

INSIGHT

The QS/1 Magazine

HME: Products and Other Services...

It's What You're *NOT* Doing
That's Costing You

Document Management pg 6

The Three Cs of Medicare Enrollment pg 12

Is HME Profitable? pg 14

Understanding Report Logic pg 18

January 2006

QS/1[®]

www.qs1.com



This issue of INSIGHT highlights products and services that will better enable you to meet the growing and changing needs in the healthcare industry. January traditionally marks a time of year when we reflect on past accomplishments and look forward to the challenges ahead. Looking back on 2005, we were especially proud to bring to you services such as Pre- and Post Edits, e-prescribing, NRx and one of our newest products, Document Imaging.

In the midst of meeting the new requirements and challenges that Medicare Part D has brought you, QS/1 is pleased with its delivery of product enhancements to make this transition as easy as possible. Preston Hale, Regional Manager for QS/1, has provided an article on the 3Cs of Medicare enrollment in this issue of INSIGHT (pg. 12), that will further educate you when assisting Medicare beneficiaries that are still selecting their specific plans. Hale presents how to use Cost, Coverage and Convenience as a way to establish your pharmacy as a trusted source of information in the eyes of your customers.

Our feature article, *HME: Is it Profitable?*, written by Duane Ridenour, Industry Analyst, presents a convincing case as to the opportunities available within the HME market (pg. 14). This article will demonstrate how you can incorporate HME in your business, a logical extension of your existing products and services, to improve customer satisfaction and profitability.

Additionally, we are looking forward to the Customer Conference to be held in St. Louis, July 19-22. Here, we will bring you the opportunity to learn even more about QS/1 software and bring in Industry specialists to inform you of the issues we will be facing in the coming year. Also, please take a moment to notice the ad on the back of this magazine. In an effort to increase communication with you, QS/1 recently introduced INSIDER. This weekly newsletter is specifically designed to bring our customers up-to-date information on the current news and product updates at QS/1.

As we embark on 2006, QS/1 is ready to offer you even more products and services to help you run your business more profitably and efficiently. It is clear that the healthcare industry is changing rapidly and technology and software must change with it to continually meet its needs.

Tammy Devine
Vice President, QS/1

Contents

INSIGHT January 2006

- 4. Preparing For Tomorrow: Staying Afloat in a Tumultuous Sea of Change**
Andrea Stark, Medicare Consultant and Reimbursement Specialist
- 6. Document Management**
Brian Smith, Senior VP Sales and Marketing, Integra
- 8. New Hardware Now Available**
Melanie Hershberger, Staff Writer, QS/1
- 10. Clinical Tools: QS/1's Software Improves Patient Care**
John Frady, Market Analyst, QS/1
- 21. Customer Spotlight: TLC Medical Centre Inc., Aiken, SC**
Melanie Hershberger, Staff Writer, QS/1
- 22. E-Prescribing Q & As**
Melanie Hershberger, Staff Writer, QS/1
- 24. FamilyCare**
Martin Winters, Industry Network Specialist, QS/1
- 25. CornerDrugstore**
Tranaka Oglesby, Customer Support Associate, QS/1
- 26. Pre- and Post-Edits Q & As**
Kerry Philbeck, Creative Services Technician, QS/1

- 12. The Three Cs of Medicare Enrollment: Cost, Coverage and Convenience**
L. Preston Hale, Regional Manager, QS/1

3Cs

- 14. HME: Is It Profitable?**
Duane Ridenour, Marketing Analyst, QS/1



- 18. Understanding QS/1 Report Logic for RxCare Plus, NRx, PrimeCare & CRx:**
Petra Brooks, Support Center Trainer, QS/1, Kerry Philbeck, Creative Services Technician, QS/1 and Paulette Slaughter, Applications Development Manager, QS/1



In Every Issue:
Customer Conference
Product Updates
From the Support Center
In Your Area: Trade Shows

UV INKS  NO VOC'S®



This publication is printed on recyclable paper and with environmentally friendly ink.

©2005, J M Smith Corporation. QS/1 and FamilyCare are registered trademarks of the J M Smith Corporation. RxCare Plus, PrimeCare, SystemOne, CRx, Q/Review and PowerLine are registered trademarks of the J M Smith Corporation. Product names, company names and logos are trademarks or registered trademarks of their respective holders. If you have any suggestions or comments, please e-mail us at Insight@qs1.com or write us at QS/1 Data Systems, Attn.: Insight Magazine, P. O. Box 6052, Spartanburg, SC 29304, 1.800.845.7558.

Preparing For Tomorrow: Staying Afloat in a Tumultuous Sea of Change

by Andrea Stark, Medicare Consultant and Reimbursement Specialist, MiraVISTA, LLC

There are so many changes going on with the Medicare industry right now. It is hard to fathom what our business world will look like in as little as a year. In order to survive and thrive in this new environment, you have to first identify the changes that are coming, put them into perspective and then strategically plan to compensate for them before they can negatively impact your business. This article will help you to contemplate eight of the most pertinent changes that will have an affect on your communications or operations.

Competitive Bidding

Competitive bidding is on our heels and is scheduled to start next year. There is still so much that is yet to be finalized. We still do not know which ten sites will be selected, nor do we know the final products that will fall under the scope of competitive bidding. However, we can make a few educated guesses based on information that has been released from the Program Advisory and Oversight Committee (PAOC), the group of individuals advising CMS on the course of action for this demonstration. There is a strong possibility that CMS will select ten of the top 80 metropolitan statistical areas (MSAs) based on Medicare approved charges in those areas, in lieu of population or Medicare beneficiaries. This decision would obviously have the greatest financial impact on the program. As for products, we know of several that will not be included in the demonstration: inhalation drugs, diabetic shoes, ostomy, parenteral, surgical dressings, urological supplies and breast prostheses to name a few. Some likely candidates that top the Medicare expenditures list would include: oxygen, wheelchairs, diabetic supplies, enteral nutrition, hospital beds, CPAPs, BiPaps, support surfaces and walkers. To adequately prepare for competitive bidding you must prepare for two contingencies: one, that you win a successful bid, and two, that you do not win a successful bid. To prepare for a successful bid you must ensure product quality, financial stability, current accreditation, and customer satisfaction. For a non-winning bid, you want to ensure that you have a diverse product offering to include cash sales, and excluded items that you can offer in the absence of a winning bid.

New Quality Standards

New quality standards have been proposed to supplement the existing 21 standards enforced by the National Supplier Clearinghouse. The new quality standards will begin to take effect in 2007 and will be enforced by an accreditation organization(s) to be designated by CMS. This provision will require mandatory accreditation through the designated organization(s), in addition to many other business and product provisions. These quality standards are still under development. In fact, 18 more product-specific standards were scheduled to be released during the month of December to supplement the fifteen product standards proposed in the original document.

Medicare Part D

Medicare Part D is taking effect this month. Beneficiaries are being offered approximately 45-50 plan choices sponsored by a mixture of approximately 20 different companies (options vary by state). The plans vary by the monthly premiums, drug coverage for various generic and brand name medications and on the availability of mail-order supplies. The most important item that will affect individual pharmacies is whether you are listed as a participant in the various plans. If you have not been contacted by the prescription drug plans to provide medications to their members, make a concerted effort to call them and inquire on the plan offerings and prices to determine if you can or would like to provide medications to their members.

New Medicare Administrative Contractors

The four DMERCS will transition to newly designated Medicare Administrative Contractors (MACs) and will be relegated to claims processing and customer service duties. Residents of five states (VA, WV, KY, DC and MD) will transition to new regions. The transition to the MACs should be a painless one for most businesses, unless you reside in one of the five states that will be changing regions. If you are in one of these five states, once the new MACs are announced you will want to sign an Electronic Data Interchange (EDI) agreement. To ensure the quickest turnaround possible, your electronic claims will eventually need to be sent through the new contractor. While electronic claims will automatically crossover to the new region for processing, even if you utilize the old dial up numbers, it will delay the payment by at least a few days. Also, if you want your checks to be directly deposited to your checking account by the new contractor, do not forget to complete an Electronic Funds Transfer (EFT) agreement as well. By initiating these steps, you will ensure that your claims are processed in a timely matter.

Program Safeguard Contractor

A Program Safeguard Contractor (PSC) will be taking over all the medical review components, medical policy implementation and benefit integrity/fraud from the existing DMERCS. This will not affect those suppliers in the Region A DMERC territory, because Health Now of NY made the transition to a PSC several years ago. For the rest of the suppliers in the country, this transition will probably result in a new website to access medical policies and bulletins on changing Medicare coverage criteria. It may also result in some frustrations when you are unable to get a direct answer on medical policy questions from your DMERC/MAC customer service representatives. Watch for announcements on who the final PSC contractors are and educate your staff on how to locate pertinent medical policy information.

Qualified Independent Contractors

Qualified Independent Contractors (QICs) will take over the Hearings level of appeals and will call them Reconsiderations. This is the next appeals step past a Review/Reopening/Redetermination; the QICs have a requirement that the new “Hearing Officers” must possess a medical and/or legal background to perform these appeals. This requirement should result in more appropriate and hopefully favorable decisions at this level of appeal. In addition, the QIC is mandated to give a determination within 60 days from the receipt of a request. While suppliers will no longer have to wait a full 120 days or more to receive a decision, it is probable that the QICs will no longer offer telephone or in-person hearings in order to meet the

strict deadline. To prepare for this change it is imperative that all documentation that you need to introduce be in writing and that your staff organizes the attachments and details succinctly. I also advise creating a Table of Contents/Summary Letter that highlights all documents that are included with a statement that reiterates what each document contributes to the case.

Administrative Law Judge Requests

The Administrative Law Judge (ALJ) Requests, which is the third stage in the appeals process, will eventually be processed by the Health and Human Services Department, instead of by the Social Security Administration. One of the starkest provisions will restrict providers from introducing any new evidence (beyond what was provided to the QICs) to justify payment of their claims. Therefore, it is ever more important to get all pertinent documentation to the QIC and ensure the accuracy of all information.

National Provider Identifiers

National Provider Identifiers (NPIs) will replace all existing Medicare provider numbers by next year. Eventually, the law will require all health plans to use the NPI instead of internally assigned provider numbers. The application process is fairly straight forward and should only take about 20 minutes to complete. You will need to complete a separate application for each organization/representative that you will need to identify a separate payment. The application can be found at <https://nppes.cms.hhs.gov>. For any questions you may have, call the customer service help desk at 1.800.465.3203.

If there is one thing this industry is full of, it is change. By staying educated and preparing for the above changes, you can ensure that your company will have the upper hand in this new Medicare environment.

Andrea Stark is a Medicare Consultant and Reimbursement Specialist specializing in Medicare consulting for medical equipment suppliers and pharmacies. Stark has spent five years working for the Region C DMERC as both a claims processor and then later as an ombudsman for the Professional Relations/Supplier Education Department. This inside experience gives her a unique perspective on reimbursement and compliance issues. She founded her company MiraVISTA, LLC in 2003 in Columbia, SC and now provides consulting and education services throughout the country. She can be reached via email at andrea@miravistallc.com or via her website at www.miravistallc.com.

Document Management for Long-Term Care Pharmacies

QS/1 & Integra Team-up to Provide an Integrated Solution

by Brian Smith, Senior VP Sales and Marketing, Integra

LTC pharmacies are facing challenging times. With market-wide reimbursement reforms plus intense economic, regulatory and competitive pressures, pharmacies are being forced to improve the efficiency of their operations. One key area of opportunity involves processing the large volumes of paper associated with LTC pharmacy operation. Historically this has been a costly problem with no viable solution – fax servers alone provide limited benefit and conventional document management solutions have not proven to work well in this environment.

Fortunately there is a solution; **DocuTrack** is a specialized document management system designed by Integra specifically for use in LTC pharmacies. With over 100 installations, DocuTrack has been proven to:



- **Reduce Costs**
- **Increase Productivity**
- **Improve Customer Service**

And best of all – with the new Direct Connect interface, DocuTrack is now tightly integrated with your QS/1 pharmacy information system.

Go Paperless with DocuTrack

Pharmacies can achieve numerous benefits by eliminating paper with DocuTrack. Direct costs such as paper and toner vanish immediately, staff productivity and customer service improves and there are fewer errors. Clerks, technicians and pharmacists no longer spend their time walking around manually routing, managing and filing documents. Documents are automatically routed to departments or workstations and are immediately ready for processing or retrieval. Integration with QS/1 provides instantaneous retrieval of all documents so that a customer inquiry can be resolved with a single and swift phone call. Pharmacies equipped with DocuTrack use it as a competitive advantage – it enables them to provide a much higher level of service while their competition is busy searching file cabinets.

DocuTrack equipped pharmacies are also able to significantly grow their businesses without increasing staff and deploying expensive technology at customer sites. DocuTrack represents the next pragmatic and cost-effective step toward integrating technology into pharmacy operations.

For pharmacies with multiple locations, DocuTrack facilitates the creation of a hub and spoke business model. Documents can be centrally stored, but remotely accessed. This means a pharmacy can open a satellite location and centralize such job functions as order entry or billing. Regardless of size, pharmacies are utilizing DocuTrack as an integral part of their daily operations and achieving an immediate payback on their technology investment.

Key DocuTrack Features

In most LTC pharmacies documents are received by fax – generating literally hundreds and thousands of new paper records every day. DocuTrack begins by receiving all documents (regardless of type using) a centralized fax server. Pharmacy customers continue using the same fax machines they have without any operational changes. Documents such as telephone orders or delivery receipts can also be entered into the system by e-mail or scanner.

Documents are organized within DocuTrack using real-time folders and queues. Multiple users can simultaneously access each queue and process documents based on system workflow rules.

Based on these workflow rules, each incoming document is routed to the appropriate department, such as order-entry or medical records. Using the QS/1 DirectConnect interface, documents can be quickly associated with patient demographic and prescription information. Thereafter, all records associated with a particular patient, customer, prescription or payer can be quickly retrieved with a few keystrokes from within QS/1.

At each workflow step, users can add electronic notes or comments to each document. Notes or comments are identified by who entered it and when. DocuTrack also maintains a complete audit and history log of every user action for HIPAA compliance and management review.

DocuTrack also incorporates various fax and e-mail capabilities. Any document within the system can be faxed or e-mailed to the customer along with pre-populated forms defined by the pharmacy. Many customers find this to be an ideal way to handle commonly used forms such as therapeutic interchanges and prior authorizations. These capabilities within DocuTrack allow pharmacy staff to send documents back to customers without leaving their desk – saving additional time.

DocuTrack can automatically generate alerts when certain user-defined conditions are met – these include stat orders, orders that require processing for a particular delivery run or orders received outside of normal business hours.

DocuTrack also supports the use of barcodes for document routing, automated prescription processing and for organizing delivery manifests. For example, DocuTrack can automatically identify and read bar-coded refills and submit them to QS/1 for processing – all without deploying expensive technology and changing your customer's workflow!

Integra as a Business Partner

Integra is the clear market leader in pharmacy document management, with over 100 installations. DocuTrack was designed and developed by Integra specifically for the LTC pharmacy marketplace.

Integra provides fixed-priced, one-stop, turnkey installation services. Most installations are completed within 30 to 90 days. Integra also has an excellent reputation for providing world-class customer service – just ask one of our many customers.

Integra representatives are available to provide a no-obligation analysis of your pharmacy operations to determine the benefits of using DocuTrack.

For more information, please contact Brian Smith, Senior VP Sales and Marketing, at 1.954.566.9843 or brian.smith@integra.com. You can also learn more about DocuTrack on the web at www.getDocuTrack.com.



DocuTrack Interface Improvements

QS/1 is planning to release improvements to the DocuTrack interface in 18.1 Service Pack 15. New functions are being added with the updates in SP 15. Many PrimeCare pharmacies have installed DocuTrack and are using version 1 of the QS/1 interface. By building on the basic functions of the QS/1 Document

Imaging programs and by adding some new functions, we are able to tightly integrate the QS/1 system with DocuTrack.

Here are the additional functions that are being added for the updated interface:

1. Associate Entity (includes Facility, Patient, Prescriber, Rx, Ancillary, Delivery Manifest)
2. Get First Document
3. Get Next Document
4. Load Document

The Associate Entity function replaces QS/1 scanning in the DocuTrack environment and allows the operator to associate a faxed document with an item in the QS/1 system. For example, this is the function that is used to associate a fax of a new prescription order with the new prescription in QS/1. The Load Document function replaces the regular scanned image lookup and display in QS/1 Imaging and displays the stored document associated with the item in QS/1. The Get First and Get Next Document functions are new functions that allow users to access other documents in the DocuTrack system.

These new functions make the QS/1-DocuTrack interface more robust and much faster.



New Hardware Now Available

To purchase any of the equipment listed below, contact QS/1's Upgrade department at 1.800.845.7558 ext. 1412.

Dell GX620 Mini-Tower

Dell P4/3.4 GHz HT 160GBSATA II, 2 GB, DVDRW, Windows XP, 10/100/1000 Integrated Network Adapter, GX620 Mini-Tower, Keyboard, Mouse, Stealth Gray

Also available: P4/3.2 GHzHT 80GBSATA II



Dell GX620 Mini-Tower



Canon 2050 Color Scanner

Canon 2050 Color Scanner

A low-cost scanner made for limited workspaces. The DR-2050C offers high-performance duplex scanning.

Canon 2580 Compact Color Scanner

The DR-2580C color duplex scanner has the capability to scan plastic and laminated insurance cards.



Canon 2580 Color Scanner



Dell GX620 Desktop

Dell GX620 Desktop

P4/3.0 GHz, 80GB, 1GB, DVD, WXP, NIC, Keyboard, Mouse, 15" Flat Panel Monitor

All-In-One: Dell's OptiPlex GX620 USFF

P4/2.8 GHz HT with 2MB cache, 80 GB SATA II, 1GB (2 dimms), WXP Pro, CDRW/DVD, 17" Ultra Sharp Flat Panel

This is the smallest desktop currently offered by Dell. The OptiPlex GX620's ultra small form factor is ideal for pharmacies that require powerful computers, but have space limitations.

- This unit possesses a valuable space saving feature: the processor mounts on a bracket behind the monitor.



All-In-One: Dell's OptiPlex GX620 USFF



LaCie External Diskette Drive

This external floppy drive is available for customers who purchase the All-In-One Workstations.

LaCie External Diskette Drive

Dell Precision Workstation 380

Dell P4/3.2 GHz HT (2) 73 GB SCSI, 2GB, DVDRW, Windows XP, 10/100/1000 Integrated Network Adapter, Precision Workstation 380, Mini-Tower, Keyboard, Mouse



Dell Precision Workstation 380



Dell Cash Drawer System

Dell Cash Drawer System

The Dell Cash Drawer System is a low-entry system for pharmacists who want a low-cost Point-of-Sale application. The Dell Cash Drawer System runs off the GX620 USFF and uses the same printer the Cash Drawer QS/1 previously offered.

Clinical Tools:



QS/1's Software Improves Patient Care

by John Frady, Market Analyst, QS/1

Just a few years ago pharmaceutical care was provided in a form unfamiliar to the way it is practiced today. There were no third-parties, no OBRA, no HIPAA, no on-line adjudication, no biotech drugs, no workflow. Pharmacists did an excellent job of caring for their patients and often times were the only medical care a patient received.


With the advent of these entities, pharmaceutical care entered a new and more complex era. An era where a pharmacist's duties involved not only dispensing medications, but dispensing information. Patient profiles became the norm, and clinical information became the rule-not the exception. With these new requirements, computers and computer software became important tools for providing better patient care.

What kind of impact has the clinical tools that QS/1 has added to its pharmacy management system had on pharmaceutical care and improving the outcomes of drug therapy?

Drug Monographs

One of the first tools we added was the ability to print patient information leaflets. Available today in English, Spanish and French, these documents provide an invaluable tool in counseling our patients in the correct use of their medications.

that detects interactions between certain drugs and foods that are inappropriate combinations. A classic example is the drugs that have a drug-food interaction with grapefruit juice. QS/1's pharmacy software also provides a way to print these monographs and provide them for your patients.



Drug-Drug Interaction Checking

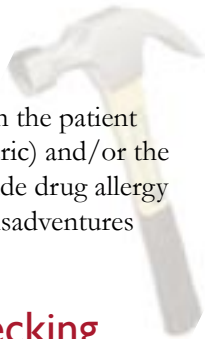
It would be impossible for a pharmacist to remember all the drug-drug interactions that occur today. QS/1's drug-drug interaction checking provides for four levels of clinical significance checking from absolute contraindication to alternative therapy interaction checking. We also give you the ability to print out these interaction monographs. One of the most important sections of this monograph is the 'Patient Management' section which gives information on how to manage a drug-drug interaction.

Duplicate Therapy Checking

By checking a profile when a new prescription is filled, we can screen for duplicate therapy. This checking can detect duplication of the same drug (Motrin/Ibuprofen) as well as drugs in the same therapeutic class (Motrin/Naprosyn).

Drug-Allergy Checking

By having the allergies of a patient stored on the patient record in the form of a drug (brand or generic) and/or the actual allergen category, we are able to provide drug allergy checking to prevent possible drug allergy misadventures that could lead to serious consequences.



Patient Counseling Messages

Provided in English and Spanish, the patient counseling messages provide tools for oral counseling, as well as the ability to print the counseling information on the label. The Counseling Message Module is intended to be used as an aid in providing counseling to patients about the proper use, side effects and other important information about the medicine they receive. It also serves as an educational tool for the patient.

Drug-Food Interaction Checking

One of the latest modules QS/1 has added to improve pharmaceutical care is the drug-food interaction module

Messages are provided for both the pharmacist and the patient. Those for the pharmacist are more technical and sometimes more explanatory. In addition, things such as Architext warning labels give you the ability to attach warning labels to vials for reference after the patient has left your store.

Geriatric Precautions

The Geriatric Precautions Module encompasses three basic features:

- *It provides contraindication and precaution information for drug use in the geriatric population.
- *It gives you the means to cite which organ system suffers increased risk, (or increased adverse effects if impaired) if a specific drug therapy is pursued.
- *There are two severity levels associated with the Geriatric Precautions Module.

- 1 **Contraindication**
- 2 **Precaution**



Pediatric Precautions

The Pediatric Precautions Module gives you access to valuable information for minimizing adverse effects in pediatric patients who can be very sensitive to drug therapy, especially within specific age ranges.

The function of the Pediatric Precautions Module is to guide you in making appropriate decisions about drug therapy with pediatric patients. Evaluations regarding the severity of the possible adverse effects are called Severity Levels. There are three possible values in the Severity Level field:

- 1 **Absolute contraindication**
- 2 **Relative contraindication**
- 3 **No studies have been done, but warnings exist**

Minimum/Maximum Adult Daily Dose Checking

The Minimum/Maximum Adult Daily Dose Module provides “quick check” information regarding the minimum and maximum recommended daily doses for approved indications of the most frequently used drugs.

The Minimum/Maximum Adult Daily Dose Module provides information on the most frequently prescribed drugs that have clinically significant dosing schedules. The selection criteria excludesotics, topicals, chemotherapeutics and IPPBs(Intermittent Positive Pressure Breathing) where the dosing is variable.

Significance

All data in the module is clinically significant. The selection criteria eliminates those drugs with dose levels that are not easily defined.

Specificity

The recommended doses provide a range of safe doses based on the following parameters:

- ***Adult data:** Dosing recommendations are based on a healthy, 70kg adult, from 18 to 60 years of age.
- ***Drug metabolism:** Normal renal and hepatic functions are assumed.

Drug-Disease Contraindications

Drugs that are contraindicated in certain disease states can be easily identified using the tools available in QS/1’s software. By maintaining the disease states of the patient on the profile and linking them with the drugs that are contraindicated in certain diseases, situations where certain drugs are contraindicated can be avoided.

Drug Images and Imprints

This database, when used as a final checking device through NDC verification or Quality Assurance in QS/1’s workflow, can reduce the risk of errors and assure proper drug dispensing and administration. This database contains a file of drug images that can be displayed on the screen and also a file of drug imprints that can be displayed on the screen when an image is not available or printed on the label. When these are combined they provide an excellent final checking step in caring for your patients.

Are you using the clinical tools available in QS/1’s software to improve care for your patients?



3CS The Three Cs of Medicare Enrollment:

Cost, Coverage and Convenience

by L. Preston Hale, Regional Manager, QS/1

Choosing a plan does not have to be confusing. At least that is what CMS says and you may or may not agree. Over the past couple of months you have been heavily involved with this process and by now have your own opinion. From all of the pre-marketing materials, pharmacists were very nervous in how they should respond to Medicare beneficiaries when asked which plan should they sign up for. This was mainly because CMS was charged with preventing a pharmacy from signing up with a plan that was the most profitable and then having all of their beneficiaries sign up for that plan. However, after reviewing all of the information from CMS, it is apparent that they believe pharmacy is a trusted source for information.

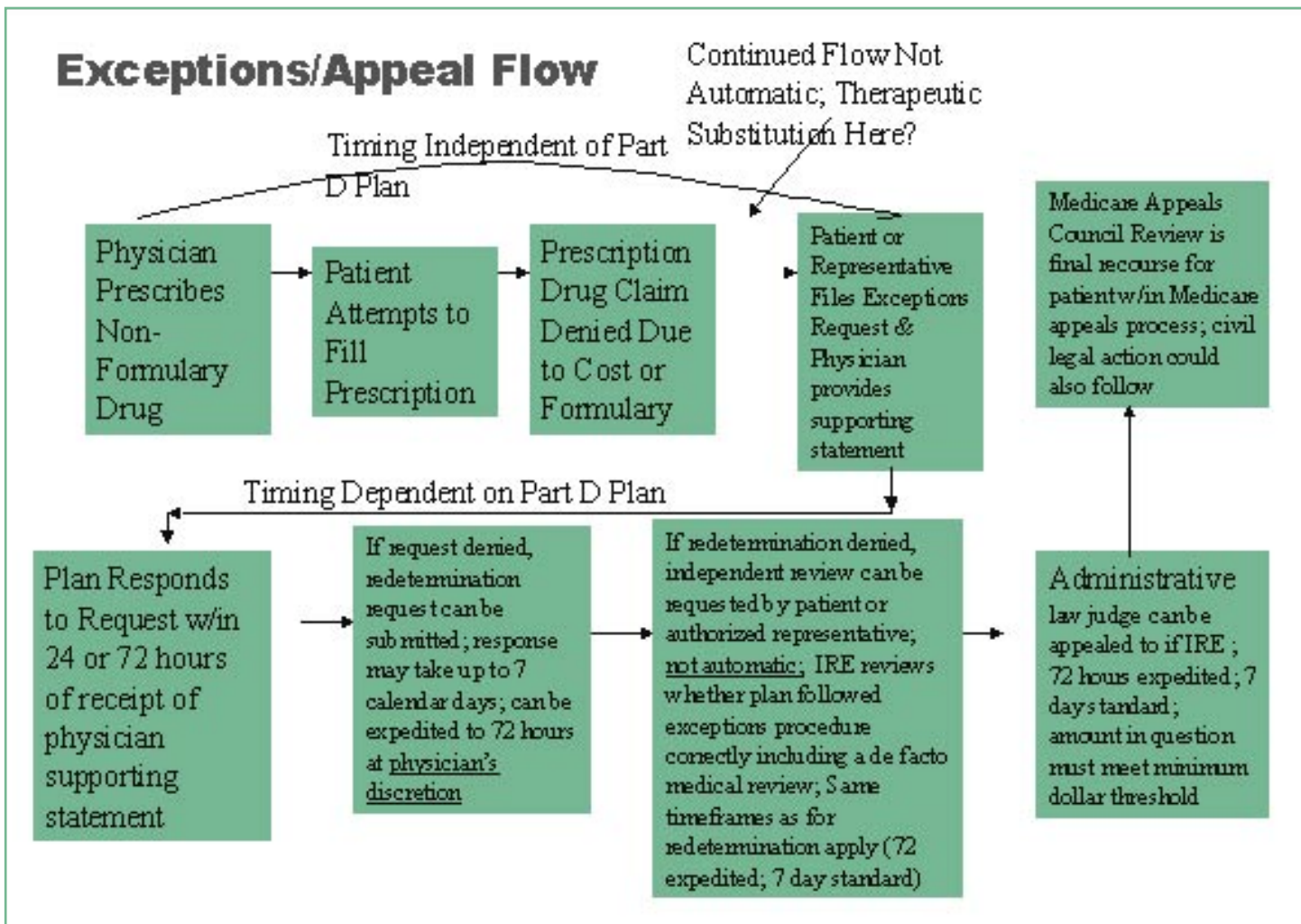
CMS is wanting you to help the patient. That help is provided when a pharmacy responds to the beneficiary's request with Cost, Coverage and Convenience in mind, provides the beneficiary with options to choose from and documents his encounter. Let's review three key factors you should use in helping the patient.

Cost: When thinking about cost, we need to think beyond TROOP and remember that premiums are a major factor, especially for the beneficiary that is not dual-eligible. We also need to know and be able to explain to certain beneficiaries why a plan with a higher premium may be better for them. As you know, these are insurance plans and they must be profitable to stay in business. There is no such thing as a plan that offers generous benefits without having to pay somewhere.

By taking the time with the patient to place their medication profile on the Medicare plan formulary finder and discussing the options available, you will create a trusted relationship. You may also take this time to see if the beneficiary has applied for extra help in paying premiums and co-pays. We all know that this generation spawned proud Americans and most would never ask for help, even though they may need it. There is nothing wrong with bringing up this topic if you feel the patient may be entitled to additional help.

Coverage: This goes hand-in-hand with cost as discussed above. There is no reason for a beneficiary to select a low-premium plan if coverage for their drug regimen would be sub-level. Only you can point this out effectively. It may even be a good time to ask them if they are taking any other medication that you are not aware of, just to make sure all drugs will be covered. You may find out they are taking other medications, but getting them elsewhere. If handled properly, this may elevate you as someone who truly is concerned about the patient and possibly increase your business.

CMS has the perfect tool for the evaluation of drug coverage, which can be found on Medicare's website at www.medicare.gov, with the title "Formulary Finder." In reviewing the plan, you may want to also select on specific drug doses, just in case a higher dosage range is not covered. You should also be aware that for drugs not on formulary or that may be removed in the future, there are exception requests and appeals that may be made on behalf of the beneficiary by an appointed representative. The exception process goes beyond this article, however a chart on Exceptions/ Appeals prepared by John O'Brien, Pharm D, Senior Director of Sate Policy, PhRMA has been included in this article for your review.



Convenience:

People typically do not like change. Many Medicare beneficiaries are very comfortable with their local pharmacy and want to enroll in a plan that is accepted at that pharmacy. Others may choose mail-order or some may think mail-order is the only way they can get their medication. By talking with the customer and letting them know their options, you may find that they would rather choose your pharmacy because it works best for them and gives them the delivery and service expectation for which they are looking.

By using the three Cs in helping a Medicare beneficiary decide which plan best suits their needs and documenting your encounters, you will be a trusted source in helping the Medicare beneficiary.

During your encounters, you should also remind the beneficiary that Medicare Part D is an insurance and is not just there for today, but for the future as they may face growing needs for prescription drugs to stay healthy and protect them from catastrophic cost. Joining a plan today will avoid higher premiums in the future, as a one percent

penalty per month will be assessed for every month not covered while eligible. Peace of mind for the Medicare beneficiary is something to keep in mind.

Quoting from Larry Kocot, with CMS, “Medicare beneficiaries know they can trust their pharmacist to give them objective guidance about selecting a plan. And through our joint efforts, we know pharmacists are prepared to help beneficiaries consider their options to select a plan that meets their needs.”

L. Preston Hale, R.Ph., is the Mid-Atlantic Regional Manager for QS/1 Data Systems. He is currently serving on and is also the past president of the National Advisory Board for the VCU/MCV School of Pharmacy, Board of Trustees of the MCV Foundation and Board of Directors for the Virginia Pharmacist Association. He is also a trainer for the Medicare Prescription Drug Program.



Is HME Profitable?

by Duane Ridenour, Marketing Analyst, QS/I

The HME industry is on the verge of enormous growth.

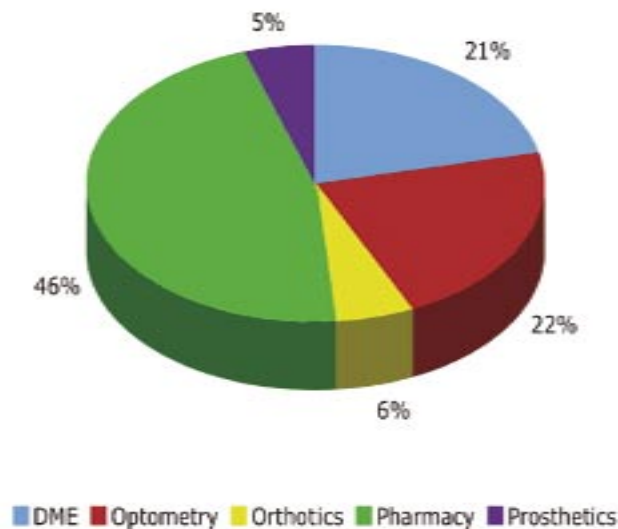
In fact the need for quality medical equipment and service providers will increase over the next decade and beyond. The growth of this industry has not been diminished by National Competitive Bidding (NCB). The NCB is a component of the Medicare Modernization Act that was signed into law by the President in December 2003. Currently, NCB mandates that only suppliers who are winning bidders will be allowed to supply Medicare beneficiaries with HME products and services. Is HME profitable? Current market analysis say the answer to this question is a resounding, YES!

One factor driving this increased need is the fact that the Baby Boomer generation is on the threshold of retiring. Critics and politicians together have been blaming this age group for the future collapse of both Social Security and Medicare. The purpose of this article is not to debate the accuracy of their claims. Rather, it is to demonstrate that the HME market is growing and will continue to do so. Furthermore, by expanding your HME business, a logical extension of your existing products and services, you can improve customer satisfaction and profitability.

How big is the HME market?

A recent symposium organized by HME News answered this question. Using information gathered from CMS and AAHomecare, among others, the

DMEPOS Suppliers in the United States



DME	22,907
Optometry	23,298
Orthotics	6,050
Pharmacy	49,728
Prosthetics	5,360

Source: NSC, Dec. 2004

market size has been estimated to be \$25 billion and includes all payer types. The HME market is large enough to support tens of thousands of providers as it is currently. Indeed, hundreds of new suppliers start up each year.

Roughly 38% of an HME provider's income is from Medicare, while an additional 13% is from Medicaid. The balance is made up of payments from managed care, private insurance, retail and commercial. Conversely, the pharmacy market is significantly different. Fifty-six percent of prescriptions filled were paid for by private third-party payers and 24% were paid for by Medicaid according to the 2004 NCPA Pfizer Digest.

The Digest further stated that 74% of independent pharmacies provide HME products and services. It is very likely, therefore, that you are already familiar with HME. Research also shows that many independents concentrate their HME efforts primarily on respiratory medications and/or diabetic supplies.

Growth in the market is expected for years to come. Indeed, Bruce Vladeck, Ph.D., former administrator of HCFA said, "Your market is going to double by 2020." The growing HME market fuels innovation, which in turn improves an individual's mobility, comfort and quality of life.

Without home care products and services, the only other option is institutional care which no one wants. The desire by the public to remain at home as long as possible is another force creating a greater demand for HME. According to AAHomecare, "Homecare allows the appropriate shifting of costs from high-cost acute care environments to lower-

cost homecare."

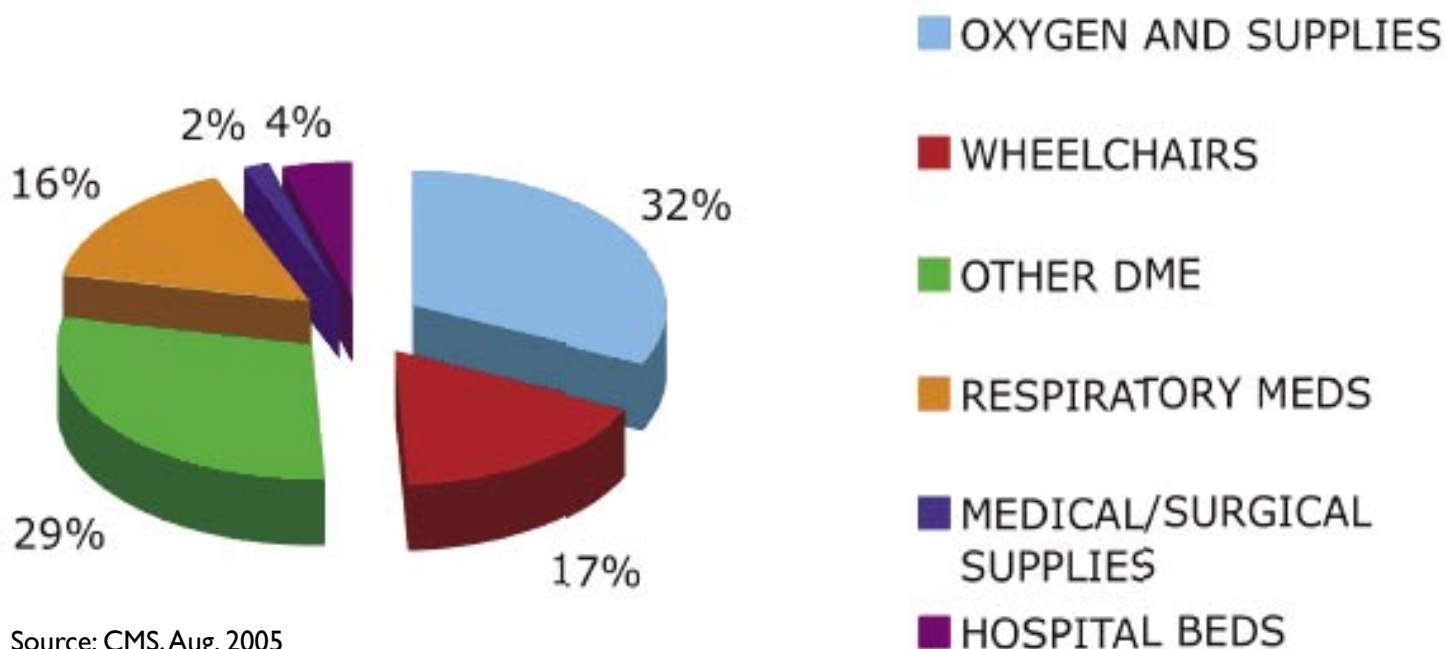
One example they provide pertains to long-term oxygen therapy, "One full year of home oxygen costs Medicare about the same as one day in the hospital." Coupled with the significant savings associated with home care services, this market will continue to experience enormous growth.

It is true that the

respiratory med category has seen rapid growth in 2004. In the Medicare market alone Budesonide grew at a rate of 55%. This category, however, represents only 16% of Medicare's 2004 Expenditures. The second largest category is Other DME at 29%. This category encompasses canes, walkers, seat lifts, TENS, CPAP and many other items.

Are you missing opportunities to expand your business and better meet the needs of your existing customer base?

2004 Medicare Expenditures



Source: CMS, Aug. 2005

In our April 2005 issue of *Insight*, retail guru, Jack Evans, stated, “drug stores experience double-digit growth when they offer their own customers HME products and supplies.” Just as we prefer to conduct most of our shopping at one place, the healthcare customer has the same desire. Indeed, some may require it. Take Peggy, for example, who experienced a stroke with paralysis on one side. It is very difficult for her to get out and initially it was impossible. Obtaining her meds at one location and her equipment at another would have been overwhelming. Diabetic customers can be helped in a similar manner. They purchase their insulin, strips and lancets from you. However, when they need inserts or shoes they will have to find another provider to help them. One-stop shopping is appealing to all customers. Keep in mind, Wal-Mart’s success is due partly to the fact that they offer nearly everything, except short check-out lines.

A Harris Poll survey found pharmacists are the most trusted healthcare professional. A separate study published in the *Journal of the American Pharmacists Association*, showed “90% of patients feel their pharmacist is an essential part of their health care team. On a scale of 1 to 5 (5 being the best) pharmacists received a 4.53, describing their importance to the patient’s health.” You have already earned their trust and are aware of disease progression. Using this information to help the diabetic patient better manage their disease benefits both you and the customer.

The average pharmacy, according to the Digest, has very little Medicare business. With the advent of Part D, a larger amount of revenue will be from Medicare beneficiaries. The expanded role of Medicare provides you with an opportunity to broaden your product and services. Another benefit of providing a range of HME products is customer loyalty. We have already mentioned the trust a pharmacist has, but providing a full range of appropriate equipment further enhances their loyalty. Pharmaceuticals and medical equipment are the few choices patients have.

Indeed, Medicare requirements state that the choice of HME provider is the beneficiaries.

Where Do You Start?

Before you can begin the research of determining which products to add, you must understand why you are in this business and what it is that you excel in doing. Once you have identified your core competency, you can then pursue those areas where your skill can be leveraged for increased business.

The cost of acquiring a new customer is much more expensive than keeping one. Some say the cost is six to eight times higher. Since, one of your greatest assets is your existing customer base, take a look there. Asking a few questions can produce volumes of information. In this case, quantity is not the objective; it is quality.

What are the top ten diagnoses for the products you provide? Are there complimentary products that would benefit your customers? Do you have the expertise to deal with a new product line, or will it require hiring a well-qualified individual? Many manufacturers and distributors offer product training for your staff, all you have to do is ask. The key is to add complimentary products to your existing business.

A pharmacy with a high number of patients on nebulizer medications may decide to also provide nebulizers. Your staff can walk the patient through the process of how to properly use the machine and perhaps even help them with their first breathing treatment. The opportunity to improve customer care and service is at your doorstep.

Leverage Change

There are winds of change blowing in the HME industry. What is often overlooked is the fact that these same winds have always been blowing. Prior to the oxygen cuts in the late 1990s, some were saying they would be out of business within a year. Those same folks are still in business today. Changes mandated by Congress forced providers to find and eliminate inefficiencies. Today, it is no different.

AAHomecare is working diligently to delay National Competitive Bidding (NCB), as well as modify it. The current law, if implemented in 2007 and beyond, is impractical and will significantly degrade service and care to the Medicare beneficiary. The industry and beneficiary community continue to make great progress in modifying this law. Nevertheless, there will always be a need for medical equipment and those who supply it.

The possibility of changes to the Medicare program should be viewed as a reminder to re-evaluate your business processes. Wallace Weeks of The Weeks Group has been promoting this method of costing to help providers prepare for NCB. Identify and implement changes to drive greater profitability. For example, do you know what it costs to fill a prescription? You must first understand each step in the entire process and the costs of performing that activity. Whether NCB is completely eliminated or scaled down, the effort to determine your activity costs will be beneficial.

Recently, CMS announced they plan to reduce the dispensing fee for medications. Some of the largest providers in the industry immediately responded with an announcement that they will not continue to supply

Medicare beneficiaries with these medications, if the cuts are implemented. Since the need will remain, someone will need to step up and supply these products. Are you able to provide these medications profitably? Knowing the activity cost of supplying these products will support your decision.

One cost area often overlooked is that of collecting revenue. Many pharmacies use one system for their pharmacy and another for their HME. This method adds significant cost as the two systems do not share information: duplicate entry. When sending statements to customers, there are two statement runs and double postage. Estimates of preparing and mailing statements can approach \$4.00 each. Remember, you are also keeping two separate accounts receivables. As a result, your profitability is significantly less than what it can be.

You already have a place in the HME market. The question is, are you going to strengthen your position or surrender it to a competitor? The need for HME products and services will continue to grow as the Baby Boomers age. This industry will remain a player in the healthcare continuum as it continues to meet the needs of an aging population. With the choice of institutionalized care versus homecare, patients prefer their own homes. Just as outpatient clinics now perform tasks that once required hospitalization, homecare allows patients greater freedom and the comfort of remaining at home. HME products and services can enhance your customer service and improve your bottom line.

HME Website Resources

HME News - www.hmenews.com

AAHomecare - www.aahomecare.org

The VGM Group - www.vgm.com

NCPA - www.ncpanet.org

CMS - www.cms.hhs.gov

Region A DMERC - www.umd.nycpic.com

Region B DMERC - www.adminastar.com

Region C DMERC - www.palmettogba.com

Region D DMERC - www.cignagovernmentservices.com

Understanding QS/I Report Logic for

by Petra Brooks, Support Center Trainer, QS/1 and Kerry Philbeck, Creative Services Technician, QS/1

Many of the calls made to the QS/1 Support Center are for assistance in creating reports. In hopes of clearing up some of the confusion, this article will explain the difference between a General Report and a Customized Report, as well as offer some tips for establishing the Select, Sort and Print Options when customizing reports.

To better understand the concept behind creating a Customized Report, let's consider the difference between General Reports and Customized Reports.

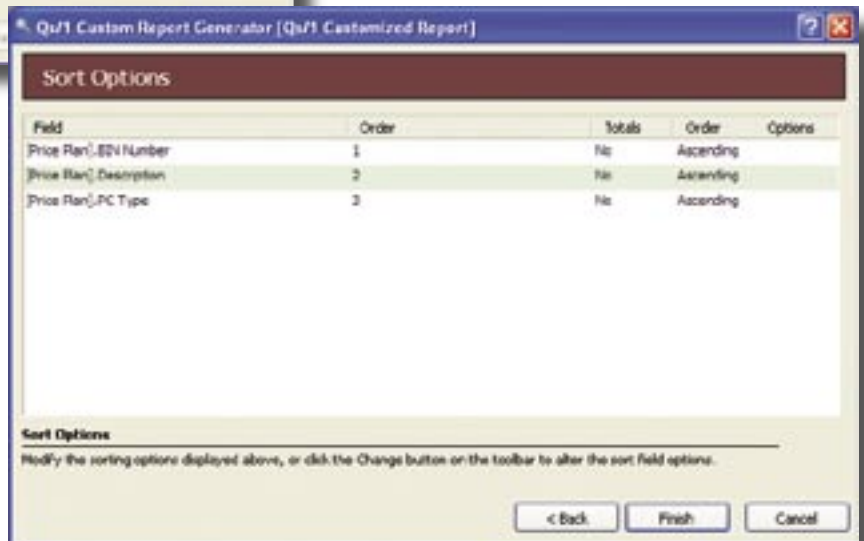
A General Report is an existing report. Once the information is gathered, the system automatically prints the report in a predetermined format. In certain cases, you may want to use an existing report as the basis for your Customized Report.

On the other hand, a Customized Report is similar to a blank page; you create it from scratch. There is no established precedent and no headings have been preset. Planning your report will take you a long way in actually designing the report. Carefully selecting which components to include and the order in which the information will print ensures that you are creating the right report for your specific needs. By following a few simple guidelines, you can be successful in creating any custom report!

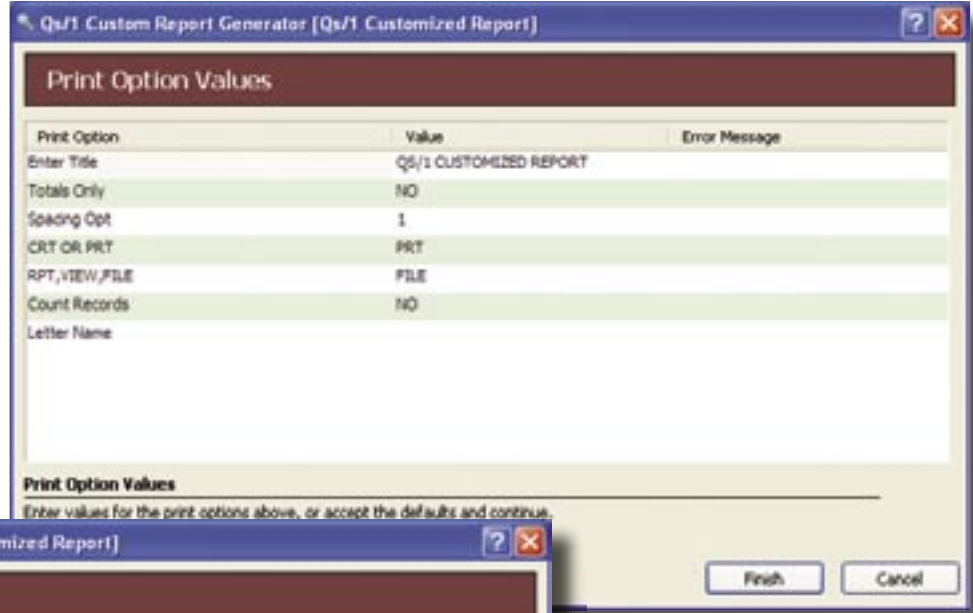


The Select Options allow you to narrow the search criteria to include only the information that you need. From the system files, choose the fields of information you want the system to search through in order to generate the report.

Second, within the Sort Options, indicate the order in which you wish the records in your report to print. Remember, your Sort Options do not alter what information is included in the report, nor does it alter what is printed. The Sort Options will only affect the order in which the information is printed on the report.



RxCare Plus, NRx and PrimeCare



The third and final step is printing your report. Print Options define what portions of the information, (which have already been selected and sorted) will be included in the report.

Final Output of Custom Report

The report in this example is a Price Plan List. We chose to print a list of all the Price Plans in the NRx system.

PC-Description	PC-BIN Number	PC-Processor Cntrl#	PC-3rd Party
QS/1 MAIL PLAN	Q00001		1-800-325-1810
SERV-U RX SERV	001553	SERVU	1-800-282-3232
US HEALTHCARE	001884		1-888-792-8742
ALTA RX	002286	6000	1-800-992-7763
FIRST HEALTH	002286	6000	1-800-337-7460
GEORGIA BCBS	002875		1-800-800-1179
BENESCRIP	003452	03452	1-800-345-3189
THIRD PARTY SOL	003573	SCM	1-800-541-5234
JEFFERSON-PILOT	003585	UVS	1-800-788-2949
MEDCARE PHARMACY	003585	50175	1-866-957-6437
MEDI SAMPLE	003585	49750	1-866-633-7267
MEDIIMPACT	003585	50175	1-866-957-6437
LIFE OF GEORGIA-	003592		1-800-447-9638

Understanding CRx Report Logic

by Paulette Slaughter, Applications Development Manager, QS/1

QS/1 CRx end-of-day reports consist of four standardized reports that are easily run at the end of a pharmacist's busy day. With a few keystrokes, the pharmacist generates these reports and can be on his/her way. To help you understand the different reports, a summary of the each is listed below

Control Drug Ledger shows specific dispensing detail and satisfies state requirements for computerized documentation. Separate detailed reports show Schedule II, and Schedule III, IV, & V prescription information and an abbreviated report shows Schedule VI prescription information. The report allows for a customized signature text and line used for pharmacist sign off. Under the End of Day configuration (MM.7.4.7) the pharmacist has the option to include or exclude scheduled VI drugs.

Daily Prescription Sales Summary by Plan includes the breakdown of prescription totals (sales and profit margins) by third-party payment types. At a glance, the pharmacist can see the total number of prescriptions dispensed for cash and insurance plans; what the total in sales are; and what the profit margins are for cash and individual insurance plans. The End-of-Day configuration (MM.7.4.7) allows pharmacists the option to print this report or to generate and keep on file without printing.

Daily Prescription Sales Journal is a line-by-line daily transaction report. Its detail includes amounts received for an individual prescription broken down to: Patient (cash and co-insurance amount), Plan (amount owed by the insurance plan) and Total (Patient and Plan). It also shows the Margin (Total amount less AAC) and the U&C. Again, these amounts are prescription specific. The pharmacist might use this report to review individual profit margin per prescription. This report can also be flagged to generate and keep on file as opposed to being printed each day.

Daily Prescription Sales Analysis is a daily summary of totals by "cash" and "insurance plan." This report gives the total number of prescriptions, sales, acquisition, margin and percent for refills vs. new prescriptions. These totals are broken down by cash and insurance. This report is also known as Volume Totals. Pharmacists have the ability to view or print this report at any point during the day (MM.3.7) without generating an entire end-of-day report. On the first business day of each month this report can be flagged to generate a Period Sales Analysis, a period summary of daily volume data, including period totals and averages. It provides cumulative financial data for evaluation of profits and workload review.

Prescription Audit Trails also provides standard detailed reports with a variety of sorts and filters. In addition to the standard reports, you can customize a report using Report Writer. For more information on Report Writer you can contact Customer Support at 1.800.441.1995.

CUSTOMER SPOTLIGHT

by Melanie Hershberger, Staff Writer, QS/1

Thirty years ago a tiny six-year-old girl clutched her mother tightly as she and her family were crammed onto the last flight out of Saigon, just before Vietnam fell to communism. Unable to comprehend the events of that historic day, the little girl quietly watched as a select few were chosen from the crowd and allowed onto the plane.

Zoom Heaton can still see the faces of those not chosen. She can still hear the cries and pleas of desperate people beating on the door of the plane that day. And she often wonders why she made it out of Saigon, when so many others were left behind.

Time has done little to erase the memories of that day, but it has transformed that scared little girl into a strong, beautiful businesswoman with a commanding presence that forces everyone to take notice. Spend just five minutes with the woman and you will understand why. While she is strikingly beautiful and dangerously intelligent, charisma is probably Heaton's greatest attribute. In fact, her gifted way with people may explain why she has succeeded in every undertaking attempted thus far.



While working as a pharmacist for a major chain pharmacy, Heaton became a nationally certified Diabetes Educator. She and her husband, Richard, then started Diabetes Care Management, Inc. That endeavor was so successful, even local hospitals feared Heaton's competition. But, it was not long before she was called back behind the pharmacy counter.

TLC MEDICAL CENTRE, INC. AIKEN, SC

For the past two and a half years, Zoom Heaton has been the owner and Chief Pharmacist of TLC Medical Centre Inc. Richard Heaton serves as the centre's marketing representative. Although located within a pediatric facility, Richard marketed the centre as a community pharmacy right from the start. The marketing tactics obviously worked, as sixty percent of their business is non-pediatric. The pharmacy now fills an average of 120 prescriptions daily. Last year alone TLC Medical Centre saw a 32 percent growth on the pharmacy side, which far exceeded the anticipated annual growth of 20 percent.

What is the secret to TLC Medical Centre's success? Heaton has always made it a goal to consistently nurture the relationships she has formed with her customers by knowing their names, as well as the drugs they take. The centre also offers personal services, such as free delivery and curb-side service for moms.

The couple attributes much of their success to QS/1's software and products. After aggressively considering five other pharmacy software vendors, "hands down, QS/1 came out ahead. The comprehensive software, signature capture device, scanner and the ability to order directly from the Smith Drug Company have all proven to be definite advantages," said Richard Heaton.

According to the Heatons, e-prescribing will also prove to be an advantage. They have been lobbying for state representatives to pass legislation that will allow for e-prescribing in South Carolina. "We have physicians saying they want this and we don't know why it hasn't happened yet. E-prescribing will be the easiest and fastest way to fill prescriptions. Communication between pharmacists and physicians will improve and it will drastically reduce errors," said the Heaton's. ■

Electronic Prescribing

Q & A



Electronic Prescribing will soon be a requirement, instead of an option. As most pharmacists are aware, Medicare Part D involves much more than a new prescription drug plan. Some of the changes included within this revision will not be enforced for several years. However, it is vital that pharmacists prepare now for the e-prescribing mandates that will go into effect January of 2009. These mandates will mirror HIPAA, pushing electronic prescription writing and giving physicians and pharmacists alike another reason to embrace electronic medical records. Pharmacists providing services to Medicare beneficiaries must have e-prescribing capabilities by this time.

QS/1 strives to provide the capabilities that will keep our customers up to speed with technology. For some time now, QS/1 has had the framework established for customers to easily connect to one of the four national leading e-prescribing networks: ProxyMed, RxNt, SureScripts and WebMD. By simply calling 1.800.441.1995, one of our customer support representatives can help get you connected to an e-prescribing network. To maximize communication availability with physicians in your area, QS/1 recommends that you sign up with all of the e-prescribing networks.

by Melanie Hershberger, Staff Writer, QS/1



What will this cost me?

There are no initial set up fees, nor are there any additional maintenance fees for getting connected. Your pharmacy will pay a nominal set cost per transaction to QS/1 for each prescription renewal request you send or new prescription you receive over the network. Unlike online claims processing fees, you will not pay transaction fees for every prescription you dispense, only for prescriptions received or requests sent over the network.

The e-prescribing network that you are connected to receives a portion of these fees from QS/1 to cover its costs; you are not billed separately by the e-prescribing network. QS/1 will simply add a line item on to your PowerLine invoice.

How many physicians/doctors are connected to an e-prescribing network?

QS/1 has partnered with four of the largest electronic prescribing networks in the nation. Combined, these networks have signed contracts with physician software companies who supply electronic prescribing applications to hundreds of thousands of prescribers.

How can I let doctors in my area know that I'm connected to an e-prescribing network?

Once connected to an e-prescribing network, you will have the capability to announce your connection to a particular e-prescribing network to local physician clients through a mass-mailing.

What specific tasks can I expect to automate?

Depending on the network you are connected to, you may be able to:

- send a request for additional renewals
- receive and acknowledge a new prescription from a physician
- receive the approval or denial response from the physician

Can I receive prescriptions for controlled substances using e-prescribing?

No, this is not currently allowed by the DEA.

Does this work with my skilled nursing facility patients?

Not at this time. Remember e-prescribing is a two-way prescriber to pharmacy link. In the SNF environment, there is a three-way relationship that includes the pharmacy, the prescriber, and the facility. There is a lot of work being done on this topic.

What advantages does a connection to an e-prescribing network offer my pharmacy?

A connection to an e-prescribing network allows for a simple and secure exchange of prescription information from your pharmacy's computer to computers at physician practices in your area and vice versa.

Benefits include:

- **Improved Efficiency**
The number of hours spent on calls and faxes regarding renewal authorizations and prescription clarifications is reduced.
- **Regained Control of Your Business & Profession**
Fewer calls and faxes mean more time for patient counseling and other revenue-producing activities.
- **Increased safety**
There is a great potential to reduce prescription errors due to hard-to-read prescriptions and medications with similar-sounding names.





by Martin Winters, Industry Network Specialist, QS/1

Claim Reconciliation

If you are still spending valuable time pouring over remittance reports looking for underpaid and non-paid claims, or just banking the check and hoping you were paid correctly, FamilyCare's Reconciliation service is available to assist you. For a minimal fee, this service can provide you with detailed remittance reports including under-paid and non-paid claims. No more searching line-by-line looking for those claims.

When received from the third-party, the remittance reports (paid, under-paid and not-paid) are posted on FamilyCare's secure website for you to review. If you are using QS/1's RxCare Plus or PrimeCare, you then have the option to download the report to the appropriate transaction records. This not only gives you better reporting capabilities, but you will have the information (patient, date-of-fill, drug name and pricing) you need as you follow-up with non-paid claims.

FamilyCare is able to provide electronic claim recalculation for CareMark, CareMarkPCS, Express Scripts, TriCare, First Health and Wellpoint.

With Medicare Part D increasing the number of your third-party claims, now is the time to consider FamilyCare's Reconciliation service. Contact us at FamilyCare@QS1.com to enroll or request additional information.



Keep Customers Up-to-Date with Your Web Page

by Tranaka Oglesby, Customer Support Associate, QS/1

Pharmacy Connection is the control panel for your pharmacy website on CornerDrugstore.com. It serves as the managerial portal which allows you to view your website statistics, review your refill activity and modify pharmacy-specific information concerning your web page. The web development team is focused on continually improving Pharmacy Connection. However, it is important to also provide you with tools that allow you to communicate and build relationships with your customers. New features have been added to Pharmacy Connection to assist you in strengthening this bond. These features include the pharmacy news module and the customer e-mail tool.

The Pharmacy News module provides you with the opportunity to post pharmacy-specific news on the home page of your website. Pharmacists who take advantage of the Pharmacy News module will find this feature is great for posting Medicare Part D information, flu and allergy shot announcements, pharmacy discounts and other information concerning your pharmacy. Any significant information loaded through the Pharmacy News section can be saved and scheduled to display annual seasonal announcements.

The e-mail tool provides the opportunity to send pharmacy-specific e-mails to your customers. It allows you to target your customers based on the following categories: All Users, Active Users, Inactive Users, Rx Refill Users, Refill Reminder Recipients, Health Info Recipients and Product Info Recipients. The e-mail section allows pharmacists to save and schedule e-mails for postponed delivery. This module also provides an avenue for pharmacists to keep customers informed and continually maintain a healthy business relationship.

If you require assistance with the pharmacy news section or e-mail tool, you may access the Welcome Tour and view the video for help. For additional assistance or information concerning CornerDrugstore.com, contact CornerDrugstore Support at 1.800.559.5489.

Pre- and Post-Edits Prescription Processing Service

Questions and Answers by Kerry Philbeck, Creative Services Technician, QS/1

Since the introduction of QS/1's Pre- and Post-Edits prescription processing service, customers have seen a reduction in errors associated with the submission of third-party claims and have enjoyed increased profitability.

As Randy Burnett, QS/1 Market Analyst Manager explained, "With the shortage of pharmacists and increasing demand of prescription volume, claim integrity can be jeopardized. This Pre- and Post-Editing service adds a layer of security to ensure prescription accuracy." By evaluating every claim submitted, pharmacies are able to maximize reimbursements and reduce possible rejects by insurance providers. Our Pre- and Post-Edits service has experienced much success in the first few months of operation. Because this is a relatively new service, we want to clear up any confusion with the terminology associated with Pre- and Post-Edits and explain how the service can work for you.

How does the Pre- and Post-Edits service work?

QS/1's Pre- and Post-Edits service checks every claim sent through PowerLine for pricing and certain third-party specific edits. If the edits are not passed, the claim is returned to the pharmacy for adjustments. After corrections are made, the pharmacy will again transmit the claim for adjudication. Claims that do not pass pre-edits will not incur any switching fees.

How does QS/1 keep pharmacies up-to-date with the industry's most recent pricing?

If the price submitted by the pharmacy is less than the AWP (Average Wholesale Price) on file from First DataBank, we will update the price. When an update occurs, a message is sent back to the store notifying them of the change.

Can Price Updates and Pre- and Post-Edits service be combined?

Yes. Both services have been combined in order to reduce processing fees and save time. By combining the two, the pricing is adjusted on the "fly" and the odds that an edit requiring a manual correction will be returned to your pharmacy are significantly reduced.

How are customers informed of drug removals?

Your QS/1 system will automatically be updated when pharmaceutical manufacturers remove drugs from the market. In this event, your pharmacy will receive notification and a replacement drug will be named.

Can generic drugs be dispensed in place of brand names?

Yes. In the event that a prescription calls for a brand name pharmaceutical and a generic drug is available, QS/1's pharmacy management system alerts the pharmacy of a generic substitute, which provides a lower cost to your patient and a larger profit for your pharmacy. Along the same lines, you also have the ability to check the Dispense As Written information. This edit checks the appropriateness of the drug and the availability of a generic, in cases where an insurance provider will cover only the generic drug cost.

How can I learn more about QS/1's Pre- and Post-Edits Service?

Simply contact a marketing representative at 1.800.845.7558 or visit our website at www.qs1.com.

Customer Conference

July 19-22, 2006



St. Louis, Missouri

Reserve Your Room Now!

Adam's Mark Hotel

Group Reservations: 800.444.2326

Ask for the QS/1 Rate - \$130/night



Product Updates

RxCare Plus: Color and Shape of Drug

First DataBank has discontinued updating the color and shape fields on the drug record. If you are using the following routines, 369: color of the drug and 370: shape of the drug, you may want to remove them from your label routines. Also, in the Patient Education options, if you have Print Drug Color and Shape on the PEM set to a Y, set it to a N. Since these fields are not being updated, it could lead to incorrect information on the label and PEM.

Although First DataBank is planning to stop supplying this service, you may want to continue using these fields doing manual updates.

An alternative to providing this information would be the Image and Imprint database. This data gives you the option to use several label and PEM options:

- Routine 435: print Imprint side one
- Routine 436: print Imprint side two
- Routine 448: Complete Imprint Data, prints side one and side two imprint information in a text format. This will print up to eight lines of 50 characters each.

Ex. This medicine is a light yellow, bow-tie-shaped, scored, tablet imprinted with MAXZIDE on one side and B M8 on the other side.

Also there is a patient education option, Print Drug Imprint Info on PEM, that will allow you to print the complete imprint data on the PEM.

Note: You must be signed up to receive the image and imprint information before you can use these label routines and PEM information.

18.1.14 RxCare Plus Enhancements

All the tools needed to process Medicare Part D are included in 18.1.14.

Auto Complete has been added on the NDC Match to the WorkFlow options in Prescription Processing Options. Type Y to skip the confirmation window during the NDC check and minimize the number of key strokes. (This applies to the NDC check in the labeling/dispensing step, as well as the quality assurance check.)

An option, '@', has been added to display Electronic Prescription Information received from the doctor.

The Date Entered for New Orders and Date Processed for Prescriptions that have been Verified on the WorkFlow status window are new options.

The Allergy File has been added as a File Selection to the Customized Reports Generator and Generate a Data Export menus.

The system has been updated to store the previous four passwords so they may not be reused when the password expires.

A 15 character field, NPI Number, has been added to Store Identification.

The Denial Override field on page four of the price code has been renamed Default Submission Clarification Code.

PrimeCare Updates for Service Pack 13 and 14

SP13

The Telephone Indicator field has been renamed to Rx Origin Indicator. Formerly, only written or phoned in prescriptions were being filled so a telephone indicator with a Y or N was appropriate. Now, with electronic prescriptions and faxes, the telephone indicator is outdated and is being replaced with the Rx Origin Indicator. Valid options for the Rx Origin Indicator are: 0=Not Specified, 1=Written, 2=Telephone, 3=Electronic, 4=Facsimile.

WorkFlow has been changed to increase the number of wings allowed to 99 and increase the number of totes allowed to 230.

A number of new label routines have also been added. Review the 18.1.13 enhancement list for details.

SP14

The ability to view the original information as it was received on an incoming electronic prescription has been added.

A scanned image of the original order will now automatically display in the Verification step of Workflow.

A new Print option, Print Patient Information, has been added to all three delivery sheet formats. Type YES to print one patient per page with the patient name, in care of field, address and telephone number.

Product Updates

SPI4 Updates continued

The ability to print Tote Labels with the Zebra 384 printer has been added.

Additional date information has been added on the Status window in workflow. This is the S function on the Ready screen to check workflow status.

An option has been added in the facility workflow set up to Auto Complete on NDC Match. The goal here is to save a keystroke in either Label/Dispense or Quality Assurance. If you are scanning the NDC in either of these workflow steps, this new option allows for the successful scan alone to proceed to the next step without requiring the F6.

The Drug Inventory list now prints negative amounts.

The Allergy File has been added to Customized Reports and Data Export.

An option has been added to the [Rx Defaults and Edits](#) window for the Class 2 Stop Order Date Default. Type a default number of days for class two drugs and the system calculates a more accurate stop date.

By now, you should be knee deep in Medicare Part D, so we will not review the list of items in SP14 in detail. Here is the short list of additions: Facilitator Price Code, Eligibility Checking, Insurance record updates, Rx Profile Updates, Batch Eligibility Checking and Tertiary Billing.

Coming in Service Pack 15

A CACCT has been added to the Patient Rate Table.

Updates to the 4x6 Rx Card include: stop date, Multi-sigs, and second line of doctor's address.

Rx Origin code entry area on New Order Entry screen.

SystemOne:

The default option for printing CMNs has deselected Form C , as this is a non-standard form and is no longer a valid CMN form.

On the Repair Maintenance screen, the ability to enter the name of the individual or entity who performed the repair/service to a serialized item has been added. The default value will be the name of the business, but if you desire to track the name of the individual who actually performed the work, their name can be entered in place of the business name.

Depreciation information on the item record is now editable. On a serialized item, however, depreciation information can only be altered until the initial depreciation is completed, after which time the information becomes uneditable. Since depreciation is a function of SystemOne, the capability to change these numbers after they have been set would compromise the integrity of the data.

Transactions can be set with additional refill/resupply cycles, such as every 30, 60 or 90 days. These cycles count the actual number of days from the original transaction and update the dates on the refilled/resupplied transaction to include the same number of days selected. Three other options are Q (quarterly), S (semi-yearly) and Y (yearly), which keep the same day of the month, but change the month based on the cycle selected. These three options will be used for those items that have a longer refill date, such as diabetic shoes, inserts, CPAP masks and accessories.

From The Support Center



Visit our website at www.qs1.com and check out the *Frequently Asked Questions* section.

RxCare Plus:

Many program updates will be available over the next few weeks with Medicare Part D. Make sure to load the latest Service Pack to ensure that the most recent program updates are installed on your system.

NRx:

For NRx customers who choose to change the current label design to another type, from the Rx Processing Tasks screen, click the Change Label icon, click the down arrow to view a list of labels, click on the design you wish to select and then click Save. Proceed to fill prescriptions as usual.

NOTE: If accessing any other area such as Reports or Closing the Client, the label design will change back to the default saved in Store Control, under Label Options, Primary Label Design.

PrimeCare:

For PrimeCare customers that have implemented tote checking in Workflow, the tote list has been expanded to allow for more than 10 wings for each facility. This is in Service Pack 13.

Hardware:

Always make sure you are getting a good backup everyday. Regularly check your backup to make sure it is current.

POS:

To view full Credit Card data in RX and POS: Access POS. Choose 'F2'- Daily Operations, enter your user name and password. Then press 'F3' for Credit Card Management and enter your user name and password. You will then see 'F4'- Secure Password. Select that option, then enter your user name and password. You will then be prompted to enter and confirm a secure password. This

password is used to access full credit card data. It must be at least seven characters long. After entering the password twice, you will see a message notifying you that the password has been saved. Once this is done, you can access credit card data in different places throughout your QS/1 software.

On the patient's B screen in RX, type L and press enter. You will be prompted to enter the secure password you just created. Once entered, the entire CC number will be shown on the screen. Once you escape out, the password must be entered again to view CC information again.

This feature is also used in POS when printing certain reports that show credit card numbers. Unless the secure password is set up, the credit card numbers will be shown as asterisks followed by the last 4 digits of the card number.

CRx 18.4

A new feature has been added to the Signature Capture Unit. The date and time the script was signed is saved and can be viewed on reports and in Edit Rx.

A new field has been added to Edit Rx, #25 Payment History. This will display all of the payers for that dispensing.

If you need assistance, call Customer Support at 1.800.441.1995, press option 2 for Software Support.

CMS Reconciliation

If an Rx is not in your selected date range when reconciling a check, you can right-click and choose Add Rx Number to add that specific script to the Recon Post report.

If you need assistance, call Customer Support at 1.800.441.1995, press option 4 for Chain Support.

CRx Hardware: Backup

Check your backup logs daily. If you experience any problems with your automatic backups, call Customer Support 1.800.441.1995, press option 3 for Hardware.

SystemOne

QS/1 has posted, on our website, the DMERC Procedures for Transmitting ANSI X12 837 Electronic Claims. Also, In an effort to help you resolve your second level errors from Medicare, QS/1 has added links to all 4 DMERC Regions from our website. Once signing on to www.qs1.com, go to Support, Customer Login, QS/1 SystemOne Customers and you will see the procedures and the weblinks for each region.

Trade Shows

In Your Area

Albany, NY

January 26-28, 2006:
Pharmacists Society of the State of New York - PSSNY
(<http://www.pssny.org/>)

Des Moines, IA

January 28, 2006
Iowa Pharmacy Association
(<http://www.iarx.org/>)

Palm Beach, FL

February 5-08, 2006
National Association of Chain Drug Stores - NACDS
(<http://www.nacds.org/>)

Las Vegas, NV

February 7-10, 2006
National Grocers Association - NGA
(<http://www.nationalgrocers.org/>)

Rio Mar, PR

February 8-12, 2006
National Community Pharmacists Association - NCPA
(<http://www.ncpanet.org/>)

Palm Springs, CA

February 17-18, 2006
California Pharmacists Association
(<http://www.cpha.com/>)

Dearborn, MI

February 17-19, 2006
Michigan Pharmacists Association
(<http://www.mipharm.com/>)

Hattisburg, PA

February 24-26, 2006
Pennsylvania Pharmacy
(<http://www.papharmacists.com/>)

San Francisco, CA

March 17-21, 2006
American Pharmaceutical Association - APhA
(<http://www.aphanet.org/>)

Las Vegas, NV

March 21-23, 2006
MedTrade Spring Booth #1558
(<http://www.medtrade.com/>)

Miami, FL

April 3-5, 2006
Food Market Institute - FMI
(<http://www.fmi.org/>)

Seattle, WA

April 18-19, 2006
Pacific Association for Medical Equipment Services - PAMES (<http://www.pames.org/>)

Omaha, NE

April 20-21, 2006
Midwest Association for Medical Equipment Services - MAMES (<http://www.mames.com/>)

Las Vegas, NV

April 24-26, 2006
American Society of Consultant Pharmacists - ASCP
Booth #316 (<http://www.ascp.com/>)

New York, NY

May 30-June 3, 2006
American College Health Association - ACHA
(<http://www.ACHA.org/>)

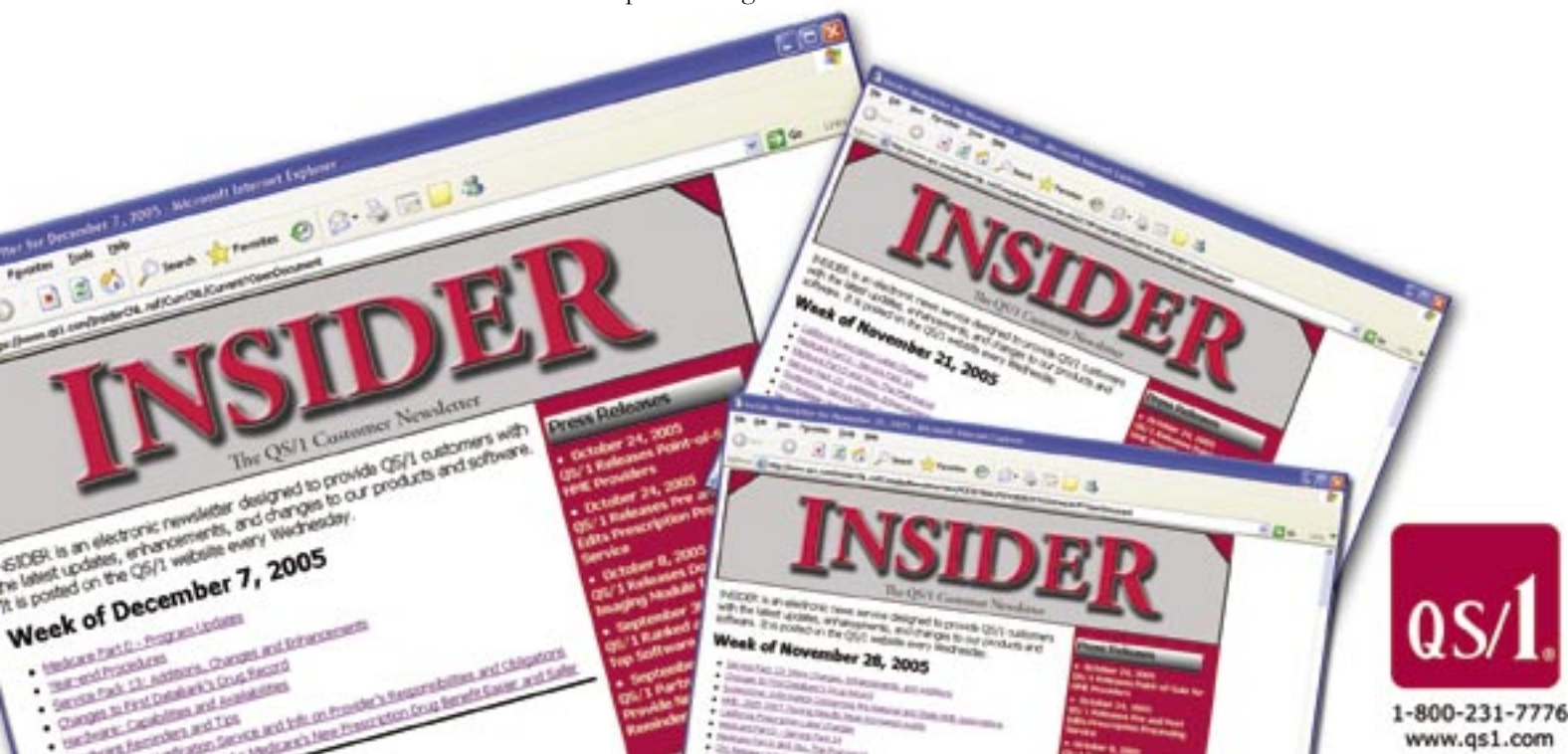
We gave you **INSIGHT** Now here's **INSIDER**

You told us you wanted frequent updates on what's going on at QS/1, and we listened.

The Insider is your inside source for industry news and software enhancements in the works from the QS/1 development team.

You don't have to worry about keeping up with a piece of paper, the latest news is just a click away. A new electronic edition is published every Wednesday, and you can find it by logging onto the Customer Support section of qs1.com.

Take advantage of this new service exclusively for QS/1 customers and help your pharmacy run more efficiently. It's another example of how QS/1 gives your business the competitive edge.



1-800-231-7776
www.qs1.com



PO Box 6052
Spartanburg, SC 29304

ADDRESS SERVICE REQUESTED

Presorted
Standard
U.S. Postage
PAID
Greenville, SC
Permit No.
1284