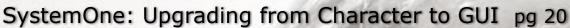
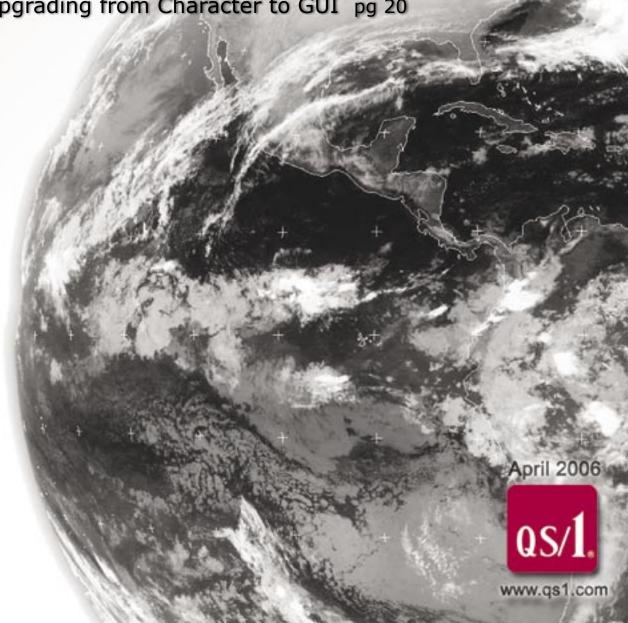


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Last year's overwhelming and especially devastating hurricane season caught many QS/1 customers off-guard and completely unprepared. Both the lives and businesses of many in the Gulf States Region are still suffering from the aftereffects of these storms. While no one has the power to control the forces of nature, QS/1 customers can take preventative measures that will greatly increase the odds of being able to resume business after a catastrophic event occurs. Therefore, this issue of *INSIGHT* focuses not only on how to prepare for natural disasters, but also on how you can ensure the survival of your business after the disaster has passed.

It is estimated that 30-50 percent of businesses fail after disasters strike. To help you avoid becoming a statistic, hours of research have gone into our feature article, *Dodging Disaster: Preparing for the Unexpected.* The author, Marsha Millonig, R.Ph., President, Catalyst Enterprises, has spoken on the topic of Business Disaster Planning at numerous pharmacy industry conferences. In this article, Millonig uses this same information to walk you through developing your own plan of action.

There is also a checklist that gives a concise listing of the most important items to have in place before a natural disaster occurs. Because there are many things business owners could easily overlook in the event of a disaster, QS/1 encourages our customers to use this checklist to better prepare for what Mother Nature has in store for us this year.



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Marsha Millonig, R.Ph., M.B.A., President, Catalyst Enterprises, LLC







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Negotiating the Changing Medicare HME Landscape

by Bruce Brothis, President, Allegient Billing & Consulting, Inc.

For the first time in many years, the Medicare Home Medical Equipment landscape is changing dramatically. There are major program changes looming on the horizon- more changes than have ever before been implemented in such a short period of time. Some of these changes stem from the rampant fraud and abuse occurring within our industry and the rest are from simple political economics. This article will synopsize three of these changes and their impact on the day-to-day operations of any company in the business of dispensing and billing Medicare for HME and supplies. All providers, from the local corner drugstore to national HME providers, such as Apria and Lincare, are affected by these regulatory changes.

MANDATORY ACCREDITATION

The first industry change, mandatory accreditation for all HME providers desiring to continue a billing relationship with Medicare, is being met with the most apathy and a "that doesn't apply to me" attitude. With a floating implementation date projected for sometime in 2007, this requirement will impact every HME provider. If accreditation is not achieved by the implementation date, it will mean the loss of a company's ability to bill Medicare for HME and supplies. This requirement affects even the smallest provider who bills one bottle of diabetic test strips to Medicare per year to the multi-million dollar national providers with thousands of Medicare patients.

There are currently three entities capable of accrediting an HME provider: ACHC (Accreditation Commission for Health Care), CHAP (Community Health Accreditation Program) and JCAHO (Joint Commission on Accreditation of Healthcare Organizations). There are also two other fledgling organizations attempting to be given deemed status along with ACHC, CHAP and JCAHO, the entities CMS (Center for Medicare and Medicaid Services) deems qualified to implement their (soon to be released) operational and products standards.

Given the short time frame for implementation, the limited number of accreditation bodies with limited numbers of surveyors and the tens of thousands of assigned provider numbers (most of which are NOT currently accredited), it would be economically prudent to begin this process immediately to meet the 2007 deadline. Failure to become accredited by the set date will result in suspension of your Medicare provider number and the loss of your ability to bill Medicare for HME and supplies. Currently, accredited providers are projected to be grandfathered under the current standards until their three year re-survey, at which time they must become compliant with the new standards.

COMPETITIVE BIDDING

The HME industry is joining the list of industries (aerospace, defense, etc.) that will be bidding for government business. While this puts a kink into our "normal" way of interacting with the Medicare program, it will NOT be a system-wide bidding process in terms of product categories. CMS, with input from a committee made up of suppliers, manufacturers, consumers and others known as the PAOC (Program Advisory and Oversight Committee), will not only choose the products that will be affected, but the markets where Competitive Bidding will be implemented.

The implementation will consist of a bidding process on a pre-determined number of product categories in a pre-determined number of MSAs (Metropolitan Statistical Area – a measure of population preestablished by the US Census Bureau). While the product categories and MSAs have not been announced yet, this methodology for acquisition of HME and supplies has been tried by CMS in two markets: Polk County, Florida and San Antonio, Texas. This trial run resulted in such sufficient economic savings to the Medicare program it will now be used nationally. The national program is expected to be rolled out in 10 of the 80 largest MSAs in 2007, as well as the entire top 80 MSAs in 2009. The program will be a hybrid of the two demonstration sites in Polk County and San Antonio. You can find out your standing by visiting http://www.fcc.gov/cgb/NumberPortability/ msas.html.

The process is expected to consist of the submission of a bid packet made up of approximately a half-dozen product categories. The packet will not only include your bid prices, but also an operational and financial snapshot of your company. The combination of these factors will determine your inclusion or exclusion on the final list of winning bidders. While not a "winner-takesall" process, there will be a finite number of winners in each category. Those not on the winning bid list for a category will be excluded from providing those products in any non-winning categories to Medicare beneficiaries.

There is currently a bill co-sponsored by Representatives Hobson and Tanner (HR3559) floating around the "Hill" in Washington that would turn Competitive Bidding into an "any willing provider" program, if the provider bids lower than the current Medicare allowable on their bid and is willing to accept the final bid amount. Without the passage of this bill, Competitive Bidding will shut many providers out of certain Medicare categories, which could have profound economic consequences on that provider's ability to survive.

If you are located in a rural area, or in an MSA not in the top 80, you have NOT dodged a bullet. Verbiage within the Competitive Bidding rules allow for additional areas to be included in the 2009 round of bidding, if the area can be adequately serviced by a neighboring large market or by mail order.

CAPPED RENTALS

With the signing of the Deficit Reduction Act (DRA or S. 1932) by the President on February 8, 2006, oxygen equipment and all items currently reimbursed by Medicare under the capped rental billing scenario will go through sweeping changes that will be retroactive to January 1, 2006. This bill, which narrowly passed trough the Senate 51-50 (50-50 tie broken by Vice-President Cheney) and 216-214 in the House, brings a whole new meaning to capped rental items and how they are paid under Medicare Part B.

Let us begin with traditional capped rental items (hospital beds, wheelchairs, nebulizers, etc.). The changes outlined in the DRA remove the 10 month rent/purchase letter, where a beneficiary made the decision for continued rental by Medicare (15 total months of rental with maintenance and service billing every six months thereafter) or a purchase decision (13 total months of rental with title transferring to the patient and Medicare reimbursing providers for repairs to the equipment only.)

The removal of the rent/purchase option has been replaced by AUTOMATIC purchase after 13 months of paid rental. Once month 13 is paid, the title will transfer to the patient, with the patient now being held responsible for routine maintenance and service of their equipment. Medicare will continue to reimburse suppliers for repairs to the equipment (i.e. the wheel on wheelchair breaks), including the item(s) replaced and the associated

labor to repair the equipment. The month one rent/ purchase option for Power Wheelchairs, which CMS wanted removed, but was not removed, remains intact so that Power Wheelchairs can be purchased by Medicare upon delivery to the beneficiary.

The other BIG news of the DRA is that oxygen equipment will now be capped at 36 months. Concentrators, stationary liquid systems and all portable equipment will become property of the beneficiary after 36 months of paid rental under this provision of the DRA. The bill does provide for additional reimbursement past the 36 month cap for delivery of liquid and gaseous fills, but no further rental payments for the equipment.

At the time of writing this article, the full impact (and practical translation) of the DRA in relation to these two topics has not been disseminated to the provider community by CMS or the DMERCs (now referred to as MACs - Medicare Administrative Contractors). Questions that need to be answered are:

- What happens to existing patients?
- How can a provider provide maintenance and service on equipment they do not own?
- What about routine concentrator/liquid oxygen visits for pressure/concentration/filter checks?
- What about disposable supplies that were previously paid as part of the rental payment? Are they reimbursable after the 36 months of paid rental?

Please continue to keep abreast of changes to the Medicare program and coverage issues by subscribing to the free list-serves of the DMERCs (MACs), CMS and industry trade publications. Once subscribed, you will receive e-mails when new regulations are enacted and implementation guidelines are released.

Bruce Brothis is President of Allegient Billing & Consulting, Inc., a 13 year old billing and consulting company (formerly Centralized Billing & Intake) located in Colorado. Mr. Brothis has over 27 years of reimbursement, compliance, management, and accreditation experience in the HME market. He can be reached at bbrothis@allegi entbilling.com or 1.303.646.9903.

Controlled Substance Ordering-

by Randy Burnett, Market Analyst Manager, QS/1

A hot topic at many of the recent national conferences has been the Controlled Substances Ordering System (CSOS). CSOS is expected to bring numerous benefits to the manufacturing, distribution and pharmacy communities. While the market has been slow to move on this expectation, QS/1 has been busy developing application interfaces that will allow you to enjoy the benefits of CSOS.

Consider the purpose of CSOS, as the DEA saw it a year ago, which was to establish and maintain an electronic system to facilitate secure, electronic communication between controlled substance suppliers, customers and DEA Registration Certificate Holders or POAs using digital signature technologies to authenticate and verify purchasers' identities. This sounds great if you are the DEA - less paper work and more control equals better audits.

Expected CSOS benefits:

Faster Re-supply:

- The number of ordering errors should diminish.
- The current turnaround for an order utilizing the DEA 222 form is one to three days by commercial courier and three to seven days by ground mail. (Electronic ordering is immediate and delivery is next day.)

Flexibility in Ordering:

- More items can be included in a single order.
- Orders can be placed more frequently, reducing the need to consolidate orders.

Potential Cost Savings:

- Less product could be kept on the shelf, improving inventory control and increasing cash flow.
- With faster ordering, there would be less reason to stockpile products.
- Wholesalers pass on cost savings. Today's transaction volume from pharmacies to distributors is estimated at over 800,000 per year. By the industry's own accounts, incorporating an electronic ordering system would result in a substantial cost savings.

Other Notables:

- Security: The software is password protected, so only authorized personnel can order and your electronic signature is attached.
- In most cases, the wholesaler will supply the software at no cost.

Additional questions you may have:

Q: How do I get started?

A: The first step is to sign up with the DEA for your electronic signature, which they describe as a CSOS certificate. This can be done by visiting the DEA's web site for CSOS at http://www.deaecom.gov/applycert.html.

Q: Once I get my CSOS certificate, can I begin sending orders?

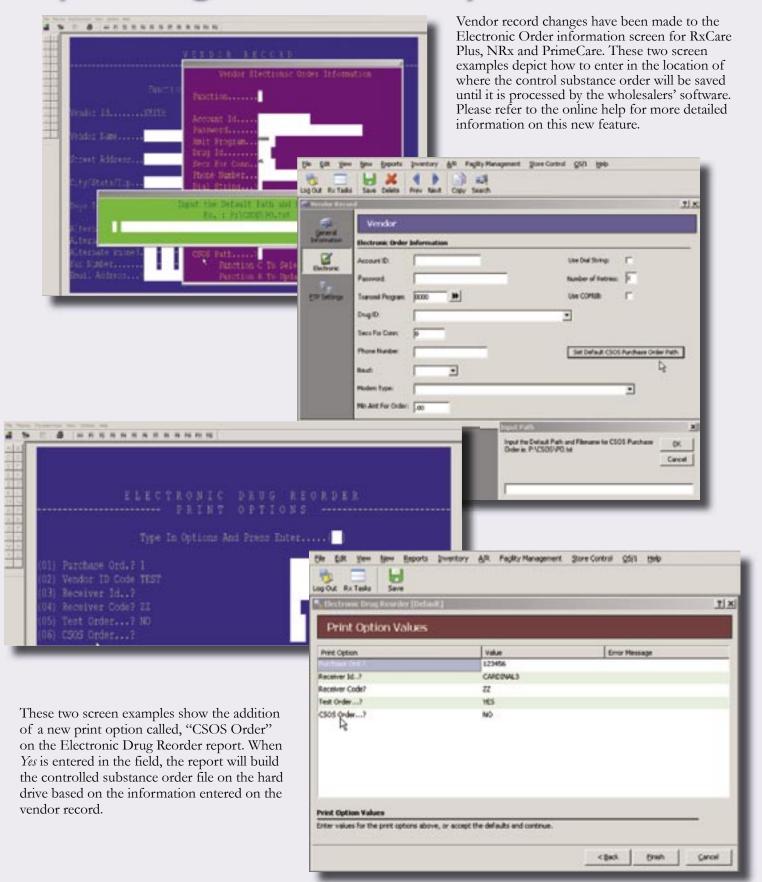
A: Contact your wholesaler(s) first to determine if they have implemented the CSOS software into their ordering system and to find out if they have the software available for you to load on to your system. Secondly, you must have the latest version of QS/1's software to perform this ordering (18.1 Service Pack 15 NRx, RxCare Plus and PrimeCare).

Q: Whom should I contact if I have questions about the CSOS program?

A: The DEA has a good Question and Answer area on their web site, which also includes contact information for other questions. The DEA web site can be accessed at: http://www.deaecom.gov/references.html.

Enhancements have been made to RxCare Plus, NRx, and PrimeCare versions 18.1.15 to support electronic controlled substance ordering.

Impacting Community Pharmacies









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New Service Aims To Increase Efficiency & Profitability:

S/1 Consulting Services

by Melanie Hershberger, Staff Writer, QS/1

Whether you are the owner of a chain or an independent pharmacy, time and money are precious commodities. If you find you are often too busy to evaluate various aspects of your business that have major impacts on bottom-line profits, help has arrived. Sit back and leave the evaluating to QS/1 Consulting Services and watch your pharmacy's efficiency increase and profits soar.

QS/1 recently began using their extensive knowledge of the pharmacy industry to provide a new consulting service that is designed to increase the efficiency and profitability of your business by conducting a customized evaluation of your pharmacy's operations. Many times long, hectic business hours cause owners to overlook things that are slowly eating away at profits. QS/1's consultant team can take a fresh look at your pharmacy from the inside out, by conducting an on-site analysis of your business.

"Most pharmacists say their store would benefit from a fine tuning," said Dick Bradley, Director of Consulting Services, QS/1.

Reports are analyzed and workflow efficiency is considered. This gathered information, along with feedback from time spent with staff, gives the QS/1 consultant the ability to thoroughly pinpoint your pharmacy's strengths and weaknesses. Once these are identified and addressed, the consultant gives a list of suggested implementations, along with a detailed report of the evaluation.

Concerned with both the efficiency and profitability of her pharmacy, Theresa Reed, owner of National Medical Supplies in Mt. Pleasant, SC contacted QS/1 Consulting Services to put her business back on track. "We realized there were issues that needed to be addressed by an outside consultant with a good background in pharmacy," said Reed, who was very pleased with the on-site analysis of her pharmacy. "The QS/1 consultant was thorough and asked questions I would have never thought to consider," said Reed.

Reed was pleasantly surprised by how quickly she received feedback from the evaluation of her pharmacy. "That same afternoon, [the QS/1 consultant] sat down to share his thoughts with us and said he would be contacting several others who could also give their insight on some of the issues," said Reed. The consultant then immediately followed up with a detailed report.

The information provided by an outside evaluation can

prove to be invaluable to the success of a pharmacy. "It's always a good idea to get an outside person's take on your company. There are just some things you consistently overlook. It's nice to have a fresh pair of eyes look over your business

and point these things out for you," said Reed, who within weeks noticed an increase in National Medical Supplies' bottom-line profits.

To have your business benefit from an on-site evaluation, or if you would just like to learn more about QS/1 Consulting Services, contact Dick Bradley, Director of Pharmacy and Consulting Services for QS/1, at 1.800.231.7776 or rbradley@qs1.com.

NRx: Streamlining the Presc

NRx is QS/1's easy-to-learn and use pharmacy management system for processing new prescriptions and refills quickly. With its simplified prescription processing, NRx pharmacies fill and refill prescriptions in seconds, saving hours of pharmacists' valuable time.

Security Access into the system is HIPAA-compliant. Because of this, each individual in your pharmacy will have their own ID and password.

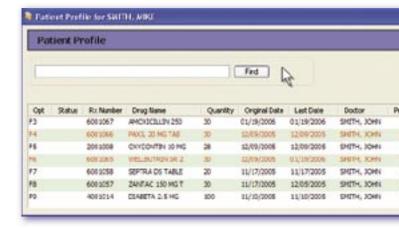


NRx has a familiar windows environment. The intuitive user interface provides built-in flexibility, allowing you to choose either mouse or keyboard-driven navigation. The main menu provides access to all areas of the system. There is also a help manual that can be used to view full training documentation and tutorials, or to review the latest system enhancements.

Depending on your location within the system, the context-sensitive tool bar provides shortcuts to frequently used functions, such as creating a new prescription, searching for a patient, and checking drug interactions. The task bar connects you to NRx's prescription

Using NRx's powerful search functionality, you can locate a patient in the system by typing in the patient's name, telephone number, date of birth, social security number, or medical record number. Searching for a patient using their last name provides a list of matching results. From the list of search results, simply press the corresponding function key on your keyboard, or click a name with your mouse to retrieve the patient's record.

On the Patient screen, the tool bar contains buttons for patient-related functions in NRx. From here, you can review "at-a-glance" all demographic information for the patient. If you need to know what information is stored in a field, pressing F1 displays NRx's field-sensitive help. There is also access to supplemental information about the patient, including any known allergies and medical conditions.



Reviewing and refilling a prescription is easy in NRx. Pulling up the Patient Profile reveals the current list of prescriptions and associated refills remaining. From this point, the Queue Refills option can be used to refill multiple prescriptions. The prescription bottle barcode



management functions. Each of the task bar buttons has an associated hot key, simply rest your cursor on one and it will be identified.

can even be scanned when it is brought into the pharmacy. Once the necessary information is completed, clicking the Fill button brings up the filling options for this order. Clicking Fill again will submit the prescription and retrieve the next refill order in the queue.

ription Management Process

services.

The Prescription Summary contains the required data for refilling a prescription, including quantities, dates and pricing. QS/1's Images and Imprints service can be added to NRx to provide a clear drug image, as well as a scanned image of the original

written prescription.

Creating new prescriptions is just as easy! From the Patient Information screen, select New Rx. The user-friendly wizard guides you step-by-step through the new prescription process. Patient information is pre-populated into the wizard to save you time. Wizards can also be used to complete initial store set-ups, create new price plans, A/R accounts and much more!

Patient and Doctor Information

Who is the prescription for? Who wrote the prescription?

Patient: [MITH, MIXI]

Payment: Test Plan

Secondary:

Intertievy:

Prescribes: SMITH, XCHN

Rescribes: SMITH, XCHN

Rescribes: SMITH, XCHN

Rescribes: Cancel

ce Price Plan Feffis Remaining
7.83 Test Plan 0
00.54 Test Plan 9
48.63 Test Plan 11
38.13 Test Plan 1
86.53 Test Plan 0
47.03 Test Plan 1

To search for a drug you can enter the NDC code,

or scan the barcode from the bottle. Sigs can be entered into the system, by typing a sig code and/or freehand text. Once the remaining information is filled in, click Finish to proceed to the final fill screen. From here, you can review and make any necessary changes to a new prescription. Click "Access

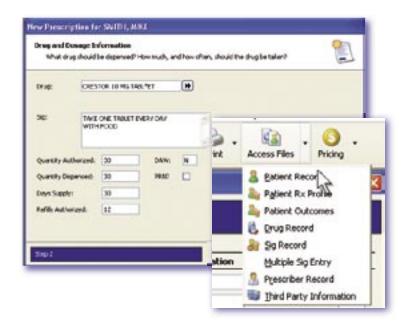
Files" if you need to access the patient's full drug history (you can do so without having to leave the Rx Summary screen.) Once the new prescription is complete, clicking Fill submits the order in the system. It is that easy!

The NRx system also contains detailed drug records, including an image of most drugs and comprehensive clinical information. Reduce medication errors and improve patient safety with clinical checking modules for allergies, drug-drug interactions, geriatric and pediatric precautions, drug-food interactions, and min-max dosing.

QS/1's NRx makes prescription processing quick and easy. After implementing NRx into your pharmacy, you will improve productivity, security and patient safety, as well as be able to train your new employees in record time. To learn more about NRx, please call 1.800.231.7776 or visit www.qs1.com to view a quick demo.

Additionally, NRx includes an inventory system, which

is updated electronically to our price and clinical update



QS/1 A New, Interactive Way to Learn by Richard Edmund, Creative Services Technician, QS/1

The challenge of learning a new software application can intimidate even the most experienced computer user. Add a little fear into the mix, on top of trying to train during an already busy work schedule, and the learning process becomes even more difficult.

QS/1 understands the importance of quality training. For years, this pharmaceutical software company has backed its experienced training team with a series of videos that reinforced the training effort. Pharmacy staff members could watch the videos when it was convenient. But the videos lacked the ability to give pharmacists and technicians a hands-on feel that gives the confidence that comes with understanding the system.

Last year, the QS/1 Training department decided it was time to find a fresh approach to training customers. The goal was to ensure training was kept to QS/1 standards, while adding the ability for customer interaction.

After extensive research, the team came up with the concept of i-trainer - a fully interactive training program that puts you in the driver's seat of the software before using it in your pharmacy.

"We were looking for a faster way to get customers up and running. We think i-trainer will give us the opportunity to respond to the high demand for training due to turnover in the pharmacies," said Tammy Devine, Vice President, QS/1.

I-trainer allows QS/1 customers to learn the products at their own pace. Pharmacists and technicians drop a CD into their computer, and the training begins! I-trainer is divided into chapters, each with its own specific topic. The first part of each chapter is demonstrative, walking the customer through the process, explaining the logic behind the actions and the most efficient way to accomplish the task. The second part is interactive, putting the student in control. They are guided through the process, but must click and type the appropriate answers when prompted to proceed. I-trainer helps and once again explains the process. The third part quizzes the trainee's knowledge on the subject in that unit.

I-trainer asks the questions and you supply the answers. At the conclusion of each chapter, you are evaluated and given an overall score. This determines areas where you are most comfortable and those that may need more study.

"People tend to learn better when they can see, hear, and do. This is what our i-trainer will allow," Devine added.

The team had to take into account the fact that people learn things in different ways. There are several styles of learning, and each individual responds differently to each one. Studies have found there are three primary ways people take in information effectively: auditorily, visually, and through bodily kinesthetics.

Auditory learners, of course, have a preference for listening to information. They use the spoken directions to follow the logic that is being explained. Think of an instructor in front of the classroom, telling you how to accomplish the goal.

Visual learners use their sense of vision to digest the material being presented to them. They comprehend the information through reading, graphics, maps, charts and demonstrations. Their brains are better able to process what is being explained through these visual cues. Here, that instructor is not only telling you, but showing you through various visual media.

Please Select a Unit Unit 1: Getting Started Unit 2: Patient Record Unit 3: Prescriber Record Unit 4: Drug Record Unit 5: SIG Builder Unit 5: Filling Prescriptions Unit 7: Refilling Prescriptions Unit 8: Electronic Billing Unit 9: Correcting Prescriptions Unit 10: Electronic Signature Capture Device Unit 11: Compounds

The bodily kinesthetic style is used to gather the information by touching, manipulating, arranging and experimenting. In essence, they are getting a first-hand feel to learn the process in front of them. In this case, the instructor tells and shows them what to do, and then actually lets them try it themselves.

I-trainer utilizes a bit of each style to demonstrate NRx. Through audio, our training experts explain how the system works and the logic behind the way things are done in the workflow. If you are a visual learner, not only will you hear the process, you will see it in action through demonstrations and interactive tutorials.

Unit 4 - Lesson Four Demonstration 3-0 to 1 Select 'Update from CD-ROM 17.00 Q84.17 2.75.00 119.50 11/19/2008 Mary 2 2,7100 110.00 DE DOM

I-trainer is also a great tool for recurrent training. There are areas of NRx that are not used as often as others. So proficiency in those areas can be weak. I-trainer allows employees to refresh themselves in those areas without waiting to get a QS/1 trainer on the phone.

The i-trainer can also be used when QS/1 customers are upgrading from one system to another. In fact, it is possible the i-trainer series could be adequate training for a new system. That would mean your staff would not have to worry about scheduling additional online training.

Devine said response to the i-trainer has been positive.

"Many of our pharmacies are excited about the prospect of having a tool like i-trainer at their disposal. This resource gives them the ability to train their own staff. They can do it on their own schedule and ensure the staff fully understands the software before they begin working with their customers," Devine said.

The first i-trainer project is for NRx and is scheduled to be released this spring. The training team is currently looking at developing additional i-trainer projects for other QS/1 products.

You will also be required to click icons and enter information during the learning process.

The i-trainer is not intended to replace the one-on-one training a QS/1 customer receives, but it is a tool that will make the training process more efficient.

> "The i-trainer allows pharmacies to do their own cross-training at their chosen time and pace, so when our staff does the online training, things move much quickly," said Leah Simmons, QS/1's Training Supervisor.

I-trainer will primarily be used to train new employees. It allows pharmacies to rapidly bring new pharmacists and technicians online with the management system. Then, if those employees need one-on-one training with QS/1 trainers,

the time spent on the phone and online are kept to a minimum.



Dodging Disaster: Planning Ahead for the Unexpected

by Marsha Millonig, R.Ph., M.B.A., President, Catalyst Enterprises, LLC

"Life is, for most of us, a continuous process of getting used to things we hadn't expected."- Martha Lupton

Six months after Hurricane Katrina crossed the Gulf Coast leaving behind a heartbreaking trail of death and devastation, relief organizations are still bringing help to many in the affected communities as the recovery phase continues. Natural disasters, like Hurricane Katrina and the deadly Asian earthquake-caused tsunami, to manmade problems like terrorist attacks and genocide, have reminded us all of the uncertainty that exists in today's world. Global warming is contributing to an increase in natural disasters through rises in sea level, precipitation and other climate changes. Individuals and businesses are wise to ask tough "what-if" questions about their ability to deal with disasters. This article describes approaches to personal and family disaster planning, as well as business-related disaster planning, including resources to assist you in crafting your plans.

Before Hurricane Hugo swept through parts of the southern U.S. in 1989, the insurance industry had never suffered a loss of more than \$1 billion from a single disaster. Since then, numerous catastrophes have exceeded that figure, even as development in danger zones continues to increase. In 1992, Hurricane Andrew caused \$15.5 billion in insured losses in southern Florida and Louisiana. Damages from the Northridge earthquake on the Western coast of the U.S. in January 1994 amounted to \$12.5 billion. It is a trend that emphasizes, as never before, the need to manage risk on both a personal and professional level.

Personal & Family Planning

One of the best resources to assist you in crafting a personal and family disaster plan is the American Red Cross website at www.redcross.org. Families and individuals are encouraged to be prepared to survive up to 72 hours on their own before outside assistance arrives. Key components of a personal and family disaster plan include communication and evacuation strategies and the creation of a "disaster supplies kit."

Talk with your family about the types of disasters that are most likely to happen in your area and discuss what to do in each case. Pick two places to meet: right outside your home in the case of sudden emergency or outside your neighborhood in case you cannot return home. Ask an out-of-state friend to be your family contact, because it is often easier to call long-distance after a disaster than locally. Each family member should call this person and indicate where they are. You can write down contact numbers on a family emergency contact card available at www.redcross.org/prepare/ECCard.pdf.

Regarding your evacuation plan, listen to local radio and television reports as local government officials are those responsible for issuing evacuation orders. When you evacuate, take medical supplies, your disaster kit, clothing, bedding and keys for both your car and where you are staying. Important papers that should be taken include:

- Driver's license or personal identification
- · Social Security card
- Proof of residence (deed or lease)
- Insurance policies
- Birth and marriage certificates
- Stocks, bonds, and other negotiable certificates
- Wills, deeds, and copies of recent tax returns

One approach to "grab and go" paperwork is to create a list of all important accounts, phone numbers and passwords for them in a Word document. Scan health records and the copies of the above paperwork and store them on a password-protected flash disk. The disk can be placed in an easy-to-access location in the event of an emergency.

Detailed guidance for crafting a personal and family plan, including a comprehensive checklist, may be found at the Red Cross Website.

Business Disaster & Recovery Planning

Most businesses should already have a contingency plan for dealing with disasters, because it was a requirement of standard seven of the Health Insurance Accountability and Portability Act of 1996 (HIPAA) security rules that became effective in April 2005. There are several good websites, in addition to the American Red Cross, offering detailed resources to assist you with business disaster and recovery planning, including:

- www.fema.org where you can download a 75-page guide to emergency management planning;
- http://management.about.com/od/disasterplanning/ where there are numerous articles and links for planning and recovery; and,
- http://ibhs.org/business_protection/ where guidance from the Institute for Business and Home Safety may be found.

Your first step should be to establish a planning team to analyze your capabilities, hazards and vulnerabilities. When planning, have the team address the following questions: How could a disaster affect our employees, customers and workplace? How could we continue doing business if the area around the pharmacy is closed or impassable? What would we do to serve our patients even if the pharmacy was closed? Make a matrix with each of the business functions as rows, such as accounts receivable, payroll, dispensing, ordering, etc. and as columns how you would respond to a loss of information, access or personnel for each. Consider as part of the plan:

- Appointing a second in command. If the person normally in charge is injured in the disaster or not available, the second in command should be named in the plan, and delegated full authority in this situation. If you cannot name someone, you have already pinpointed one of your greatest vulnerabilities!
- · Keeping phone lists of your key employees and customers with you, and provide copies to key staff members.
- If you have a voice mail system at your office, designating one remote number on which you can record messages for employees. Provide the number to all employees.
- Arranging for programmable call forwarding for your main business line(s). Then, if you cannot get to the office, you can call in and reprogram the phones to ring elsewhere.
- If you may not be able to get to your office quickly after an emergency, leave keys and alarm code(s) with a trusted employee or friend who is closer.

- Installing emergency lights that turn on when the power goes out. They are inexpensive and widely available at building supply retailers.
- Purchasing a NOAA Weather Radio with a tone alert feature. Keep it on and when the signal sounds, listen for information about severe weather and protective actions
- Stocking a minimum supply of the goods, materials and equipment you would need for business continuity.
- Consulting with your insurance agent about precautions to take for disasters that may directly impact your business.

From a system's perspective, there are a number of proactive steps to take, including:

- Backing up computer data frequently throughout the business day. Keep a backup tape off-site and replicate to a third party.
- Using UL-listed surge protectors and battery backup systems. They will add protection for sensitive equipment and help prevent a computer crash if the power goes out.
- Having a backup connection to your main computer. Make sure that your main computer (either at your service bureau, your main office, or your hot site) can "dial out" in the event that your leased-lines are lost, or in the event that you must relocate to a different site.
- Utilizing automatic roll-overs to emergency servers.
- Using real time data warehousing, application hosting or recovery services.

QS/1 offers OnDemand, application service provider solutions, for its NRx, RxCare Plus, SystemOne and PrimeCare systems to provide cost-effective, hosted solutions as an alternative to purchasing, installing and managing your own servers. These services allow you to protect patient data from possible loss by using QS/1's OnDemand applications, which are maintained in their redundant data centers, eliminating the need for nightly back-ups.

Regardless of the services you choose, planning for the unexpected is necessary in order to protect yourself, your family, your business and your patients. In a world where the unexpected is happening more frequently, your best defense is a good offense. Using available resources to craft a personal and business disaster plan is no longer just a good idea, it is a necessity.

Disaster Recovery Checklist _



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Human Resources

- ☐ Maintain a phone list of key employees and customers and provide copies to key staff members
- ☐ Develop an emergency contact list
- ☐ Leave extra keys and alarm code with a trusted employee or friend
- ☐ Call forward business line
- ☐ List types of emergencies that have occurred in the community or could occur and adjust your plan accordingly

Physical Resources

- ☐ Inspect building(s) and determine what impact a natural disaster would have on the facility. (Building condition can impact on whether or not the business would be able to reopen after an emergency or disaster.)
- ☐ Disaster supplies:
- O NOAA weather radio
- First aid kit
- Fire extinguisher
- O Flashlights with batteries
- Waterproof plastic bags
- O Camera and film
- O Pens, pencils, and paper
- O Mops and pails
- O Tool kit
- Generator
- O Water and food supplies
- Emergency lights for building
- O Surge protectors
- O Cell phone

Business Continuity

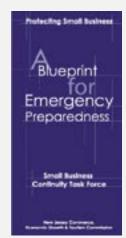
- Back-up of computer files, including payroll, tax, accounting, production records and customer lists
- ☐ Keep current inventory list
- ☐ Hardcopy records of lease, insurance policies and current credit report
- Review current insurance coverage with agent and insurance carrier
- ☐ Check status of business interruption insurance
- ☐ Creditor contact information
- ☐ Maintain supplier contact information
- ☐ Inventory of computer hardware and software
- ☐ Keep on-site and off-site copies of all documents and records

Back To Business - What To Do After A Disaster Recovery Steps:

- ☐ Contact insurance agent or company
- ☐ Have building inspected
- ☐ Restore electric, gas, telephone, water, etc.
- ☐ Re-establish communications with employees, customers and suppliers
- ☐ Assess Damage
- Note structural, equipment and property damage including inventory, materials, etc.
- Avoid additional damage by making temporary repairs in order to continue to conduct business at current facility
- Secure the building, if relocation is necessary
- ☐ Cleaning of facility
- Make sure building is safe before reopening or allowing employees to return
- O Use proper safety items in the clean-up process

Financial Implications

- ☐ File business interruption insurance claim
- ☐ Determine lost income
- ☐ List steps required before the business can reopen
- ☐ Consider financial obligations during interruption, including payroll and debt service
- ☐ Gather the following information for insurance adjuster:
- O Sales records and history
- Profit and loss statements and/or income tax forms
- ☐ Maintain records of extra expenses incurred (equipment rental, temporary location costs, etc.)



* This information was reprinted from A Blueprint for Emergency Preparedness with permission from the New Jersey Commerce, Economic Growth & Tourism Commission. This checklist provides a general overview of emergency preparedness information and resources for small businesses. For additional information and detailed forms, call 1.609.777.0885 or visit http://www.state.nj.us/commerce/pdf/2005-02-emergency-prep.pdf for a copy of this brochure in its entirety.

Customer BEACH PHARMACY

GULF PORT, MISSISSIPPI

by Melanie Hershberger, Staff Writer, QS/1

Long-time pharmacist Larry Krohn has had to endure many things over the last thirty-one years in business at Beach Pharmacy. Few, however compare to the events of August 29, 2005. In the early morning hours of that day, Hurricane Katrina made landfall over Gulf Port, Mississippi as a category 4 hurricane, with winds of 125 mph. Krohn and his family survived the storm. Unfortunately, the same cannot be said of his pharmacy.

Katrina More Devastating than Expected

This was not the first hurricane to wreak havoc on Beach Pharmacy. The residents of Gulf Port had not seen Mother Nature unleash her power like this since Hurricane Camille, in 1969. (Camille was the first storm to completely destroy Beach Pharmacy, which was positioned just a few hundred yards off of the beach.) "We were told Hurricane Camille was a one hundred year storm. None of us thought we would live long enough to ever experience a storm like that again," said Krohn.

Hurricane Katrina proved to be not only stronger and bigger than Camille, she also brought with her a 30 foot storm surge. The strongest quadrant of the storm plowed over Gulf Port, pulverizing the coastline. An estimated ninety percent of the buildings were destroyed, including Beach Pharmacy. Mississippi's governor, Haley Barbour, described the destruction along the coastline as "an American Hiroshima."



The remains of Beach Pharmacy after Hurricane Katrina hit Gulf Port, MS.

QS/1 and Smith Drug Quickly Respond

Instead of allowing the shock of losing his business to overwhelm him, Krohn and his son Jason, who has been his business partner for the last four years, immediately began searching for an alternative location. Within a week they had secured a suite that had previously been a doctor's office. Although the layout was impractical for a retail pharmacy, they made it work. Only two weeks after Katrina hit, Beach Pharmacy was back in business.

Krohn attributes his business's quick recovery to QS/1 and Smith Drug Company. Just two days after Katrina ravaged the Gulf States, Smith Drug Representative Bill Pipkins and Merchandising Manager Jeff Cadenhead found their way to Krohn's personal residence, after discovering his place of business no longer existed. Pipkins offered Krohn a temporary trailer, not realizing that procurement of an alternative location was already in the works. Before leaving, the Smith Drug Reps promised drugs would be delivered to Krohn's new location as soon as needed. Immediately after contacting the closest QS/1 Regional Office, Krohn had everything he needed to start again. "I would like to thank Bill Pipkins, Jeff Cadenhead, Tim Frazier, Smith Drug Representative, and Dennis Antici, QS/1 Marketing Representative. I would also like to thank the QS/1 hardware guys, Eric Moore and Michael Cockrell. We wouldn't be in business if it weren't for them," said Krohn.

Business after Katrina

In spite of the drastic reduction in the area's population, Beach Pharmacy has only noticed a 30 percent decrease in prescriptions filled. To let customers know Beach Pharmacy was back up and running, Krohn used his QS/1 system he had managed to save to retrieve customers' phone numbers and personally called each one. He also ran newspaper and TV ads. The free and sometimes best form of advertising, word-of-mouth, has also worked very well for Krohn.

Krohn is not sure whether this alternative location will become permanent. For now, he is keeping his options open. "Long-term customers tell me they'll follow me wherever we go," said Krohn. He is, of course, reluctant to re-establish on the beach, although he admits a feeling of displacement still looms in the air of the new location. "It feels like we're living out of a suitcase," said Krohn.

Hindsight is 20/20

In the days before Katrina hit, Krohn and his family had stripped Beach Pharmacy of computers, monitors, printers, insurance policies, pharmacy licenses and financial records. He had even made sure to make backup files. But hindsight is 20/20 and Krohn now realizes he should have prepared for the hurricane a little differently. In addition to having more flood insurance, he would have taken his rolodex, file cabinet, compounding formulas and his most expensive drug inventory, so his dollar loss would have been less. Krohn estimates his loss to be as much as \$200,000 after having received compensation from his insurance company.

CMS: Centralized Profiles Module

by Rich Muller, National Chain Sales Manager, QS/1

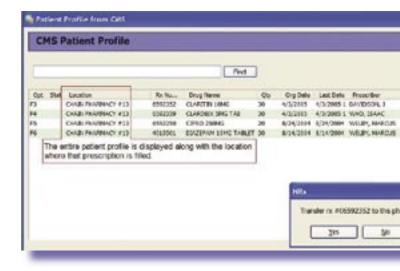
If you are a pharmacy chain or an owner with multiple pharmacies, your customers have come to expect a level of connectivity between your locations. Large chains, such as Walgreen's, have created these expectations through the media, advertising their ability to easily refill prescriptions and check for drug interactions between their locations. As a QS/1 customer, you can meet these expectations using our Centralized Profiles Module.

Host-remote customers are already somewhat familiar with this concept. Using a centralized database, patient information is easily retrievable between pharmacies, and their profile information is available as well. However, host-remote is limited to 10 pharmacies, and requires all pharmacies to reside on the same physical machine, so there are limitations.

To use the Centralized Profiles Module, you need to be using both NRx and QS/1's Central Management System (CMS). If you are not familiar with CMS, this product collects drug, patient, prescription and transaction data from each of your pharmacies throughout the day using a wide area network (WAN). With this information, CMS acts as a gateway between two pharmacies, facilitating the transferring of information between them.

With the Centralized Profiles Module, a pharmacist can quickly add a patient that has previously visited any of their locations. When looking up a patient, local matches (matches to patients in the pharmacy you are working from) are returned first. This ensures that the pharmacist or technician has first verified the patient does not exist at your location. Instead of a "New Patient" button, you are presented with a "Central" button, which forces

a user to check the central database first to confirm the patient does not exist in the system. When a patient is selected, a confirmation box appears, and then the patient information is transferred from CMS to your pharmacy.



The process of refilling prescriptions is similar. When viewing a patient's profile, local prescriptions are displayed first, if the prescription is not on the local profile, then clicking on the "Central" button will return a list of prescriptions on the CMS central profile.

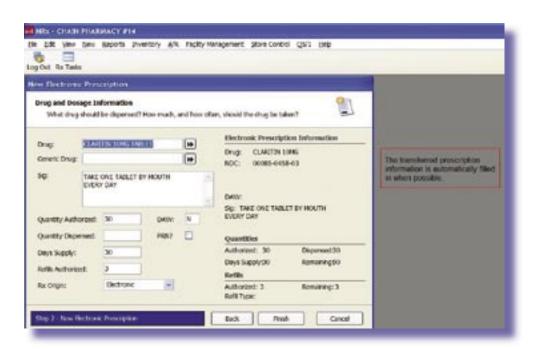


Again, a location indicator is provided to show which pharmacy filled the prescription initially. When the pharmacist or technician chooses the script, a confirmation box is provided to confirm the transfer of the script, if allowable. Prescription information is then brought down from CMS to the pharmacy and is treated similarly to an electronic prescription. Upon completion of the filling process, the transfer is completed and the original pharmacy is sent a message from CMS indicating the prescription has been transferred.

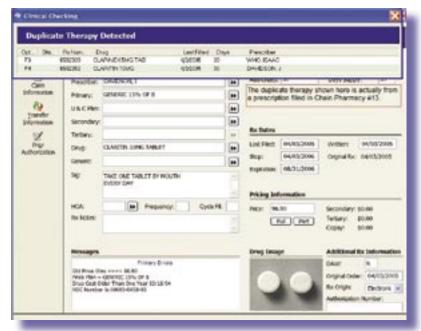
An additional tool is provided within CMS to combine patient records between pharmacies. This is used in cases where patients were added separately at multiple pharmacies without using Centralized Profiles. This tool allows you to find patients who most likely match and allows a trained eye to accurately combine patient records, while keeping the centralized profiles accessible.

For more information about the Centralized Profiles Module, please contact your marketing representative.





Finally, Centralized Profiles also provide for a centralized interaction check, or as some call it, central DUR. NRx obtains prescription history from CMS to check for duplicate therapies or drug interactions, and they are reported as if these prescriptions were filled at your local pharmacy.



SystemOne: The Advantages of

by Jay Williams, National HME Sales Manager, Marketing, QS/1

QS/1 released the SystemOne Graphical User Interface (GUI) version in October of 2002. Nearly half of our customers are now using this version. If you are one of the SystemOne customers still on the character version, we have some great news for you. Your annual software maintenance and support fee entitles you to upgrade to SystemOne GUI. Highlights of the many features found in SystemOne GUI are listed below.

New SystemOne Graphical User Interface-

SystemOne GUI has a clean crisp modern look. Everyone who has upgraded from the character version has commented how much easier GUI is to learn and use than the character version. The SystemOne training department has reported that training time for a new customer has been reduced 33 to 50 percent.

SystemOne GUI Highlights:

• Familiar Arrangement:

Many of the fields are in the same location as the character version. This reduces the time it takes to learn to use the GUI version. When you choose to upgrade, you will receive a character to GUI upgrade workbook and up to two hours of online/ phone training to help you learn SystemOne GUI.

•Full Field Descriptions:

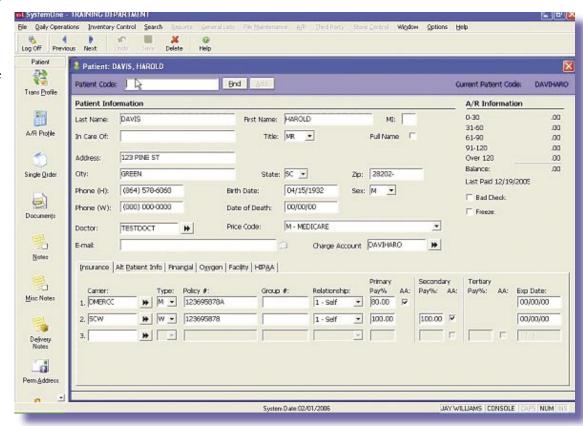
In the character version, many field descriptions are abbreviated, such as PC, RGp, PS, and BP. The GUI version provides full descriptions: Price Code, Referral Group, Place of Service and Bill Primary.

• Drop-Down Lists: In

SystemOne GUI, drop-down lists automatically display multiple predefined choices, such as states and price codes, etc. You no longer have to remember what goes into these fields. When viewing user-defined lists, not only do you see the answer you have set up, but you see the full description of that answer. For example, when setting up patient

insurance information in the character version, you enter 1, 2, 3 or 4 in the relationship field. In SystemOne GUI you see 1=Self, 2=Spouse, etc.

•Auto Saving: In the character version of SystemOne you must remember to press F1 to save your work. How many times have you lost data because you have forgotten to press F1? SystemOne GUI can be set to automatically save new entries or changes, even if you press the Esc key.



Upgrading from Character to GUI

You can also have SystemOne GUI prompt you when changes have been made. The prompt will ask, "Do you wish to save your changes - Yes or No?"

•No Hidden Options:

SystemOne GUI has eliminated hidden ALT + function keys that have to be memorized. In SystemOne GUI, all available functions are displayed on each screen as either tabs for the data, or as icons down the left side of the screen.

Context Sensitive Help:

SystemOne GUI has context-sensitive help that can be accessed by placing the cursor in the field for which you need help and then pressing F1, the standard windows help key. A small help box appears next to the field, with an abbreviated version of the full Windows Help manual.

Screen Level

Help: When on a main database screen (patient, item, doctor, etc.), you can select Screen Help and jump straight to the correct section of the online

SystemOne Help Manual, based upon the section in which you are working.

Perform Multiple Tasks

Simultaneously: SystemOne GUI allows customers to simultaneously open up to four databases' windows at the same time, while utilizing only one client.

Main Database Access:

SystemOne GUI offers a more convenient method for accessing a patient, doctor, carrier or item code, by selecting search and then choosing which database you wish to access. The search window automatically appears. Enter the information for which you are searching and click FIND or ADD.

•Multiple Search Methods:

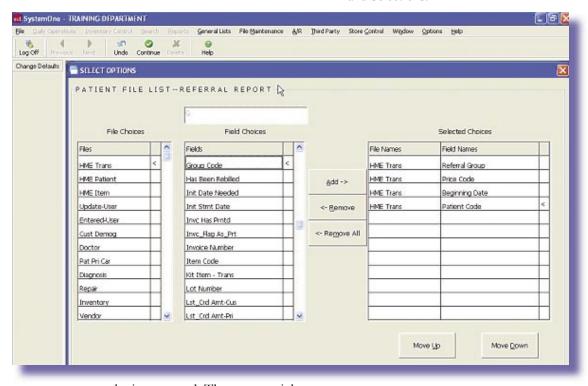
When accessing a patient, you have the ability to search using seven different methods, while eight search methods can be used when accessing

•New Daily Operations:

SystemOne GUI includes a new module called "Daily Operations." This menu choice allows customers to move directly to the Single Transaction Entry, Multi-Item Transaction Entry, Transaction Run, Transaction Batch Refill and Post-Pended Transactions.

Changing Report Select

Options: One major difference between SystemOne Character and GUI is how easy it is to change the select options on a report. This function has been completely rewritten to include three easy-to-use columns: Files, Fields and Selections.



the item record. These same eight methods can also be used to search for an item being sold or rented when entering an order. The GUI version also allows you to do a search on C-Accounts from the patient screen.

- -Patient Search Options
- -Item Search Options
- -New Order Item Search Options

•Ability to Lock Computer:

To assist with compliance of the privacy and security portions of HIPAA, customers can lock their computer. The person who locks SystemOne can enter their password, or any authorized user can select "Re-login" and then enter their User ID and Password.

Customized Icon Order:

The GUI version allows customers to change the order that their icons appear on the left side of the screen, customizing the screen based on job function and workflow.

Visual Notification of Data

Content: When viewing a main data record that has notes, miscellaneous notes, delivery notes or a permanent address, you can visibly see if that function contains data content by simply looking at the icon.

Features Found Only In 18.1:

SystemOne Character customers on

version 17.8 or below will be provided with the following six new features when they upgrade to SystemOne GUI 18.1.

•QS/1 Automatic Updates: You

may be familiar with how Microsoft lets users know about new updates and then downloads these updates over the internet. With version 18.1, QS/1 has added that same functionality. If you have a high speed internet connection, the computer that runs the QS/1 Server program polls the QS/1 website on a regular basis to see if

there are updates to SystemOne or other QS/1 programs.

•Service Packs Replace

Quarterly CDs: With the arrival of QS/1 Automatic Updates (QAU), QS/1 has moved to a much more responsive method of updating our programs with service packs rather than mailing quarterly CDs. The QAU process automatically downloads

and installs these changes and enhancements when you want them.

•HIPAA Security Compliant:

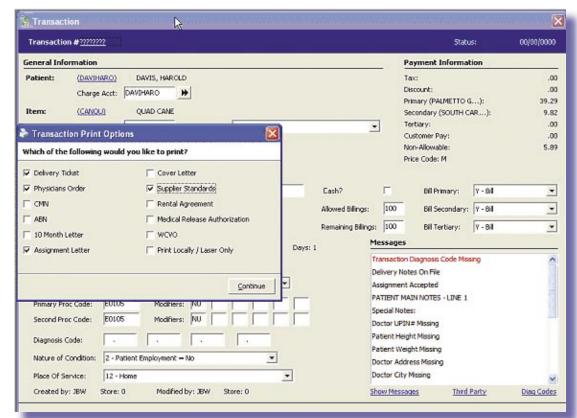
Federal Law required a number of changes in computer security. These features were added to all QS/1 programs beginning with version 18.1. If you are not on 18.1, you are not compliant with HIPAA Security requirements.

Automatic Price Code Error

Defaults: SystemOne has added defaults for all the error codes based on price code type – Medicare, Medicaid or commercial insurance.

sold or rented and accounts receivable was updated. This caused problems if the driver arrived to a patient's home and they chose not to accept an item. Now, when the Pending Orders feature is turned on and a transaction is logged, it puts the transaction in a "Pending" status waiting for confirmation of delivery. When a transaction is pending, the inventory has that quantity "Committed" rather than reduced from the "On Hand" amount and accounts receivable has not been updated.

If you are interested in upgrading from the SystemOne Character to the SystemOne GUI, contact



•Transaction Forms Printing

Option: At the end of entering a transaction, you can select up to 11 different forms to print: the delivery ticket, physicians order, CMN and eight others.

• Pending Orders: Previously when you logged a transaction, the information was posted immediately. That meant inventory quantity on hand was reduced by the quantity

QS/1's Marketing Support department at 1.800.231.7776 or email us at sales@qs1.com. They will forward your request to your SystemOne marketing representative, who will then contact you about upgrading to SystemOne Windows GUI version. The marketing representative will be happy to show you a brief online demo that shows all the features discussed above.



Interactive Voice Response: NEXT LEVEL

by: Charles Garner, Market Analyst, QS/1

n 2001, QS/1 realized it would greatly benefit our customers to have an IVR System that would integrate seamlessly with other QS/1 products. In early 2003, QS/1 announced the release of their IVR System, version I. This initial version allowed customers to enter refill requests and have them flow directly over to the Tickler queue in the pharmacy system, ready to be filled. Version I supported multiple languages, voicemail (both customer and doctor), as well as days and hours of operations. A year later, QS/1 announced the release of version II. This version included enhanced voice files with improved clarity, security validation, a built-in status monitor and call statistics. These enhancements addressed several areas that our customers deemed important.

Determined to make its IVR System the best in the industry, QS/1 is continually looking for ways to make our IVR System the perfect asset for any size pharmacy. Therefore, this year, QS/1 will be adding two new products to our IVR line. The addition of Central IVR and Multiscript IVR will take QS/1's IVR System to a new level.

IVR-C (Central IVR) is designed for multiple store pharmacies that want to provide their customers with a single contact telephone number for prescription refills and pharmacist assistance. Their pharmacy customers will be prompted to select a specific store location. Their prescription refill requests, voicemail messages and requests for pharmacist assistance will then be seamlessly forwarded to that store.

IVR-M (Multiscript IVR) is designed for multiple store pharmacies that require a higher level of customization for each store. Each store has a customized call flow and a separate telephone number for the pharmacy customers to submit refill requests, voicemail messages and request pharmacist assistance. The refill request is then able to be directed to the appropriate stores and pharmacy system.

At this same time, the IVR-S (Standard) system will be releasing version III. This version will include many new features, one of which is the "Remote Alternate Closed Greetings." This feature gives the pharmacy manager the ability to call into the QS/1 IVR-S system remotely and change and/or modify greetings, which is ideal in the event of emergency closings for extreme weather, holidays, etc.

For further inquiries on QS/1's IVR System, contact Marketing Support at 1.800.845.7558.



Claim Reconciliation

by Martin Winters, Industry Network Specialist, QS/1

If you are spending valuable time poring over remittance notices, 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. With minimal investment, FamilyCare's Reconciliation will not only help you manage your third party payables, but will also provide detailed remittance advice, including line-by-line detail of each claim. This new reconciliation service can significantly reduce time spent tracking pharmacy claims and save your pharmacy money.

With Medicare Part D greatly increasing the number of your third party claims, now is the time to consider automating the reconciliation process. This service provides the following reports: Nonpayment Report (claims that have had no activity in the current or previous billing cycle), Exceptions Report (claims that we reconciled, but were paid differently than what was adjudicated) and Detail Report (similar to a paper remittance with the addition of the amount adjudicated). These reports can be printed, downloaded and saved in Excel for future reference and analysis.

In addition, if you are using QS/1's RxCare Plus, NRx, or PrimeCare, you have the option to download the report and post the payments 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 on non-paid claims.

FamilyCare is currently receiving electronic remittance from AdvancePCS, CareMark, Express Scripts, Medimpact, First Health and TriCare. Others will be added as demand increases.

To receive an enrollment package or request additional information about this valuable service, please contact FamilyCare support at 800.845.7558, ext. 1471 or e-mail to FamilyCare@QS1.com



CornerDrugstore.com Receives High **Customer Rankings**

by Tranaka Oglesby, Customer Support Associate, QS/1

Customer loyalty is crucial for the success of any business, and attaining a high level of customer satisfaction is important in achieving customer loyalty. According to the National Community Pharmacists Association, "Customers who are highly satisfied with pharmacy services will continue to patronize that pharmacy."

There are many factors that influence a customer's perception of a pharmacy. In order to attract and retain customers, many pharmacies offer value-added services. But, how does a pharmacy owner know which services can have the greatest impact on customer satisfaction?

A survey was developed to answer this question. It was administered to the end users of all CornerDrugstore web sites to understand pharmacy customers' perceptions of these services. The survey reached 95% of our active customer base. The objectives were to evaluate user satisfaction and to assess the importance of the pharmacy web site attributes. This analysis allowed us to determine the key strengths of the web site based on the satisfaction and importance ratings, and identify areas of the web site that may require improvements.

Of the various sections of the web site, users found Express Refills to be the most important section of the web site, followed closely by Drug Information and Refill Reminders. Users were also most satisfied with the Drug Information, followed closely by Health News and Health and Wellness Tools.

Other survey results are as follows:

- •97% of the respondents indicated they would recommend this web site to others.
- •95% indicated that they were either satisfied or very satisfied with this pharmacy web site.
- •94% indicated they were satisfied or very satisfied with the ease of finding desired information on this pharmacy web site.
- •88% indicated they were satisfied or very satisfied with the web site's "Ease of Use."
- •87% indicated they were satisfied or very satisfied with the web site's "Reliability."

A "Key Strength" was identified if a feature fell in the high satisfaction, high importance quadrant. Each feature was rated for satisfaction and importance to create a Key Strengths grid.

After plotting the results of this survey, we found Drug Information, Health News, Express Refills, Wellness Tools, Health Encyclopedia, Alternative Medicine and Refill Reminders all ranked above 50% in importance and satisfaction. These elements are considered key strengths of the CornerDrugstore web site. Survey results showed the only attribute that did not fall into the Key Strengths quadrant was the Supplement Shopping section.

In response to these ratings, CornerDrugstore evaluated other online vitamin and supplement web sites, and determined that a 20 percent price reduction was necessary



to be competitive. In order to give this price reduction and still provide pharmacists with potential earnings, we have decided to pass along our margin and give pharmacists 15 percent of any purchases made on their web sites. These pricing changes became effective March 1, 2006.

We field calls, we answer questions, but ultimately we listen to your suggestions. The satisfaction of your customers is important to us. QS/1 is committed to continually improving the CornerDrugstore web site to influence customer satisfaction and enhance customer loyalty. For additional information, or to become a member of Cornerdrugstore.com, you may e-mail us at Support@CornerDrugstore.com, or call 1.800.559.5489.

Wednesday, July 19, 2006

Registration: 1:00 p.m. - 5:00 p.m. Cocktail Reception: 6:30 p.m. - 7:30 p.m.

July 19-22

7:30 a.m. - 8:15 a.m. Registration & Continental Breakfast 8:15 a.m. - 8:30 a.m. Welcome & Introductions

Thursday, July 20, 2006 Hardware Expo Hours: 1:00 p.m. - 5:00 p.m.

8:30 a.m. - 10:00 a.m. - Disaster Planning for Your Business Marsha Millonig (1.5 hr. CE)

10:30 a.m. - 11:30 a.m. - Front-end Sales

11:30 a.m. - 12:30 p.m. - Pharmacy Trends

12:30 p.m. - 1:30 p.m. Luncheon

1:30 p.m. - 3:00 p.m. - E- Prescribing Update

3:30 p.m. - 4:30 p.m. - Rebate Programs Brian Huckle, Pharmacy First

7:00 p.m. - 10:00 p.m.

Riverboat Blues Cruise - Sail Down Ol' Man River. Dinner Cruise is \$40.00 per person \$18.00 for children ages 3-12

7:30 a.m. - 8:15 a.m. Registration & Continental Breakfast 8:15 a.m. - 8:30 a.m. Welcome & Introductions

Friday, July 21, 2006 Hardware Expo Hours: 1:00 p.m. - 5:00 p.m.

8:30 a.m. - 9:30 a.m. – Legal Aspect of HME in Pharmacy Sarah Hanna, ECS Billing

10:00 a.m. - 11:00 a.m. - HME Legislative Update John Gallagher, VGM & Assoc.

11:00 a.m. - 12:00 p.m. - Regulatory Changes to DMERC HME Billing Sarah Hanna, ECS Billing

PrimeCare 10:00 a.m. - 12:00 p.m.

Web Connect

PrimeCare

12:00 p.m. - 1:00 p.m. Luncheon

RxCare Plus NRx CRx HME
1:00 p.m. - 3:00 p.m. 1:00 p.m. - 3:00 p.m. 1:00 p.m. - 3:00 p.m. 1:00 p.m. - 3:00 p.m.

1:00 p.m. -3:00 p.m.

1:00 p.m. - 3:00 p.m.

Enhancements Enhancements Enhancements

Enhancements Enhancements

3:00 p.m. - 4:00 p.m. Point-of-Sale

7:30 a.m 8:15 a.m. Registration & Continental Breakfast 8:15 a.m 8:30 a.m. Welcome & Introductions			Saturday, July 22, 2006 Hardware Expo Hours: 1:00 p.m 5:00 p.m.	
RxCare Plus	NRx	CRx	HME	PrimeCare
8:30 a.m 12:00 p.m. Interfaces, IV	8:30 a.m 12:00 p.m. R, & Services	8:30 a.m 12:00 p.m. Interfaces IVR & Services	8:30 a.m 12:00 p.m. Inventory HME Workflow Pending Orders & Quotes	8:30 a.m 12:00 p.m. TBA
12:00 p.m 1:00 p.m. Luncheon				
RxCare Plus	NRx	CRx	HME	PrimeCare
1:00 p.m 3:00 p.m. Custom Reports RxCare Plus to NRx	1:00 p.m 3:00 p.m. Nursing Home Module TBA	1:00 p.m 3:00 p.m. CRx to NRx Q&A Tips & Tricks	1:00 p.m 3:00 p.m. Advanced Security Journals HME Point-of-Sale	1:00 p.m 3:00 p.m. TBA

QS/1 Conference Fees

Full Registration with CE: \$349/person Spouse: (Meals only, limit 1 per full registration) \$199/person (under 18) \$99/person (under 18)

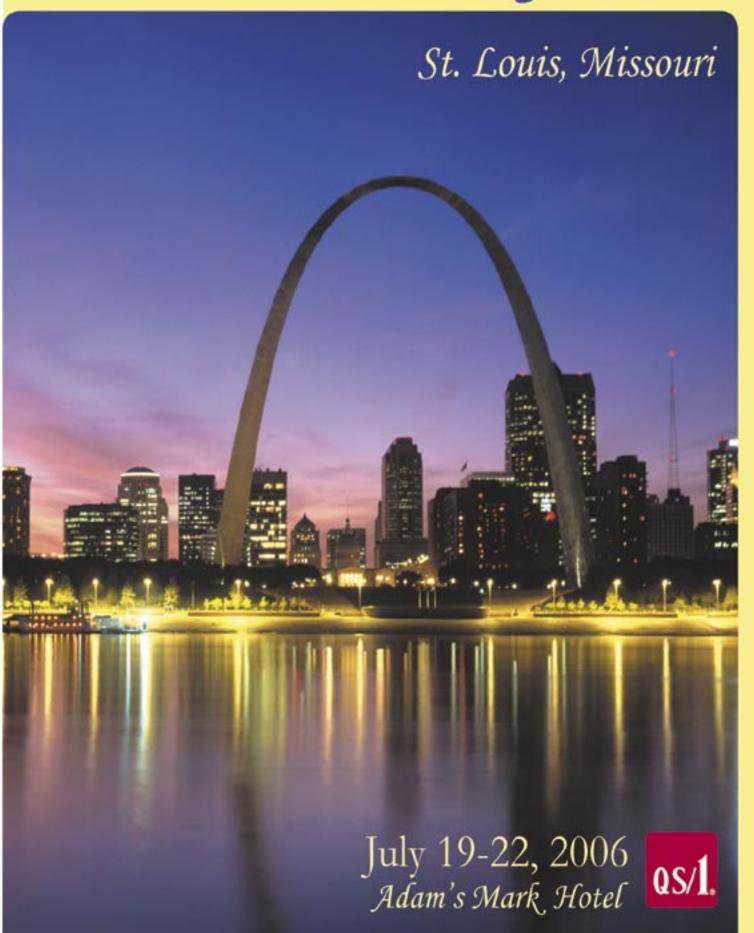
Full Registration Fee: Includes Cocktail Reception, CE Credits, General Sessions, Keynote Speakers, Workshops, Vendor Exhibits, Continental Breakfast and Lunch each day. Full Registration Fee with no CE Credit: Includes same as full registration, except no CE Credits

Spouse Registration Fee: Includes scheduled Cocktail Reception, Meals and Breaks

Child's Registration Fee: Same as spouse/guest

Cancellation: If you cannot attend, a full refund will be made, if the cancellation request is received in writing by July 1, 2006.

Customer Conference



Product Updates

RxCare Plus: Enhancements Service Pack 15

- •A store number has been added to store identification.
- •A new **Patient ID** and **Patient ID Qualifier** has been added to the patient record.
- •A **location** field has been added to the patient insurance record
- •A **Second Other ID and Qualifier** has been added to the patient insurance record.
- •The option to type the number of Refills to Transfer for incoming and outgoing prescription transfers has been added.
- •Also, on the prescription transfers, we have added a pharmacy scan of incoming/outgoing pharmacy data:
- -pharmacy name
- -pharmacy address
- -pharmacy city/state
- -pharmacy DEA number
- -pharmacy phone number
- •A new print function has been added to give customers the ability to print electronic prescription information.
- •In security access, we have added a new copy function that allows customers to copy information from an existing employee record in order to create a new employee record.

NRx: Enhancements Service Pack 15

All of the additions and enhancements listed above for RxCare Plus also apply to NRx. The following changes have also been made to NRx.

- •A Rx Origin Indicator has been added to the New Prescription screen.
- •A Batch Processing function has been added to group orders and to process the batch of orders.
- •Customers can access the batch function from the:
- -Rx Processing Task Screen
- -Patient screen
- -Patient prescription profile
- -Workflow
- -Tickler Scan
- •There has also been a Sig Language Preference added to System Options in Store Options.

POS:

PCI (Payment Card Industry) **Security Standard -** The following changes were made to programs and procedures pertaining to Credit/Debit Card processing to bring your QS/1 Point of Sale System into compliance with the PCI Security Standards.

- •The flag, "Mail/Telephone" has been added to the Credit Card Payment screen for manual transactions, including those in which the credit card data was pulled from the Customer's Record. This flag will be defaulted to a "Y" indicating that the card was not present during the transaction. It will be the cashiers responsibility to change the flag to an "N," if the card is present. This setting will make a difference in the Discount Rate charged by credit card processors and it is recommended that proof (such as an imprint) of the cards presence be maintained whenever the flag is changed to a "N."
- •The following changes have also been made to the "Required Data By Payment Type" options for Credit Card Payment:

CREDIT CARD PAYMENTS:

- -Manually Keyed Transactions
- -Card ID Data
- -Street Address
- -Zip Code
- -Mail/Phone Order
- -Verification #

(These first five options apply to and will only appear at check-out on credit card transactions when a "Y" is entered in the blank and a credit card number is either key-entered or copied in from the customer record.)

ALL CREDIT CARD TRANSACTIONS:

- -Home Phone
- -Work Phone
- -Driver License #

(These three fields will appear on all credit and debit card transactions and will be required when a "Y" is entered in the blank.)

Note: Required fields will be flagged with an asterisk (*) when displayed on the check-out screen.

Product Updates

PrimeCare:

A new field has been added to the New Order entry screen to accommodate the entry of the Rx Origin value.

A second other ID and Qualifier have been added to the Patient Insurance Record.

The Facility Name and Room number have been added to the Drug-Drug Interaction print out.

A new N function in Workflow has been added to "force" an item out of Error Resolution, even if the error is NOT fixed.

New fields have been added to the IV/Compound Template for Label Date/Time Tracking, Auth Qty, Disp Qty, and Last Time.

CRx:

A new feature to track Quantity on Hand edits for drugs can be enabled (MM.7.4.6. option #5.) This will give detailed logging when there is a manual change to the quantity on hand or when the purchase order automatically updates the quantity on hand.

The option to print vertical barcodes has been added for Code 128c and Code 39. This allows for vertical printing of the barcode on the bottle label. To change or add this barcode to your label, follow menu path (MM.7.3.1.7) or contact customer support at 1.800.441.1995 for assistance.

A new report has been added, Top XXX Drugs. This report provides the top 'x' number of drugs specified by the customer. Information on the report is as follows: Rank (top drug, 2nd on list, 50th, etc.), Drug description, NDC, count, units, and AAC. If a more detailed report is desired choose <D>etailed, instead of <S>ummary. The detailed report will write to a .txt file located in the \crx\out\dat folder.

SystemOne: Enhancements Service Pack 15

Transaction Processing

- •The modified Document Imaging feature sorts documents from newest to oldest to improve productivity.
- •The ability to print multiple items on Pick-Up Slips, Physicians Orders, Medical Release Authorizations, and Written Confirmation of Verbal Orders has been added. The icon, print documents, has been added to the vertical launch bar from the Transaction Profile screen. Click the Print Document icon to display Transaction Profile Print Documents options. Select an option and click continue. Transaction Profile Print Options window displays with options to print a single transaction, multiple transactions, or all transactions for a specific beginning service date. Click continue, select documents for the transaction profile and click print.
- •The Log Options window has been modified to include view options such as: Kit, Accessories, and Both (CMN and Kit.) These options only display in the drop-down box if they are applicable for the transaction. Only one option may be selected.

Reports

- •An entry, ALL print option has been added to "Form to Print" on Plain Paper Laser CMN Forms. Customers may type ALL to print all CMN forms at one time. The customer may also specify a particular form to print.
- •The ability to print Patient 'N' Notes using a customized report has been added.

Medicare Allowable

- •The allowable fields have been modified on the State Allowable Rate screen, as well as the Carrier Allowable screen to accept at least three digits to the right of the decimal in order to determine the expected reimbursement and have an accurate A/R.
 - The Price field on the Fee Schedule scan and the Fee Schedule Copy function has been increased to display four digits to the right of the decimal place.
 - The State Allowable rental and sale fields have been increased to display four digits to the right of the decimal.
 - The Carrier Allowable rental and sale rate fields have been modified to display four digits to the right of the decimal.
 - The Fee Schedule Files on CD has been updated to enable the price field to handle four digits to the right of the decimal.

From The Support Center

Visit www.qs1.com and check out the updated Frequently Asked Questions section under the Customer Support Login.

RxCare Plus: Billing:

•Beginning **February 18, 2006,** Connecticut Pharmaceutical Assistance Contract to the Elderly and the Disabled (Conn. PACE) and Connecticut AIDS Drug Assistance Program (CADAP) started requiring a new processor control number format when Connecticut PACE or CADAP is the <u>secondary</u> insurance to a Medicare Part D primary insurance. Customers must be on 17.8 or higher to send the new PCN format.

Do NOT make these changes to your Connecticut Medicaid Price Codes, only to the PACE and CADAP price codes.

For secondary claims, access the Connecticut PACE and CADAP Price Codes set up in your system. Press F2 until you access page four (Plan Parameter Info.)

1 Verify the ANSI BIN# is 610480.

2 In the Proc Ctrl # field type CTPCNPTD and press F1 to save. 3 Type 445265162 in the Software ID number for CT PACE and CADAP plans.

For more information, please visit http://www.ctmedicalprogram.com/bulletin/pb06 07.pdf.

NRx

•When adding new charge accounts in Accounts Receivable, only create a new charge account for the primary charge account holder, which is the patient that will be responsible for paying the bills. You should not create charge accounts for the other family members that will be charging to the primary account holder.

PrimeCare:

•Billing Matrix is a handy tool in the PrimeCare System. It allows customers to setup pricing tiers that will prevent unwanted claims from rejecting. It also saves pharmacists and technicians time because they do not have to research plans to see what is covered. More pharmacies are looking to the Billing Matrix solution now that Medicare Part D is underway.

Hardware:

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

POS:

•POS has added a new feature as of Service Pack 18.1.15. You can now search for POS transactions by GTIN, Rx number or Credit Card number for a date range, without having to print a report. To do this, go to F2-Daily Operations, F1-Customer Service, F2-Transaction Journal. From this screen, press F7. Enter your search criteria and press enter. The system will take you to the latest transaction that contains the information for which you are searching.

CRx 18.4:

•Added new print options to Price Update Services (menu path 7.3.2). The price update report is currently set to print to paper as the default option.

The new options are:

1=Print to paper

2=Print to file

3=Do not print.

With 18.4 you can now add 999 third parties (menu path 4.7.1).

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

CRx Hardware: Time Change Backup

•Please be aware of automatic backup failures that occur on all versions of Windows after the Daylight Saving time change. Check your backup logs daily. If you experience any problems with your automatic backups, call Customer Support 1.800.441.1995, option 3 for Hardware.

CMS Reports:

•Did you know that you can save your reports to Excel, PDF, html, Text, and Report Document file. Select your report to run and under the General tab select Save Report to File. Your report will then print to screen and you will have the option to select Save. You can change Save as Type to format desired.

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

RxCare Plus: Accounts/Receivable

-Be sure to print an Account Trail Balance showing detail to check for accuracy prior to printing statements.
-Make a backup of the A/R and A/R History files, preferably utilizing the hard drive backup option via file maintenance.
-Do not answer YES to the aging question at the end of the statement run until all statements have printed, just in case there is a paper jam, etc.

SystemOne

Attaching CMNs to transactions:

If a CMN format was specified in MCR-CMN field of an Item Record, the CMN format displays in the message window for all transactions involving that item. You can change CMN format and defaulted answers for format, and you may add information to the format while on the Transaction Processing screen.

Using CMN Forms option, produce several different kinds of CMN forms for new transactions. CMN will not be printed for private pay transactions. Complete the fields with the answers to the form's questions.

For New Transactions:

1. To attach a CMN, access the Item Record and verify that the correct CMN format is listed in the CMN/PHO field. Click the down arrow and select the appropriate CMN format. Save the Item Record and click close.

2. From the Patient Record, click Single Order. Type the item code. Click Continue to access the Transaction screen. Click Order Update to verify that the CMN is listed on the screen and that the Date Needed Initial matches the origin date and the begin date of service on the transaction screen.

3. Click CMN at the top of the screen to view and log the CMN. Type 1 to indicate an initial CMN. The CMN form is ready to be printed.

5. Press **ESC** to return to Patient Record.

For Existing Transactions:

1. Access the last transaction with the valid CMN. Click Reassign. This refills the transaction, keeps the Date Needed Initial the correct date of the original CMN, and changes the original date and begin date on the transaction to reflect the revised/recertified date.

2. Click the CMN tab and type either 2-Revision or 3-Recertification according to whether the CMN is a revision or recertification and type the date.

Click Save. The CMN form is ready to be printed.

Trade Shows

In Your Area

Seattle, WA

April 18-19, 2006:

Pacific Association for Medical Equipment Services - PAMES http://www.PAMES.org/

Lisle, IL

April 20-21, 2006:

Illinois Association for Medical Equipment Services - IAMES http://www.iames.org/

Omaha, NE

April 20-21, 2006:

Midwest Association for Medical Equipment Services - MAMES http://www.mames.com/

Columbus, OH

April 21-22, 2006:

Ohio Pharmacists Association http://www.ohiopharmacists.org/

Las Vegas, NV

April 24-26, 2006:

American Society of Consultant Pharmacists - ASCP Midyear Booth #318

http://www.ascp.com/

White Plains, NY

April 24-26, 2006:

New York Medical Equipment Providers Association - NYMEP http://www.nymep.org/

Indianapolis, IN

May 2-4, 2006:

Association of Indiana Home Medical Equipment Services - AIMES http://www.ind-homecare.org/

St. Petersburg, FL

May 7-9, 2006:

American Association for Homecare Leadership - AAHomecare Leadership Conference

http://www.aahomecare.org/

Louisville, KY

May 11, 2006:

Kentucky Medical Equipment Suppliers Association - KYMESA http://www.kymesa.org/

TBA

May 21-23, 2006:

Pennsylvania Association of Medical Suppliers/Delaware - PAMS http://www.pamsonline.org/

New York, NY

May 30 - June 3, 2006:

American College Health Association

Booth #608

http://www.acha.org/

Orange Beach, AL

June 7-8, 2006

Alabama Pharmacy Association

http://www.aparx.org/

Kansas City, MO

June 8-11, 2006:

Missouri Pharmacy Association

http://www.morx.com/

Sandestin, FL

June 10-14, 2006:

Georgia Pharmacy Association

http://www.gpha.org/

Waterloo, IA

June 12-15, 2006:

VGM Heartland

http://www.vgm.com/

Boca Raton, FL

June 14-18, 2006:

Florida Pharmacy Association

http://www.pharmview.com/

Little Rock, AR

June 15-16, 2006:

Arkansas Pharmacists Association

Booth #28

http://www.arpharmacists.org/

Orange Beach, AL

June 18-20, 2006:

Tri-State HME Conference

Groton, CT

June 19-20, 2006:

New England Medical Equipment Dealers - NEMED

http://www.nemed.org/

Lake George, NY

June 21-25, 2006:

Pharmacists Society of the State of New York - PSSNY

http://www.pssny.org/

Wrightsville Beach, NC

June 22-24, 2006:

North Carolina Association of Medical Equipment Services - NCAMES

http://www.ncames.org/

Alexandria, MN

June 23-25, 2006:

Minnesota Pharmacists Association

http://www.mpha.org/

Hilton Head Island, SC

June 23-25, 2006:

South Carolina Pharmacy Association

http://www.scrx.org/

Virginia Beach, VA

July 14-15, 2006:

Virginia Association of Durable Medical Equipment Companies - VADMEC http://www.vadmec.org/

The Woodlands, TX

July 22-23, 2006:

Texas Pharmacy Association

http://www.texaspharmacy.org/

Las Vegas, NV

July 24-27, 2006:

Cardinal Retail Business Conference

http://www.cardinalrbc.com/



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