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MAXOR CONDUCTS REVIEW OF CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION'S (CDCR) PHARMACY OPERATIONS

Amarillo, Texas – Court-appointed receiver Robert Sillen released a report today to U.S. District Judge Thelton E. Henderson, which included a review of pharmacy operations conducted by Maxor National Pharmacy Services Corporation (Maxor). Maxor was requested on behalf of the Receiver to initiate an immediate and thorough identification of actions necessary to improve the California prison pharmacy operation.

“Since correctional pharmacy services are a major expense item and an important component to the quality of inmate health care, it makes good sense for the Receiver to give priority to this critical area,” stated John Ward, CEO of Maxor. “We understood that Mr. Sillen wanted Maxor to provide a quick, yet comprehensive review of actions necessary to improve the California prison pharmacy program. While we identified a number of deficiencies affecting cost and patient health care, we are confident the system can be fixed and that Maxor has outlined a plan to do it.”

Maxor extensively reviewed CDCR's policies and procedures, drug purchases, and prescription data. It also confirmed the findings of previous audits, dating back to 2000, which have consistently depicted a costly, inefficient and unsafe CDCR pharmacy operation. In addition, Maxor visited several California prisons and interviewed key members of the pharmacy and medical staff. On April 13, 2006, Maxor gave an exit briefing of its initial review and on-site inspection observations to U.S. District Judge Thelton E. Henderson, Receiver Robert Sillen, and invited guests.

A final report and recommended action plan was submitted to Sillen in late June 2006. The action plan provides a detailed road map designed to facilitate the development of a constitutionally adequate and cost effective prison pharmacy system. The road map identifies key goals and recommended timelines for achieving those goals. Priority was given to immediate and/or short-term measures designed to improve safety, efficacy, cost and clinical care of patients.

Maxor is a leading expert in correctional health care. When the State of Texas Department of Criminal Justice was under Federal court supervision for substandard health care services, key members of the Maxor CDCR review team were directly responsible for implementing pharmacy program improvements. Maxor Chairman Jerry Hodge, with the support of other key Maxor employees, was instrumental in several key initiatives, including the movement to a managed care structure, affiliation with the University of Houston College of Pharmacy, hiring of the new pharmacy manager, re-engineering of work processes, designing and funding the construction of the original central fill pharmacy, and assisting in the legislative changes to facilitate cost efficiencies. The correctional pharmacy program in Texas is now recognized nationally as a “best practice” industry standard and currently leads the nation in cost efficiency.



Maxor National Pharmacy Services Corporation (Maxor) is a privately held, Texas-based company. Founded in 1926 as a single retail pharmacy located in downtown Amarillo, Texas, Maxor has grown from a small, independent operation to a fully integrated, national pharmacy services company, providing a variety of services in many different arenas.

Within Maxor, there are seven integrated business divisions providing a wide array of services for clients located throughout the United States. These divisions include:

- *Maxor Correctional Healthcare Services* – Healthcare and pharmacy management, consulting and auditing services provided to State and county correctional systems
- *Maxor Pharmacies* – A system of retail, mail order, institutional and outpatient pharmacies
- *MaxorPlus, Ltd.* – The Pharmacy Benefit Management (PBM) division of Maxor, which provides innovative, results oriented, PBM Services to managed care plans, insurance brokers, businesses and governmental entities
- *Maxor Specialty Pharmacy* – A full service specialty pharmacy program which provides chronic injectable drugs and specialty medications nationwide from the central distribution facility in Amarillo, Texas
- *IV Solutions* – The infusion division which provides infusion therapy and disease state management services to patients with chronic and acute illnesses
- *Maxor Pharmacy Management Services* – Inpatient and outpatient pharmacy management contracts for health care systems
- *Maxor Pharmacy Consulting Services* – Pharmacy operations consulting and auditing services for health care systems

A sample of Maxor's current and past clients include Denver Health and Hospital Authority, Denver County Jail, Colorado Department of Corrections, Just Care Inc., Saint Vincent Catholic Medical Centers of New York, Christus Health System (Texas), Long Island Jewish Medical Center, Public Health Trust of Miami-Dade County, Charleston Area Medical Center, Franciscan Missionaries of Our Lady Health System, John Peter Smith Health Network, Pacific Medical Centers, Southwest Health and Life Insurance Company, Adaptis Inc., Johns Hopkins Medical Services Corporation, Mount Sinai Hospital, Elderplan Inc. and the cities and counties of Denver and Colorado Springs, Colorado.