

January 20, 2011

**PROVIDING BULK INPATIENT MEDICATIONS ON DISCHARGE FOR
OUTPATIENT USE**

1. PURPOSE: This Veterans Health Administration (VHA) Directive provides policy for providing bulk inpatient medications on discharge for outpatient use. *NOTE: This is the result of an employee's suggestion, which won the President's Securing Americans' Value and Efficiency (SAVE) Award in 2009.*

2. BACKGROUND: The goal of the SAVE Award is to produce ideas that will yield savings while also improving the way that government operates.

a. A Department of Veterans Affairs (VA) employee submitted a suggestion for the 2009 President's SAVE award competition. This suggestion was to conserve resources by allowing Veterans to take the remaining portions of partially-used bulk medications (e.g., inhalers, eye drops, and creams) home upon discharge. Typically these medications would be returned to pharmacy and discarded as waste. The suggestion was announced as the SAVE Award winner on December 11, 2009.

b. In order to ensure that the suggestion to re-label inpatient medications could be implemented in a safe and cost-effective manner and in compliance with applicable laws and regulations, VHA decided to implement it in a phased approach. Phase I of the implementation plan began on March 15, 2010, and involved five VA medical centers. Two different processes were piloted; labeling medications dispensed upon hospital admission and re-labeling medications before dispensing to the patient upon discharge (see Att. A for the highlights of the positive and negative aspects of each process).

c. The pilot demonstrated an estimated net cost savings of \$1.4 million per year nation-wide. Major issues (see Att. B) and lessons learned (see Att. C) were documented during the pilot.

d. An analysis of the pilot evaluation, resulted in VHA's decision to implement this idea starting March 1, 2011. To aid this endeavor, an Information Technology (IT) service request has been submitted to address the IT changes needed to fully implement this idea and to support patient safety.

3. POLICY: It is VHA policy for each facility Director to design and implement a plan for labeling inpatient medications for outpatient use to be effective by March 1, 2011. *NOTE: Facilities which do not have inpatient beds are exempt.*

THIS VHA DIRECTIVE EXPIRES JANUARY 31, 2016

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4. ACTION: Each facility Director, or designee, is responsible for:

a. Designing a plan, of the Director's own choosing, for providing bulk inpatient medications on discharge for outpatient use, when appropriate. The only specific requirements for the plan are that it must:

(1) Define the process steps needed to ensure patient safety, efficiency, and cost-effectiveness of medication labeling; and

(2) Be developed by a multi-disciplinary team.

b. Ensuring the plan is implemented, at the facility-level, by March 1, 2011.

NOTE: It is important to consider patient safety, the impact on current operations and resource utilization when designing the implementation process. Savings may not be realized and patient safety may be compromised if implementation is not integrated into current work flow and patient satisfaction may be negatively impacted by erroneous co-pay or third-party billing charges (see Att. B for a summary of major issues identified during the pilot).

5. REFERENCES: None.

6. FOLLOW-UP RESPONSIBILITY: The Pharmacy Benefits Management Office (119) is responsible for the contents of this Directive. Questions may be directed to (202) 461-7326.

7. RESCISSIONS: None. This VHA Directive expires January 31, 2016.

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Under Secretary for Health

Attachments

DISTRIBUTION: E-mailed to the VHA Publications Distribution List 1/20/2011

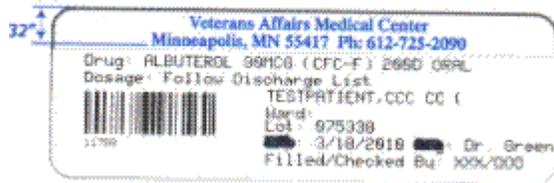
ATTACHMENT A

DESCRIPTION OF LABELING PROCESSES USED DURING THE PILOT

Two major processes were used during the pilot; labeling the medication when dispensed upon admission to the hospital and re-labeling the medication when ordered upon discharge.

1. Labeling the medication when dispensed on an inpatient order. Minneapolis and Mountain Home ordered BCMA labels that were pre-printed with their facility information. The BCMA label was adapted to add the provider's name, a prescription number based on the six digits from the inpatient order number and directions stating "follow discharge list." Examples:

Drug:	Patient Name:	
Dosage:	Ward:	Mountain Home VAMC
	Lot#:	Expiration Date: Mtn Home, TN 37684
	ProvidersName:	423-979-3434
Prescription#:		



- a. Positive aspects of the process. The process:
 - (1) Does not affect outpatient costs or inventory
 - (2) Does not affect patient co-pay or third party billing
 - (3) Does not require a separate process to get the medication to the pharmacy for re-labeling at time of discharge

b. Negative aspects of the process

(1) The label does not contain full directions for use, or cautionary statements, and is difficult to read. Even if label could accommodate full directions, there is a patient safety risk if the directions change during the inpatient stay or when ordered on discharge.

(2) Lost efficiency. The medication may not be ordered on discharge or be entirely consumed during the inpatient stay. Medication not appropriate for discharge may be mistaken for a discharge medication due to the presence of an outpatient label and inadvertently given to a patient.

2. Re-labeling inpatient medications ordered on discharge

a. Positive aspects of the process are:

(1) The process is efficient. Time spent on re-labeling is reduced and focused on just those medications ordered on discharge.

(2) Medication is labeled with a standard outpatient label that meets all regulatory requirements, contains full directions for use, cautionary statements, and RX number needed to re-order and is familiar to the patient.

b. Negative aspects of the process are:

(1) It may be difficult to get medication to the pharmacy for re-labeling prior to discharge. This is not a negative if there is a discharge pharmacist located on the unit and the discharge pharmacist has an outpatient label printer.

(2) Costs and inventory need to be manually adjusted for every label printed to fully address OIG recommendations. Use of the “partial prescription” option to generate a prescription label artificially increases outpatient pharmacy costs and results in inaccurate inventories. When a medication order is processed the system adds the cost to inpatient pharmacy costs and deducts the quantity from the pharmacy inventory. The partial prescription option automatically adds the cost of the medication to outpatient pharmacy costs and reduces the inventory. Therefore one unit of medication (i.e., one albuterol inhaler) will be added to both inpatient and outpatient pharmacy costs and will be deducted from the inventory twice.

(3) There is a potential risk of generating a co-pay or fraudulent third party billing claim.

ATTACHMENT B

SUMMARY OF MAJOR ISSUES IDENTIFIED DURING THE PILOT

1. Patient safety can be compromised when medications are labeled for discharge when initially dispensed upon admission to the hospital because:
 - a. Space is limited on the current BCMA label to provide full directions for use.
 - b. Labels do not include cautionary statements (auxiliary labels) generally found on outpatient prescription labels.
 - c. Medication not intended for discharge may be accidentally given to a patient as it is also labeled for outpatient use.
 - d. The BCMA label and print font is small and the information is not presented in a fashion that patients generally see on a standard outpatient prescription label.
 - e. The prescription number placed on the BCMA label may not match the prescription number that will eventually be part of the outpatient prescription.
2. Program administration tasks that will negatively impact potential savings, but which are essential for full implementation, include:
 - a. Monitoring and adjusting outpatient and inpatient inventory balances. On June 23, 2009, the Office of the Inspector General (OIG) issued a report (#08-01322-144, Audit of Veterans Health Administration's Management of Non-Controlled Drug) that identified concerns with how VA tracks drug inventories and how the outpatient partial and refill label options are used.
 - b. Monitoring and adjusting Veteran co-pay charges to ensure Veterans are not charged for this "partial" supply of medication.
 - c. Monitoring and adjusting third party prescription billing claims to ensure third parties are not erroneously billed for these "partial" supplies of medications.
 - d. Tracking overall impact on costs. Tracking cost savings is largely a manual process and accounted for the largest amount of additional pharmacist time at all pilot sites. In addition, it is difficult to track the exact amount of time staff may spend in labeling activities as some steps are already integrated into the current discharge process.
3. There is not a method to accurately calculate the direct drug cost savings. Assumptions must be made on the amount of medication left in the container. For the pilot, it was assumed 20-25 percent of the medication was used during the inpatient stay. Therefore, a factor of 80 percent of the unit cost was used the majority of the time. In addition, since tracking is largely manual, it was identified that the item may not have been written down by someone, especially in a busy work environment and the desire to not delay a Veteran's discharge.

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4. Resources and staffing models differ between medical centers. Successful implementation will depend on key factors:

- a. Adequate pharmacy staffing.
- b. Robust Medication Reconciliation and discharge counseling processes.
- c. The availability of outpatient label printers in convenient locations.
- d. The full engagement and support of facility leadership.
- e. Involvement of nursing and medical staff.

5. Cost savings rapidly diminish if all items are labeled regardless of cost. During the pilot, one site chose to label all bulk medications when dispensed on an inpatient order. An analysis of their data, using \$8 as a cut-off point shows only a small increase in savings but double the amount of containers to label:

	All Drugs regardless of cost	Drugs costing >\$8
# drug containers that were labeled on admission for dispensing on D/C	2658	1252
Cost of all drugs (assumes 25% of the medication used during the inpatient stay)	\$25,500.61	\$22,449.07

ATTACHMENT C

LESSONS LEARNED FOR PLAN DESIGN AND IMPLEMENTATION

1. The implementation team should be multi-disciplinary and supported by the Senior Leadership Team.
2. Implementation should follow a standard performance improvement model (e.g Plan, Do, Check, Act (PDCA)).
3. Utilize pro-active measures to decrease inpatient medication waste. Examples include:
 - a. Use tamper resistant tape on bulk items so that unused items may be returned to stock.
 - b. Screen admission orders for PRN(as needed) medications transferred from outpatient that may not be needed during the inpatient stay (e.g., sunscreen) and discontinue before sending. Consider including this authority in the Pharmacist's Scope of Practice.
 - c. Review and determine appropriateness of orders for both nebulizers and inhalers on the same patient.
4. Do not include low cost items where the cost and time to label would be greater than the cost savings realized if the medication was not destroyed.
5. For VAMCs that do not have discharge pharmacist counseling programs or inpatient pharmacy clinical services, consider mailing unused high cost bulk items returned to pharmacy post discharge to the patient with an explanation letter.
6. Evaluate the appropriateness of using the prescription label re-print option versus the partial fill option to generate an outpatient label. Re-print does not affect inventory; however, the indiscriminate use of this option does introduce a risk point for diversion. Consider national and local policy on re-prints and evaluate the appropriateness of use for this initiative.
7. As part of implementation, monitor cost- effectiveness. Once cost effectiveness has been verified, consider whether further cost tracking is necessary to justify the program.
8. Review implementation models and other resources on the SAVE Award SharePoint:
<http://vaww.national.cmop.va.gov/PBM/inptmedsdcimppilot/default.aspx>