

Pharmacy Services - Homes for the Aged

(City Council on May 9, 10 and 11, 2000, adopted this Clause, without amendment.)

The Community Services Committee recommends the adoption of the following report (March 15, 2000) from the Commissioner of Community and Neighbourhood Services:

Purpose:

The purpose of this report is to secure Council approval to extend the current service agreement with Medical Pharmacies Ltd., under the same terms and conditions, for the period of April 1, 2000 to April 1, 2002.

Financial Implications and Impact Statement:

There are no financial implications associated with this report. Pharmacy services are provided at no cost to the City. Rather, as an operator of Homes for the Aged, the City has an obligation under provincial policy, "to ensure an organized program for the provision of pharmacy service, to meet the residents' identified needs". Pharmacy service providers bill the Ministry of Health and Long Term Care and/or residents directly for the services provided, with no financial involvement from the City.

The current service provider, i.e., Medical Pharmacies Ltd., has a lease agreement with the City, leasing space located at Castlevue Wychwood Towers, at 351 Christie Street, at a lease cost of \$70,000.00 per year.

Recommendations:

It is recommended that:

- (1) the current service agreement with Medical Pharmacies Ltd., 590 Granite Court, Pickering, Ontario, be extended for an additional two-year period of time, for the period of April 1, 2000 to April 1, 2002;
- (2) prior to the conclusion of the extension period, a Request for Proposals (RFP) be issued to community-accredited pharmacies with expertise in pharmacy service to long term care facilities, for the future provision of pharmacy services; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

Prior to 1995, the Municipality of Metropolitan Toronto owned and operated its own pharmacy to serve its ten Homes for the Aged. Due to the legislative and funding restrictions, as set out in

provincial policy, the pharmacy did not receive adequate funding from the Ministry of Health and Long Term Care to cover its annual operation.

As part of the Homes for the Aged Division's multi-year management plan to reduce costs and to maintain or enhance quality, the municipality ceased to operate its own pharmacy, and issued a RFP for pharmacy services. On February 28, 1996, Metropolitan Toronto Council endorsed the following recommendations:

- (1) the Municipality of Metropolitan Toronto enter into a full service agreement for pharmacy service for the ten Homes for the Aged with Medical Pharmacies Ltd., 590 Granite Court, Pickering, Ontario, effective April 1, 1996, for a period of two years, with an option to renew for one additional two-year term; and
- (2) the Municipality of Metropolitan Toronto enter into a lease agreement, allowing Medical Pharmacies Ltd. to lease the existing Central Pharmacy space, located in Castleview Wychwood Towers, at 351 Christie Street, Toronto, at a lease cost of \$70,000.00 per year.

As a result of this decision, the municipality entered into a service agreement with Medical Pharmacies Ltd., a community-accredited pharmacy with expertise in long term care. At the same time, Medical Pharmacies Ltd. entered into a lease agreement with the municipality, to lease the specified space at Castleview Wychwood Towers.

Medical Pharmacies Ltd. has provided excellent pharmacy services to the ten Homes for the Aged over the past four years, and has been a very good tenant at Castleview Wychwood Towers.

The current agreement with Medical Pharmacies Ltd. expires on April 1, 2000.

Due to the extreme importance of high quality pharmacy services to support the effective day-to-day operations of the Homes and to ensure that residents are provided with continuity of service, staff are desirous of maintaining the current arrangements for pharmacy services for a further extended period of time. This report provides qualitative and quantitative feedback to support the rationale for this recommended direction.

Prior to the end of the two-year extension period, staff are proposing that a renewed Request for Proposals (RFP) be released, for future provision of pharmacy services.

Comments:

The Ontario Drug Benefit Program (ODB) covers/funds all drugs listed in the Drug Benefit Formulary/Comparative Drug Index that are prescribed for residents of long term care facilities, as well as ODB-approved non-prescription drugs available through the Ontario Government Pharmaceutical and Medical Supply Service. That is, pharmacies providing medications to residents in long term care facilities bill the Ministry of Health and Long Term Care for the drug costs. Pharmacies may charge a dispensing fee directly to persons for whom the prescription is

written. In addition, if a physician orders a non-ODB drug and no substitute is available, there is a direct charge to the person for whom the prescription is written.

The Ministry of Health and Long Term Care (MOHLTC) regularly inspects long term care facilities, through its Compliance Program, to ensure that the pharmacy services within the facility are delivered in a manner that meets the standards and criteria set out in the Ministry's "Long Term Care Facility Program Manual". The requirements in this manual include:

- (1) a requirement for an organized program for the provision of pharmacy service to meet the residents' identified needs;
- (2) a written contract between the facility and the pharmacy service, complying with specified MOHLTC requirements;
- (3) an organized interdisciplinary review process for pharmacy services;
- (4) a system to ensure the accurate, safe dispensing of prescription drugs;
- (5) a system to support the safe provision of drugs to residents;
- (6) a system to support the safe receipt, administration, and documentation of drugs; and
- (7) a system to support the safe disposal and destruction of surplus drugs.

Medical Pharmacies Ltd. has exceeded these MOHLTC requirements, throughout their relationship with the Homes for the Aged Division.

The expectations of the Division were clearly identified in the previous RFP, and have been incorporated into the service agreement with Medical Pharmacies Ltd. These included, but were not limited to, the following critical indicators:

- (a) the pharmacy sharing the same philosophy and approach as the Division with respect to quality improvement and customer service;
- (b) demonstrated ability to provide education to staff, residents, and families regarding pharmaceutical care;
- (c) demonstrated ability to work collaboratively with Divisional staff to achieve positive resident outcomes (including the achievement of lower drug utilization rates);
- (d) the provision of accurate, professional services in all aspects of the operation;
- (e) the provision of clinical pharmacists' service in each Home, in addition to the dispensing function itself; and
- (f) prompt, effective response to any identified quality issue.

Medical Pharmacies met all of the established performance indicators. Particularly important to the Division is their willingness to adapt their pharmacy systems to meet the needs of our resident population. They have introduced unit-dosing for specific medications as requested by us, improved their forms, labelling, and directions systems. They have worked collaboratively with the various Homes in which residents have requested non-traditional treatment modalities (e.g., herbal preparations), and provided clinical support to the Homes in order to ensure appropriate care to residents requiring more complex treatment interventions such as feeding tubes, etc.

One of the most positive outcomes that the Division has achieved since entering the service agreement with Medical Pharmacies Ltd. has been the maintenance of a low drug utilization rate (DUR). For example, the average DUR in long term care facilities in Ontario is 7.6 medications per resident per day. The Division's average DUR is 5.4 medications per resident per day. In addition, Medical Pharmacies Ltd. has been extremely supportive in working with the Division to identify alternatives to chemical restraints, resulting in very low usage of this type of medication in our Homes (2.4 percent), which is far below industry norm. Staff believe that this approach has resulted in improved quality of life for the residents and their families, and improved worklife for staff.

For example, over 50 part-time registered staff have been hired in the Homes within the past six months. In addition, there have been 13 new physicians added to the Homes' medical organization within the past six months. These persons are now familiar with the pharmacy systems utilized by Medical Pharmacies Ltd., and a disruption at this point would have a negative impact on continuity and safety of care and service.

Other benefits realized through the contract with Medical Pharmacies Ltd. include the pharmacy's involvement with the Homes' accreditation teams, membership on the various Pharmacy and Therapeutics Committees, provision of on-site staff education on clinical issues, excellent collaboration and consultation with the Homes' nursing staff and the 45 physicians working in the Homes, and significant involvement in auditing and improving medication practices.

The Homes are very satisfied with the service provided under the current service agreement. In addition, there have been many commendations regarding the pharmacy services in the various Homes' accreditation reports. Therefore, staff are recommending that the service agreement with Medical Pharmacies Ltd. be extended for a further two-year period of time.

As previously identified, the pharmacy system is one of the most critical features of the Homes' day-to-day operations. Consistency and familiarity with the system is an important step in reducing the potential for human error. The Division is desirous to avoid an unnecessary change at this point, given all of the other significant changes and pressures in long term care.

The recommended two-year extension will provide several positive outcomes, namely, continuity of service, reduced risk, and the opportunity for staff to identify and improve criteria for a future RFP. Medical Pharmacies Ltd. understands that an extension of service at this time

would be an interim measure only, and that a Request for Proposals would be issued prior to April 2002, to ensure an open and fair competition process for pharmacy services for the City's Homes for the Aged.

Conclusions:

The Homes for the Aged Division has been extremely satisfied with the service provision from Medical Pharmacies Ltd. over the past four years. Staff's evaluations of the contracted pharmacy service provision have been consistently positive. The pharmacy has been extremely responsive to any request from the Division to customize, revise, or enhance any aspect of their service provision. They have demonstrated that they shared the philosophy of "least restraint" and "lowest possible" drug utilization rates. They have provided orientation and ongoing in service education to physicians and nursing staff. They have provided health teaching to residents and their families on an as-requested basis. They have demonstrated a strong customer service approach, including the willingness to subsidize individual residents who are under extreme financial hardship and unable to pay the prescription/drug costs.

Staff recommend that the current service agreement be extended for a period of two years, on the same terms and conditions. Medical Pharmacies Ltd. has confirmed their interest and willingness to renew the service agreement and their continued desire to lease the space at Castleview Wychwood Towers.

Prior to the end of the two-year renewal period, staff will prepare and release a Request for Proposals, in order to provide an opportunity for assessment of other pharmacy proposals. In the interim, the renewal of the service agreement with Medical Pharmacies Ltd. will ensure continuity of care and service for the Homes and the residents and their families.

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