updates to the AR and will continue to investigate proposing the revision of current statute regarding copayment.	With the advice from the Attorney General's Office, the Department has concerns regarding the charging for all types of clinical encounters.
9	<p>Ensure the cost-effectiveness of prescription drug practices by (a) conducting a systematic and comprehensive review and update of the current formulary;</p> <p>(b) including a date-specific time for the establishment of an updated formulary in the contract with an outside provider;</p> <p>(c) establishing and maintaining a schedule for monitoring prescription patterns and drug utilization, including adherence to a regular calendar of review committee meetings; and</p>	<p>Implemented (June 2006)</p> <p>Not Implemented</p> <p>Not Implemented</p>	<p>In March and April of 2006, the Department's P&T Committee met and conducted a comprehensive review of the Department's formulary and changes were implemented at that time. This review will take place, at a minimum, annually. Once the new pharmacy manager is hired, the P&T Committee will reconvene and begin to meet on a monthly basis to address each medication, class by class, for potential changes based on quality and cost effectiveness.</p> <p>At this time, the Department is not going forward with an outside pharmacy provider.</p> <p>This recommendation will not be addressed until the Department can rebuild pharmacy staffing, hire a pharmacy manager and a</p>	

	(d) controlling non-formulary requests through the use of prior authorization approval and monitoring.	In Progress	<p>consulting firm to assist with the reengineering of the pharmacy services and operations. The Department anticipates this to be completed within the next 12 to 24 months.</p> <p>All non-formulary requests are reviewed through the Department's Utilization Committee. Monitoring will be handled by the P&T Committee in Nov. 2006.</p>	
10	<p>Take immediate steps to improve drug inventory management practices by (a) ensuring staff are consistently and accurately entering data into the electronic medication inventory system;</p> <p>(b) adopting a standard drug destruction policy for implementation at the clinics; and</p> <p>(c) regularly monitoring staff and clinic compliance with drug inventory management policies.</p>	<p>Not Implemented</p> <p>Not Implemented</p> <p>Not Implemented</p>	<p>See response to recommendation 9c.</p> <p>See response to recommendation 9c.</p> <p>See response to recommendation 9c.</p>	

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Bill Ritter, Jr.
Governor

Aristedes W. Zavaras
Executive Director

March 14, 2007

Honorable Stephanie Takis
Colorado State Senator
Chairperson, Legislative Audit Committee
200 E. 14th Avenue, 3rd Floor
Denver, CO 80203

Dear Senator Takis:

During our audit regarding Internal Health Care to Inmates (October 2005), we received the request to submit a letter to the Legislative Audit Committee detailing the actions we have taken in response to the audit recommendations regarding the status of the Department's pharmacy operations. Pursuant to the committee's instructions, the Department of Corrections offers the enclosed information.

As a result of the RFP process, the Department has made the award to Clinical Solutions of Brentwood, Tennessee. The contract is complete and the kickoff meeting with Clinical Solutions is scheduled for March 23, 2007. Attached is a proposed timeline with specific deliverables.

Thank you for the opportunity to update the Legislative Audit Committee on the Department's progress regarding the audit.

Please contact me if you need additional information.

Sincerely,

Barry J. Pardus
Assistant Director of Clinical Services

Attachment

cc: Fred Sabus, Acting Director of Administration
Dennis Diaz, CDOC Controller
Becky Richardson, Managing Legislative Auditor

CLINICAL SOLUTIONS - Project Timeline

Below is a proposed timeline with specific deliverables that will be implemented by Clinical Solutions as outlined in our response to the Colorado Department of Corrections' (CDOC) Request for Proposal for Clinical Pharmacy Consulting Services. Please note that this is a flexible timeline that may be altered as required to meet the needs of the CDOC. A monthly meeting will be held with the Division of Clinical Services to provide an update of the project's progress and key issues. A summary of activity completed during each previous month and critical decisions needed from administrative leadership will be reviewed.

Phase I - Pharmacy Operations Analysis

- Information Gathering Month 1
- Pharmacy Assessment Month 1-3
- Clinic Assessment Month 4-6

Phase II - Solutions Implementation

- Project Planning Month 7-8
- Projected Pharmacy Solutions Month 8-9
- Projected Pharmacy Solutions (Fulfillment) Month 10-12
- Projected Pharmacy Solutions (Fulfillment) Month 13-15
- Projected Pharmacy Solutions (Clinical) Month 16-18
- Projected Pharmacy Solutions (Clinical) Month 19-21
- Projected Pharmacy Solutions Month 22-24

Phase III - Outcomes Assessment/Management Training

- Training (Pharmacy) Month 25-27
- Training (Clinic) Month 28-30
- Outcomes Month 31-36



STATE OF COLORADO

Sally Symanski, CPA
State Auditor

OFFICE OF THE STATE AUDITOR
303.869.2800
FAX 303.869.3060

Legislative Services Building
200 East 14th Avenue
Denver, Colorado 80203-2211

MEMORANDUM

Date: April 30, 2007

To: Members of the Legislative Audit Committee

From: Sally Symanski, CPA
State Auditor

Re: Department of Corrections
Pharmacy Update

Attached are two documents from the Department of Corrections related to our 2005 Performance Audit of Internal Health Care Provided to Inmates. The first document is a report on the implementation status of the audit's ten recommendations. The second document is the Department's response to an Audit Committee request for additional information related to the Department's pharmacy operations.

Regarding the central pharmacy operations in Pueblo, the Department reports that it has entered into a contract with Clinical Solutions of Brentwood Tennessee for consulting services. Pharmacy operations to be addressed include remodel and work flow design, formulary development, cost containment, inventory automation, non reclaimable medication destruction, and web-based reporting tools. The Department reports that the period of the contract is from March 2007 through March 2010. The total estimated contract expense is \$818,000.

According to Department staff, the central pharmacy in Pueblo continues to provide services for all department-run correctional facilities. The Department purchases prescription medications through a contract with a private vendor and the pharmacy is staffed by Department personnel and contract employees.

The Department of Corrections' Actions
Internal Health Care Provided to Inmates Performance Audit
October 2005

Rec. No.	Recommendation Summary	Implementation Status	Actions Taken	Impact Of Other Factors
1	<p>Meet health intake standards for all inmates by</p> <p>(a) reassessing current intake processes and procedures and developing appropriate strategic and contingency plans for completing all mandatory screenings and examinations;</p> <p>(b) communicating any changes to intake and clinical staff; and</p> <p>(c) developing a mechanism for tracking completion of the intake process and any subsequent clinical follow-up.</p>	<p>Implemented (July 2006)</p> <p>Implemented (June 2006)</p> <p>Implemented (July 2006)</p>	<p>The Chief Medical Officer (CMO) and Chief of Clinical Services (CCS) met with Regional Health Service Administrators (RHSAs) to review current policies, changes and education requirements. Communication and implementation strategy was complete July 2006.</p> <p>Communication and education of changes regarding intake policies and procedures has occurred through on-site meetings with intake staff. Communication and education to all other clinical staff has occurred via monthly HSA meetings.</p> <p>Implemented intake and clinical follow-up audit tools to track the success of the implementation. Developed and implemented a new chart review form to be completed regarding all inmate facility transfers. Developed and implemented a new intake lab order form.</p>	
2	<p>Ensure the consistent application of current standards of care by (a) evaluating and updating current standards, guidelines, and protocols;</p> <p>(b) developing checklists and flow sheets for use by staff and for inclusion in inmates' medical</p>	<p>Implemented (Jan. 2006)</p> <p>In Progress</p>	<p>Current standards and guidelines were reviewed by the CMO, CCS and the Policy and Procedures Committee. As a result, the clinical standards were updated along with the relevant Departmental Administrative Regulations (ARs). Standards, guidelines and protocols will continue to be evaluated and updated on an annual basis. Monthly provider meetings include clinical education and also serve as a forum to identify areas for further educational opportunities. Milliman Chronic Care guidelines have been purchased and the HSAs and providers received training in Feb. 2006.</p> <p>Developing with our managed care partner, Physician Health</p>	<p>The Montez Remedial Plan compliance process has taken a major share of time of our CMO and CCS. The Department's Business Technologies (BT) staff has also had a major portion of their time devoted to the electronic tracking component of the compliance plan.</p>

	<p>records; and</p> <p>(c) conducting more routine and comprehensive reviews of medical records.</p>	<p>Implemented (Dec. 2005)</p>	<p>Partners (PHP), auditing tools and flow sheets. The Department's goal is to integrate them into the electronic medical record within the next 24 months.</p> <p>The Peer Review Committee performs on-site medical record reviews on all providers and results are addressed by the committee, CMO and CCS. The RHSAs have audit tools that also address some components of medical record reviews.</p>	
3	<p>Improve medication management policies and practices by (a) developing and ensuring compliance with drug treatment protocols;</p> <p>(b) making additional, easily accessible drug-drug interaction and drug-disease information available for use by clinical staff;</p> <p>(c) reevaluating policies and establishing a formal process for over-the-counter medications for sale through Canteen Services; and</p> <p>(d) adopting a medication alert system to notify clinical staff of medical conditions or over-the-counter medications that could be contraindicated for certain inmates.</p>	<p>Not Implemented</p> <p>Implemented (Sept. 2006)</p> <p>In Progress</p> <p>Not Implemented</p>	<p>The plan to contract with an external Pharmacy Supply partner was unsuccessful because they could not meet the Department's specifications. The Department is currently in the process of hiring pharmacy staff, developing policy and procedure, restructuring the physical plant, improving the electronic medical administration (eMAR), and integrating the inventory system to include quality management and utilization management. The Department is actively pursuing pharmacy consulting services to address these issues.</p> <p>The current eMAR and electronic pharmacy software system reviews drug to drug interactions at the time the medication is ordered. The software now has drug-disease interaction information capabilities. The Quality Committee reviews all pharmacy related quality issues and addresses all issues on an individual as well as system-wide improvement basis.</p> <p>The Department met with the Attorney General's Office, in March 2006, to determine the legal capabilities with regard to this recommendation. Based on this meeting, the Department will present the findings to the canteen committee for approval.</p> <p>See response to recommendation 3a.</p>	
4	<p>Ensure inmate medical records are complete and</p>	<p>Implemented</p>	<p>The development and</p>	

	<p>current by (a) adopting procedures for periodic review of medical records to ensure compliance with established policies and formats and</p> <p>(b) developing methods to ensure external provider information is received and appropriate follow-up care and treatment is provided in a timely manner.</p>	<p>(July 2006)</p> <p>Implemented (July 2006)</p>	<p>implementation of policy and audit tools to review each individual provider's medical records at the facility level is complete. Compliance issues are reported to the Quality Committee through the Peer Review Sub-Committee.</p> <p>PHP implemented a program to electronically obtain and review external provider requests, in a timely fashion, for services and upon approval is scheduled through the Department. Non-approvals are communicated to the requesting provider with the appropriate medical rationale. The Department receives external provider utilization at the monthly joint meeting. Internally, the Department's HSAs have been educated related to missed external provider appointments and will audit and provide ongoing individual improvement plans.</p>	
5	<p>Develop and implement a comprehensive and proactive quality management program by (a) reassessing and revising the current structure to ensure committees are multidisciplinary, that they meet and report regularly, that responsibility and accountability are clearly assigned;</p> <p>(b) routinely identifying and reviewing programs, activities, and quality-of-care issues at both clinic and staff levels as well as system wide; and</p> <p>(c) developing and measuring outcomes related to the quality of care provided to inmates.</p>	<p>Implemented (July 2006)</p> <p>Implemented (July 2006)</p> <p>In Progress</p>	<p>At this time, the Department's Quality Manager is in place and all quality committees and sub-committees are active and functioning with monthly meetings taking place. The Quality Management AR has been recently revised for 2006.</p> <p>Continuous Quality Initiative (CQI) teams are in place and operational at all facility clinics. The Department's Quality Manager is conducting regular meetings and addressing individual and system wide quality issues and implementing changes with audit tools to track future improvement.</p> <p>The Department is developing and implementing auditing tools to measure care outcomes. The tools were developed from Milliman Guidelines, HEDIS, the Michigan DOC's chronic care guidelines and other national standards. Diabetes is the first to be introduced system wide.</p>	
6	<p>Improve use and management of critical decision-making information by periodically reviewing key operating data, developing additional data sources, ensuring the accuracy and reliability of data, taking steps to minimize data discrepancies among facilities, and monitoring for compliance among clinic and</p>	<p>Implemented (July 2006)</p>	<p>The Department has established monthly meetings with PHP to address data collection needs and necessary changes as well as utilization, quality, claims, financial, and provider reporting. The meeting also</p>	

	clinic staff.		conducts reviews to determine data accuracy and to improve critical decision making by the Department's clinical leadership.	
7	<p>Ensure clinic staffing levels are appropriate and provide efficient, quality health care by (a) identifying all critical factors needed to establish optimal staffing levels;</p> <p>(b) conducting and documenting regular staffing analyses; and</p> <p>(c) making permanent and temporary staffing changes based on the annual analysis.</p>	<p>Implemented (Sept. 2006)</p> <p>Implemented (Jan. 2006)</p> <p>Implemented (Sept. 2006)</p>	<p>A comprehensive clinical staffing analysis for all facilities was conducted in Feb. 2006 as an annual review comparing staffing models to actual staffing patterns. As a result, clinic hours of operation were modified and staffing levels adjusted to coordinate with the new hours and new staffing guidelines. This analysis will be re-evaluated during the first quarter of the new fiscal year.</p> <p>The Department will conduct a staffing analysis as a component of the annual budget process.</p> <p>See responses to recommendations 7a and 7b.</p>	
8	<p>Ensure copayment policies and practices comply with statutory intent by either assessing copayments for every type of clinic encounter or proposing legislation to include current regulatory exclusions in statute.</p>	In Progress	<p>The Department has reviewed the AR regarding copayment and has been revised it to better meet the intent of statute. The Department will continue to coordinate with the Attorney General's Office regarding further updates to the AR and will continue to investigate proposing the revision of current statute regarding copayment.</p>	<p>With the advice from the Attorney General's Office, the Department has concerns regarding the charging for all types of clinical encounters.</p>
9	<p>Ensure the cost-effectiveness of prescription drug practices by (a) conducting a systematic and comprehensive review and update of the current formulary;</p> <p>(b) including a date-specific time for the establishment of an updated formulary in the contract with an outside provider;</p> <p>(c) establishing and maintaining a schedule for monitoring prescription patterns and drug utilization, including adherence to a regular calendar of review committee meetings; and</p>	<p>Implemented (June 2006)</p> <p>Not Implemented</p> <p>Not Implemented</p>	<p>In March and April of 2006, the Department's P&T Committee met and conducted a comprehensive review of the Department's formulary and changes were implemented at that time. This review will take place, at a minimum, annually. Once the new pharmacy manager is hired, the P&T Committee will reconvene and begin to meet on a monthly basis to address each medication, class by class, for potential changes based on quality and cost effectiveness.</p> <p>At this time, the Department is not going forward with an outside pharmacy provider.</p> <p>This recommendation will not be addressed until the Department can rebuild pharmacy staffing, hire a pharmacy manager and a</p>	

	(d) controlling non-formulary requests through the use of prior authorization approval and monitoring.	In Progress	consulting firm to assist with the reengineering of the pharmacy services and operations. The Department anticipates this to be completed within the next 12 to 24 months. All non-formulary requests are reviewed through the Department's Utilization Committee. Monitoring will be handled by the P&T Committee in Nov. 2006.	
10	Take immediate steps to improve drug inventory management practices by (a) ensuring staff are consistently and accurately entering data into the electronic medication inventory system; (b) adopting a standard drug destruction policy for implementation at the clinics; and (c) regularly monitoring staff and clinic compliance with drug inventory management policies.	Not Implemented Not Implemented Not Implemented	See response to recommendation 9c. See response to recommendation 9c. See response to recommendation 9c.	

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Bill Ritter, Jr.
Governor

Aristedes W. Zavaras
Executive Director

April 11, 2007

Honorable Stephanie Takis
Colorado State Senator
Chairperson, Legislative Audit Committee
200 E. 14th Avenue, 3rd Floor
Denver, CO 80203

Dear Senator Takis:

During our audit regarding Internal Health Care to Inmates (October 2005), we received the request to submit a letter to the Legislative Audit Committee detailing the actions we have taken in response to the audit recommendations regarding the status of the Department's pharmacy operations. Pursuant to the committee's instructions, the Department of Corrections offers further clarifying information.

As you are aware, the Department made the pharmacy consulting award to Clinical Solutions of Brentwood, Tennessee. The contract is complete and the kickoff meeting with Clinical Solutions was held on March 23, 2007. Specifics of the contract and deliverables are as follows.

The Contractor will provide the following consulting services for the Division of Clinical Services centralized pharmacy operations in Pueblo, Colorado:

- Make recommendations for the remodel and workflow redesign of the centralized pharmacy in Pueblo, Colorado to make inventory, packaging of the medications, and distribution of prescription orders more efficient.
- Make personnel recommendations, operational support and suggestions for capital improvements.
- Provide clinical expertise regarding pharmacy operations, in accordance with Colorado and federal laws, rules and regulations, policies and procedures of the CDOC, and standards of the American Correctional Association (ACA).
- Assist in writing pharmacy policies and procedures that facilitate a constitutionally adequate and medically appropriate level of patient care. This includes formulary development, development of efficacious treatment protocols, and detailed recommendations for efficiencies and cost containment.
- Develop and recommend technologies and procedures for the automation of the inventory reclamation process and for the destruction of non reclaimable inventory.
- Develop real-time web-based reporting tools to facilitate detailed clinical financial analysis, including but not limited to, detailed utilization management and provider profiling.

Letter to Honorable Stephanie Takis
April 11, 2007
Page 2

The Contractor shall complete the specific deliverables in the timeframes identified and agreed upon by CDOC. At the completion of each deliverable, the Contractor shall submit a summary of activities completed to the CDOC. CDOC shall have fifteen (15) business days from receipt of the summary to either accept the plan as presented or request revisions from the Contractor. The lump sum payments will not be made until CDOC has confirmed that the deliverables have been met. A monthly meeting will be held by both parties to provide an update of the project's progress and key issues. A summary of activity completed during each previous month and critical decisions needed from administrative leadership will be reviewed and approved by the CDOC.

For the said professional services, the Contractor shall receive compensation of \$9,000 per month and lump sum payments in the timeframes identified and agreed upon by CDOC (after confirmation that the deliverables have been met). Lump sum payments are set at \$27,000. The Contractor will also be reimbursed for mileage and per diem for all travel (not to exceed State of Colorado rates), telephone, facsimile, postage, courier, photocopy, publishing, and other reproduction costs associated with the contract.

The State's financial obligation under the current contract shall not exceed a total amount of \$93,000 (\$9,000 per month professional services and an estimated \$30,000 for reimbursable travel and other expenses and the lump sum payments) for the first fiscal year of this contract, ending June 30, 2007, and \$266,000 (\$9,000 per month professional services and an estimated \$50,000 for reimbursable travel and other expenses, and the lump sum payments) for each fiscal year thereafter through June 30, 2009, and \$193,000 (\$9,000 per month professional services and an estimated \$40,000 for reimbursable travel and other expenses and the lump sum payments) through March 31, 2010. The total estimated contract expense is \$818,000.

Either party shall have the right to terminate this contract with or without cause, by giving the other party thirty (30) days notice by registered mail, return receipt requested.

Thank you for the opportunity to update the Legislative Audit Committee on the Department's progress regarding the audit.

Please contact me if you need additional information.

Sincerely,



Barry J. Pardus
Assistant Director of Clinical Services

cc: Fred Sabus, Acting Director of Administration
Dennis Diaz, CDOC Controller
Becky Richardson, Managing Legislative Auditor

CLINICAL SOLUTIONS - Project Timeline

Below is a proposed timeline with specific deliverables that will be implemented by Clinical Solutions as outlined in our response to the Colorado Department of Corrections' (CDOC) Request for Proposal for Clinical Pharmacy Consulting Services. Please note that this is a flexible timeline that may be altered as required to meet the needs of the CDOC. A monthly meeting will be held with the Division of Clinical Services to provide an update of the project's progress and key issues. A summary of activity completed during each previous month and critical decisions needed from administrative leadership will be reviewed.

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- Projected Pharmacy Solutions Month 22-24

Phase III - Outcomes Assessment/Management Training

- Training (Pharmacy) Month 25-27
- Training (Clinic) Month 28-30
- Outcomes Month 31-36

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DEPARTMENT OF CORRECTIONS

Executive Director's Office
2862 South Circle Drive
Colorado Springs, CO 80906-4195
Telephone: (719) 226-4900
Facsimile: (719) 226-4932



Bill Ritter, Jr.
Governor

Aristedes W. Zavaras
Executive Director

May 21, 2007

Senator Stephanie Takis, Chairperson
Legislative Audit Committee
C/O Office of the State Auditor
200 East 14th Avenue
Denver, Colorado 80203-2211

Dear Senator Takis:

We have received the audit recommendation implementation status report and have included our implementation status. The accompanying narratives describe the actions taken to meet the recommendations and have included any impact from state/federal legislation and/or regulation modifications.

Sincerely,

A handwritten signature in cursive script that reads "Aristedes W. Zavaras".

Aristedes W. Zavaras
Executive Director

A handwritten signature in cursive script that reads "Inmate Benefits".

STATE OF COLORADO

DEPARTMENT OF CORRECTIONS

Executive Director's Office
2862 South Circle Drive
Colorado Springs, CO 80906-4195
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Bill Ritter, Jr.
Governor

Aristedes W. Zavaras
Executive Director

May 21, 2207

Senator Stephanie Takis, Chairperson
Legislative Audit Committee
C/O Office of the State Auditor
200 East 14th Avenue
Denver, Colorado 80203-2211

Dear Senator Takis:

We have received the audit recommendation implementation status report and have included our implementation status. The accompanying narratives describe the actions taken to meet the recommendations and have included any impact from state/federal legislation and/or regulation modifications.

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Aristedes W. Zavaras
Executive Director

Rec. #	Page #	Recommendation Summary	Doc Response	Implementation Date	Status
1	20	<p>Improve processes for identifying inmates potentially eligible for Supplemental Security Income (SSI) and/or Medicaid benefits by...</p> <p>(a) Working with agencies to identify current inmates who received benefits prior to incarceration and documenting this information.</p> <p>(b) Providing staff training on how to determine whether an inmate received a prior benefit</p> <p>(c) Working with agencies to identify the types of developmental disabilities that may qualify inmates for benefits applications, and</p> <p>(d) Establish standards to ensure staff generate a disability eligibility report showing all potentially eligible inmates whether they will be released in 1 or 130 days</p>	<p>(a) Agree. The Department agrees with the need to develop a mechanism for accurate identification of affected inmates who have received benefits prior to incarceration. The Department will initiate efforts to work with the Social Security Administration and Department of Health Care Policy and Financing. Current processes of manual tracking and data retrieval are extremely time-consuming and labor intensive but will continue until an electronic system is in place. The Department is currently analyzing costs for database programming as well as needed FTE to build and maintain an accurate model and system. With a program that crosses intergovernmental lines and agencies, to reach the desired outcome will be a joint effort between all agencies: the Department is committed to seeking a successful and working partnership.</p> <p>(b) Agree. Once part "a" is accomplished, Part "b" will be completed. In the interim, ongoing training with the current processes will be provided to appropriate correctional staff.</p> <p>(c) Agree. The Department agrees to work with the Department of Human Services to determine the types of developmental disabilities that may qualify inmates for SSI and /or Medicaid benefits. The Chief of mental health will ensure the appropriate clinical services staff responsible for the developmentally disabled inmate population lead the effort to identify these potentially eligible inmates. As inmates are identified and referred, case managers in the correctional facilities will assist the inmates through the application process.</p> <p>(d) The Department will modify the current system of retrieving the list of potentially eligible inmates. The Chief of Mental Health will mandate refresher training for appropriate clinical services staff utilizing a simplified, more user-friendly document to successfully identify the target inmate population.</p>	Ongoing	In Process
2	25	<p>Improve the quality of its benefits application assistance for inmates potentially eligible for Supplemental Security Income (SSI) and/or Medicaid by:</p> <p>(a) Standardizing assistance across facilities by requiring staff to help potentially eligible inmates with completing application forms and implementing a standard application assistance checklist for ensuring SSI and Medicaid</p>	<p>(a) Agree. The Department will more clearly mandate standards through training and direction in the applicable Administrative Regulation for providing assistance to inmates with the completion of SSI and/or Medicaid applications. The Department will work with the Department of Health Care Policy and Financing to simplify the application process as mandated by Section 17-1-113.5, C.R.S. The simplified process will assist this special population in transitioning to the community and reduce the workload for correctional staff. The Department agrees to work with the Social Security Administration and the Department of</p>	May 2007	Implemented

		<p>applications are complete before they are submitted to either the Social Security Administration or to the county departments of social services.</p> <p>(b) Ensuring that staff submits Medicaid applications to the department of social services in the county in which the inmate will reside upon release.</p> <p>(c) Ensuring that case management supervisors monitor the application assistance provided by case managers so that all Department requirements are met.</p> <p>(d) Working with the Social Security Administration to create a memorandum of understanding that establishes consistent and appropriate time frames for the acceptance and processing of SSI applications.</p> <p>(e) Working with relevant agencies to determine the best methods for helping eligible inmates obtain required identification documentation so they can access their benefits.</p>	<p>Health Care Policy and Financing to increase training and develop an acceptable checklist to ensure applications are complete when submitted. This will reduce the number of inaccurate applications sent to the Social Security Administration and county departments of social services.</p> <p>(b) Agree. The Department will provide training to appropriate correctional staff to ensure Medicaid application packets are sent to proper county offices at the time the application process is completed. Should the inmate change residency plans between the initial mailing and release date, every attempt will be made to forward the information to the correct county office.</p> <p>(c) Agree, The Department will provide training to the appropriate case managers and case management supervisors to ensure they are in compliance with Department regulations and expectations. Ongoing case management audits will occur to ensure compliance. As the electronic systems become available, additional monitoring components will then exist.</p> <p>(d) Agree. The Department will initiate efforts to create a viable Memorandum of Understanding for the acceptance and processing of SSI applications.</p> <p>(e) Agree. The Department agrees to continue efforts and negotiations with appropriate state agencies to resolve obstacles inmates encounter in receiving proper identification upon release from the Department for benefits requirements.</p>	<p>April 2007</p> <p>April 2007</p> <p>March 2007</p> <p>May 2007.</p>	<p>Implemented</p> <p>Implemented</p> <p>Implemented</p> <p>In Process</p>
3	27	<p>Work with the county departments of social services to establish procedures for accepting and processing Medicaid-only applications from inmates including the procedures for providing level-of-care assessments for inmates. These procedures should be detailed in an Agency Letter to the county departments of social services with a copy provided to the Department of Corrections.</p>	<p>Only applies to the Department of Health Care Policy and Financing</p>	<p>N/A</p>	<p>HCPF Response only</p>
4	29	<p>The Department of Corrections should improve the data collected on the benefits application assistance provided to inmates applying for Supplemental Security Income (SSI) and/or Medicaid by:</p> <p>(a) Developing standards for the specific type of information that should be documented, including</p>	<p>(a). Agree. The Department recognizes the benefit of developing standards to capture specific information on the assistance provided by appropriate staff, and the Department commits to establishing these standards. However, this carries a significant fiscal impact.</p>	<p>May 2007</p>	<p>Implemented</p>

5	32	<p>the staff who provided the assistance, the type of assistance provided, dates the phases of the assistance process were completed, and records of agency contacts.</p> <p>(b) Requiring supervisory review to ensure that case managers and clinical staff comply with documentation standards.</p> <p>(c) Ensuring that clinical staff documents any application assistance they provide and make such documentation available to case management staff for inclusion in the inmate's case file.</p> <p>(d) Working with the Department of Health Care Policy and Financing to obtain data on outcomes of the application assistance process and then analyzing all available data on an ongoing basis to determine whether any improvements can be made to the benefits application assistance process and modifying the process as needed.</p>	<p>(b) Agree. The Department will continue to provide case management training and audits as they relate to proper documentation of information. New training and review components will be included in clinical services audits to ensure staff complies with documentation standards. Joint peer audits will be conducted to ensure compliance.</p> <p>(c) Agree. The Department agrees and will train appropriate staff to ensure clinical staff document application assistance they provide and make such documentation available to case management staff for inclusion in the inmate's file.</p> <p>(d) Agree. The Department acknowledges the need to analyze data on the outcome of applications to determine how the application assistance process can be improved. However, this requirement is not part of the statute and will have a fiscal impact to the Department as well as potentially impact other agencies involved. Additionally, the outcome information is proprietary in another agency and is not in the jurisdiction of the Department. Within our existing data systems, the Department is not able to efficiently retrieve and collate aggregate information.</p>	<p>May 2007</p> <p>May 2007.</p> <p>July 2007.</p>	<p>Implemented</p> <p>Implemented</p> <p>In Process</p>
5	32	<p>Ensure correctional staff maintain current knowledge of Supplemental Security Income (SSI) and Medicaid application requirements by:</p> <p>(a). Arranging with the Departments of Health Care Policy and Financing and Human Services for correctional staff to regularly receive updated SSI and Medicaid training and materials.</p> <p>(b) Designating Department staff with responsibility for providing internal training and maintaining current knowledge of SSI and Medicaid benefits application requirements.</p> <p>(c) Developing and implementing a training plan and schedule for all relevant correctional staff and ensuring the training is provided periodically, as needed.</p>	<p>(a) Agree. The Department will coordinate with the Department of Health Care Policy and Financing and the Social Security Administration to ensure ongoing training is provided to appropriate staff concerning SSI and Medicaid benefits and application processes.</p> <p>(b). Agree, The Department's Chief of Case Management and Chief of Mental Health Services will provide training on the application process changes as they relate to SSI and Medicaid benefits. Due to the complexity of the SSI and Medicaid programs, training on significant program changes should be a collaborative effort among all agencies.</p> <p>(c) Agree. The Department will incorporate into the case management and clinical services training a plan to ensure all appropriate correctional staff are trained in the benefits application process.</p>	<p>Ongoing.</p> <p>Implemented.</p> <p>April 2007</p>	<p>Implemented</p> <p>Implemented</p> <p>Implemented</p>

Department of Corrections Action Narrative

Recommendation 1(a): Identification of Offenders receiving benefits prior to incarceration: In process: Target Completion June 2007.

The project of developing a method of identifying offenders who previously received benefits with a computerized system is in process. DOC has hired a contractor to work with SSA and HCPF in the development of an electronic system that will identify the status of all current offenders and all new incoming offenders in respect to their receiving benefits prior to incarceration. HCPF has identified a contact person for the DOC contractor to work with in an effort to define the scope of the project and supply realistic cost estimates and delivery dates.

Until the interagency system is developed, the collection of information on offenders receiving benefits prior to incarceration is being done by using the SSA incentive payment letter and self report by the offenders arriving at DRDC. Once identified these offenders have an alert notification activated in the computer that informs the case manager and clinical staff that the offender claims to have been receiving some type of benefit prior to incarceration and specifies if it was Social Security or Medicaid.

Questions have arisen regarding the ability to share information without violating HIPAA regulations. This concern is being explored by the HCPF Administration and will be addressed in the MOU that is being modified to include the changes brought about by the audit recommendations. Completion is targeted for June 2007.

Recommendation 1(b): Training on identification systems: Implemented March 2007

The current training delivered in March 2007, details the Social Security and Medicaid alerts in the DOC computer system and defines the procedural steps to both case management and clinical services staff as to what needs to be done when an alert is observed. This is also included in the revised DOC Administrative Regulation regarding assistance to offenders applying for benefits. (AR 550-07) This information is also included in the Basic Case Management course that is delivered annually to all DOC and Private Facilities. To date over 500 Case Management and Clinical staff have received the latest updated training. 100% of case management and specified clinical personnel, both in the DOC and Private prisons have been trained in the newest procedures and regulation. Once recommendation 1a is completed personnel will receive training in the new electronic procedure. Completed

Recommendation 1(c): Determination of Developmental Disabilities: Implemented January, 2007

As part of the Training development plan, audit recommendations were reviewed and implemented in the lesson plans, regulations and existing data bases where possible. The identification of developmentally disabled offenders was part of this development plan.

DOC Clinical, HCPF/CEL and DDS personnel reviewed the DOC Needs Coding for Developmentally Disabled/Mentally Retarded Offenders and identified the appropriate codes for possible benefit approval. These codes were included into the DOC eligibility list, the DOC AR 550-07 and the training classes that were delivered to all DOC and Private case management and selected Clinical personnel. Completed

Recommendation 1(d): Modification of eligibility list and training. Implemented January, 2007

The Eligibility report was modified in January to allow staff to select a date range instead of specific release months. This improvement ensured that when release dates changed, the offender would still be visible on the single list. Training on this was delivered through memorandum and included in the latest training classes presented to all DOC and Private case management and selected clinical personnel. Completed

Recommendation 2(a): Standardize assistance through mandated standards: Implemented May 2007

The revisions identified by the development committee consisting of representatives from DOC (Case

Management and Clinical), SSA, DDS and HCPF, were included in the revision to AR 550-07 and incorporated into the updated training presented to all DOC and Private facility Case management and Clinical personnel. This was preempted by communication with the Departments Case Management Supervisors through directive memorandum and in the Case Management Supervisors meetings.

The Administrative Regulation clearly states the need to assist offenders in completing the application process. The forms were also made available on the shared drive and the Departments Intra Net sites with direct links to SSA and HCPF sites for updated forms and information.

HCPF had also simplified screening tools for use by the clinical staff to assist in determining candidates for long term care benefits.

Checklists were designed to clearly identify the needed forms and copies that are to be included into the application packet prior to mailing. Specific instructions are included to ensure the forms are mailed to the correct offices. The checklists are part of the Administrative Regulation and training that was presented to all DOC and Private Prison Case Management and specific Clinical personnel. Completed

**Recommendation 2(b): Ensuring Medicaid packets are sent to the appropriate county office:
Implemented April 2007**

AR 550-07 was revised and directions were clearly stated as to where Medicaid applications and SS applications are to be sent. This also includes direction that any change in address be communicated to the SSA or Human Services Offices. Contact information was distributed to all case management supervisors and is available on the shared drives open to all case management staff.

This information and direction was also presented in the Department wide training and Case Management Supervisor meetings. Completed

Recommendation 2(c): Monitoring of Process by Case Management Supervisors: Implemented April 2007.

The DOC Administrative Regulation 550-07 clearly states the responsibilities of the Case Management Supervisors to include tracking and documentation of the application process. This point has been stressed in the Department wide training delivered in March and the Case Management Supervisor Meetings as well as separate communications with the facilities from the Manager of Case Management.

The application process has been included into the Case Management Audit System and requires AR 550-07 compliance from the facility Case Management Supervisors. The next round of Case Management Audits is being scheduled for fiscal year 08, which will evaluate the performance of the Case Management Supervisors and their staff. Peer audits are also being scheduled to ensure compliance with this regulation. Completed

Recommendation 2(d): MOU with SSA to adjust the time frames for application: Implemented January 2007, final decision of SSA communicated to DOC, May 2007

SS Administration has reviewed the MOU and has decided that the language is broad enough to cover the recommended changes without re-writing the existing MOU. The existing MOU has been honored along with the modified time frames that increase the length of time that an application can be submitted prior to release with no complaints from either party. Completed

A revised MOU has been drafted by HCPF and is in the process of final review.

Recommendation 2(e): State and Federal Identification Documents: In process

The Department of Revenue has been working on simplifying the process for all Colorado citizens to acquire identification cards. HB1313 is one step in the process of resolving the Offender identification issues. The solutions presented in this bill would make it easier to procure a replacement id for offenders who are releasing.

HCPF and SSA have provided the information to assist case managers in identifying what constitutes acceptable identification to receive benefits. This is an issue that encompasses the entire state system.

Recommendation 3: HCPF communication with county Departments of Social Services: HCPF only DOC has received a copy of the memorandum sent out to the county facilities addressing these issues.

Recommendation 4(a): Improvement of data collection, standards for type of data to collect: Implemented April 2007, Target date for electronic department wide tracking system completion is June 2007.

The standards for data collection were identified during the audit as one facility had developed a tracking system which the auditors indicated as best practice for the department. This system is being used as the prototype for the internal department tracking system that is under development. Since the release of the audit several other factors were identified which could improve the tracking system beyond its prototype state and these factors have been added to the template for the Department tracking system. The current internal tracking systems are still stand alone programs developed by the facilities to capture as much data as possible. A unified Department system is being created using the best stand alone systems identified by the auditors as prototypes. The contractor for this system is also the person working on the interagency component (recommendation 1a). The contractor has set the scope of the internal DOC tracker and is working on its many components. Current stand alone programs will be used until the testing and delivery of the new program is complete. The data collected by the stand alone programs will be imported to the new system upon its completion targeted for June 2007.

Recommendation 4(b): Requiring Supervisory review: Implemented: May 2007

The recent training and revised AR 550-07 emphasize the requirement that supervisors review and monitor the application process at their facilities. The current training provides a clear process for application assistance and tracking. Joint peer audits are being developed and will be conducted in Fiscal year 08 along with the Case Management Audits and update training courses to ensure compliance. Completion of peer audits July 2008.

Recommendation 4(c): Train Staff in documenting application assistance by Clinical Services and make this documentation available to Case Management staff: Implemented April 2007.

A new check off list has been created and trained to staff to identify the clinical assistance in the process. The Offender Chronological entry program is in the process of being reconfigured to allow entry from non-case management staff to include Clinical Services. Until this modification is completed (target date June 2007), Clinical services is utilizing internal facility programs to communicate the status of the offender in the screening process to the case management staff along with the check off list that is to be placed on the outside of the clinical records packet sent to case management. The check off list indicates the contents of the packet and screening results for SS and Medicaid, and includes specific issues to be identified that would require a "Medicaid only" application to be processed. Completed

Recommendation 4(d): Data Analysis: Target program completion June 2007; Data Analysis Ongoing

The requirements for Data Analysis are being incorporated in the interagency data program that is a cooperative effort of SSA, DDS, HCPF and DOC. This program is part of the offender identification project Recommendation 1(a), (b) and 4(a).

Recommendation 5(a): Regular Update training coordination: Agreement Implemented January 2007.

DOC, SSA, DDS and HCPF have agreed to provide annual training which will include any updated information and improvements made to the application process. The initial training materials including the complete power point programs and handout information is available to all CDOC personnel with access to the departments shared drive. These are being made available for reference and training of personnel in the periods between the annual training sessions. A video production of the 07 training class is being developed by the DOC multi media program for use in training staff and providing information in the interim between annual

trainings. Completed

Recommendation 5(b): Designation of Department Staff responsible for internal training in cooperation with outside agencies: Implemented January 2007.

The Chief of Case Management and the Chief of Mental Health Services are identified as the responsible parties to coordinate training and updating information to department personnel. Training on the more complex issues relating to specific outside agencies will be coordinated with those agencies by the Chief of Case Management and Chief of Mental Health Services. Completed

Recommendation 5(c): Development of a training Plan and schedule: Implemented April 2007.

The Clinical Services and Case Management training will incorporate the application assistance program as an annual training session. Modified training is also available in the in-service Case Management courses and Basic Case Management course. Procedural information is also included in the Clinical Services Clinical Standards publication which will be updated as needed as changes in process occur. Completed