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### Discussing Drug Diversion: An Exploration of Impact & Prevention Through Smart Data

Dr. Turck:

Welcome to *Clinician's Roundtable* on ReachMD. I'm Dr. Charles Turck, and today's topic of discussion is one that's a huge safety concern for patients and healthcare providers alike, and yet it often goes unnoticed. That safety concern is drug diversion. And joining me to talk about it are two gentlemen from Midas Healthcare Solutions who are tackling the issue head on: Mr. Michael Lafauci and Mr. Jeffrey Wahl.

Michael Lafauci is the founder and CEO of Midas Healthcare Solutions. Michael, welcome to the program.

Mr. Lafauci:

Thank you very much. Nice to be here, Dr. Turck.

Dr. Turck:

And Jeff Wahl is the co-founder and President at Midas Healthcare Solutions. Jeff, it's great to have you with us.

Mr. Wahl:

Thank you very much for having me, Dr. Turck.

Dr. Turck:

Starting with you, Michael, would you explain how drug diversion might be going on right beneath clinician's noses in their daily workplace?

Mr. Lafauci:

Sure, absolutely. I mean, healthcare environment workplaces are very high-pace, intense, working environments with the focus around the patient, as it should be. And these factors, they provide for a very busy environment, which really can serve as a distraction for other healthcare workers to do things that we don't want them to do. And it actually takes away when you can't actually notice what's happening during those times because it is so busy. So it provides for a real opportunity for healthcare workers, sometimes with unlimited access coupled with creative ways, to divert medications. I usually call this the blind spot in medication accountability. And we're happy we're addressing this.

Dr. Turck:

And staying with you for just another moment, Michael. Does the healthcare industry as a whole have a proven way to know what happens to prescription drugs once their discarded? I mean, who oversees their proper disposal?

Mr. Lafauci:

Yeah, it's a great question. The healthcare industry as a whole does not have a "proven way," right? To know what happens to prescription drugs once they are discarded. Right now, there are automated dispensing machines that account for dispensing that, but really lack the controls on the wasting or discarding of medications, as we call it. The healthcare professionals really only really attest to this automated dispensing to the machine itself. What they are doing with no real proof that they are actually doing it, keep in mind, this ADM technology is primarily in the hospital settings, and when you have a chance to see what occurs in the other healthcare settings, there is even less technology around in the wasting process. And this is why we're proud what we're doing at Midas because we're the first company to provide an intelligent platform around the chain of custody and accountability around medications post-dispensing.

Dr. Turck:

And turning to you now, Jeff, would you explain how drug diversion and improper disposal affects key stakeholders in the healthcare system?

Mr. Wahl

Sure. I'd be happy to. So one of the origin events for Midas when Michael called me and had the original idea for this was to let him know about a matter that I was working on. So I'm a medical risk management and patient safety lawyer, and at that point, I was in the middle of a four-year I would say "journey" relating to a premier healthcare institution which had a nurse who was diverting patient's post-op fentanyl in the ICU. And I had spent at that point about three years uncovering these events trying to figure out systemically what allowed the nurse to do that and what to do about it to make sure that that incident didn't recur either with that provider or other providers in that system. And that was really one of the things that caused us to form this company.

And when we take a look at all of the stakeholders who were involved in that long piece of litigation and in other matters and throughout the four walls of a hospital, there really are different categories which are adversely affected. Nursing because they obviously push so many of the medications on the floors and in the ORs. Pharmacy because they have dominion over those medications. Environmental services because they're responsible for what to do to dispose of the medications. Anesthesia for the obvious reasons. Legal and risk management within the hospital because when bad things happen, it falls into the laps of the risk managers or the attorneys. Most hospital systems have a diversion team. Some have teams across the country, which are really multi-disciplinary units which try to prevent it and detect it if it does slip through the cracks. Finance because diversion affects the bottom line of a hospital, so it really bubbles all the way up to the C-suite. And of course, the one stakeholder that most companies who are trying to solve this don't talk about are patients because ultimately, an impaired caregiver who has knowledge and access to medications and diverts them can injure and sometimes kill patients. So it's a huge patient safety issue.

The other piece of it is improper disposal and diversion can affect the accreditation of the hospital from the Joint Commission. It also can affect the standing for handling controlled substances with administrative bodies and regulatory bodies like the FDA, more importantly, the DEA.

Dr. Turck:

For those just tuning in, you're listening to *Clinician's Roundtable* on ReachMD. I'm Dr. Charles Turck. And I'm speaking with Mr. Michael Lafauci and Mr. Jeff Wahl from Midas Healthcare Solutions about the issues of drug diversion and medication safety.

So Jeff, based on our discussion, there seems to be a gap in the data that are available to key stakeholders in the healthcare system. And it's also clear that we don't have a uniform way to track and account for normally discarded drugs, let alone drugs that are diverted from proper disposal channels. So would you explain how having smart data might help at all levels from pharmacies to institutions, government agencies, and perhaps even insurers?

Mr. Wahl:

Current systems either contain and destroy the medication or they produce data, but they don't actually do anything with the medications themselves. So we believe at Midas that solutions are required to produce two different kinds of data; sort of the microview and the macroview.

So the microview is really transactional data. It relates to the patient, who the prescriber is, who the administrator is of that medication, what drug it is, what dose, and how much was wasted, in addition to the reason for the medication being wasted. That's a really important fact which is not currently tracked in healthcare, but we intend to do that. Other factors on the micro level are how much time was it from when the operator or the nurse or the physician received the medication from either the pharmacy or the ADM until they actually wasted it. So that's important because we can track trends, we can track behaviors, and other characteristics.

Then the macro data is really aggregated transactional data. And it really occurs in two different places. One is within the institution, tracking again trends, having machine learning to understand how medications are handled and wasted. And really for drug utilization review within the hospital because there might be trends that can reveal the fact that the hospital is mis-ordering medications, and they end up wasting too many because they're not ordering in the right quantities or doses. So that's the aggregate data within the building.

Outside of that, it could go to lots of different stakeholders from payors, the health insurers, the pharmacy benefit managers, to state pharmacy boards who might like to see the de-identified HIPAA compliant data, the DEA, another regulatory body is the Federal Office of National Drug Control Policy at the White House and the FDA. So we think that there's a huge amount of value to the data that gets aggregated both inside the institution and outside the walls of the hospital.

Dr. Turck:

And coming back to you, Michael, would you give us an overview of what smart technology features Midas devices will offer?

Mr. Lafauci:

The smart features on the Midas system is first and foremost, I'll walk you through it. As you walk up to this machine or this really smart intelligent system, it's a touch screen technology that has facial recognition. So when the nurse or nurses, if there's a witness needed for a controlled substance disposal, they would both be in front of this system, log in facially, it would recognize them and then begin the process.

There's also 4K high-speed cameras to monitor the process, both on the front end and the back end of this system. So looking at the users and looking at the actions of the user's hands, fingers, holding of the syringe, the vial, the disposal of the actual contents of whatever they're working with into a substance called NarcX, and NarcX was created by a former DEA agent, and it renders everything non-retrievable, according to DEA standards 'cause now there's no need to have a reverse distributor involved such as the steri-cycles of the world. It also has a process where you can have a video image database of library of all the wasting events and destruction events onboard so that at any point from an administrative level, either pharmacy and nursing can tap into that library and actually review events that have occurred or actually tap in during a live event when the user will never know that they're being tapped into and they can actually monitor that event.

Most importantly, since you have that witness that you need right now, a physical body, which we think is like a 1970s rule, and it really was nothing else better to do with that rule, other than to have that structural body next to you, we're so far advanced with our technology that we can provide this system to become that remote witness. So off-site somewhere else, maybe in an office or maybe down in the pharmacy, somebody else can serve as that remote witness if that nurse can't find that secondary witness because that's always a distraction and sometimes a waste of time. Why not speed that up? And more importantly, what would it be like now for this system to serve as a virtual witness moving forward because now we have the technology to address that in a really smart way. Because we're choosing today to put Ring outside our doorbells and to monitor packages that are delivered, but why not monitor what's happening in those med rooms and be really smart about this and ensure that this is the right way to do it.

Every once in a while, they'll never know it, but the user that's using this system randomly will be selected to actually have a sample collection to confirm what they're working with is actually what is being wasted. So what does that mean? So every once in a while when that nurse or anesthesiologist, whoever is using the system, when they will walk up to it and they do get selected, that sample that they're working with would have to be put into a sample bottle that would be in a lockbox on our system and then it would alert pharmacy and nursing that it has been collected and pharmacy would come up, collect that actual sample, all on the same system being monitored as they're making that collection, bring it down to central pharmacy, then compare it to the electronic file event that they can look on video and review it as the process occurred, match it to that patient, match it to that drug to ensure what they actually have in their hands is actually what's been wasted. So it brings it full circle, all the way from the medication room, down to the pharmacy, full accountability through the supply chain inside the institution.

Dr. Turck:

Now, we're almost out of time for today, but before we close, let me turn to you, Jeff, for the final word. Would you tell us when we might start seeing these devices at our workplaces?

Mr. Wahl:

So we're proud to announce that in less than a year from now, we will be deployed at a number of premier hospitals around the country. One of the things that's exciting for us as a company is that we actually have more hospital systems and IDNs who are interested in piloting with us, one of the early versions of our V.I.E.W. wasting system than we can actually accommodate at first glance.

We're intending to do a number of pilots. The first one, we're proud to say will be at HCAs, St. Petersburg General Hospital in St. Petersburg, Florida, early in 2022. They've already identified through their national diversion governance committee that our first unit will go into their intensive care unit. There are other hospitals around the country, the Children's Hospital at Northwestern in Chicago, the Children's Hospital at UPMC in Pittsburgh, the University of Minnesota Health System and other health systems around the country will also be early pilot sites.

So we would anticipate at the close of the pilot that a couple of months after that, we will be ready for deployment with customers at healthcare institutions large and small, not just acute hospitals, but other places like long-term care facilities, skilled nursing facilities, ambulatory surgery centers, and the like, in the first quarter or second quarter of 2022. So, stay tuned, look for us in the literature, look for us at trade shows, and you'll be hearing a lot more about Midas Healthcare Solutions.

Dr. Turck:

Well, this is such a wide-ranging topic that we could talk about for hours on end. But we've reached the end of today's program and I wanna thank my guests for joining me to discuss the issue of drug diversion and their mission to offer a solution to this medication safety challenge. Michael and Jeff, it was great having you on the program.

Mr. Wahl:

Thank you very much, doctor.

Mr. Lafauci:

Thank you very much.

Dr. Turck:

I'm Dr. Charles Turck. To access this and other episodes in our series, visit [ReachMD.com/CliniciansRoundtable](https://ReachMD.com/CliniciansRoundtable), where you can Be Part of the Knowledge. Thanks for listening.