



Maine Pharmacy Association Capsule

March 2006

Volume 4, Number 1

"Every man owes a part of his time and money to the business or industry in which he is engaged. No man has a moral right to withhold his support from an organization that is striving to improve conditions within his sphere." - Theodore Roosevelt

Upcoming Events

- Spring Convention & Trade Show
March 31- April 2, 2006
Sheraton So. Portland
- Annual Golf Tournament
October 13, 2006 Samoset Resort
- Fall Conference
October 14-15, 2006 Samoset Resort

Don't Miss It !!

PGNE / MPA

SPRING CONVENTION & TRADE SHOW

March 31st - April 2nd 2006

Sheraton So. Portland Hotel

Register now to attend the annual **PGNE / MPA Spring Convention & Trade Show** in South Portland. This show has doubled in size in the last two years!

Our Premier Pharmacy Event !

14 hours of CEs planned !

Discounts for MPA members!

FREE Breakfasts & Lunches !

Exhibitor's Trade Show!

Networking w/your fellow Pharmacists !

Banquet & Entertainment !

Awards, Door Prizes & Raffles !

Rest & Relaxation !

Shopping in South Portland/ Freeport !

Registration Enclosed!

Maine Pharmacy Association Announces Schedule of Speakers for Upcoming Convention and Trade Show

Friday, March 31st

8am - 4pm Registration & Welcome * Lighthouse Foyer

8am - 10am Exhibitor's Continental Breakfast * Lighthouse Foyer

Friday CE Programs will be held in Lighthouse A

9 - 10am: Cancer Update

Shelley Schuster Abrahams

Continuing Education: 1CE

Sponsor - Genentech

10am Break: Exhibitors / Refreshments * Lighthouse Foyer

Sponsored by: URI & Medisca

10:30am - Noon: Medicare Part D Update

Adele Pietrantonio, R.Ph., CMS (Boston)

Continuing Education: 1.5 CEs

Sponsored by: Center for Medicare & Medicaid Services

Noon: Lunch w/Exhibitors * Winter Harbor/Lighthouse A

Sponsored by: Spectrum, Kerr Vials, PGNE / MPA

1:00 -3:00pm : Emergency Contraception In Maine:

Pharmacist Training Program

Cheryl Daggert, RN

Continuing Education: 2 CEs

Sponsor: Barr Laboratories

3 pm Break: Exhibitors / Refreshments: * Lighthouse Foyer

Sponsored by: Cardinal, PGNE / MPA

3:30 -4:30pm: Pharmacy Technician Roundtable

Technicians Role in Pharmacist Support

Continuing Education: 1 CE

Sponsor: **Maine Pharmacy Association / PGNE**

_____Open Evening_____

Saturday, April 1st

7:30am - 4pm Registration & Welcome: *Lighthouse Foyer

7:30am- 9am Exhibitor's Continental Breakfast: *Lighthouse A

8am- 1pm Exhibits Open: * Lighthouse B

Saturday CE Programs will be held in Lighthouse A

8:00 - 10 am: Pharmacy Law Fact or Fiction: Federal Edition

Doug Pisano, Ph.D, R.Ph.

Continuing Education: 2.0 CEs

Sponsor: Mass. College of Pharmacy & Health Sciences

10am Break: Exhibitors / Refreshments * Lighthouse Foyer

Sponsored by: Spectrum Pharmacy Products

10:30 - 11:30am: Legislative Update / AMP Pricing

Ramifications for Pharmacy

Douglas Carr, Esq.

Continuing Education: 1 CE

Sponsor: Rite Aid

11:30am - MPA Business Meeting (everyone is welcome!)

Noon: Lunch w/Exhibitors * Winter Harbor/Sebago

Sponsored by: MCPHS, MPA / PGNE

1 - 3pm: Keynote - Motivating Patients to Improve their Health

Jeff Mackie, R.Ph.

Continuing Education: 2CEs

Sponsor: **MPA / PGNE**

3:00pm: Break, Refreshments - Lighthouse Foyer

Sponsored by: H.D. Smith, Invacare, PGNE / MPA

3:15 -4:15pm - Sebago Room

What to do in an armed robbery

Mark Dion, Cumberland County Sheriff

Continuing Education: 1CE

Sponsor: Cumberland County Sheriff's Department

Saturday Evening Festivities! *Sebago Room

6pm Cocktail/Social Hour

7pm Gala MPA Banquet

8pm Awards, Prizes & Raffle !!

9-11pm Music & Dancing

Sunday, April 2nd

8:30 - 10am Continental Breakfast: *Cumberland/Oxford Room

Sunday CE Presentations: Cumberland/Oxford Rooms

9 - 10am Lipid Management

Dr. Ciampi

Continuing Education: 1CE

Sponsor: **TBA**

10 - 11:30am Poison Prevention

Karen Simone

Continuing Education: 1.5CEs

Sponsor: **Northern New England Poison Center**

Thank You and Adjourn

E-Prescribing Cuts Costs, Improves Patient Safety

The Medical Group Management Association recommended that **electronic prescribing become an essential part of pharmacists' practice management** in this week's second annual National Medical Group Practice Week conference. Harvard affiliated Center for Information Technology Leadership estimated that **nationwide adoption of e-prescribing could prevent 2.1 million adverse drug events per year.**

According to Nelson Centers for Medicare and Medicaid Services, remote access via the web and on handheld mobile devices will help physician comfort level with e-prescribing. CMS recently issued standards for e-prescribing and is initiating a pilot project to test the standards. The project report to Congress is scheduled for April 2007 with voluntary standards in place by April 2008.

Congress Slashes Medicaid Reimbursement To Pharmacies

The **U.S. House of Representatives recently voted to cut \$3.6 billion from Medicaid reimbursement to pharmacies.**

The final vote was 216 to 214 and came only after the voting period was extended after time had expired to round up the last votes needed to push through the cuts. Maine stores will be pleased to know that all of our congressional delegation voted against this ill-conceived legislation.

"The governors of each of the 50 states should be searching in their wallets because these costs are simply being passed on to them" said NCPA Executive VP / CEO Bruce Roberts, RPh..

The current average state Medicaid pharmacist dispensing fee is \$4.15, while **the average cost for a pharmacist to dispense a prescription is \$9.62**, according to a 2005 study from the University of Texas. With Medicaid reimbursements slashed, dispensing fees will need to increase (perhaps 3-fold) or **pharmacists will lose money on most generic Medicaid Rx's** and be unable to continue serving Medicaid patients.

The bill cut only the Medicaid reimbursement on **generic** drugs, while leaving more expensive brand name drugs untouched. The reimbursement cuts are due to go into effect in January of 2007

Bridgton Pharmacy Closes its doors

It was a sad day for pharmacist /owner Dave Diller when he closed the doors to his Bridgton Pharmacy one last time a few weeks ago. Dave's store was an anchor store for downtown Bridgton for many years and the only local independently-owned pharmacy in town.

"This is the second independent pharmacy to close in the last 30 days", PGNE

President Bob Morrissette recently told the Joint Standing Committee on Health & Human Services at a State House public hearing in Augusta. He also added that "if the State does not return to the former reimbursement levels soon, there may not be an independent pharmacy left standing in this State".

In the past, Bob has put pharmacy closings in perspective directly to the governor, "these stores are not closing because of competition, insurance companies or that they were poor business people, they are closing because of the State of Maine...and that is very sad. What are we doing to our Maine businesses?"

Pharmacists Encouraged to Use Health Risk Assessments in Community Wellness Programs

A recent article in the US Pharmacists concludes that **pharmacists are "uniquely trained and positioned to reduce risk factors for the top ten causes of death"** including heart disease, cancer, stroke, chronic respiratory diseases and diabetes. Among the recommendations were:

- Distribute brochures, patient education materials and risk assessment quizzes.
- Demonstrate how to use pharmacy and medication delivery devices.
- Sponsor screenings and community health fairs.
- Provide health screenings, immunizations and disease management services.

Living Naturally offers a consumer health library and eight HRA's in their Rx Web Genius, a complete pharmacy web site, e-commerce and e-mail solution. Content for Rx Web Genius is provided by ADAM, a URAC accredited provider of online health information to clinicians and hospitals nationwide.

Study Compares FDA Standards for Homeopathic Medicines and Dietary Supplements

A new study published in the Journal of Health-System Pharmacists shows that **homeopathy medicines resemble traditional pharmaceuticals more than dietary supplements**. The article suggests that the standards imposed on homeopathic remedies may be the best model for improved oversight of dietary supplements.

Sales of homeopathic medicines in the US are estimated at **\$300 to \$450 million annually** with sales at major drug chains and big box retailers growing at 8 percent per year. Approximately 3.6 percent of the population buys homeopathics as compared to 5.1 percent who buy dietary supplements which

are regulated by the Dietary Supplemental Health and Education Act.

Turning Expired Drugs into Gold

Integrated Automation Takes Reverse Distribution to the Next Level

Expired drugs are a fact of pharmacy life. Fortunately, many pharmaceutical manufacturers offer credit terms on the return of goods past their shelf lives. For the past 25 years, reverse distribution service companies have aided pharmacies in the disposition of this expired product, returning goods to manufacturers and recovering credit due to their customers.

Traditional manual returns processes allow a significant amount of credit to fall through the cracks, however. With the cost of certain drugs rising by at least 20 percent annually, it's in the best interests of pharmacies to recover as much of the loss on expired product as possible. Now a new level of reverse distribution service promises to narrow the gap, using technology to automate the returns process and maximize credit recovery.

The Traditional Approach to Pharmaceutical Returns

Before the advent of third-party reverse distribution services, the burden of processing expired goods fell directly on the pharmacies. This daunting task included sorting products from hundreds of manufacturers; capturing lot numbers, expiration dates and quantities; obtaining current returned goods policies from each manufacturer; staying current with ownership of drug product lines; requesting returned goods authorization forms; and packaging and mailing product back to manufacturers.

"All those administrative hurdles challenged the typical understaffed pharmacy to process product in a timely fashion," said Michael Zaccaro, president of Pharma Logistics. "As a result, they often missed post-expiration credit deadlines."

In the early 1980s, pharmacies started contracting with third-party companies to handle returns of expired goods. Returns companies now send staff into the pharmacy to inventory, package and ship drugs to their reverse distribution warehouse. At the warehouse, product is sorted by manufacturer, proprietary software determines whether or not it's returnable, and returned good authorization requests are generated. From there, the returns company estimates how much credit the pharmacy will receive and bills them at a percentage of that expected credit—typically, 9-13 percent.

Today, more than 60 privately held companies provide this core level of reverse distribution services—from large sophisticated operations designed to handle pharmacy chains and hospital purchasing groups, to small, one-person shops that work with a few loyal, independent retail pharmacies.

Technology Ups the Credit Recovery Ante

Most pharmacies now take reverse distribution services for granted as a commodity, a relatively low, necessary expense that defrays the hassle of returning expired goods and puts some money back into their coffers.

However, the most efficient traditional returns vendor only recovers up to 65 percent of the value of the expired drugs. "That 35 percent left on the table adds up," Zaccaro said. "If \$100,000 worth of product is returned on an annual

basis, the pharmacy loses \$35,000. Instead of focusing on what they pay a returns company in fees, pharmacies looking to maximize the bottom line should consider how to recoup more of that loss.”

A new breed of reverse distribution company can help pharmacies maximize their credit recovery. In addition to providing the standard returns service, these companies use technology to automate processes and generate meaningful data that has the potential to increase profitability on expired product. Specifically, this integrated, technology-based approach can maximize credit recovery by:

- Expediting the returns process
- Automating credit reconciliation
- Presenting better alternatives to existing purchasing patterns

A Faster Turnaround

When it comes to recovering credit for expired drugs, time is literally of the essence. The sooner the product gets back to the manufacturer, the sooner the pharmacy will realize the credit. If the returns process takes too long, the pharmacy may miss the expiration date and not receive the credit due.

An integrated, automated reverse distribution system expedites the pharmaceutical returns process by allowing field representatives and the processing center to share data. “With this type of system, an on-site rep electronically sends returns information to the center ahead of the shipment” Zaccaro said. “The warehouse knows what to expect and can plan staffing and processing accordingly. There’s no rekeying of data after product arrives, and no scrambling for resources and scheduling time. An order that would have taken weeks to process can get turned around in a few days.”

Automated order entry also enables the pharmacy to more easily request return goods authorizations from manufacturers that require them. Again, fast receipt of an authorization allows faster shipment of expired goods and faster recovery of credit on those goods.

Credit Reconciliation Made Automatic

Credit reconciliation is another area in which automated returns processing can offer dramatic improvements. Returns companies have traditionally provided pharmacies with paper-based reports that list the dollar amount of the credit they should receive from manufacturers. As credit memos from each manufacturer come in through the wholesaler—which can take anywhere from three weeks to nine months—the pharmacy manually records the actual amount received.

Unfortunately, the typical resource-strapped pharmacy rarely has the time to administer such a tedious tracking process. The result: fuzzy returns audit trails and unrealized credit.

With an automated credit reconciliation system, the returns vendor electronically sends credit memo information to a wholesaler, which then matches up expected credits with actual credits received. As the credits come in, the wholesaler transfers that data electronically to the returns company. From there, the returns company automatically posts the data to a web site and notifies the pharmacy of the posting via e-mail.

“The pharmacy can easily see how much it was credited by manufacturer, without doing any extra work—the equivalent of a third party reconciling an

individual's checkbook," Zaccaro said. "Yet another administrative burden lifted from the shoulders of the pharmacies, with a higher assurance that more credit will be recovered."

Data that Optimizes Purchasing Decisions

While expediting the returns process and simplifying credit reconciliation are important, an integrated, automated reverse distribution system offers another, even more compelling benefit: data that can optimize future purchasing decisions.

"Expired, non-credit worthy drugs are fundamentally the result of purchasing errors", Zaccaro said. "The pharmacy either purchased too much of the items in question or purchased the wrong products. Instead of rooting out the causes of these purchasing errors, the traditional reverse distribution process only bandages the wound—and that strategy dooms the pharmacy to repeat the same mistakes."

An automated returns system uses data collected at the end of a returns cycle to present the pharmacy with more efficient purchasing options that maximize credit recovery. Armed with a database that lists drugs by generic cross-reference and therapeutic code, the reverse distributor identifies those that treat the same symptoms as the pharmacy's expired goods. In this way, the returns company can note alternative products that have better credit policies than those purchased by the pharmacy.

For example, a chain pharmacy may wish to negotiate a direct contract for aspirin at \$1.99 per bottle. However, the chain's returns processing system shows that the manufacturer does not accept returns, rendering any expired product non-credit worthy. The chain might be better off buying the aspirin at \$2.00 per bottle from a manufacturer that offers credit on expired goods.

In the same vein, the returns system will reveal the true cost of buying repackaged drugs from wholesalers. For example, pharmacies may save \$5 dollars per bottle up front on repackaged product purchases; but unfortunately, repackaging companies do not accept returns. The reverse distribution company can run the product against the manufacturer's returns policy and present information that will help the pharmacy determine the better value.

"Up to date, item-specific software systems are key to providing pharmacies with the highest level of returns information" Zaccaro said. "If the system only relies on manufacturer policies, the pharmacy could miss out on significant credits. For example, a manufacturer that claims to not accept returns may actually sell some products outside of that standard returns policy. The system must be sophisticated enough to identify such differences and handle an unlimited number of policies for each manufacturer in order to maximize credit recovery."

Squeezing More Value Out of Returns

For 25 years, traditional reverse distribution companies have relieved the pharmaceutical industry of the administrative minutia of dealing with returns. However, a significant amount of credit is still not being realized.

New technology-based systems can now better maximize recovery of credit on expired drugs, expediting the returns process and providing accurate, automated credit reconciliation. By evaluating actual purchasing data against returns policies and alternative options, pharmacies can adjust purchasing and stocking patterns to optimize future credit opportunities.

"As the cost of pharmaceuticals continues to escalate, pharmacies need to explore ways to better contain overall costs," Zaccaro said. "Working with a reverse distribution vendor that embraces automated returns processes can go a long way towards returning more expired drug credit back to the bottom line, where it belongs."

Rep. Tom Allen Drafts Bill to assist with the Medicare Part D Mess

Maine's own Rep. Tom Allen (D) has come forth to draft legislation that would help the State and Medicare part D recipients alike:

Reimbursement to States - Requires CMS to reimburse states for funds spent on 2006 transition costs to provide coverage of part D drugs for part D eligible individuals who were enrolled in a plan but were unable to access covered drugs in a timely manner. The Secretary of HHS will recover the costs from Medicare drug plans if the Secretary determines that plan should have incurred the charges.

Reimbursement to Dual Eligibles - Requires CMS to provide compensation to dual eligibles incorrectly charged premiums, deductibles or other cost-sharing above statutory limits.

Protection for Low-Income Beneficiaries - Requires plans to include a minimum 30 day first-fill in their transition policies for drugs that beneficiaries were taking prior to their enrollment in a particular plan.

Allows presumptive eligibility for dual eligibles at the point-of-sale and requires CMS to clearly identify dual eligibles in electronic data files shared with plans.
Pharmacy Assistance - Requires CMS to provide additional outreach and education to pharmacies, including the new E-1 billing system and point-of-sale enrollment plan.

Holds pharmacies harmless for the transaction costs associated with the E-1 billing system. Pharmacies will be able to receive federal reimbursement for any transaction fees related to the point-of-sale enrollment process and technology or software upgrades necessary to make identification and enrollment inquiries.

Allows pharmacies to bill CMS directly for the costs of providing a transitional supply of prescription drugs to dual eligibles.
Customer Service Improvements - Require CMS to station one trained employee at every State Health Insurance Counseling and Assistance Program (SHIP) through the open enrollment periods (May 15, 2006) in order to help beneficiaries and SHIP counselors better understand the Medicare drug benefit.

Requires CMS to make the appropriate expenditures necessary to hire additional trained professionals to reduce the 1-800-Medicare call wait times

MPA/PGNE SPRING 2006 Convention Registration

This 2-part form must be used to register for the convention and to order meals whether or not you plan to stay at the Sheraton Hotel or attend on a daily basis. To register and/or order meals please fill in, circle, or check-off the appropriate information and return the form and a check payable to the MPA office by 3/25/2006 (for early registration). No refunds will be given for cancellations after 3/25/2006. Meal reservations received after 3/25/2006 cannot be guaranteed.

• **CONVENTION REGISTRATION: March 31st - April 1st & 2nd, 2006, So. Portland, ME.**

NAME: _____ Nickname for Badge: _____
 Pharmacy/Company Name _____ Phone#() _____ E-mail _____
 Address: _____ City: _____ State: _____ Zip: _____

FEES: (Please Circle)	PGNE / MPA MEMBERS				NON-MEMBERS
	EARLY - AT DOOR		EARLY - AT DOOR		
<u>Pharmacists:</u>					
Full Weekend (Fri.-Sat.-Sun.)	\$ 90	\$ 110	\$ 180	\$ 200	
Daily (Please check) Fri. ___ Sat. ___ Sun. ___	\$ 45	\$ 65	\$ 90	\$ 110	\$ _____
<u>Pharmacy Technicians: (members) Full Weekend</u>	FREE !			\$25	\$ _____

Pharmacist & Technician Students: Full Weekend FREE !

MEALS: Check applicable meals for
 SELF SPOUSE OTHER \$ \$ \$
 Saturday- Banquet Meals: Saltimbocca Stuffed Chicken.....\$29.50
 Garlic Crusted Prime Rib.....\$37.00
 _____ = \$ _____
 _____ = \$ _____

Also register at the MPA Website: www.mparx.com Meals \$ _____
 Mail this part of form w/Check to: Maine Pharmacy Association Total \$ _____
 c/o PGNE, 127 Pleasant Hill Rd. PO Box 1456, Scarborough, ME 04070

• **SHERATON SO. PORTLAND RESERVATIONS: Notice by March 6th, 2006 required!**

MPA/PGNE Spring Convention & Trade Show, March 31st - April 1st & 2nd, 2006

Last Name _____ First Name _____ Company _____
 Address _____ City _____ State _____ Zip _____ Tel. () _____
 No. of People _____, Room Request: Single _____ Double _____, Smoking _____ Non-Smoking _____
 Arrival Date 3- -06, Arrival Time _____, Departure Date 4- -06

Complete the following if applicable: Sharing Room with _____
 Guaranteed Reservation: _____ Deposit enclosed (one day) / Special Request _____
 Credit Card _____ Card # _____ Exp. Date _____
 Signature _____

Sheraton So. Portland Hotel : RATES: Single \$ 89 - Double \$ 89 Check-in Time is 3 pm
 Reservations must be canceled 24 hours prior to arrival to ensure advanced deposit refund. Advanced deposit will be applied to the last confirmed night of your stay. Reservations requested beyond the cut-off date are subject to availability. Rooms may still be available after the cut-off date, but not necessarily at the above rates. All rates are subject to 7% state tax. No connecting rooms available. PGNE/MPA Group Commitments guaranteed only through March 6th, 2006. Check with hotel after this date @ (207) 775-6161 for rates and availability.

Mail to: Sheraton Hotel, 363 Maine Mall Rd., So. Portland, ME 04106 / Fax to: (207) 772-1267

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