



2019-21 Biennium Budget Decision Package

Agency: 303 - Department of Health
Decision Package Code-Title: 1E - Improve Prescription Drug System
Budget Session: 2019-21 Regular
Budget Level: Policy Level
Contact Info: Ryan Black
 (360) 236-4530
 ryan.black@doh.wa.gov

Agency Recommendation Summary

Washington's Prescription Monitoring Program (PMP) enables eligible providers to check a patient's prescription history for opioids, giving providers critical information to guide treatment decisions. The department currently contracts with a vendor for a PMP system. When this contract expires in June 2020, the price is anticipated to increase substantially. Information gathered on the current market indicates there may be lower cost options available that offer improved functionality for prescribers. The department seeks funding to transition to a new PMP system that provides improved functionality at a competitive price.

Fiscal Summary

Dollars in Thousands

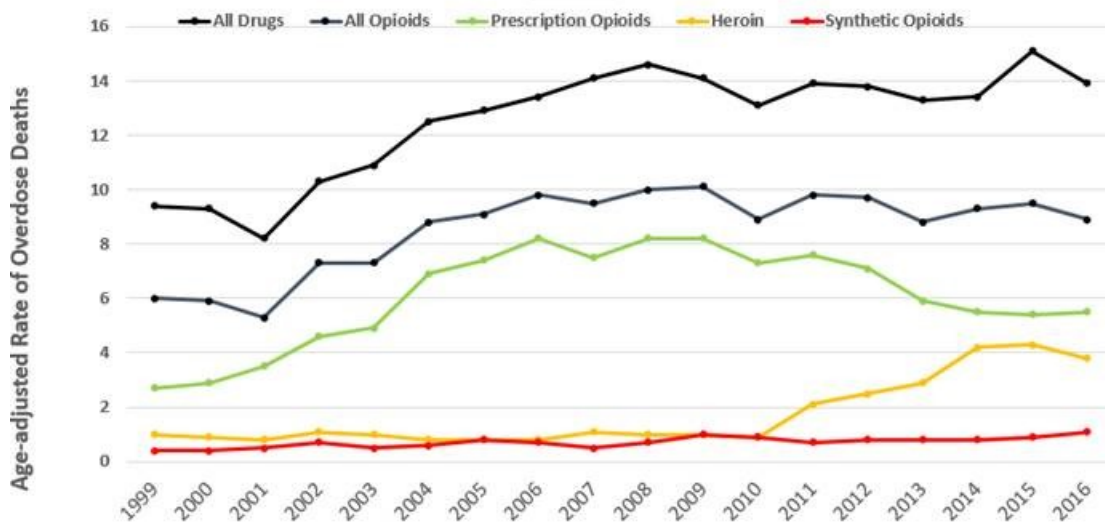
Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	\$395	\$608	\$538	\$321
Total Expenditures	\$395	\$608	\$538	\$321
Biennial Totals		\$1,003		\$859
Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	1.9	1.7	1.4	1.3
Average Annual		1.8		1.4
Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	\$147	\$130	\$113	\$111
Obj. B	\$53	\$46	\$40	\$39
Obj. C	\$174	\$413	\$370	\$156
Obj. E	\$10	\$9	\$7	\$7
Obj. T	\$11	\$10	\$8	\$8

Package Description

Drug overdose (mostly caused by opioids) kills more people in Washington than traffic accidents.

Washington had nearly 700 opioid-related overdose deaths in 2016. The rise in opioid-related overdose deaths is a public health emergency and epidemic.

Rates of Opioid-related Overdose Deaths by Type of Opioid, 1999–2016*



Source: DOH Death Certificates (*2016 data are preliminary)

The state of Washington has been working to address this epidemic for several years and has increased activity to meet the complex challenges this epidemic presents. In October 2016, Governor Inslee issued an executive order to help bring attention and focus to addressing the epidemic. The order

calls on many state agencies and our partners to work together to carry out the Opioid Interagency Working Plan.

The Prescription Monitoring Program (PMP) is an important component of the working plan. The PMP allows providers with prescriptive authority the ability to check a patient’s prescription history. Checking the PMP can alert providers of patient opioid or other controlled substance use, which may lead to more informed treatment decisions and fewer opioid deaths. Use of the PMP will increase substantially this fall, when new rules take effect requiring opioid prescribers to register for and use the program when prescribing opioids. The department expects over 30,000 additional prescribers and their delegates (e.g., registered nurses and medical assistants) to start using the PMP.

Washington has not competitively bid for Prescription Monitoring Program (PMP) services since the original contract was implemented in 2011. The current contract expires in June 2020. The vendor has indicated that the price for maintenance and operations services will increase substantially after that time. The current PMP budget cannot support these cost increases. Information gathered from other states’ prescription monitoring programs indicates that there may be other service providers in the market that offer similar or improved systems at competitive prices. Through a survey of other states, the department found that there are four other vendors providing PMP services and at least four more that are interested in bidding on this type of service. The department is not supportive of renewing the current contract without engaging in the

review of other options to see if there are service providers that can offer improved functionality for prescribers at a lower cost.

There are also several key problems the department seeks to address through this proposal that will greatly further efforts to address the opioid epidemic in Washington including:

- Implementing a new PMP system that streamlines the provider's registration and login for those having to access the PMP. This is critical to ensure they can quickly access this critical information during the short time they have for a patient appointment.
- Implementing a new PMP system that more quickly processes data files submitted to ensure providers have as up-to-date information as possible. The current system takes up to 72 hours to process a file submitted. That delay is too long in emergency and urgent care settings, when providers do not have an on-going relationship with the patient and may not see the patient again. Given how quickly someone can fill a prescription, it is essential to ensure the data is up to date as possible for the best informed treatment decisions.
- Implementing a new PMP system that will allow for interstate data sharing. This is vital for enabling providers to see prescriptions filled by their patients in other states.
- Implementing a new PMP system to enhance the ability to analyze and visualize public health data to inform policy decisions to address the opioid epidemic. Our ability to understand the epidemic, track it, and respond relies on a strong ability to analyze the data at the state and local level.
- Implementing a PMP system that ensures data is accurate when uploaded. The current system does not adequately error check and clean the data for surveillance which requires a lot of extra staff work to fix and, at times, means the system is missing information providers need.
- Implementing a new PMP system that allows staff to more effectively track and monitor dispenser data reporting to ensure data is accurate and complete. The current system does not adequately automate dispenser reporting compliance checks which requires a lot of manual work by staff and also does not easily allow the tracking of missing data or data that requires corrections.
- Implementing a new PMP system that ensures program staff can easily track important data on registrations, utilization, and other key dashboard metrics. The current system does not have a robust administrative reporting tool.
- Implementing a PMP system that continues to ensure the health information exchange connection is maintained for integrated access via electronic health record systems. This is essential to streamlining provider access within clinical workflow and ensuring the data gets used more regularly.

By improving the PMP system, it will provide a robust treatment decision making tool for healthcare providers. This is essential for addressing the epidemic because by making better informed treatment

decisions providers can help prevent opioid misuse, abuse, and overdose.

The proposal is to use state funds to explore options and implement a new PMP system. Washington is in need of a PMP system that will meet the key needs noted above that are critical to effectively address the opioid epidemic.

The alternative to funding this proposal is to remain with the current system. The department does not consider this the best option because:

- There may be options available for PMP systems that provide greater functionality.
- The current vendor has indicated they will be raising the costs of service, so this may be the best time to review other options which may lead to these improvements and save state resources moving forward.
- Procurement best practice suggests it is time to look at other options and this is supported by the Department of Enterprise Services and the Office of the Chief Information Officer.

The department reviewed the following options when considering system replacement:

- Developing a system in-house
 - Pros: interoperability and interchanges can be built with reuse in mind, internal experience is held for secure access WA already, and system could be supportable by department staff.
 - Cons: lack of experience with internal staff on hosting, increase in help desk needs, reconfiguration of data exchanges would be required, patient matching functionality would be difficult to build, and increase in needs for internal staff for maintenance.
- Procuring a new system by releasing a request for proposal for vendors to bid on
 - Pros: leverages the expertise of the commercial market, may result in faster implementation, will displace system maintenance requirements for internal staff, interoperability and interchanges can be built with reuse in mind.
 - Cons: use of a vendor solution does not support agency roadmap for shared solutions, furthers dependence on third party vendors, and may require custom programming to meet OCIO policies and standards.
- Acquire code from another state and modify for use in Washington
 - Pros: fast method to acquire and reuse an existing system, could lead to joint operations/partnerships for development which could reduce ongoing maintenance, interoperability and interchanges could be built with reuse in mind.
 - Cons: modification to meet our state requirements will likely result in more time to implement,

dependency on other state's personnel to answer questions regarding their software, complexity of conducting and resolving security vulnerabilities, technology being used may not fit into internal staff's capabilities and knowledge base, require more internal help desk to support system, and could present challenges in interfacing with other systems.

After reviewing these options the department determined procuring a new system will likely provide the best service given the lack of capacity available with internal resources and the expertise available in the commercial market.

Assumptions and Calculations

Expansion or alteration of a current program or service:

The below table shows the program's historical financial information for the prior two biennia.

*Fund 19AMedicaid Fraud Penalty Account

	FY2016	FY2017	FY2018
Salaries	\$121,000	\$190,000	\$133,000
Benefits	\$44,000	\$73,000	\$52,000
Contracts	\$171,000	\$155,000	\$118,000
Other	\$35,000	\$84,000	\$82,000
	\$371,000	\$502,000	\$385,000

*The department is currently working with the Health Care Authority to request federal Medicaid match funds for the PMP system replacement. If Medicaid match funds are secured, this decision package will be modified to reflect a lower GF-S appropriation request.

Detailed assumptions and calculations:

The department seeks to obtain a new PMP system to ensure we can effectively address the opioid epidemic with this important tool while providing the best value to the state for PMP services. Central to this is the ability to improve current PMP services by making improvements to facilitate system use by prescribers.

Based on state survey work as well as discussion with vendors working in this space, at least four other vendors are currently providing PMP services for other states and at least four other vendor are interested in bidding on such procurements.

Cost considerations:

According to a recent report (released 5/24/18) by the Congressional Research Service:

"PDMP expenses involve startup costs, funds needed to operate and maintain the programs, and any monies used to enhance program operation and interoperability. Overall program costs can entail

- hardware such as servers;
- software to run the PDMP database and ensure information security;
- connectivity such that pharmacies and dispensaries can enter data, and prescribers and/or law enforcement officials can request and access data;
- staff to administer the PDMP and provide technical assistance; and
- overhead fees.”

The report indicates that based on these considerations states have paid between \$450,000 and \$1.5 million dollars for implementation and between \$125,000 and \$1.0 million dollars annually for maintenance and operations. This data aligns with information gathered by the department through conversations with other states and vendors.

A 2009 evaluation by the Maryland Advisory Council on Prescription Drug Monitoring assessed existing state PDMPs on a range of factors including the costs associated with establishing and maintaining the programs. The overarching finding was that costs vary widely, with program startup costs ranging from \$450,000 to over \$1.5 million. Further, based on available data from six operational PDMPs, the Maryland Advisory Council’s evaluation indicates that annual operating costs range from \$125,000 to nearly \$1.0 million, with an average annual cost of about \$500,000.”

These findings match information the department gathered from other states regarding maintenance and operations costs for PMPs. Annual maintenance and operations costs are \$225,086 in Florida, \$118,000 in Vermont, \$152,000 in West Virginia, and \$400,000 in Wisconsin.

In light of these figures from other states, the department used an IT Project estimation tool to evaluate the cost of implementing and operating a new PMP in Washington. The Use Case Point (UCP) software estimation technique was utilized as a foundation to estimate the cost of replacement. This industry technique utilizes the number and complexity of use cases and actors, nonfunctional requirements such as reuse, performance and maintainability along with environment of the project such as familiarity with technology used and staffing influences. At a high level the breakdown is software sizing, level of effort, hardware, and licensing along with resources.

Based on this analysis additional costs for implementation are estimated at \$628,000 during an 18 month period. This includes \$333,000 in internal costs for IT project oversight, requirements gathering, programming, testing, and design and security review. It also includes contract costs of

\$220,000 for software development and \$75,000 for external quality assurance.

Based on this analysis the additional costs for maintenance and operations are estimated at \$377,000 in FY21, \$538,000 in FY22, \$321,000 in FY23 and FY24, and \$538,000 in FY25. This includes internal costs for continued support of possible system enhancements and other operational costs of monitoring system functioning. It also includes \$292,000 in FY21, \$370,000 in FY22, \$156,000 in FY23 and FY24, and \$370,000 in FY24 for vendor enhancements in year one and five, hosting and hardware costs, and maintenance. Currently the program spends \$135,712 annual on the vendor contract, above estimates are in addition to current vendor costs.

Workforce Assumptions:

See attached fiscal note calculation (FNCal)

Strategic and Performance Outcomes

Strategic framework:

This proposal directly relates and contributes to Governor Inslee’s Results Washington goal 1.2.A.i: Decrease the rate of Opioid overdose deaths from 9.8 per 100,000 in 2015 to 9.0 in 2020. The PMP is a key tool in helping decrease opioid related deaths by better informing providers of their patient’s use of these medications. Ensuring that the PMP has easier interoperability and continues to be made available to prescribers and their patients will help move the state forward in addressing this crisis.

The PMP is also highlighted in the department’s agency’s strategic plan under Goal 3: “Ensure health equity and improve population health” under the objective to “Promote behavior health and prevent mental illness.” The strategy is “Decrease opioid misuse, abuse and overdose by promoting safe opioid prescribing practices, improving access to Prescription Drug Monitoring Program data, and improving surveillance”. By researching options for the program to improve interoperability and ease of use, the department can improve access to this important tool.

A015 Patient and Consumer Safety

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Fund 001-1	\$862,000	\$374,000	\$321,000	\$321,000	\$754,000	\$321,000

Performance outcomes:

The high level proposed schedule for implementation is below.

Short-term milestones (by June 30, 2020):

- Complete Office of the Chief Information Officer planning documentation and receive approval to

release a request for proposal.

- Release request for proposal.

Mid-term milestones:

- Finalize contract with a new vendor by October 31, 2020.
- Finish project planning by December 31, 2020.

Long-term milestones:

- Begin data collection with new system by March 21, 2021.
- Begin data reporting services by June 30, 2021.

The following are the performance measures expected from a new system:

- Upload and process prescription record files within 24 hours
- Allow DOH eligible providers to register in an automated fashion within 10 minutes and ensure the number of clicks/screens is 3 or less
- Response times for all basic/standard queries made by end users of no more than 3-4 seconds
- System uptime is maintained 24/7/365 with only minimal outages for standard maintenance.
- Ability to recover from a disaster or major disruption within 48 hours.

A current lean project aimed at improving the program's use for providers is the ease of use web portal project. The goal is to find ways to make the system easy for providers to register for and use while continuing to meet security/privacy requirements for protected health information. The project has a charter and a stakeholder workgroup. The results of this project can help inform the design of a new system that will improve end user efficiency.

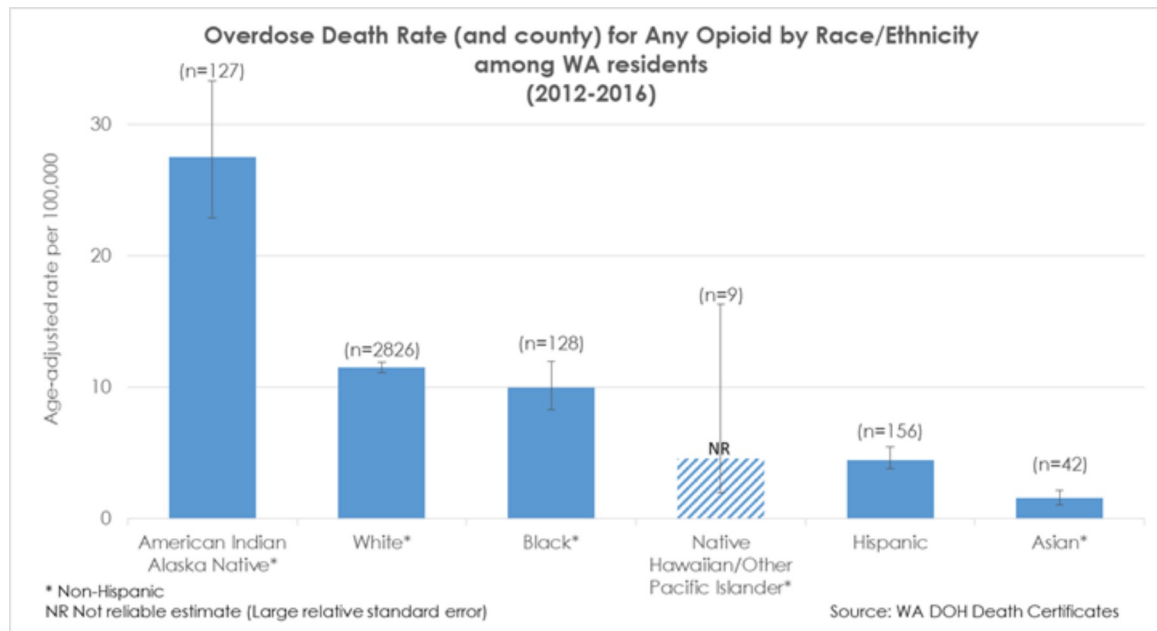
Other Collateral Connections

Intergovernmental:

As with many health conditions, the opioid crisis is affecting some communities more than others. The chart below shows the rates of opioid overdose deaths by race and ethnicity. The overdose death rate in American Indian/Alaska Natives (AI/AN) is almost three times higher than the rate in whites and blacks.

Tribal pharmacies voluntarily submit their prescription records to the PMP and have their healthcare

providers at their clinics use the PMP. Providing a functional PMP system that improves ease of use will assist tribal governments in addressing the opioid epidemic in their communities.



Other agencies impacted by this proposal include the Healthcare Authority, the Department of Labor and Industries, and the Department of Corrections. An improved PMP system would include features that meet the business requirements of these agencies.

Stakeholder response:

Healthcare professional associations are key stakeholders to this work. We believe the following stakeholders are vested in ensuring the PMP system meets the needs of their members and would support this project.

- Washington State Hospital Association (WSHA)
- Washington State Medical Association (WSMA)
- Washington State Dental Association (WSDA)
- Washington State Podiatric Medical Association (WSPMA)
- Washington State Pharmacy Association
- National Association of Chain Drugstores (NACDS)
- Washington Association of Naturopathic Physicians (WANP)
- Washington Osteopathic Medical Association (WOMA)

- Washington State Nurses Association. (WSNA)
- ARNP United of Washington State
- Washington Academy of Physician Assistants (WAPA)
- Washington State Veterinary Medical Association (WSVMA)
- Optometric Physicians of Washington (OPW)
- Washington Academy of Family Physicians (WAFP)
- Rural Health Clinic Association of WA (RHCAW)
- Washington Academy of Family Physicians (WAFP)

Washington Chapter - American College of Emergency Physicians

Legal or administrative mandates:

This proposal is not in response to litigation, an audit finding, executive order or task force recommendations.

Changes from current law:

This proposal does not require any change to existing statute, or rule but may require a new contract.

State workforce impacts:

This proposal does not impact collective bargaining agreements, compensation or benefits.

State facilities impacts:

- This proposal does not impacts facilities and workplace needs of the agency.

Puget Sound recovery:

Not applicable

Agency Questions

Did you include cost models and backup assumptions?

Yes

Reference Documents

- 1E-Fact Sheet - PMP System Replacement.docx
- 1E-PMP - FNCal 20.1 SystemReplacement - Total FINAL.XLSM
- 1E-PMP System Replacement Decision Package IT Addendum.docx

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

Yes

1E-PMP System Replacement Decision Package IT Addendum.docx