



NEWSLETTER

ALABAMA INDEPENDENT DRUGSTORE ASSOCIATION

4274 Lomac Street, Montgomery, AL 36106
(334) 213-2432 Fax (334) 213-2406 www.aidarx.org

August 2010

AIDA BOARD MEMBERS

OFFICERS

Don Ponquinette, President
Andy Schaff, President-Elect
Michael Stringer, Vice President
Lendon Scott, Treasurer
Terry Wingo, Immediate Past President

DIRECTORS

Ernie Langham, District Director
Norman Davis, District Director
Mark Wise, District Director
Perry Vickers, District Director
Jim Davis, District Director
Tim Williamson District Director
Mike Strickland, District Director

STAFF

Sharon Taylor, Executive Director
Rob Taylor, Membership/Program Director
Nanette Pregno, Legislative Affairs

PAST PRESIDENTS

Donnie Calhoun David Wray
Tommy Spears Charles Starling
Tony Nix Lendon Scott
Jim Davis



...ASSOCIATION PURPOSE...

To serve as a trade association organized for the purpose of representing the commercial interests of independent retail drugstores in the State of Alabama.

To act to promote, strengthen, and protect the interests of independent retail drugstores.

To strive to achieve all within its power to ensure independent retail drugstores continue to serve the public as a viable source of health care products and services.

To work with all private and public health delivery systems, regulatory bodies, the legislative and executive branches of government to ensure that the public receives the highest quality of products and services from health care providers.



Dear Colleagues,

As independent drug-store owners it is imperative to our future as business owners and health care providers that we evaluate the processes we have in place for making business decisions. We have relied on others to make decisions for us, while we remained silent confident that our futures are secure "after all we are the licensed professionals with the responsibility of dispensing drugs and counseling our patients".

While we remained silent the Pharmacy Benefit Managers (PBMs) have successfully managed to convince Plan Sponsors that there was significant savings with mail order, and now they even offer 90 day supplies at mail order prices from their Chain Pharmacies. Every day we continue to lose more patients not because we can't compete but because the right to compete is being taken away.

Our reimbursements continue to decrease while our cost of goods and operating expense continues to increase. The changes in our Medicaid reimbursement that will result in significant decreases was scheduled to be implemented August 13, 2010. We received notice from Medicaid that implementation would be delayed pending CMS approval.

The time is NOW for all of independent pharmacy to recognize the strength we have in numbers. We see more individuals daily than any other profession. We can, we must start now using our strengths to implement change to build program options that will benefit our patients, plan sponsors and independent pharmacy. We, the independent pharmacists are the ones that financially support our local schools, churches, civic organizations, employee an average of 15 individuals in our local communities, and pay county, city and state taxes. None of these things come from mail order houses or chain pharmacies whose corporate offices are located out-of-state.

I invite and encourage each of you to join the AIDA Board and staff as we work to develop plans, programs, public relations campaigns and more that will emphasize the professional, financial and personal impact of every independent pharmacy in every community across this state. (*Change Your Thinking....Change Your Life*)

Donald Ponquinette, President
Alabama Independent Drugstore Association

MEDICAID ON SCHEDULE TO IMPLEMENT NEW PHARMACY REIMBURSEMENT SYSTEM

The Alabama Medicaid Agency has reported that a State Plan Amendment was filed with CMS that would remove Average Wholesale Price (AWP) reimbursement methodology and add the invoice-based Average Acquisition Cost (AAC) method for brand and generic ingredient costs.

They have advised the pharmacy associations that they are nearing the completion of the development stage of the first two phases of the pharmacy reimbursement modification, the average acquisition cost (AAC) and cost of dispensing (COD) survey. The anticipated implementation date of the new pharmacy reimbursement of AAC and a cost to dispense fee of \$10.64 is August 13, 2010 pending CMS approval.

PHASE III –

PHARMACISTS PROFESSIONAL SERVICES

The Agency has discussed possible options to include pharmacists in the medical home, expanding the patient-centered health care model to a “medical neighborhood.” They have emphasized the state’s budgetary challenges and stressed that these challenges will require both the provider associations and the Agency to collaboratively find innovative ways to not only improve care to the patient, but that could also eventually result in “shared savings”.

CARE NETWORK CONCEPT

The importance of making improvements in the delivery system and encouraging that with the payment system has been stressed. Some possible delivery system/payment system improvements could include: Accountable Care Organizations; Multi-Payer Initiatives; Care Networks; and Multi-Specialty Practice Initiatives. The Agency plans to pilot 2-4 care networks in spring 2011 that will be similar to those that exist in North Carolina and hopes to eventually go statewide.

MAINTENANCE THERAPY

As part of the Agency’s proposed shared savings initiative, the Agency has identified maintenance drug therapy as a possible modification option to the reimbursement policy. The Agency is considering:

Option 1: Long Term Maintenance Drug Therapy – A 60-90 day fill of non-controlled generic and preferred brand drugs used to treat chronic illnesses. Initial possible targeted drug classes include drugs for diabetes, hypertension and cholesterol. Criteria would include demonstration of stable therapy by having two previous fills of the drug. One dispensing fee would be reimbursed, and “savings” from dispensing fees (moving from a one month to a 2 or 3 month supply) would be shared with the pharmacy provider. If successful, this concept may expand to other classes as the project progresses.

Option 2: Short Term Maintenance Drug Therapy – Due to the expense incurred by the Agency for certain high cost medications, combined with the need for a short term trial of these costly medications, short term fills (dispensing a 14 day supply of the drug versus 34 days) has also been considered. The agency would like to focus on second generation atypical psychotics brand and generics. Because recipients receiving drugs in this class may need dosage adjustment and/or medication changes during the first several weeks after initiation of the therapy, this would prove to be a cost savings for both the Agency and pharmacy providers. Criteria would include a 2 or 3 “short-term” fill before a system-generated message would require a prescription for the same drug/strength to be filled for a month’s supply.

Other Ideas

1. Vaccine Administration Reimbursement
2. Medication Therapy Management (MTM) Reimbursement

Discussion on MTM included the Agency’s lack of “start-up” funds to implement a MTM program (outside of the network concept/pilot project). The Agency recognizes the positive return on investment of including a pharmacist into the “medical neighborhood” and has asked for comments and ideas on an MTM program.

3. Therapeutic Interchange Program

A suggestion from a pharmacist was to compensate pharmacists when a patient is switched from a brand to a generic equivalent substitution. The response is that this would be in essence the current Preferred Drug List, and that the current criteria for the Patient 1st program’s “shared savings” for physicians is therapeutic interchange related to the PDL, and pharmacy shared savings initiatives must not overlap existing incentives for other providers.

NOTE: New pharmacy reimbursement methodology will not be implemented 8/13/10, as CMS approval is still pending.

ALABAMA MEDICAID 2010-2011 CHECKWRITE SCHEDULE	
<u>1st Quarter</u>	<u>3rd Quarter</u>
10/08/10	04/01/11
10/22/10	04/15/11
11/05/10	05/06/11
11/19/10	05/20/11
12/03/10	06/03/11
12/17/10	06/17/11
<u>2nd Quarter</u>	<u>4th Quarter</u>
01/07/11	07/08/11
01/21/11	07/22/11
02/04/11	08/05/11
02/18/11	08/19/11
03/04/11	09/09/11
03/18/11	09/16/11

NOVEMBER ELECTIONS – WHAT YOU SHOULD CONSIDER

In November Alabama will have one of the most important elections in recent years. There will be numerous changes both in the House and Senate. Some of these changes could provide independent pharmacy with the opportunity to have a voice in our future and our ability to remain a viable part of the health care delivery system.

These elections are so important that we must put aside our party affiliations and evaluate each candidate based on their positions on issues such as small businesses, independent pharmacy, and mail order pharmacy services. You need to make sure they understand the financial impact independent pharmacy has on the city, county and state tax revenue, the number of jobs we provide in every community in Alabama, and your consistent personal involvement and financial support of your local schools, civic and charitable organizations.

If there is an incumbent running for re-election, consider how their votes on issues have affected your business and your profession when deciding. The door is open to make change if change is necessary. We can no longer afford to elect those that have no commitment to small businesses or to independent pharmacy.

We must work to re-elect those incumbents that have supported our business and professional interests we will need them the next four years if we are to be successful in our legislative agenda.

Independent drugstore owners must personally reach out to their State Senators and Representatives to build strong personal relationships that can ensure you reach them when you call concerning small business and pharmacy issues. Every personal relationship established will increase the chance of achieving success in our legislative efforts.

Remember.....returning individuals to the Alabama Legislature that have not supported your interests will only guarantee you more of the same.

MEDICAID ALERT

To: All Providers

RE: Synagis® Criteria for 2010 – 2011 Season

The Alabama Medicaid Agency has updated its prior authorization criteria for Synagis®.

- The approval time frame for Synagis® will begin October 1, 2010 and will be effective through March 31, 2011.
- Up to five doses will be allowed per recipient in this timeframe. Some recipients may only receive up to a max of 3 doses, depending on the gestational and chronological age.
- There are no circumstances that will result in approval of a sixth dose.
- If a dose was administered in an inpatient setting, the date the dose was administered must be included on the request form.

- For approval of requests, the recipient must meet gestational and chronological age requirements. In order to meet chronological age requirements, the recipient must not exceed the specified age at the start of the RSV season.

- Prescribers, not the pharmacy, manufacturer or any other third party entity, are to submit requests for Synagis® on a separate prior authorization form (Form 351) **directly** to Health Information Designs and completed forms may be accepted beginning September 1, 2010 (for an October 1 effective date).

- A copy of the hospital discharge summary from birth or documentation of the first office visit with pertinent information (gestational age, diagnosis, etc.) is required on all Synagis® PA requests.

- If approved, each subsequent monthly dose will require submission of the recipient's current weight and last injection date and may be faxed to HID by the prescribing physician or dispensing pharmacy utilizing the original PA approval letter.

- Letters will be faxed to both the prescriber and the dispensing pharmacy notating approval or denial.

Criteria

Alabama Medicaid follows the 2009 updated American Academy of Pediatrics (AAP) guidelines regarding Synagis® utilization. The form and complete updated criteria specific to Synagis® are available on the Agency's website at www.medicaid.alabama.gov under Programs: Pharmacy Services: Prior Authorization/Overrides Criteria and Pharmacy Forms: 2010-2011 Synagis® Criteria and Forms. Additional questions regarding Synagis® criteria can be directed to the Agency's Prior Authorization contractor, Health Information Designs at 1-800-748-0130.

....AIDA NEWS...

Your association is moving forward to build new and even more aggressive ways to promote strengthen, and protect the interests of independent retail drugstores. The process has begun to expand the current association purpose and goals that will better fit the independent pharmacy of today and provide a brighter future. As more independent pharmacies add immunizations, MTM services, other areas of specialty care, and new innovative out-of-the-box products and services to their drugstores, your association will be prepared to be the resource for all of your needs.

The AIDA Board of Directors and staff look forward to turning challenges into opportunities and to working with others committed to independent pharmacy. We welcome your input and your participation.

AIDA Newsletters will be available on the AIDA website: www.aidarx.org

Carter Drug Company awarded Alabama Retail Association's Retailer of the Year

Carter Drug Company and Ann H. Murray awarded Alabama Retail Association's 2010 Retailer of the Year. This prestigious award, now celebrating its 11th observance, recognizes outstanding retailers at various income levels who have demonstrated a blend of sound business practices with commitment to their communities, customers and employees. "Carters would not have won this award if it weren't for the tireless work of Ann Murray," said owner Tim Williamson. "It was her vision for a boutique-style atmosphere in the front of the store and the creation of Carters Books & Gifts."

For 86 years, Carter Drug Company has been an anchor in historic downtown Selma. In 2009, business expanded to include the newly created gift department, Carters Books & Gifts. Carters Books & Gifts was created to offer the community a boutique-style store selling unique and upscale gifts for all ages with the same strong tradition on which Carters was built.

With this addition came the realization that it was time for a new look for Carters. As part of their continued community outreach and commitment, owners Joe Moore, Kent Hale, and Tim Williamson began a full remodel. The pharmacy was totally redesigned complete with the latest technology. All monies used in the remodel were put back into the community in an effort to build the local economy. After the remodel, Carters Books & Gift expanded their already growing product lines, gaining not only notice from local residents but impressing Sheryl Smedley, Executive Director of the Selma and Dallas County Chamber of Commerce, who in turn nominated Carters and Ann Murray for the award.

Murray credits Carters owners and employees for the win. "Without teamwork, this honor would not be possible. Within the Carters family, there is a high level of trust among owners and employees, and through this trust we have been granted the freedom to undertake various projects which reflect positively on our community."

Congratulations to Tim Williamson, AIDA Board Member and owner of Carter Drug Company in Selma, and to owners Joe Moore and Kent Hale on receiving this prestigious award.



Alabama Independent Drugstore Association
4274 Lomac Street
Montgomery, AL 36106