

Audit



Highlights

Highlights of Legislative Auditor report on the Department of Corrections, Inmate Medical Services, issued on December 14, 2006. Report # LA06-27.

Background

The Department of Corrections is responsible for the treatment, care, security, and discipline of all offenders sentenced to imprisonment in the State.

The Department is required to provide medical services to its inmates. Services mainly include medical treatment through nurses and physicians, mental health through psychiatrists and psychologists, dental, and pharmacy. If services cannot be provided by in-house medical staff, the inmates are sent to outside providers. During fiscal year 2006, the Department spent approximately \$35.9 million on medical services. Of this amount, \$22.7 million was spent on personnel costs for 276 authorized full-time equivalent positions.

The Pharmacy is responsible for filling drug orders from the institutions. This includes prescriptions ordered by physicians and psychiatrists, and requests for stock to replenish drug inventories maintained at the institutions. Stock inventories, often called floor stock, are ordered by nursing staff for immediate and emergency use. This stock is frequently used to administer drugs while waiting for the Pharmacy to dispense prescriptions.

Purpose of Audit

The purpose of this audit was to evaluate the Department's pharmacy operations, including whether activities were carried out in accordance with applicable state laws, regulations, and policies. This audit focused on pharmacy operations from July 2005 through March 2006, and through October 2006 for certain issues.

Audit Recommendations

This report contains 16 recommendations to improve pharmacy operations and controls over drugs. Five recommendations address improving controls over drug inventories. Four recommendations address improvements in dispensing drugs to the institutions. We also made four recommendations to improve monitoring activities and management information. Finally, three recommendations address issues resulting from centralizing the Pharmacy.

The Department, in its response to our report, accepted the 16 recommendations.

Status of Recommendations

The Department's 60-day plan for corrective action is due on March 14, 2007. In addition, the six-month report on the status of audit recommendations is due on September 14, 2007.

Department of Corrections Inmate Medical Services

Results in Brief

The Department of Corrections has significant weaknesses in its pharmacy operations. These weaknesses involve key functions including controlling drug inventories, distributing drugs to institution medication rooms, and monitoring operations. Specifically, the Pharmacy has not established adequate controls over drug inventories to help safeguard drugs from theft and waste. In addition, the Pharmacy was slow in dispensing drugs during our audit, and certain dispensing practices were inefficient. Further, adequate monitoring of institution medication rooms did not take place to ensure compliance with state regulations and Department requirements. Most problems stem from a lack of management controls to guide pharmacy operations. These problems were compounded in late 2005, when the northern and southern pharmacies were combined into a Central Pharmacy without proper planning. While new management and staff are working to resolve these issues, much work remains to be done.

Principal Findings

The Central Pharmacy did not maintain adequate records to account for the use of all controlled substances distributed to the institutions. The Pharmacy could not locate 54 of 165 (33%) controlled substance forms we tested, resulting in 1,350 doses of drugs not accounted for. Most of the missing controlled substance forms were issued to the Southern Nevada Women's Correctional Center (SNWCC) to provide Phenobarbital (32.4 mg tablets). The Central Pharmacy could not locate 40 of 65 controlled substance forms totaling 1,000 doses of Phenobarbital issued to this institution. After we completed our audit, the Department found 50 of the 54 missing forms including all 40 missing forms for Phenobarbital issued to SNWCC. Department staff indicated these forms had been misfiled.

The Pharmacy did not maintain inventory records of its prescription drugs. Although several million dollars in drugs flow through the Pharmacy each year, inventory records documenting additions, distributions, and inventory balances were not maintained. According to management, an inventory system was not in place in the northern pharmacy prior to its closing in December 2005. In the south, the Central Pharmacy has been working on maintaining an inventory system, but it has not been fully achieved. Without inventory records, significant loss could occur without being detected by management.

Neither the Central Pharmacy nor the institutions had adequate controls over drug stock distributed to institutions. The Central Pharmacy did not track the amount of drug stock distributed to institutions for most of fiscal year 2006. In addition, staff at the institutions did not adequately track quantities of stock on hand. As a result, drugs were overstocked at medication rooms which contributes to waste from expired drugs. For example, one institution returned expired controlled substances nine times in fiscal year 2006, totaling 814 doses of expired drugs.

The Central Pharmacy was slow in dispensing drugs, at times taking more than 4 weeks to provide medications. During our audit, slow turnaround time caused complaints, confusion, and frustration because nursing staff and inmates did not know when medications would be received. In addition, delays by the Pharmacy in filling and delivering medications increase the likelihood of shortages at the institution medication rooms.

The Pharmacy did not conduct required monthly inspections of institution medication rooms. We found only 5 of 96 required inspections were performed during fiscal year 2006. In addition, the Pharmacy lacked adequate policies and procedures to ensure monthly inspections were performed. As a result, the Department has little assurance that medication rooms meet minimum standards for pharmacy operation.

The Department did not review and verify the accuracy of controlled substance inventory counts at each institution monthly, as required by Department regulation. According to management, monthly reviews of controlled substance counts by pharmacists were not taking place. In addition, controlled substance inventory forms were not completed properly and lacked evidence of review. Inadequate supervision over controlled substance inventories increases the risk of loss or misuse.

The Central Pharmacy uses higher paying pharmacist positions to perform tasks that can be done by pharmacy technicians. We estimate the Department could save about \$130,000 annually by adjusting the ratio of pharmacist to pharmacy technician positions. The Central Pharmacy currently operates with five pharmacists and three pharmacy technician positions. However, other pharmacies we contacted strive to operate at a ratio of two technicians to one pharmacist as allowed by State Board of Pharmacy regulations.