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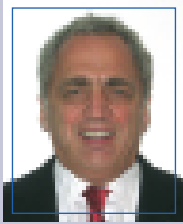
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PRESIDENT'S MESSAGE



When I was a kid in grade school, each September the teachers would always ask their students to write a report entitled "What I did on my Summer Vacation". Well, I am a long way away from that time, but our editor Jim Schiffer asked me for the same report for our membership.

Along with our Chairman, Charles Catalano, I have spent much of the summer (in fact a lot of time since October 2010) working on Operation AMMO, the anti mandatory mail order project that was started by NYCPS. As you know, so far we have been successful in having the

bill pass both houses of the state legislature; now we are still waiting for it to be presented to the governor's desk. When the governor does get the bill, he can either sign it or veto it. The PBM industry, trying to protect their enormous profits (especially from generic drugs) has mounted an assault on our position, and are constantly pounding us in the media, making false claims and accusations. We respond to each action that they take, defending our positions and attacking theirs. Shortly after a New York Daily News column that criticized our legislation, I was interviewed for more than 15 minutes on the John Gambling WOR-AM radio program. That interview started with the host being negative with AMMO legislation; at the end, his opinion had changed to one where

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Meet. Learn. Succeed. Those are the reasons pharmacists tell us why they attend NCPA's annual convention. Register now to join us in Nashville, Oct. 8-12 at the Gaylord Opryland Resort and Convention Center, and we're sure you'll agree.

NCPA's 113th Annual Convention and Trade Exposition will include many enticing offerings for independent community pharmacists such as 20 hours of continuing education events, diverse and innovative exhibits, star-studded entertainment, and plenty of opportunities to engage in networking with your colleagues that can better position you and our industry for the future. Attendees will emerge with more tools to help

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CHAIRMAN'S REPORT

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CHAIRMAN'S REPORT

I am always writing about stressful issues in the pharmacy world. Take a few minutes to read the poem below which deals with a humorous side of our daily pharmacy practice.

The poem is titled "Dr. Pharma Seuss and was composed by fellow Pharmacist Doug Bennett.

Oh the things you can fill
For the folks who are ill.
With your bright shiny spatula
Oh, what a thrill.

Besmocked and bedecked out
In Pharmacist clothes
Knowing all of the things
That a Pharmacist Knows.

You're quick and efficient
You're sharp and inventive.
It also just happens
You're anal-retentive.

You read slips of paper.
To get the specifics
From doctors who scribble out
Strange hieroglyphics.

Could it be Celebrex?
Or maybe Celexa.
It might be a Z-Pack
Then it might be Zyprexa.

And you bill by computer
AWP
Minus 15 percent
Plus a buck twenty-three.

You fill and you bill
And you feel so dejected
'Cause half of your claims
Are being rejected.

So you pick up the phone
While computerized voices
Keep you waiting forever
Explaining the choices.

"Press 1 for directions
Or maybe it's 2.
Push 'pound for a message
It sucks to be you."

Then you pour out the pills
On your pill counting tray
And you count, and you count
And you count pills all day.

And the customers gripe
And complain while you're fillin'
Could it be the whole world
Is on "Grouchacillin?"

"My pills are too big
And my co-pay's too high!
Take if four times a day?
I cannot comply!"

Then you scarf down your
Sandwich In one single bite
Which if done in a restaurant
Would be impolite.

But a Doc's on line one
Mrs. Jones on line two
She has 500 pills
Will you cut them in two?

And the drug reps, they tap
On your counter, tap, tap.
To give you their spiel
Plus a load a free c__p!


There's pens and there's
Post-its
There's free stuff galore
But the really cool clock's
For the doc who's next door.

Then ol' Mrs. Snifflemore
Gives you that smile
And you know once again
That it's all been worthwhile.

So you hang up your smock
And put down your free pen.
Tomorrow you'll do it
All over again.

Oh the things you can fill
For the folks who are ill.
With your bright shiny spatula
Oh, what a thrill.

The End

Once again Thank You Doug Bennett R.Ph. 

Charles R. Catalano
Chairman NYCPS



TREASURER'S CORNER

The murder of four people in a Medford N.Y. pharmacy, less than two months after a pharmacist was gunned down in Trenton, N.J. ,in his pharmacy, reports of numerous armed robberies and break-ins throughout the area, what is going on in our chosen profession?

All have one thing in common; these were caused by addicts looking for oxycodone and hydrocodone products to feed their habits. It is an epidemic claiming more lives than heroin. It is putting community pharmacists at great risk for simply having such medications on hand to fill prescriptions.

I know that I start to think of these stories when a new prescription is presented in my pharmacy. Especially if it is from a new patient, I begin to think about what might happen. We are all possible lead stories on the seven o'clock news. I live on Long Island and have seen four stories of robberies at gunpoint for the same drugs these past few weeks.

I can remember when there was a study showing that inner city and poorer patients were being under treated for pain. This was about 15 years ago. Now even the simple toothache or migraine patient seems to be handed oxycodone or hydrocodone containing prescriptions from their doctor. The pendulum has definitely swung in the other direction, from inadequate pain treatment to over prescribing.

I read an article in the paper that made me really wonder. The FDA and DEA have been considering tightening

the controls on hydrocodone-containing medications. This is an ongoing study that is now in its twelfth year! According to the FDA this study is in the preliminary stages still! I couldn't believe that statement. We have an epidemic in our emergency rooms with reported non-medical overdoses reported having quadrupled in this decade.

We have Mexican drug gangs filling prescriptions for this class of drugs and then selling the products to Mexican pharmacies, which in turn sell the products over the counter to American addicts. This shows how readily available the sources are for these drugs.

The Federal government's inaction on this is inexcusable. But then again the DEA published a notice of change of controlled drug status of Soma® some years ago to combat the abuse of this drug. Well surprisingly nothing was done to change its status. So I guess we can assume this "preliminary" study may go on for years, while the body count continues to go up.

We are all at risk to be threatened with physical violence unless changes are made to control the overprescribing of these compounds, whether it is the restriction in prescribing or education of physicians to the use of alternate first line pain medications.

New York needs to have a real time registry in place for us to check the legitimacy of prescriptions, similar to those in already in place in other states.

This would make the doctors more aware any shoppers and we could verify legitimate prescriptions. The insanity of risking our lives simply by going to work has got to stop. A reward for the apprehension of the killers is not the solution, what we need is an approach such as stricter controls, that would be the step in the right direction. 📄

Bill Scheer

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PRESIDENT'S REPORT

from page 1

he expressed his personal preference for his neighborhood pharmacy over mail order. We continue to fight this battle daily, along with our lobby team, public relations person and PSSNY staff. Many states' independent pharmacy owners, who actually are mounting their own AMMO initiatives, are observing our efforts nationally.

On other fronts, the DOH's movement of much of the Medicaid pharmacy services to managed care is scheduled to start on October 1, 2011. This will affected every pharmacy cur-

rently filling prescriptions for Medicaid patients. There's way too much information to include in this report. I have given reports on this at each one of the CE programs that we have had during this year. Check the PSSNY website (WWW.PSSNY.ORG) for further information. Plan on attending the September 14th CE for the most updated information.

Lastly, the 2012 PSSNY summer convention is slated to be held in the NYC area at a location soon to be determined. Over the past many years I have encouraged pharmacy owners to get active in the state organization and to attend the annual convention, which had always been

held upstate. Many NYCPS members claimed that they were unable to attend, citing the travel distance as one of the reasons. Well, that excuse can no longer be used. The NYCPS officers have worked hard to convince the PSSNY leadership that attendance at the annual convention will increase by having it in the New York City area. My expectation is that we will show everyone that this is the place to be, and that NYCPS members will do their best to attend the convention and trade show that accompanies it. You will certainly be hearing more about that at the CE meetings and in future newsletters. 📄

Ray Macioci

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SECRETARY'S REPORT



This column is being written as we are awaiting the decision by Governor Cuomo on his pending acceptance or rejection of the AMMO legislation. The AMMO bill is - -at press time - - is being evaluated by the staff of Governor Cuomo. We are hopeful that Cuomo will realize the need and value of this legislation being signed into law. Regardless of the final outcome, congratulations are in order to NYCPS President Ray Macioci for the energetic fight he has waged for the survival of independent pharmacies through the presentation and bipartisan support of AMMO in the NY Assembly and the NY Senate. Whether or not Cuomo signs the bill into law at this time is uncertain. Elsewhere in this newsletter we may have the ultimate result of this bill's final destiny. This anti mandatory mail order fight is not just about New York City pharmacies, but it truly is a national fight for independent pharmacy survival. The legislation which has come to be known as AMMO, (Anti Mandatory Mail Order) was passed nearly unanimously in both the New York State Senate and the Assembly. We are now awaiting the determination of Governor Cuomo.

In other news, at press time, the New York State Department of Health has received federal authorization to once again reduce reimbursement to the network of participating NY Medicaid pharmacies. The following reductions are planned for August 25th, 2011 and a retroactive recovery back to April 1, 2011 is planned for a stagger retroactive process. Going forward, there will be a \$1.00 reduction in the dispensing fee paid on generic drugs, additionally, there will be a 0.75% reduction in the reimbursement for brand name drugs. We are also expecting a reintroduction of the across the board FMAP

recovery which has not yet been given federal approval by the CMS officials. Medicaid is moving forward with the plan to transition their 1.5 million Medicaid managed care patients to have their prescriptions processed by the respective managed care plans. That program change is supposed to take effect on October 1, 2011. Your leadership has been deeply involved with communications with Medicaid Department of Health management to assure that the concerns of our members are being addressed by Medicaid DOH leadership. Stay tuned at our September CE meeting for updates.

In other Medicaid news, the Governor has requested the resignation of the Medicaid Inspector General, Jim Sheehan. Governor Cuomo has replaced Mr. Sheehan by the appointment of James Cox, who comes to the OMIG from the Federal Department of Health & Human Services Office of Inspector General. We must wonder if the OMIG will have a change in direction with someone new at the helm. Additionally the federal/state partnership fostered by the Pataki administration for help with NYS Medicaid issues known as F-SHRP (which created demands of huge OMIG audit recoveries among other issues) finally expires in September 2011. That translates into less federal pressure on recovery efforts as the F-SHRP project has successfully ended. Only time will tell if the change in leadership and expiration of F-

SHRP requirements will change the attitude of the OMIG.

Aside from the financial issues we pharmacists face there is the criminal attacks that we face on an ongoing basis. As you must know this is a very difficult time for pharmacists. The killing of four innocent people in the Haven Pharmacy, located in Medford New York on Sunday June 19th, is a very sad reminder of the powerful, dangerous drugs which we are handling and dispensing to thousands upon thousands of patients on a daily and ongoing basis. Let me remind you that the killings in Medford New York are not the only ones of recent memory to affect our profession. On this past April 29th, my friend Arjun Reddy Dyapa R.Ph. was gunned down in his Trenton New Jersey pharmacy in a holdup for drugs. How many of you have wondered why a particular prescriber has elected to grant such potent medications to individuals which appear relatively healthy to the naked eye. Our treasurer Bill Scheer touches on this serious issue elsewhere in this edition of the newsletter. ☺

Jim Schiffer

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Contemplating these activities?

- ▶ Sale of your pharmacy to a key employee?
- ▶ Transfer of pharmacy ownership to a family member?
- ▶ Sale of your prescription files/inventory to a chain?
- ▶ Sale of your pharmacy to an unnamed outside buyer?

If you answered "Yes" to any of these questions, you owe it to yourself to have a confidential, no obligation conversation with one of our associates. In order to proceed effectively with any of these activities, ask yourself:

- Do you know the fair market value of your pharmacy to any or all of the parties mentioned above?
- Are you aware that your pharmacy has different values, depending upon who the prospective purchaser might be?
- Do you understand all the issues, legal, financial and operational, that must be dealt with in order to transfer the ownership of your pharmacy to any of these entities?
- Do you know what kind of documentation is required to satisfy prospective buyers as regards the value of your pharmacy?

Planning on selling your pharmacy?

If so, use an Advisor, Consultant, Broker who...

- Specializes in selling independent community pharmacies.
- Completes the majority of transactions with independent operators, isn't just selling off your assets to a chain store and making your store disappear from the landscape.
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PAAS REPORT

Provider Identifier Audit Issue

PAAS Audit Analysts (Mark, Tim, Tess and Deb) are seeing more and more chargebacks for wrong prescriber identifiers being submitted.

The Centers for Medicaid and Medicare Services (CMS) restated in the 2012 Combined Call Letter what was written in the August 13, 2010 memorandum to All Part D Sponsors, "...the NPI is intended to uniquely identify a health care provider in standard transactions, such as health care claims....we recognize that pharmacies cannot always obtain the prescriber NPI at the time of dispensing. Therefore, to ensure Part D enrollees do not experience service interruptions, CMS guidance permits Part D sponsors to accept alternative prescriber identifiers, such as DEA registration number or state

license numbers. However, we clarified that it is our intention that whatever type of prescriber identifier (i.e., NPI, DEA number, unique provider identification number [UPIN] or state license number) is used, it must be a valid number."

Pharmacies should note the following 2012 Combined Call Letter Sponsor Requirements:

"For 2012, CMS will continue to permit Part D sponsors to report on the Prescription Drug Event [PDE] records any one of the four currently acceptable types of prescriber identifiers; that is NPI, DEA number, UPIN or state license number.

Sponsors must ensure that these identifiers are active and valid. However, sponsors should not reject a pharmacy claim solely on the basis of an invalid prescriber identifier."

"CMS will begin validating the format of all prescriber identifiers on PDEs that are coded as an NPI and will exclude from payment reconciliation PDEs with invalid NPIs."

"Part D sponsors will be required to confirm the

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AND
THE LAW

CAN YOU FILL IN ON SATURDAY?

This series, Pharmacy and the Law, is presented by Pharmacists Mutual Insurance Company and the New York City Pharmacists Society through Pharmacy Marketing Group, Inc., a company dedicated to providing quality products and services to the pharmacy community.

Joe, the owner of Town Drugs, called and asked his friend Sandy to fill in next Saturday so Joe could attend a wedding. Joe and Sandy's friendship goes back many years, so Sandy agreed. Sandy has filled in for Joe maybe two to three times per year and Joe sends Sandy an IRS form 1099 at the end of the year. Unfortunately, Sandy misfilled a prescription on that Saturday and the patient was injured. Joe and Sandy had not contemplated what they would do in the event that an error occurred. What are the ramifications for this lack of planning?

From the owner's perspective: Joe has had a regular patient injured and he feels terrible about it. The patient may or may not want to transfer their prescriptions. Does Joe's store insurance policy cover this claim? It depends on Sandy's status. Joe's store policy covers his employees, but clearly Sandy is not an employee here. Joe isn't making any withholdings and isn't giving Sandy a W-2 at the

end of the year. Other types of workers may be covered under the store's policy. They include temporary workers, leased workers and volunteer workers. Sandy is most likely an independent contractor, but Joe didn't check his liability policy before the loss to see if his store's policy covers independent contractors. If not, the store's policy won't cover this claim.

From the relief pharmacist's perspective: Sandy filled in at Joe's assuming that Joe's store policy would cover her while working there. More than likely, the policy covering Sandy's regular employer will not cover Sandy while she is working at Joe's. So, very easily Sandy could wind up with neither policy covering her. Sandy could have purchased her own policy, but didn't think it was necessary since she was only filling in two or three times per year.

One possible result is that neither pharmacist has insurance coverage for this incident. Joe's phar-

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THE INVESTMENT CORNER

WHAT TO DO WHEN YOU GET NERVOUS

I recently received an e-mail from an old time friend that probably echoes the sentiment and concerns of many investors. What to do in this turbulent market with the investments one has. This individual has an unrealized profit of about \$260,000 and is concerned about preserving his profit. He's losing sleep over possible terrorist attacks anywhere in the world and about the debt ceiling and all the arguments that go with it.

So what is one to do to sleep well at night? Would an investor be able to sleep if he knew his investments are protected? Listed below are some of the alternatives one might take to do just that.

Sell your stocks.

Look though your portfolio and determine which of your stocks have a high rating and strong relative strength. OK you might ask, and how do I do that. One good source is the "Investors Business Daily" web Site: www.investors.com. For only \$15.00 per month you can get a rating on any stock. What's unique about this site is that not only does it give the rating on the stock you own but also alert you of a stock that has a higher rating in the same industry. In conjunction with this find, check the relative strength of the stock and be certain it has a RS of at least 85. This means that it is doing better than 85% of the stocks in the stock market.

Replace Stocks with Calls

One way of reducing exposure and still have upside potential is to buy Call options. As an example if you own 300 shares of Glaxo Smith which is worth about \$13,300 (44.34 x 300) and you don't want to miss the upside potential and you think the stock will be higher than 46 by January 2012, you could buy the January 2012 strike price 44 calls. It's presently going for about \$2.00.

Since one call represents 100 shares of stock your total investment will be \$600.00. The most you can lose is \$600.00, but you gain the upside of the stock. So if the stock goes to \$50 per share by January 2012, the total gain will be the price you get for the option minus the price you paid for it. At \$50.00 per share the option will be worth \$6.00 at expiration minus what you paid for the option (\$2.00). Therefore:

Option worth at \$50.00 per share = $\$6.00 \times 100 \times 3 \text{ options} = \$1,800$ minus cost of options = $\$2.00 \times 100 \times 3 = \600.00 . Then $\$1,800 - \$600 = \$1,200$ profit.

If you owned the stock your profit would be \$1,800 (50-44= 6 x 300). There are a couple of caveats to this strategy. You only invested \$600 dollars to gain \$1,200 which is a 300% gain whereas owning the stock only gives you about a 13% gain. Also the money that you did not spend ($\$44 \times 300 = \$13,200 - \$600 = \$12,600$) can be invested somewhere else for even a better return overall.

Buy portfolio Insurance

Taking the same stock mentioned above you could buy the January 2012 puts for about $\$1.30 \times 100 \times 3 = \$1,300$. You are protected until January 2012 if the stock goes below \$40.00 per share. The disadvantage of this strategy is if the stock goes to exactly 40 in January 2012, you wind up with an unrealized loss on the stock and a realized loss on the option.

Play both sides of the market (Pairing)

Not many people have heard of this strategy, but many stock traders use it quite often. You don't have to worry about the direction of the market when you use this unique strategy. You simply buy stocks that you think will improve in price And sell

stocks (shorting) that you think will go down in price. In the same industry. So if you think Walgreen is a better stock than Rite Aid, then buy Walgreen and sell Rite Aid for the same dollar amount. For example, if the bearish stock's price is \$40.00 per share and the bullish stock is priced at \$80.00 per share, then you would buy 200 shares of the bearish stock and 100 shares of the bullish stock. This strategy also works with ETF's. However be aware that some stock brokers don't allow this strategy in IRA accounts. You may ask, how and where do I find stocks to implement this strategy. There are many financial magazines, newspapers and websites that exemplify this way of investing to gain the advantage of a possible relentless freefall of the stock market. My favorite site is Investors Business Daily: www.investors.com. You simply pick an industry you want to concentrate on and put the symbols of stocks from that industry and find the IBD ratings of the stocks. Just pick the one with highest rating and another stock with the lowest rating. There is a dangerous factor you should be aware of. The bearish stock may become oversold, and the bullish stock may become over bought. In this case you will wind up losing money in both positions, because they are not going in the direction you want them to go. I suggest that you study this more closely. Simply google "Stocks Pair Trading" and you will find a wealth of information. Do some paper trading to absorb the experience and be ready to dive into the intriguing world of Pair trading.

The Long Island Stock Traders Group next meetings are September 13 and October 20 with special speakers at both meetings Contact me for more info. ☺

Good Luck
James A. De Franco
Executive Director
NYCPS
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THE NCPA REPORT

NEW SURVEY REVEALS PHARMACISTS ARE STRUGGLING WITH PBM AUDITS AND REIMBURSEMENT PRACTICES

We recently surveyed our members about their pharmacy benefit manager (PBM) audits and Maximum Allowable Cost (MAC) reimbursement experiences. We have heard that PBM audits, rather than concentrating on fraud, severely punish pharmacies for trivial issues. Moreover, pharmacies lose money because PBMs arbitrarily lower and belatedly raise the MAC pricing in response to generic drug cost increases.

The survey must have struck a nerve. While a similar survey last year generated about 100 responses; this year the number of responses swelled to 1,850. The answers paint a stark picture of independent community pharmacists enduring time-consuming and unfair tactics by PBMs.

So what did the survey results reveal? Compliance with excessive audits is an enormous challenge. Some 62 percent considered the requirements to be inconsistent from one health plan to another; 48 percent report auditors asking them to justify claims that are two years old or older; 81 percent describe the audit process as burdensome and unsatisfactory; and 98 percent say PBM recordkeeping requirements go beyond state and federal law and that even minor instances of noncompliance are harshly penalized by commission-driven auditors.

There is an utter lack of transparency and timeliness with MAC pricing. About 91 percent report receiving little or no information justifying how PBMs arrive at reimbursement rates for generic drugs and how often the prices will be updated to reflect a pharmacy's cost; 71 percent of pharmacists tried to use the PBM's appeals process when they believed that the reimbursements did not

reflect the pharmacy's costs; and many complained about the one-sided nature of the appeals process and noted that MAC-based reimbursement can take months to increase after drug costs spike (and is never done retroactively), but is reduced immediately when prices go down.

But the most sobering statistics for independent community pharmacists is that when asked how PBM reimbursement and auditing practices affect their ability to provide patient care and remain in business, 97 percent said it was a significant or very significant factor.

The survey also included first-hand accounts, such as these:

During a post-audit conversation with the auditor, I was told that there were only 4 claims with which he had found any problems and being of such a minor nature, they could be easily addressed so as not to be penalized. When the summary of the audit arrived weeks later, there were multiple claims that were not initially flagged as being part of the audit, nor discussed post-audit, which were listed as being in violation of some obscure PBM policy. Payment for those claims would be reversed, and there was no recourse on our part to even appeal the ruling. Upon examining the prescriptions in question, there was NO apparent reason for the PBM's ruling. They simply stole money from my pharmacy.

MAC prices on generics that triple in price overnight are not updated for several months. That means we lose dollars on each Rx for several months. The PBM will NEVER go back to the date the generic actually increased in price and reimburse the difference. We are just expected to absorb the cost.

With this system run amok, now is the time to urge the U.S. Congress to pass the companion bills S.1058 and

H.R. 1971, The Pharmacy Competition and Consumer Choice Act. This legislation would help ensure PBM auditing practices focus on the rare cases of true problems rather than administrative and technical errors. It also would require that PBMs reveal their sources for MACs. Often members of Congress and their staff, before taking legislative action, ask for evidence justifying a group's concerns. This survey is validation for our arguments. Let's keep the pressure up. ☺

*By B. Douglas Hoey, PD, MBA,
NCPA Executive Vice President and CEO*

NOTICE TO MEMBERSHIP

OUR JOINT NYCPS/ PSSNY DUES WILL BE RAISED AS A RESULT OF PSSNY RAISING THEIR SHARE OF THE DUES STRUCTURE WHICH WILL BE EFFECTIVE
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JIM SCHIFFER REPORTING...

News from Around The Pharmacy World

AUGUST / LATE SUMMER 2011 EDITION

Reflections over the need for Community Pharmacies

I write this column as we await the visit of Hurricane Irene and wonder what devastation this hurricane will wreak over the greater New York area. Over the past 36 hours community pharmacies all over the greater New York area have been receiving electronic messages from our professional societies and government authorities asking for cooperation and full assistance of the pharmacies during the impending effect of Hurricane Irene and the aftermath during this weather emergency. The events of this last weekend of August are unprecedented in recent memory. The emergency mandatory evacuation of low lying areas of New York City as well as the complete shutdown of the New York and New Jersey mass transit systems is unprecedented. Getting back to the need of community pharmacies, when the going gets rough the various state agencies know who they can rely on to assist the various communities with caring for the health care needs of the residents. Pharmacists will cooperate by overriding early refill warnings, dealing with eligibility problems, power outages and making sure nobody goes without their needed medication during the weather emergency. Does this sound famil-

iar? Think back ten years. Back during the tragic events of the attack on New York on 9/11 pharmacists throughout the New York area stepped up and protected their patients by supplying the maintenance medications without interruption during the days following the attack on New York. It is too bad that the PBM's do not think that community pharmacies are an essential part of health care. I write this prelude to my column as a major consolidation in the management of pharmacy benefits is being contemplated by Express Scripts and Medco.

Other Health Care Professionals Assessments of today's environment

I recently had to take my son have his four wisdom teeth removed. I brought my son into the surgeon's office on the day of the procedure. The surgeon has been in practice over 25 years. He introduced himself to me and asked me what I do for a living. I let him know I am a pharmacist and also an attorney. He commented, boy the insurance companies have really done a job on your pharmacy profession. I concurred in his assessment and then he added, the insurance companies have also done a job on the medical profession and as a dental surgeon, he continued, I have had to deal with spending countless hours on

the telephone with various insurance company prior approval desks to explain why I want a particular drug to treat a particular patient's needs. One more commentary, I recently visited my ophthalmologist for my annual check-up. He too has been practicing medicine for over 30 years. While he gave me a good ophthalmology check up, he shared with me his horror stories about how the PBM and Insurance Industry is turning his practice upside down. He told me that his ability to choose a pharmaceutical product for a use which is not directly in line with what the product indications call for drives him crazy. His ability to treat patients with what he feels is proper medications to treat their conditions are being compromised and controlled by pharmacy benefit managers and insurance company executives.

Let me add one more item. Today when we received the mail, our mailman, Mike, rang the bell, as it turns out; he wanted to speak to me. No he did not have a special package for me to sign for; he had a question for me, a professional question as he put it. You see Mike the mailman knows I am a pharmacist. Mike has an interest in pharmacy because he just drove his son Robert to start college at

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AROUND THE PHARMACY

FROM PAGE 12

the Ohio Northern University. Mike and I have discussed careers in pharmacy for a couple of years as Mike's son Robert had been interested in pharmacy during his high school years, as a career choice. Over the past couple of years I supplied Robert copies of various trade magazines and journals to give his son a flavor of the profession. Mike had a concern today and he wanted me to answer his question. You see Mike in his role as a United States Letter Carrier delivers many mail ordered prescriptions in the course of his route. These past few months have been especially hot. Mike wanted to know the answer to two questions. First question from Mike was, "is it safe to leave medications in hot mailboxes when the people are not home?" Mike continued, "Does the temperature have any effect on the medications being shipped in the mail?" Lastly, Mike wanted to know, "is it safe to leave medication in the mailbox when he knows the people are not home and that the medication may sit in the mailbox for hours, and can be stolen?" My answers to Mike were the following. Yes, temperature can affect the potency and effectiveness of the medication. I would not leave any medication in someone's mailbox due to the temperature issues and also the safety issue. Not having a signature for such delivery creates a risk of dangerous and potent medication getting into the wrong hands. I urged Mike never to leave any medications in a mailbox for both safety and quality control reasons. I told Mike it is better that the persons pick up their packages of medication at the post office as at least a signature will be obtained (doesn't all third party plans require such from community pharmacies?) and also you will

make certain the right person gets the medication and that it is not in scorching heat in someone's mailbox all day long. The issues of patient safety on both the efficacy side and the security side are often overlooked when it comes to the factory delivery concept utilized by mail order pharmacy operations. Please contemplate what I wrote here as you read the rest of this section of this month's column.

What does this mean? More PBM Consolidations!!

OK, so you have heard what a dental surgeon, an ophthalmologist and Mike the mailman have to say about the control of prescription drugs by pharmacy benefit managers and the insurance industry. Add to that the recent report that Walgreens wants to start their own health care insurance business. That is interesting but somewhat confusing when you factor in that Walgreens just sold a key component of their operation, the Walgreens Health Initiative PBM division to Catalyst Rx. It makes you wonder if the management of Walgreens has their act together because the PBM aspect of their operation would have served as a good foundation for selling health care insurance policies. Time will tell if Walgreens actually moves into the insurance business as an active aspect of their operation. All of this is small news as compared to the provocative news which rocked the pharmacy profession about

the pending merger of Medco and Express Scripts. Just think two PBM monsters joining forces as one! Just when we thought that PBM industry pressure on community pharmacies could not get any worse, and possibly the acquisition of WHI by Catalyst might help bring some clean competition to this aspect of the pharmacy industry; Express Scripts announced an offer to purchase Medco under a friendly 29 billion dollar agreement to merge under the Express Scripts name.

The timing of the announcement of the planned merger occurred on July 21, 2011, the very day that United Health Care announced that Medco was going to be terminated as the processor of UHC pharmacy claims as of the end of 2012. The loss of United Healthcare was a big blow to Medco accounting for 15% of the annual Medco prescription activity and 5% of Medco annual profit, but it should not have been a surprise to any pharmacy industry followers. Medco has also lost other contracts this year, losing the remaining

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RX AND THE LAW:*from page 9*

macy will be held liable for this error because it was the pharmacy that dispensed the errant medication. Sandy is liable because she is the pharmacist who mis-filled the prescription. Joe and Sandy could end up fighting about who is going to take care of the injured patient and their long friendship could dissolve. Now, what should Joe and Sandy have done?

Planning for the unexpected takes a little time, but it is crucial in the event that something bad happens. Joe and Sandy should have been working under a written contract. The contract should clearly state Sandy's status with Joe's store (i.e., independent contractor, temporary worker, employee, volunteer, etc.).

Depending on the agreed upon status, Joe should review his policy to verify coverage for Sandy's activities. Joe should also make sure that Sandy has her own insurance policy as a fail-safe measure, regardless of whether he believes that his policy will cover her. Sandy would want to do this for her own peace of mind also. Joe and Sandy can also allocate risk in their contract and decide ahead of time who will be responsible should an error occur. This might have saved their friendship. Many times, such an allocation of risk could be covered under Joe's policy if it meets the definition of a covered contract. This is more likely to be true when the contract deals with the conduct of Joe's business. Which it does in this case.

Many pharmacists view requests to fill in as minor, friend-

ly exchanges. No one expects bad things to happen. Unfortunately, lack of planning could result in them being a stressful, life-changing event. Take some time and plan ahead. ☺

By Don. R. McGuire Jr., R.Ph., J.D.

© Don R. McGuire Jr., R.Ph., J.D., is General Counsel at Pharmacists Mutual Insurance Company.

This article discusses general principles of law and risk management. It is not intended as legal advice. Pharmacists should consult their own attorneys and insurance companies for specific advice. Pharmacists should be familiar with policies and procedures of their employers and insurance companies, and act accordingly.

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NEWS AROUND THE WORLD:

FROM PAGE 13

aspect of the Federal Employees Health Plans which they had operating on a shared basis with CVS Caremark, and Medco also lost the California Public Employees Retirement System (known as Calpers) Rx health plan, which termination had followed the disclosure of an investigation into improper behavior and a consulting agreement between a former member of the Calpers management and senior Medco management. That Calpers loss amounted to about \$3.5 billion in annual value.

The loss of the United Healthcare contract constitutes about an additional 17% loss of income. The shares of Medco had dropped 12 percent since May 26, the day before the company announced the loss of a \$3 billion contract covering 4 million U.S. government workers and 9.8 million mail-order prescriptions. Medco in March lost the renewal of a \$500 million contract with the California Public Employees Retirement System.

The federal-employee contract, lost to CVS Caremark represents less than 10 percent of Medco's estimated earnings and won't affect 2011 results, according to a Medco company spokeswoman. However it appears without this Mega merger, Medco who has been the top dog in the PBM industry will drop out of the front running position and Express Scripts who is currently number 3 in the industry will climb into second place behind CVS Caremark. With this merger happening, Express Scripts will move to number one in the PBM wars.

Some Recent PBM History

If your memory is weak, Caremark (the PBM part of CVS Caremark) went out and grabbed Advance PCS in a power play of the small player leveraging their value and buying a larger PBM. Advance PCS had been formed by the spinoff of PCS from RiteAid (who was in over their head at a time of heavy financial and legal problems) to merge with the smaller and Irving Texas based Advance Paradigm (who allegedly had ties with President George W. Bush). Caremark then became a 900 pound gorilla in the PBM world. Caremark had then gobbled up the old TDI (Thrifty Drug Inc.) PBM unit from Eckerd when Eckerd was divided up in 2006 between CVS and RiteAid. Caremark then folded TDI and CVS ProCare operations along with Advance Paradigm, and PCS into the operation known today as CVS Caremark. Problem with CVS Caremark, is that it is not impressing Wall Street analysts. There is another little known secret about this pending merger. You have seen the commercials on TV for Liberty Medical Supply Inc., the

Port St. Lucie Florida medical supply company all the time. The old gent from Quaker Oats is a pretty good spokesman for the company. However did you know that this Liberty Medical Supply, Inc. is a wholly owned subsidiary of Medco Health Solutions, Inc.? Also did you know that Liberty has their own mail order unit for dispensing all patient medications which is also part of the wonderful Medco family? So if this deal to merge Express Scripts and Medco gets approved, by one analyst estimate, the new Express Scripts will have control over 80% of all prescriptions ordered in the United States.

Will this deal go through? Both NCPA and NACDS are aggressively opposing this proposed merger. There is broad opposition to the proposed merger by state and local pharmacy organizations which supplements the national organization positions. However the Federal Trade Commission (FTC) may not oppose this monster merger based on the way they have handled past health care vertical mergers. This is because the FTC has a strange way of interpreting health care mergers, somewhat because there are those FTC staff that have their own belief that PBM's lower costs to consumers and therefore any merger of PBM's is good for the country. I am afraid that the FTC may support this proposed merger but may require some small divestiture of some aspects like the Liberty Medical Company.

Over the years, the FTC has made other strange positions when it comes to the pharmacy industry. The FTC was recently opposed to legislation in Mississippi which gave the authority over the operation of pharmacy benefit managers to the Mississippi Board of Pharmacy. I wrote about this a few months back in this column. A controversial but probably very effective tool to begin to reign in the PBM monsters. As I reported in an earlier edition of the NYCPS Newsletter, Governor Haley Barber ignored the written recommendation of the FTC to veto this legislation and Governor Barber signed the bill into law. It is still too early to see the real value to the Mississippi statute but it is needed in the remaining 49 states. Stay tuned for more information in future editions of this newsletter.

Manufacturing News

Pfizer and Bristol Myers Squibb have been working together on a replacement for Coumadin. It seems that they have come up with a winner. The product is generically known as apixaban, and has been branded under Eliquis. According to industry analysts, this product will lead the market for stroke-preventing blood thinners after "best-in-class" clinical trial results

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Join Us in Nashville:

from page 1

sharpen their patient care skills and improve their pharmacy's performance in the highly competitive marketplace.

Some of the more notable education events include a symposium on the recent changes to the Medicare Part D program and their direct impact on pharmacies, the importance of patient adherence to diabetes treatment regimens and how to go about increasing adherence, advice about whether and how to become a 340B contract pharmacy, guidelines for surviving PBM audits, and new business opportunities in the growing field of long-term care.

NCPA's Trade Exposition is the most powerful and productive trade show in the pharmacy industry. The Expo will provide pharmacists with the opportunity to meet key industry contacts who can exchange ideas and knowledge. It offers cost-effective one-stop shopping for owners, managers, and purchasing agents.

The festivities will be kicked off with keynote speaker former Gov. Mike Huckabee (R-AR). Diagnosed with Type II diabetes in 2003, Huckabee has made it his mission to lose weight and advocate for others to lose weight, including writing his fourth book about obesity, "Quit Digging Your Grave with a Knife and Fork." The book advocates not only diet and exercise, but changing one's entire lifestyle to help lose weight. According to the Centers for Disease Control, nearly 26 million Americans suffer from this disease, and with the push for more Diabetes State Management Education/Training classes for independent community pharmacy patients, Huckabee's speech should be espe-


cially relevant.

The convention also has its dose of country music in Nashville, the Mecca of that folksy, popular genre. Award-winning singer and author Sara Evans will close out the festivities. Evans' latest album, Stronger reached the top of the Billboard Country albums chart.

For those still wavering as to whether coming to Nashville is a must, remember our future is inextricably linked to the actions that occur around 650 miles northeast in Washington, D.C. A highly-informed and engaged membership can only improve our chances of obtaining desirable outcomes. We need our voice to grow from a shout to a roar, and the convention is a great way to make that occur.

Front and center in the effort will be the Government Affairs forum, which has two distinct, but important parts. First, our government affairs

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DIGITAL PHONE LINES PLAY HAVOC WITH CREDIT CARD PROCESSING

Many businesses are making the jump to the very popular and highly advertised digital phone service. Before making the leap, however, give some thought to your credit card processing. Over the past year, the Retail Council's Member Services Department has received an increasing number of calls from distressed business owners dealing with a variety of headaches including multiple authorizations, duplicate transactions, batches out of balance and more as a result of converting to digital phone service.

Credit card processing terminals are constructed to work with traditional analog telephone lines, which transmit and receive information differently than the way digital lines do. Use of digital phone service with an analog credit card terminal is bound to lead to technical problems – complications that digital phone service providers appear to not be educating customers about.

To further complicate matters, the problems with the digital phone lines don't immediately present themselves. According to the Retail Council's

Michele Coons, merchant services manager, a terminal could successfully work using a digital phone line for days, weeks or even months before complications surface. Why the machines work initially and then fail is a mystery to credit card processors to date.

"Despite the extra expense, businesses now using digital phone service should make arrangements to either have a dedicated analog line or Internet connection established for their credit card processing terminals to avoid the headaches associated with the new technology," said Michele.

If you haven't made the jump to digital phone service, RCSC and its credit card processing partner, Global Payments Direct, Inc., recommend the same course of action: Either plan to maintain a dedicated analog phone line for your terminals or utilize broadband processing if you have a high-speed Internet connection.

NYCPS members with questions about digital phone lines and their processing terminals are encouraged to call the Retail Council for assistance.

Michele, Nicholl and the rest of the Council's Merchant Services Team can be reached at (800) 442-3589.

If you haven't considered joining the Retail Council's processing program, why not allow us to do a free, no-obligation savings analysis? We're typically able to save businesses money on this expense and we offer the added protection of a periodic review of statements through our Watchdog Program.

For a nominal dues payment, your membership in the Retail Council is a great complement to the continuing education and other services you receive through NYCPS and PSSNY. In addition to our competitive credit card processing service, the Council also has a great workers' compensation program, which can save pharmacies 50 percent or more on this mandatory insurance. More than 170 independent pharmacies in New York State are already participants because the savings is difficult to beat!

You can learn more about the Retail Council and its programs by visiting www.retailcouncilnys.com or by calling us at (800) 442-3589 ☎



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2011 LEGAL WAR CHEST UPDATE

For the past six years, The New York City Pharmacists Society has had a Legal War Chest to fund the local battles that we as community pharmacists fight by ourselves day after day. We have fought various battles including some with our elected officials, the OMIG, PBM's, and other foes of community pharmacy. Back in 2008 we were successful in convincing HIP of New York that they should not recover payments made to pharmacies based on allegations of over-payments that went back to 2006. That effort took time and resources of NYCPS. Additionally we have educated elected officials in Albany and New York City about the shortcomings that are affecting both patients and pharmacies the way PBM's make payments to pharmacies. We are fighting for our survival. This fund is separate from the existing PSSNY Legal Defense Fund which is being utilized to fund the ongoing PSSNY Medicaid dispute over their audit practices.

By supporting the NYCPS Legal War Chest, we will be enabled to fight the fight for survival in this dog eat dog health care environment.

Thanks to the generosity of our members this fund continues to grow. We ask for your support during these difficult times for our profession.

As we see the outrageous tactics and actions of the PBM in their contracts, their administration of Medicare Part D and also we see the erosion of our patients due to mandatory mail order contracts and the reduction of our levels of reimbursement due to the newly formed Medicare Part D Contracts. At this time more than ever, we truly need a strong professional voice to fight for our concerns. Please join us in these necessary struggles.

Enclosed we are sharing the Final List for 2010 as well as for 2009 and 2008. See if your name and pharmacy are posted. As we start this New Year 2011 we have plenty of problems to deal with, and we need your help. We will continue to publish past years donations as space permits.—the list is done alphabetically, not in order of receipt or donation amount. (All new contributions will have an asterisk *).

Final List of Donations for 2009

Rao Alturi, Atluri/Laconia Pharmacy Inc	\$500.	Suni Mandalapu, New Amsterdam Drug Mart	\$300
Khalid Amin, Audobon Pharmacy	\$300	Murugan Naidu, Rite Choice Pharmacy	\$500
Robert Annicharico, Delco Drugs & Specialty Pharmacy	\$250	The Paganelli Family, Mt. Carmel Pharmacy	\$1,500
Chris Aprile, Thriftway 10th Ave. Drug Corp.	\$350	Alex Perchuk, STM RX/Thriftway Pharmacy	\$350
Samsul Bakar, Kings Bronx Inc	\$200	Alex Perchuk, STJ RX/Thriftway Pharmacy	\$350
Robert J. Baker, SBC RX/Thriftway Pharmacy	\$350	Wendy & John Rossi, Rossi Pharmacy	\$200
Robert J. Baker, Thriftway-Kings Highway Pharmacy	\$350	Adam Siegel, Parkway Pharmacy	\$500
Charles Catalano, C&D Drug Corp.	\$2,500	Bill Scheer, Scheer Drugs	\$500
Joseph M. Ciol, J&C Pharmacy	\$350	James Schiffer, Jim & Phil's Family Pharmacy	\$100
James Detura, Melrose Pharmacy	\$5,000	Russell Sherman, Esco Drug Co,*	\$1000
Ray & Dana Eisner, The Charles Pharmacy	\$300	Nadira Singh, Thriftway Church Ave. Drug Corp	\$350
John Kranjac, Marama Pharmacy	\$1,000	Michael Somma, Artis Drugs	\$300
Steven Gelwan, Hosp Rx, Thriftway Pharmacy	\$350	Robert Spivack, employee of Pathmark Pharmacy	\$100
Jagdeesh Gummella, Loisaida Rx Inc.	\$500	Lesly Thelemaque, Vanderveer/Thriftway Pharmacy	\$350
Martin Katz, Scarpa Pharmacy	\$250	Yan Vilensky, Thriftway Flatbush Ave. Drug Corp	\$350
Dominic Lettieri, Drug Mart Pharmacy Corp.	\$500	Alex Zatsopil, Thriftway Foster Ave. Drug Corp.	\$350
Joseph Locastro, Clinton Apothecary	\$200	Gilbert Zuckerman, Kenby Pharmacy	\$300
Long Island Pharmacists Society (LIPS)	\$3,000	Our war chest total for 2009	\$23,650

Final Donations as of December 31, 2010

Mike Agovino, Sedgwick Pharmacy	\$250	Syed Muzaffar, Prospect Ave. Pharmacy Inc.	\$300
Khalid Amin, Audobon Pharmacy	\$350	Thomas Pelizza, Kinray	\$500
Narsinh Desai, Leroy Pharmacy	\$500	Peter Patel, Mott Pharmacy & Surgical*	\$500
Jim Detura, Melrose Pharmacy	\$5,000	Stewart Rahr, Kinray	\$5,000
Roy and Dana Eisner, The Charles Pharmacy and Surgical	\$300	James Schiffer, Jim & Phil's Family Pharmacy	\$200
Keith Diamond, Dermer Pharmacy and Surgical	\$525	William Scheer, Scheer Drugs	\$200
Michael Ferri, Kings HealthMart Pharmacy	\$350	Hasmukh Shah, Marin Pharmacy	\$250
Jagdeesh Gummella, Loisaida Rx Inc	\$500	Jeffrey Smith, Kinray	\$500.
Dominick Letteri, Drug Mart Pharmacy	\$1,500	Frank Wong, Rx Center	\$2,000
Vincent Mazzamuto, Sedgwick Pharmacy	\$250	Final Total as of December 31, 2010	\$18,975

List of Donations as of August 2011

Dominick Amendola- Salzman Chemists *	\$100	Dominick Lettieri, Drug Mart Pharmacy	\$1,500
Jim Detura, Melrose Pharmacy	\$5,000	William Mantell, Variety/ Brothers Drug Corp	\$125
Jack Eaton, S Bros Pharmacy	\$125	Michael Morelli, Arrow Pharmacy*	\$1,000
Ray & Dava Eisner, The Charles Pharmacy	\$300	Naveen Parupalli Green Van Pharmacy *	\$100
Anton Fallah, Best Care Pharmacy	\$300	Jim Schiffer (formerly Jim & Phil's Family Pharmacy*)	\$200
Michael Ferri, Kings Health Mart Manhattan*	\$300	Russell Sherman, Esco Drug Co	\$300
Gerald Gold S Bros Pharmacy	\$125.	Sam Schwartz, Variety/ Brothers Drug Corp	\$125
Peter Lau, Confucius Pharmacy*	\$300	Total for 2011 as of August 15, 2011	\$9,750

2011 LEGAL WAR CHEST COUPON

The NYCPS Board of Directors appreciates the vote of confidence from our colleagues who have been making these contributions. Thanks you for this sup-

port! Can we count on you to join us in this fight to survive in 2011? If you have not already done so, please send in your contribution with the coupon below.

Yes, count me in; I want to contribute to the New York City Legal War Chest!

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NEWS AROUND THE WORLD:

FROM PAGE 16

that marry safety with effectiveness. The drug must be taken twice-daily and it had a 31 percent lower risk of major bleeding, a feared side effect of Coumadin and generic versions of the product. This information was released in the end of August at the European Society of Cardiology's conference in Paris. According to the study recently released, patients on Eliquis had an 11 percent reduced risk of dying, which is considered significant, and is the first time a warfarin replacement has saved lives in a study of this nature. Industry analysts also think that if approved by the Food and Drug Administration (which is expected) Pfizer and Bristol-Myers will share in the lead in the market for blood thinners to ward off strokes in people with an irregular heartbeat. Some pharmaceutical analysts think that the annual sales of Eliquis will exceed \$6 billion and may approach nearly \$9 billion annually.

Meanwhile another pharmaceutical giant, Johnson & Johnson appears to be taking it on the chin. In the most recent edition of the American Bar Association Health Journal a cover story on the "Phantom" recalls initiated by the Johnson & Johnson's McNeil Consumer Healthcare subsidiaries took center stage. The detailed report showed how the managers hid the inferior data from the FDA on Motrin OTC 8 tablet counts dissolution rates. Then these managers unsuccessfully attempted to trick the FDA into thinking that there was no affected product on the shelves of retailers. But underneath the cover-up, McNeil had hired consultants to go out to locations stocking the inferior product with instructions to purchase all of the affected products by walking into those specific retail locations and purchase all of the affected lots of the defective products. The net result is huge penalties issued by the FDA, much litigation brought against the company and a huge public relations black eye. Currently the FDA has taken oversight and review of the manufacturing of most McNeil consumer health-care products. What a change from the squeaky clean image that the public had of J&J and McNeil for many years. As a result, J&J has egg all over their faces for the way they have handled what should have a simple recall been of poorly managed manufacturing. However someone at J&J decided to dig their heels in and hide the real issues from the FDA. Now that black eye will take time to remove. The criminal and civil investigations continue to this date. On another front J&J is under investigation for improper marketing of their anti psychotic drug Risperdal. The company may enter into a plea agreement with the US Justice Department for improper marketing which resulted in

prescriptions for off label use paid for by Medicare and Medicaid. The Justice Department generally has an ongoing investigation into drug marketing by many of the pharmaceutical manufacturers. Over the past ten years the government has collected more than \$11 billion dollars from various manufacturers of pharmaceuticals for improper marketing violations that adds up to quite a bit of money. I wonder how these companies make up for these payments? Maybe they just jack up the price of the products we are purchasing?

Google has said they are sorry. What are they sorry for you may ask? They too have come under the microscope for improper marketing. This violation is somewhat different than those of pharmaceutical manufacturers. Google has agreed to pay \$500 million to the US government for allowing illegal international pharmacies to be featured on the Google search engine. Google knew that the US government did not authorize foreign pharmacies to solicit United States customers, but Google could not resist these illegal pharmacies advertising opportunities. Now all of those ads for Vicodin, Viagra and other pharmaceuticals which had crept into your browser have been figured out. Did Google have anything to do with all of those promotional ads? I do not know.

Chain Pharmacy News

RiteAid has been making strides in their comeback as a player in the national chain arena. Sales are up in the Rx department as a result of their aggressive advertising position on having prescriptions processed in 15 minutes or less, and when they fail to do so, a \$5 gift card is provided to the patient (except where prohibited by law like in NYS). Additionally, store out of stocks seem to be less frequent and maybe the chain has new life being breathed into it. A surprise report in a July edition of Crain's New York reports that Wal-Mart may be eyeing the RiteAid chain as an easy way for Wal-Mart to enter the very desirable New York market. As you know there are no Wal-Mart's within the New York City borders and Wal-Mart has done much to raise their image in the eyes of New York City politicians. Wal-Mart has also been making charitable contributions to New York based charities to help soften the tough image they have been painted to be. Wal-Mart is very sensitive to the harsh approach many New Yorkers have taken on the national retailer. If the purchase of RiteAid by Wal-Mart does occur, remember that some time back, I reported that Wal-Mart was a possible suitor of RiteAid, along with Medco (now a dead idea) and also Target.

What is up with Duane Reade?

They have just rolled out their new flagship store in lower Manhattan. Prior to the attacks of September

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NEWS AROUND THE WORLD:

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11th, Duane Reade enjoyed a very profitable pharmacy in the World Trade Center shopping area. Duane Reade although owned by Walgreens is being maintained as a separate entity for the foreseeable future. Duane Reade's former CEO is going on a three year federal vacation. Yes, Tony Cuti, the former CEO who was previously found guilty of cooking the books was recently sentenced to three years in federal custody along with a penalty of a \$5 million fine. Cuti

had also been the CEO of Pathmark Stores, which is now a sinking subsidiary of the bankrupt A&P Supermarket chain. For a while Cuti was involved in both Pathmark and Duane Reade, an apparent conflict, but accepted by both companies Board of Directors. Boy he must have had some line for both boards to accept his conflicting dual position. Cuti might also have been the master mind of the Duane Reade kiosks which had been placed in doctors' offices to give Duane Reade a leg up on getting new prescriptions from the doctors. Thank the lord that the US

Justice Department finally found those Kiosks to be illegal and fined Duane Reade about \$375,000, a bit too little too late for some independent pharmacies who were hurt by these Kiosks.

Folks we have survived Irene and are now cleaning up the mess. I hope all of you were unharmed by the wrath of mother nature. Enjoy Labor Day, stay well and enjoy what remains of the summer, now that the rain has stopped. ☺

Jim Schiffer

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Join Us in Nashville:

FROM PAGE 17

staff will provide updates and answers to your questions on issues such as the Federal Trade Commission investigation of CVS Caremark, the proposed Express Scripts-Medco Health Solutions merger, the status of two PBM reform bills recently introduced in

Congress, and the continuous onslaught of various federal health care reform changes and regulations. Second, we will be joined by two successful former governors – Phil Bredesen (D-TN) and Jim Douglas (R-VT) ? to get their expert state government perspective of the current and future lay of the land.

With three former governors, over 3000 pharmacists attending,

more than 200 exhibitors at the trade expo, and the state of pharmacy changing rapidly, the decision should be a no-brainer. Sign up today. We look forward to seeing you there! ☺

*By Douglas Hoey, RPh, MBA,
Executive Vice President and CEO,
National Community Pharmacists
Association*

PAAS Cont'd:

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validity of DEA numbers on Schedule II-V drug claims or map NPIs on these claims to the prescriber's DEA numbers. In addition, sponsors will be required to confirm that the controlled substance is within the prescriber's scope of practice to prescribe."

Third-Parties have been stepping up audits for invalid prescriber identifiers. With this latest Call Letter being published by CMS, some Third-Parties are going to recoup the entire amount of a claim for a wrong prescriber identifier, costing pharmacies thousands of dollars. Here are some best practices that could help pharmacies avoid submitting the wrong prescriber identifier.

Pharmacies NEED TO CALL their software vendor and be sure the following procedures are followed when submitting claims:

National Provider Identifier (NPI) numbers are submitted for non-controlled medications. DEA numbers are submitted on all controlled substance medications. (When submitting controlled substance med-

ications, BE SURE the DEA number entered is the actual prescriber's DEA number for the claim you are submitting.)

CHECK your computer system and make sure there are no Dummy DEA numbers; if so, delete them! ESTABLISH a procedure in your pharmacy to verify that the prescriber information is correct—checking both the NPI and DEA numbers for accuracy.

ALWAYS ensure that the NPI and/or DEA numbers you are submitting MATCH the prescriber who signed the prescription. Often times, when an alternate prescriber signs-off on a prescription renewal request for the patient's primary provider, the prescription inadvertently gets transmitted with the primary provider's information resulting in an audit chargeback to the pharmacy.

Using the wrong identifier can cost you money—some insurance companies may take only a percentage, while others may recoup the entire amount. PAAS recommends you double-check prescriber identifiers BEFORE the claim is run through. Pharmacies can save hundreds to thousands of dollars by adding this to their procedures. ☺



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