

Medi-Cal's Home and Community Based
Medication Dispensing Machine (MDM) Pilot Project
Status Report – Through August 26, 2011



PHARMACY BENEFITS DIVISION
CA Department of Health Care Services
August 26, 2011

Pilot Project Overview

Signed into law in late March 2011, California Senate Bill 72 requires the Department of Health Care Services (Department) to establish a Home and Community Based Medication Dispensing Machine Pilot Project.

The Pilot aims to assist Medi-Cal recipients that are at high risk of medication non-adherence with taking their prescribed medications through the use of an automated medication dispensing machine that includes remote monitoring and telephonic reporting services.

Improving medication administration adherence for Medi-Cal recipients is intended to avoid substantial costs of care incurred when recipients do not take their medications properly. The Pilot Project is projected to provide an annualized savings of \$140 million by as early as July 2012. The bill requires the Department of Finance to evaluate savings to the General Fund as a result of the pilot project as a measure of the efficacy of this pilot project.

The Pilot Project is comprised of several key activity areas where work is performed to accomplish the goals of the initiative. These activity areas, listed below, also serve as a framework for status reporting.

Stakeholder Engagement – where DHCS will seek input from stakeholders, including technical assistance in study design, identification of appropriate pilot participants, selection of medication dispensing machines, and other identified issues.

Secure Federal Funding – where DHCS will pursue federal funding from the Centers for Medicare and Medicaid Services (CMS). These efforts include engaging consultants with funding expertise to assist in the development of supportive documentation and dialog with CMS.

Performance Evaluation – where DHCS will identify and select a qualified Performance Evaluation Team for this initiative. This team will help design the performance evaluation study as well as performing analysis and reporting work throughout the measurement period.

Procure Solution Products/Services – where DHCS will surveil the appropriate automated dispensing machine solutions, select the best solution, and establish appropriate agreements to enable deployment of the solution for this initiative.

Select Participants - where DHCS will work with the Performance Evaluation Team and other stakeholders to characterize the participant population, target individual participants, and provide appropriate support to participants during the evaluation period.

Deploy Solution – where DHCS will work with the selected solution provider, selected participants, and stakeholder organizations to assure effective deployment of the dispensing machine solution as well as ongoing support during the evaluation period.

Manage / Administer Project - where DHCS will orchestrate and manage each of the various activity areas that comprise the project. DHCS will select a project manager to assist in this effort.

Recent Progress Highlights

Stakeholder Engagement

- ❖ To facilitate stakeholder engagement, DHCS established a public web site and posted status reports for public view (<http://www.dhcs.ca.gov/services/Pages/MDMPilotProject.aspx>). DHCS also established an email address for public input and information exchange (MDMPilot@dhcs.ca.gov).
- ❖ DHCS held a teleconference on August 16th with a broad range of stakeholders including members of the Olmstead Advisory Committee as well as the Alzheimer's Disease and Related Disorders Advisory Committee. Representatives from In-Home Support Services (IHSS), SEIU, the Department of Finance, the Department of Aging, the Department of Social Services, several counties, and many other advocates were in attendance.
- ❖ DHCS also attended the Olmstead Advisory Committee meeting on August 18th to present a project overview and engage in dialog with Committee members regarding the MDM Pilot Project. As with the August 16th conference, this conference included a discussion of project status and an open question/answer session. This allowed the project to capture input and ideas from diverse stakeholders and assured our continued attention to their participation in this initiative.

Secure Federal Funding

- ❖ In late July, DHCS received a Draft Concept Paper from SEIU consultants to aid in our funding conversation with the Centers for Medicare and Medicaid Services (CMS). This Draft Concept Paper will be updated in the next reporting period with information from the report that CaMRI (California Medicaid Research Institute) is currently preparing. The CaMRI report includes a background literature review as well as the presentation of a study design.

Once the Concept Paper is complete, DHCS will be prepared to discuss federal funding options with CMS. Those early meetings with CMS will then inform further planning efforts for capturing federal funding.

Performance Evaluation

- ❖ The CaMRI team delivered "Part 1" of a two-part Draft Report on August 19th for DHCS internal review. "Part 2" of the two-part Draft Report is due at the end of August. The full report will include a substantive literature review and an evidence-based study design for performance measurement.
- ❖ As noted in earlier reports, CaMRI will be working with DHCS to develop deployment and evaluation plans, once the Study Design is finalized and approved to proceed.
- ❖ DHCS made additional progress in this reporting period towards the request for, and fulfillment of, required Medicare data to support the evaluation needs of this project, including learning from other states that have obtained similar data. DHCS is working diligently to expedite delivery of these data since they are important to participant selection and subsequent performance evaluation work.

Procure Solution Products/Services

- ❖ DHCS prepared a Draft Product/Service Characterization (PSC) Tool to enable the collection of detailed characterization data for each of the identified products and their corresponding services. DHCS sent the Draft PSC Tool out for review to participating vendors and stakeholders that have experience and knowledge in this area of technology.

All participants in the draft review process provided commentary by August 26th as requested. DHCS will utilize these inputs to develop the tool in its final form and distribute it near the end of August for each vendor to complete as part of a self-evaluation process. Results of this evaluation will enable DHCS to evaluate device alignment with the requirements of the study design and subsequent participant selection processes. These alignments will help assure the best value procurement of devices and related services.

Select Participants

❖ DHCS will commence work in this activity area when, in partnership with the Evaluation Team, it has defined the participant selection process and obtained the data necessary to identify appropriate participants.

Deploy Solution

❖ DHCS will be reaching out in the weeks ahead to states that have some experience with medication dispensing machines. This should provide additional information that can affect project success, including deployment considerations. DHCS will establish a deployment plan for additional work in this activity area.

Manage / Administer Project

❖ DHCS has expended significant effort on communication support for project stakeholders and product/service vendors. There is also a continued focus on project orchestration of activities in the other work domains. DHCS has developed a schedule of key activities and their dependencies, to allow it to identify and act on project constraints.

At-a-Glance View of Progress – by Activity Area

This reporting period includes the conclusion of initiation work as well as the beginning of Implementation work in several activity areas. DHCS will continue to indicate work that has been started and completed, allowing for an incremental visual view of our progress.

Activity Area	Initiation	Planning	Implementation		
			Phase 1	Phase 2	Phase 3
Stakeholder Engagement	C				
Secure Federal Funding	C				
Performance Evaluation					
Procure Solution Products/Services	C				
Select Participants					
Deploy Solution					
Manage/Administer Project	C				

= Not Started
 = Started
 C = Completed