

INSIGHT

April 2002

THE QST MAGAZINE

Electronic Prescribing

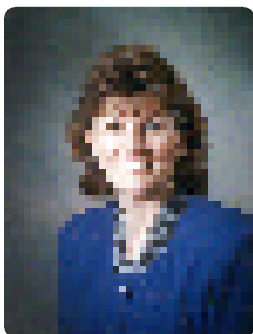
What You Need to Know!

*Look for this quarter's
issue of Insight.*

Customer Spotlight:
Louis & Clark Pharmacy



www.qst.com



Tammy Devine
VP President of Marketing, QS/1

I recently celebrated my 20th anniversary of employment with QS/1. The years have gone so quickly, and I'm amazed at the incredible growth and change I've seen both at QS/1 and in the pharmacy and HME industries we serve. It doesn't seem that long ago that I was writing code for the pharmacy system to run on the IBM Series/1!

In the three years I've managed QS/1's marketing department, one way my staff and I have addressed these industry changes is to expand QS/1 customer conferences from one annual conference to three. We know that all of our customers are not the same. And although many of our customers have more than one QS/1 system, we hear from you that you appreciate having conferences geared towards the specific needs of retail pharmacy, of institutional pharmacy, and of the HME business.

At our recent conference for HME providers in Orlando (page 20-21), for example, some of the top experts in the industry addressed concerns specific to the HME business, such as CMNs, Medicare denials, and issues of billing for medical equipment. Our goal with the conferences is not just to give you information about our own products but also to provide updates on the industries and on technology.

We keep moving the locations for the conferences, too. In the 15 years we've had conferences, we've met in Hawaii, in Texas, in Nashville, and in Toronto, just to name a few places. This fall's PrimeCare conference will be in Atlanta, and in 2003, we're having the retail pharmacy conference in San Diego.

What does QS/1 get out of our conferences? It's always special to meet new customers and to visit with long-time customers that we now consider friends, like Louis Demosthenous (see Customer Spotlight, page 13). But we also find the information we get from you at conferences to be invaluable. You use our products daily, you rely on our products to be profitable, and the suggestions we get from you at conferences always influence product enhancements.

If you've never attended a QS/1 customer conference, this August's retail pharmacy meeting is a great one to start with. We're celebrating QS/1's 25th anniversary with a tour of our Spartanburg headquarters and an opportunity for you to meet many of the QS/1 employees you talk to on a regular basis.

So come help us celebrate, and make QS/1 conferences a part of your yearly training schedule.

April 2002

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Duane has relocated to Spartanburg from Nashville, TN, where he was Regional Sales Manager for TeamDME! for 6½ years. At TeamDME!, Duane was responsible for developing leads; demonstrating, installing, and training products; exhibiting software at trade shows; and negotiating software development between programming staff and customers. Duane also has technical and sales experience with Cigna Healthcare, Crestar Food Products, and PCA Health Plans.

QS/1 welcomes Duane and looks forward to utilizing his experience in the continuing development of SystemOne.

On April 15, the Virginia Pharmacists Association Research and Education Foundation will honor QS/1 customers James and Robert Ukrop's with the "Rx for Excellence" award for their support of the Foundation and service to the community.

The first Ukrop's pharmacy opened in 1989, and there are now 21 Ukrop's pharmacies in 27 stores. Fifteen of these pharmacies have Wellness Centers offering blood pressure monitoring and blood glucose and cholesterol screenings. Ukrop's also offers community health programs such as Shots for Tots, vision screenings, and immunizations. Ukrop's pharmacies use QS/1's CRx system to manage their pharmacy operations.

QS/1 extends congratulations to all the staff at Ukrop's for this award from their peers.

QS/1 and the Assisted Living Pharmacy Association are pleased to announce an ongoing professional and co-marketing relationship. ALPhA is the national association of professional closed-door pharmacies that specialize in assisted living. Operating under the basic belief that the needs of assisted living communities and their residents differ from other healthcare settings such as nursing homes or retail, ALPhA's goals are to grow members' businesses through national sales and marketing campaigns and to reduce costs through aggressive purchasing negotiations. Additionally, ALPhA offers unique wellness and disease management programs to improve residents' health and increase pharmacy value to its clients. QS/1 is the preferred pharmacy management software of ALPhA. If you serve assisted living facility residents, please contact Brian Smith, Executive Vice President of ALPhA for more information at 954.659.1662 or visit their web site, www.alpha-rx.com.

A Retail Home Health Care *Primer*

By: Jack Evans



Americans are aging. Seniors are becoming less mobile. Their adult children are becoming their caregivers. We know these basic demographic facts.

How can home healthcare (HHC) businesses take advantage of this growing need for their products and services? Several core competencies have evolved in retailing that differentiate successful businesses from their competition. These are positioning, merchandising and marketing.

Position Your Business

The one fundamental difference between HHC providers and mass market retailers is that HHC providers strive to improve the quality of their customer's (or patient's) life. Mass market retailers simply sell basic (good) commodity products at discount prices. The knowledgeable providers who sell HHC products are professionals such as pharmacists, nurses, therapists, trained technicians and fitters. They educate customers first, then demonstrate how specific quality (better and best) HHC products meet their needs. Finally, they sell in response to fulfilling these needs.

There are four primary means to differentiate retail businesses in the HHC market: product, service, reliability and information. Many HHC providers specialize in market niches in which they sell product or provide educational and support services as the result of their professional staff's specific training and/or skills, such as rehab, respiratory, IV infusion, mobility, diabetes, compression or women's health.

Home healthcare is primarily an information business because patients and consumers do not necessarily know what medical products or services are available that will meet their needs and improve the quality of their lives. The niche marketing goal of HHC providers is to become the primary source of information and education for their respective category of HHC products and services. Statistically, once a retail business accomplishes this marketing goal, then 75% of the customers who depend upon them for information will also buy related product when the need arises.

Merchandise to Touch, Try & Buy

The HHC market is literally a "hands-on" business because patients and customers need to try out these products before they buy them. Often a product's direct personal benefits are

not easily visible or understandable and must be explained by a professional salesperson. Other products must be used to appreciate. For example, walkers and canes will not sell when hung from a wall or placed upon a pedestal because customers must walk around using them first before they buy. Back cushions don't sell by sitting on shelves, but from being tried by customers who are seated in the pharmacy's waiting area chairs. The best educational tools that HHC providers use are retail displays that demonstrate products in their respective settings. Bedroom, bathroom and kitchen room settings visually show customers how numerous related and impulse products will meet their similar needs. Cross-selling related products displayed in these settings produces the highest product turns in the HHC market. For example, a customer requesting an elevated toilet seat would first find a related grab bar to also be helpful, and then see how a bath bench meets a similar need due to their reduced mobility.

These products are only part of the retail packages provided by their suppliers to increase sales. Marketing and merchandising aids that help sell-through products include:

- point-of-purchase (POP) displays to both attract and educate consumers
- shelf signage and literature to direct and inform customers
- retail packaging that is eye-catching and personal-benefit oriented
- coupons and rebates to reward loyal customers
- co-op advertising programs to help increase the retailer's ad frequency and retail traffic.

Jack Evans is president of Global Media Marketing, Malibu, CA. For more information, visit www.retailhomecare.com or contact him at 310.457.7333.



Those with the Best Information Win!

POS software that brings them back again and again!

By: Jan Ciuciura

It costs five times more to get a new customer into your store to make a purchase than it costs to get an existing customer to return. Or is it three times more, or ten times more?

Regardless, advertising is expensive and results are hard to measure. If it does not make the till ring, the promotion is a bust. Eight out of ten specialty retailers I talk to maintain some sort of customer list; for some it's a box of business cards, for others it is a sophisticated computer filing system. Whether they allocate a lot of resources maintaining these files or not, I find the majority of retailers are using only a small portion of what these lists have to offer.

Customer loyalty programs can be very effective and easy to administer with the appropriate software.

To maximize return on a customer mail list, one has to know more than just the name, address and phone number; in order to do that a point of sale system with customer database software is required. Knowing who bought what and when they bought it, and being able to sort and inquire based on this is powerful information. Those with the best information win.

Some of the better systems can answer the following queries:

- * What regular customers have not been in the store in the last six months?
- * Who have been our best customers over the last three years? Total purchases? Gross margin?
- * Who buys only when we have a sale?
- * Who is a fan of brand "X"?
- * Who has a birthday this month? What is their spouse's name?
- * Who purchased item "X" last season?
- * What items has customer "X" purchased in the last year? What size do they wear? Favorite color?
- * Who is that person who just walked in the store?
- * Validation of returned merchandise with no receipt?
- * Ability to list customers who purchased one item but not a related item?
- * Maintain a frequent buyer / points program?
- * Tracking of employee discounts and purchases?
- * Which customers do not want promotional mailings sent to them?
- * Maintain charge accounts, mail order or wholesale customers?

The best way to obtain such information is to capture it at point of sale and store it on a customer database. Therefore, a retail information system with a computerized point of sale terminal is required. In the last three years, hardware costs have come down a lot and software functionality has greatly increased.

Keeping customers at the cash register while sales clerks practice typing skills can be a problem. Once a customer is in the system, subsequent trips to the till are much quicker. Having customers fill out an address card while the sale is being processed and entering information later is an option to consider during busy times.

Today we have to give customers a reason to buy. Stimulating that reason through telephone or mail contact is cheaper and far more effective than another newspaper ad. Mailing a free gift certificate to your 50 best customers thanking them for their past patronage can be done for under \$50. Make sure that your "off price" customers see the ad for the semi annual sale; why not mail them a copy of it?

If some of your suppliers have extra trade catalogs or great color photos of their product line, use them as your mail-out: customers will be impressed at your professional four-color material. Maintaining personal client lists by sales associate is much easier, since all their purchases are recorded in their personal file. You know what they purchased and when, and therefore it is easy to notify them of new arrivals and discuss with them their past purchases or even help their spouse in gift selections.

Customer loyalty programs can be very effective and easy to administer with the appropriate software. One of the most effective programs I have come across is from a small three-store fashion retailer that gives customers 10% of all purchases made in "bonus credits" which can be redeemed on anything in the store. You get \$5.00 for signing on, no ID cards are necessary, and

everything is tracked through the POS system. No paper changes hand, and purchases from the three stores are updated daily; therefore, redemptions and purchases can be made at any location.

A "regular price" customer for some retailers is rarer than the Leafs winning the Stanley Cup: these people buy at full retail and purchase early in the season and may not want to know that item they purchased last week is now marked down. Make sure your direct mail campaign omits this person from the mail list.

Knowing who purchased a certain item but not a related item can be valuable information to some retailers. Conversely, knowing what related items "piggy back" on the sale of certain products can help build more effective promotions. For example, an analysis of a back-to-school campaign by a junior department store showed that 85% of the customers who purchased the promotional jeans (loss leader) bought nothing else. This long-running promotion was thought to be a success until such analysis proved otherwise. Now margins for subsequent promotions are slowly increasing through promoting products that have a strong "drag" effect.

Successful retailing is all about building a relationship with customers. The more we know about them the better we serve them. The better we serve them the more loyal they become. That's why those with the best information win.

Jan Ciuciura, President, Sussex Retail Management is a retail technology specialists. For more information call 1.877.233.8090 or visit www.sussexretail.com.

The Importance of Fleetwood:

An Interview with ASCP's Janice Feinberg



Janice Feinberg

As the Fleetwood Project moves into its third phase, with \$750,000 in funding, the study by the research foundation of the American Society of Consultant Pharmacists (ASCP) is getting increasing attention in the pharmacy community. QS/1's Jennifer Langham

had an opportunity to chat recently with Janice Feinberg, former ASCP foundation executive director, about the importance of this research.

JL: Describe the Fleetwood Project for those who are not familiar with it.

JF: The Fleetwood Project is a landmark, three-phase research initiative, begun by ASCP in 1995 to demonstrate the value of consultant pharmacist services and the impact of those services on patient outcomes and costs. Phase I looked at the scope and extent of medication-related problems in nursing facilities. In Phase II we asked, what's the feasibility of reengineering long-term care pharmacy practice to implement a new model of care? In Phase III we're evaluating the effectiveness of the Fleetwood model. This is truly the most important research ever undertaken on behalf of pharmacy.

JL: What were the goals of ASCP in setting up the Fleetwood Project?

JF: We found in Phase I that for every dollar we spend on medications in nursing homes, we spend two dollars to treat medication-related problems, so this is where we felt pharmacists could have a substantial impact. When we went into Phase II, we knew that we needed an intervention that, one, was prospective, and two, was feasible in the real world of long-term care pharmacy. We couldn't just set up a study for the purpose of a study that had no chance of widespread implementation. And we knew the model couldn't cost a lot to implement because people wouldn't do it.

JL: One of QS/1's customers, Neil Medical Group, in Kinston, North Carolina, is the site of Phase III of the Fleetwood Project.

Tell me what made Neil Medical an attractive site for this research.

JF: We were looking for a pharmacy that serviced the number of facilities out of one site that we needed for the study, with a stable and committed pharmacy staff who were willing to become involved in a three-year research project. Neil Medical also has committed, enthusiastic management and ownership. They were open to innovation and change.

JL: It sounds like Neil Medical will benefit from this research, too.

JF: All of pharmacy will benefit from this research, and we are grateful to Neil Medical for serving as the "laboratory" for this important study. Neil Medical's participation gives it an opportunity to get its staff involved with new processes and new ways of thinking about what they're doing. And I think each pharmacist who's involved will feel much more positively about their ability to really affect patient care and patient outcomes after the study is over.

JL: How will this study affect pharmacy practice outside of the long-term care environment?

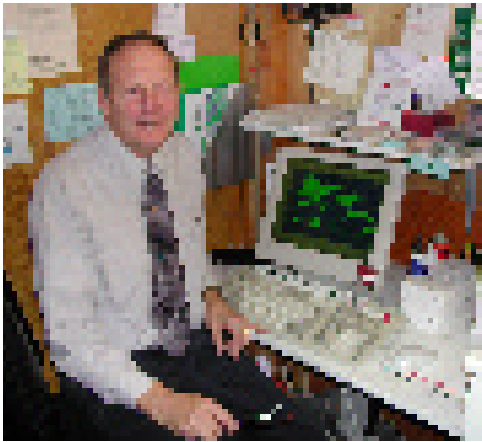
JF: If pharmacists want to be paid for professional services, those services have to be clearly distinguished from what's happening now in the drug distribution process; they have to look, feel, taste, and smell different from what pharmacists are currently doing. The Fleetwood Model identifies elderly patients at highest risk for medication-related problems. The risk factors identified for the Fleetwood Project could be applied to non-nursing home elderly as well. If pharmacists can identify who is at highest risk, they can spend their valuable time with those who benefit most from their professional services. But to get paid, pharmacists also have to do the pharmaceutical care planning part of it, which includes documentation and monitoring of outcomes. For pharmacy to be successful in getting paid for professional services, we have to completely reengineer pharmacy practice. That's what's different and exciting about the Fleetwood model.

For more information on the Fleetwood Project, see the ASCP Foundation web site (www.ascpfoundation.org).



The Canadian Perspective

Canada |



Customer Number One for QS/1 Canada

Mitchell and Mitchell Pharmacy is located in Vulcan, Alberta, where owner and pharmacist Dave Mitchell has been mayor for 21 years and a councilor for 10 years. Because of its name, Vulcan has a great appeal to “Trekkies,” and the town has many visual reminders of its connection to the popular TV show “Star Trek.” Mitchell and Mitchell Pharmacy, with Star Trek-themed murals on its windows, is no exception when it comes to getting into the spirit. But then Dave Mitchell, who is a member of the Masonic Lodge, the Lions Club, and the Chamber of Commerce, has always been community-minded. He has practiced pharmacy in Vulcan for 45 years, raised three sons there, and now enjoys his five grandsons and two granddaughters.

In 1980, Dave Mitchell looked at pharmacy software systems that were available and decided that QS/1 was the best. Dave became the first QS/1 customer in Canada. His peers sometimes accuse him of being biased when it comes to software, but Dave defends his loyalty to QS/1. “Choosing QS/1 did not disappoint me then, and I have not been disappointed to this day,” he says.

Dave’s first QS/1 system was a 13.9 megabyte IBM Series/1. Dave says that by upgrading his hardware frequently and keeping abreast of QS/1 software releases he has benefited greatly in the operation of his pharmacy. Dave is capable of offering the very latest technology to his customers. Dave was also the first Canadian customer to implement the IVR interface. Being an innovative and astute businessman, Dave realized he had to advertise this new system to his present customers who wanted to call in their refills. To accomplish this, he put the advertisement on a portion of the label!

During the first 3 or 4 years that Dave had a QS/1 system, there was no Canadian office. But Dave did not have to call for service once. Dave admits the system was less complicated then, but he still calls infrequently and when he does he says the service is great. Dave is in his store early in the morning and likes to call our service desk then with any questions. It is usually only 6 am Dave’s time! Dave feels the distance and time difference between Alberta and Halifax does not matter because, as he puts it, “The system works.”

We salute Dave for the many contributions he has made to his community and for his outstanding support as a QS/1 customer.

Canadian Tips and Tricks

RX

Question: Why are my printers not printing properly?

Answer: One reason maybe the emulation has changed on the server because you may not have closed the server properly with a Ctrl C.

POS

Question: Why is it that when I’m setting up a new employee, my sales go into training?

Answer: When you access F6 Security Access codes, look under Daily Operations and you will find Training Mode Only is set to a ‘Y’. Reset this to ‘N’.

HME

Question: How do I get to the Help Screen in HME?

Answer: In the HME and POS modules you access the Help Screens by pressing the F12 key.

Electronic Prescribing

What You Need to Know!

By: Rich Muller
Industry Analyst Manager, QS/1

Electronic prescribing is not a new term to the pharmacy industry. While the technology has existed for many years, adoption has been slow. That may be about to change. Two new organizations, RxHub and SureScript Systems, are attempting to make electronic prescribing the industry standard. But what exactly is electronic prescribing? How does it work? Who pays for it? QS/1 asked some of the people in the industry for answers to help inform pharmacists on the issues.

What exactly does “electronic prescribing” mean? Obviously it includes new prescriptions sent by the prescriber to the pharmacy, but that is not the most widely used application of the technology. “Eighty percent of all transactions are refill authorizations, and it has been that way for the past six to seven years,” explains Jack Guinan, Executive Vice President of Prescription Services for ProxyMed, a vendor that QS/1 works with for delivering and receiving electronic prescriptions. “Over the past seven years, we’ve had approximately 10 million transactions, and more than 80 percent of them have been refill authorizations.”

up time. In fact, electronic prescribing was the third most mentioned way that time could be saved, behind proper use of a technician and a standardized pharmacy benefit card. Yet only 19 percent of pharmacists say they actually are receiving electronic prescriptions in their pharmacy.

If so many pharmacists are in favor of electronic prescriptions, why isn’t the technology more widely used? The answer lies in the other side of the electronic prescription equation, the prescribers. Many prescribers have yet to see the true value of electronic prescriptions. In recent years, a number of vendors marketed handheld technology to physicians. “The handheld vendors caused a lot of disruption in the industry, because they concentrated on new prescriptions rather than refill authorizations,” explains Guinan.

ProxyMed knows about the value of electronic refill authorizations. As Guinan explains, “ProxyMed had 25 stores, all on a frame relay network that used QS/1. We ended up doing thousands of refill authorizations with doctors and it became unmanageable, so we developed the [electronic prescribing] technology. As a result, we were able to fill about 400 prescriptions per shift with just one pharmacist. We doubled production because we weren’t on the phone.” Several years ago

There is strong pharmacist support for electronic prescribing. In its last annual report, Schering Report XXIII surveyed pharmacists about electronic prescribing. 72% of all pharmacists were in favor of electronic prescribing, and 62% also believed that using electronic prescribing freed up time.



Electronic prescribing describes a computer-based communications system. The prescriber is able to send a new prescription to the pharmacy, and a pharmacy has the ability to send a refill authorization request to a prescriber. To accomplish this, a network must be formed that allows pharmacies and prescribers to recognize each other electronically. This network, also known as a “gateway” or “aggregator,” is maintained by a “provider broadcast” which goes out to the entire network every time a new prescriber or pharmacy is brought into the network. For QS/1 customers, these messages are maintained in a mailbox, which is accessed when claims are transmitted via PowerLine.

There is strong pharmacist support for electronic prescribing. In its last annual report, Schering Report XXIII surveyed pharmacists about electronic prescribing. Seventy-two percent of all pharmacists were in favor of electronic prescribing, and 62 percent also believed that using electronic prescribing freed

ProxyMed decided to sell the pharmacies and market the technology.

In the past year, two new organizations were formed to create a “super network” for electronic prescribing. RxHub was formed by Advance PCS, ExpressScripts, and Merck-Medco. Focusing on new prescriptions, RxHub seeks to deliver “clean” prescriptions to a pharmacy by having prescribers interact electronically with pharmacy benefit managers on formulary and drug utilization review first. It is their belief that this will improve patient safety and cut costs.

The other organization working on a “super network” for electronic prescribing is SureScript Systems. A joint venture between NACDS and NCPA, SureScript Systems is focusing on refill (renewal) authorizations. Ken Whittemore Jr., Vice President of Professional Affairs, explains, “The involvement of these two organizations ensures that SureScript Systems

will bring a critical mass of community pharmacies to the e-prescribing space. We are working with top executives of major chains around the country and will be utilizing networks created by companies such as QS/1 to link up with independent pharmacies in order to move this effort forward."

Ken Whittemore says the case for electronic prescriptions is clear. "Most studies indicate that three billion prescriptions were filled in 2000 which will increase to four billion by 2005. It's an extraordinary growth rate, which is fueled by a proliferation of medications available to treat disease and by the increased demand caused by the aging of the baby boomers. How are pharmacies going to deal with the increase? Maximizing practice efficiency will be key, and getting pharmacists off the phone and away from the fax machine by automating



"Most studies indicate that three billion prescriptions were filled in 2000, and that will increase to four billion by 2005."

renewal authorizations and new prescriptions will be essential ingredients in the mix," Whittemore says.

SureScript Systems is in the process of developing an implementation guide for electronic prescribing using the ANSI accredited NCPDP standard known as SCRIPT. Bill Lockwood, Executive Director for ASAP and Chairman and Publisher of ComputerTalk, explains, "The SureScript implementation guide is very important because it will create one way of sending and receiving information on both sides, which will accelerate the use of the technology." If all goes as planned, SureScript Systems will launch its first pilot site during the summer of 2002. QS/1 is working with SureScript Systems during these early stages and will remain involved in the process.

Clearly there are significant advantages for electronic prescribing. For new prescriptions, there is opportunity to reduce medication errors caused by reading handwriting. For refills, the authorization process can save time. These benefits do not, however, come without a cost.

"Who's going to pay for electronic prescribing?" asks Lockwood. The answer to that question is less clear. Since prescribers have little incentive to send new prescriptions electronically, making them share the costs of the transaction could be difficult. Lockwood says, "Pharmacists have to evaluate in their minds what kind of value they get for automating the process."

When it comes to refill authorization, time savings on both sides make sharing the costs less of an issue. "Doctors and pharmacists get an equal amount of value, so the cost is equal," says ProxyMed's Jack Guinan. ProxyMed charges prescribers a monthly fee for their services, while pharmacists pay per transaction. Guinan also points out that since chain pharmacies have been utilizing electronic prescribing for years, there must be some cost savings associated with its use.

Should electronic prescriptions be in your immediate future? "Pharmacists should start networking with doctors in their area," says Bill Lockwood. "Start with refill authorizations first because there are benefits for both pharmacists and prescribers, mainly in saving time." Adds Whittemore, "Decreasing time spent on administrative issues, like renewal authorizations, will increase time for pharmacists to focus on direct patient care

and more clinical discussions with prescribers."

One of the most popular places for electronic prescribing is in the health clinic setting. Patients go upstairs to get evaluated by a doctor, then downstairs for their medication. Using a combination of a patient demographics interface and electronic prescribing, a patient can walk down to the pharmacy and already be in the system with prescriptions already filled. If your pharmacy is in a health clinic, hospital, or university setup, you may be in a better position to start using electronic prescribing immediately.

Guinan says to look at the chain pharmacies in your area. "Walgreens and Eckerd are our biggest customers, so if you are in an area where they are, more than likely you will find prescribers who are sending electronic prescriptions. If not, the pharmacy needs to generate interest with their high prescribing physician offices." In fact, Guinan says that once doctors "are online with refill authorizations they don't like dealing with pharmacies who aren't, and will even go as far as to recommend other pharmacies to their patients."

The future of electronic prescribing looks brighter than ever. The good news is that QS/1 RxCare Plus and PrimeCare customers can add electronic prescribing to their systems today. For more information about what options are available to you, please contact your QS/1 sales representative.

Louis & Clark Pharmacy

By: Jennifer Langham
Communications Specialist, QS/1



- Louis Demosthenous (third from the left) at the SystemOne reception in Orlando, Florida, February 2002.

Louis Demosthenous, RPh, of Louis and Clark Drug and Home-Care Medical, sat on the front row at the recent QS/1 HME Customer Conference, ready to learn about technology changes that can make a difference to his business.

Throughout the growth of Louis and Clark, technology has been key to the company's success, Louis says. "Pharmacy is always under pressure of the economy driving our prices down and labor costs increasing, and the only way we can really survive is through technology," he says. "My job has always been to look at the business and look at the computer and see how they can both be utilized to keep us profitable."

Though he fills in as a relief pharmacist, Louis has, over time, become the company expert on medical equipment, a business he describes as "very labor intensive." He says, "You don't just walk into a [HME] store and walk out, which customers don't expect. We have to qualify insurances, set them up as a new patient, and so on. The challenge is to make that experience faster and more pleasant for the customer."

"How well we handle customers today is what creates our business again tomorrow," says Louis. "In 35 years we've gained a reputation for meeting patient needs, but it's always a challenge."

Personal relationships have also been important to Louis in his partnership with QS/1. He remembers Russ Weber, now QS/1 Vice President for Operations, selling Louis and Clark its first QS/1 system, recalls all the Sunday afternoons he got telephone support from Chris Cox, now Director of Product Support, and raves about finally meeting Amanda Gordon, who was his support contact for a decade, at the conference. "The longevity of people at QS/1 really speaks well for the company," Louis says, "I think out of all the companies I work with, QS/1 people are probably the most interested in their jobs and love their jobs the most."

In business since: 1965

Locations: 7 stores in the Springfield, Massachusetts, area: 3 full-line stores, a medical equipment store with a pharmacy, and 2 clinic stores in hospitals.

How the stores got their name: My first name is Louis and my business partner's name is Clark, and after we bought our first store, people kept asking us why we didn't call the store Louis and Clark. So we did.

QS/1 systems: RxCare Plus, SystemOne, POS

With QS/1 since: 1986. We started out on one of the huge IBM Series/1 computers!

Conventional wisdom Louis and Clark have proved wrong: People told us, "Business partnerships never last." We've had a successful, growing business partnership for over 35 years now.

How the pharmacist shortage affects Louis: Clark and I, and the other managers, have to fill in as relief pharmacists more often. But when you're a business owner, you can't just pass the buck.

Favorite recent change to QS/1 software: 17.1 for SystemOne. The system is really taking a quantum leap forward with open item A/R.

Biggest surprise at QS/1 customer conferences: How many people don't use all the features in QS/1 products. The system will do a lot more than many customers let it do.

Outlook for the future: We've had more opportunities for business growth in the last 5 years than ever before. As more independent pharmacies have closed, those of us that are left offer customer service that the big chains can't offer. You just can't find that kind of service anymore, and people like it.



John Frady

RxCare Plus 17.2

What has changed with your RxCare Plus System? There are several new tools to help prevent medication errors.

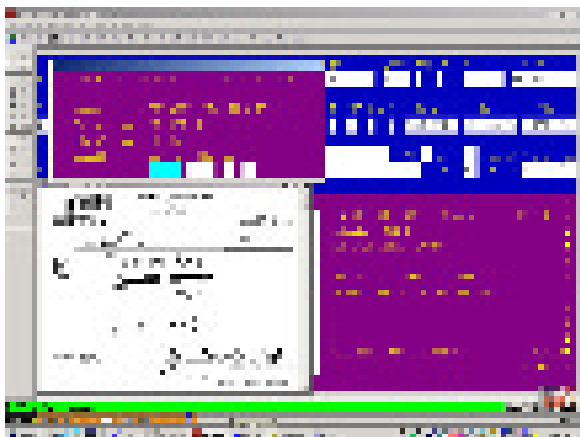
What's New in RxCare Plus 17.2

By: John Frady, Industry Analyst, QS/1 RxCare Plus

Finding ways to reduce the potential for and costs of medication errors by healthcare professionals has received a great deal of press lately. To provide additional tools to for preventing medication errors, the 17.2 version of RxCare Plus has some exciting enhancements: the ability to scan a prescription for later retrieval and a Drug Image and Drug Imprint database for simple and accurate verification of medications.

Scanning a Prescription

Paper prescriptions can now be scanned into the system and retrieved later for review. After scanning the prescription into the system using a scanning device, the image displays on the lower left side of the screen. The prescription fields move to the lower right side of the screen to allow input of correct information on the prescription entry screen.



You can also view the prescription image by pressing (^)(Shift-6). This feature will also allow you to retrieve the prescription image during refills or any time you need to access a particular prescription. In addition, when you do NDC verification by pressing the ')' (Shift-0) key, any scanned prescription will automatically display on the screen along with the NDC verification window.

The QS/1 upgrades department can provide information on the scanning device that you need for this feature.

Drug Image and Imprint Database

The First DataBank Drug Image and Imprint database is available in 17.2. This database makes it possible to view

drug images in prescription processing and to print drug imprints on a label. Currently there are approximately 5000 images covering 18,000 NDCs. This database will be available for a quarterly fee, and each month subscribers will receive a CD to update the images.

Using this database gives pharmacists a simple and accurate means of verifying medication. Each image depicts the front and back sides of a drug as well as any significant markings (scoring, identification number, etc.). These images can be used as a visual check to ensure that the proper drug is dispensed, reducing the potential for and costs of medication errors.

Viewing Drug Images

Drug images can be displayed in two ways.

1. From the prescription record: Pressing left bracket ([) will display the drug image on the screen as well as the manufacturer if available. If an NDC contains multiple images, a message S=Next Drug Image and R=Reverse scroll will appear. Type S to scroll to the next drug image.
2. During NDC Verification: If a prescription record contains a drug image, it will be displayed automatically when the NDC verification function ')' is used. For drugs with multiple images, the same scroll function mentioned before will apply.

Also when doing NDC verification, if a prescription has been scanned into the system, the scanned prescription and the NDC verification window will display. A message S=View drug image R=Reverse will appear to prompt you to display the drug images. The reverse function takes you back to the screen with the scanned prescription.

Printing drug imprints

Two new label routines, both of which will print up to 40 characters, have been added to print the drug imprints on the label:

Routine 435, 'Prt Imprint Side One,' will allow the printing of the imprint information from side one of the drug.

Routine 436, 'Prt Imprint Side Two,' will allow the printing of the imprint information from side two of the drug.

These 17.2 enhancements make it possible for pharmacists to address the important issue of reducing medication errors with new, useful tools.



Jay Williams

Electronic Claims

How are Electronic Claims changing? This article describes how Medicare and HIPAA changes affect electronic claims in HME businesses.

Electronic Claims: Things are Changing

By: Jay Williams, Industry Analyst, QS/1 SystemOne

Big Change #1: As many of you heard, before Christmas both houses of Congress passed and President Bush signed a bill that gives insurance carriers an “option to delay” the implementation of HIPAA from October 16th of this year until October 16, 2003. In spite of this option, QS/1, the four DMERCs, and many commercial insurance carriers are continuing to push forward with the implementation of HIPAA’s new ANSI X12 claims beginning this October. Why? What many people missed in this bill was a new federal law that says **ALL claims submitted to Medicare MUST be electronic** by October 16, 2003!

Big Change #2: The HIPAA regulations also state that one year after the DMERCs switch over from the NSF format to the ANSI X12 format (which will occur October 16, 2002) the DMERC free software (Accelerate, FastEMC, Paces and DMACS) will be discontinued. This means that there will be no more DMERC free software after October 16, 2003.

What do these big changes mean for your pharmacy or HME business? They mean that now is a great time to start sending your claims electronically. Let’s look at the advantages of electronic claims submission:

1. **Everything Goes Electronically:** Almost all Medicare-approved items and even the CMNs can be sent electronically. No messing with paper claims, no stamps, no envelopes, and no excuses like, “We never got that claim,” or “Oh, it must have gotten lost in the mail.”
2. **Immediate Feedback:** Not only do these claims go electronically, but within 12 to 48 hours (depending on which DMERC you use) the DMERC will send back to you a listing of claims that it received. This list will show you which claims were accepted for processing and which claims were rejected. The DMERCs will even tell you why claims were rejected so that you can fix the problem and resubmit the claim. This entire process is simple, and you can know for certain that your claims get there.
3. **ERN & Automatic Payment Posting:** When it comes time to get paid and enter the payments, sending claims electronically makes your life even easier. As part of the automatic process in sending claims, SystemOne will download the Medicare EOB in what is called an ERN (Electronic Remittance Notice). This ERN is released the day you get paid. It contains all the information necessary to have SystemOne locate the correct patient, item and date of service and enter the Medicare payment for you. Depending on your volume, this could save hours and hours of work with each EOB you receive.
4. **EFT (Electronic Funds Transfer):** EFT allows you to receive your Medicare payments as a direct deposit to your bank account. Depending on where you live, this can speed up your payment 2 to 5 days. For every \$140 dollars you receive from Medicare each month, you can earn \$1.00 in interest a year by receiving your Medicare payments via ERN. Take your average monthly payments received from Medicare and divide that by 140 to see how much more you can make in interest by getting your money just 3 days sooner.

Clearly, sending HME claims electronically has many advantages. If you are printing paper 1500 forms from your pharmacy system, using a billing service, or are using the DMERC free software, you should contact the SystemOne sales representative for your area to look at investing in SystemOne. If you are a SystemOne customer and are not currently sending your claims electronically, please contact your regional office to find out about training and setup options for your business. The industry is changing, and you can start meeting these changes...and save time and money, too.



Sonny Anderson

POS Registers

What's new with POS Registers? This article explores the added benefits of the 4694 and CDS Registers.

POS 4694 and CDS Registers

By: Sonny Anderson, Director of Product Development, QS/1

Any business that uses a computer knows that technology is a mixed blessing: technology makes many business tasks immeasurably faster, but we also become dependent on the technology options available to us.

This is true for QS/1 and for all our customers, too. That's why I'm as glad to hear about the availability of new 4694 cash registers as many of you will be.

QS/1's move to a Windows environment for our products was a necessary one to keep our customers current with technology, but it created a temporary setback for our POS customers who had gotten accustomed to using the IBM 4694 registers as a workstation on the DOS operating system. With the move to Windows, the register could function only as a register, not as a complete workstation.

We had to reevaluate the best technology options we could provide our customers. And it was unclear what IBM was going to do with the 4694 register, if they were going to upgrade it or replace it with something totally different. But IBM decided to upgrade this register, which provides a good upgrade path for QS/1 customer who have older registers and were previously hesitant to upgrade their hardware.

The new 4694 cash register has a faster processor and enough memory to run Windows, and QS/1 programmers are developing the software which will utilize this capability so that the register will, in the future, be able to operate as a workstation.

In upgrading to the new 4694 register, QS/1 customers can still use the peripherals from their older 4694 systems: keyboard, printer, display, card scan, etc. Everything plugs into the main box, which is the only hardware QS/1 POS customers will need to upgrade. This makes upgrading to the new register half the cost and much more financially attractive.

This hardware has shelf life. It is a business investment that QS/1 customers will be able to use for many years to come.

QS/1 is methodical in the decision-making process for choosing hardware. We don't just sell the cheapest solution available at the time. We waited until we knew what IBM was going to do with their hardware before we started selling the registers because we wanted to be sure that we weren't selling our customers something that they could use for only a year or two.

We try to look after our customers by sometimes overselling in terms of hardware; in other words, we may initially sell hardware products that are more than customers need because we're anticipating where we want to go in the future. This protects a customer's investment in the system and helps alleviate premature hardware upgrades.

Technology is a powerful tool in any business. The new POS registers are another tool that QS/1 customers can use to invest in their operations.



Gary Throckmorton

Managing Your Chain

How can you better manage your chain operations? This article explores how QS/1 products can help you better manage your chain operation.

How To Better Manage Your Chain Pharmacies

By: Gary Throckmorton, Marketing Representative, QS/1 Chain Product

In today's market chain pharmacies must manage their pharmacies with precise accuracy to maintain their competitiveness and meet the increasing number of prescriptions they fill. QS/1 has positioned both corporate and retail chain products to help meet these needs.

At the corporate level, QS/1's Central Management System (CMS) product offers chain clients the ability to take time-consuming chores out of the retail setting. CMS enables the chain to dramatically improve the workflow of the pharmacy and allows the pharmacist to spend more time on patient care. CMS lets the chain customer do price updates, reconciliation, reporting, security maintenance, pay plan management and pricing from a central office. CMS is also a business tool that chain clients use to study margins, product movement, and history reporting; this information shows the growth of a business over the years. The ability to have true information at your fingertips centrally makes it easier to make correct business decisions and manage operations better.

At the site level, QS/1's CRx product is well known in the chain industry for its ease-of-use architecture. Chains using CRx can train pharmacy staff quickly and efficiently on the essential parts of the software needed for use at the retail level. The CRx product works well with workflow-enhancing tools like the IVR interface, electronic prescription transfer module, and either central or Internet adjudication. Another key element in the CRx product is its interface with automated dispensing devices. Due to the pharmacist shortage and the rising number of prescriptions that will need to be filled, these interfaces to automated dispensing systems will be an integral part of chain clients' business.

Some QS/1 chain clients are beginning to lay down groundwork for migration into central solutions. The CRx product already has central fill and processing interfaces. Underneath CRx's ease of use lies advanced programming that will help chain pharmacies better manage their practices.

In the next few months QS/1 will be rolling out NCPDP version 5.1 to CRx customers as mandated by HIPAA. Being prepared for this mandate will enable us to concentrate our efforts on developing more enhancements for the CMS and CRx products. Some of the features that will be seen in CRx future releases include prescription images, pill images, a more integrated workflow module, electronic signature logs, electronic physician prescription interface, and additional features for the privacy side of the HIPAA mandate. All of these enhancements will add to our chain clients' capability for better management, better dispensing safety, and, of course, compliance with HIPAA.

QS/1 has devoted a great deal of time and resources to the CMS and CRx products to improve the management of chain pharmacies. Using these products to their fullest potential will help our chain clients to be prepared for the future demands of pharmacy.

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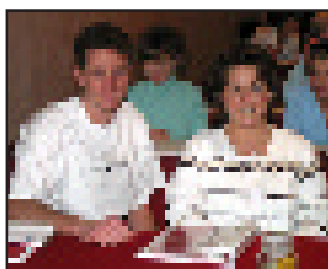
For more information call QS/1 Marketing Support at 1.800.231.7776



Celebrating the past...Charting the future...

SystemOne Customer Conference

Highlights from the Sheraton World Resort
in Orlando, FL, on February 7-9, 2002



QS/1 held its annual HME / SystemOne Customer's Conference in mostly sunny and mostly warm Orlando, Florida. Over 125 people attended, including over 100 representatives from 65 different SystemOne customers. This year's conference had two major goals:

- Increase our SystemOne customers' knowledge of the HME industry. We brought in 5 of the HME industry's most well known and knowledgeable speakers: attorney Thomas Antone, compound pharmacy specialist Mickey Letson, and HME consultants Bruce Brothis, Jane Bunch and Maureen Hanna.
- Increase SystemOne customers' knowledge of SystemOne. Amanda Gordon, QS/1 training specialist, gave an overview and detailed training on the new features in SystemOne 17.1. Jay Williams, the HME National Sales Manager, provided a look into the what is coming up in the 17.2 and other future releases, workflow in HME, and how to submit a request for SystemOne.

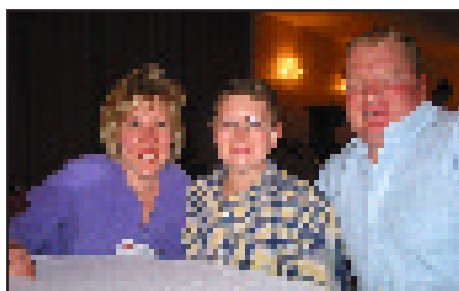


This meeting was a huge success, and we'll be scheduling the 2003 conference very soon.

On behalf of QS/1, I would like to thank all our SystemOne customers, guest speakers, and QS/1 staff who were both present in Orlando and working behind the scenes in Spartanburg to make this conference such a success.

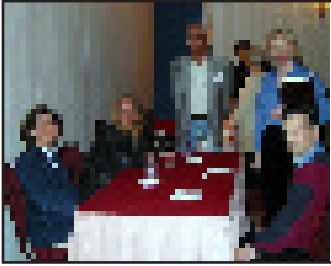


Jay Williams
HME National Sales Manager





Allison Gates, Allcare Pharmacy and Healthcare Services, Lyons, GA "I enjoyed this conference very much. I feel I have learned a great deal of useful and important information. Great job, QS/1 staff!"



Bert Smith, My Pharmacy, Miami, FL "Excellent program, one of the best I've been to."



Sam Kalmanowitz, Kaye's Pharmacy, Meriden, CT "This was one of the best meetings I ever attended. It was a superior program. Each speaker and their topic was excellent. Very well-run, quality meeting."

Conference Quiz

- T/F ____ 1. You should photocopy both sides of your patients' Medicare cards.
- ____ 2. What is the best way to keep up with patients who have died?
- ____ 3. What is most common denial reason the DMERCs use?
- T/F ____ 4. It is legally acceptable to say, in an advertisement, that Medicare will cover an item.
- T/F ____ 5. It is legally acceptable to say, in an advertisement, that there are "no up-front costs" for an item.
- ____ 6. As QS/1 makes enhancements to software products, what items are top priority for changes?
- ____ 7. What field ties together the combined inventory in QS/1's 17.1 release?
- ____ 8. What is the exception to the rule that the delivery date for DME products must be within 3 months from the "Initial Date" of the CMN or 3 months from the date of the physician's signature?
- ____ 9. To dispense a nebulizer medication to a Medicare patient, what must be documented on the physician's order as having been tried or considered?
- ____ 10. QS/1's 17.1 release of SystemOne moves from a balance forward style A/R to an ____.

1. False. The back side of Medicare cards are all the same; 2. Read the obituaries. Several conference speakers emphasized the importance of doing this daily; 3. CO-18 (2.6 million per region); 4. False; 5. True. It would probably be illegal to say that there are "no out-of-pocket" charges for an item; 6. Legal and regulatory issues are always the first priority for software changes; 7. UPC code; 8. Oxygen. The delivery date for oxygen must be with 30 days of the Initial Date; 9. Metered Dose Inhaler (MDI); 10. Open item A/R.



From the Support Center

All Products:

One question the Customer Support Center gets often is, why should I update to the most current release? Keeping up with technology is the main reason you should always update to the most current software release.

17.1, QS/1's most current release, has numerous enhancements that will benefit all QS/1 customers, including:

1. Updated and improved clinical checking.
2. Patient group field expanded from 2 to 4 digits.
3. Patient Last, First Name field replaced by the 'Alt Patient Lookup field'. You now have the ability to look up a patient by Name, Telephone Number, or SS #.
4. HOA field expanded from 2 to 4 digits.

Another reason to update to 17.1 is that you have to be on that release to go to the 17.2 release. The 17.2 release will include exciting additions like drug imprints and prescription scanning (see John Frady's article, page 14).

Updating your software may also require an upgrade of your hardware to meet the demands and needs of today's industry. Interfacing with other software and devices, transmitting claims, and sending documentation via the Internet all require both hardware and software to be current.

POS:

An area of preventative maintenance often overlooked is backup boot diskettes for your cash registers. These diskettes may need to be replaced occasionally due to wear. Currently we can build only IBM and Liberty boot diskettes from your CD. Any customer using the TCPIP protocol or any Dell or HP Brio register must have these diskettes sent to their store. Boot diskette failure can lead to significant down time as you wait for your replacement diskettes to arrive.

SystemOne:

A useful feature for simplifying inventory record-keeping is the Master Record for Serialized Inventory (17.1). To access this feature from the HME main menu, press F1 (Transaction Processing). Type Master Item Code and press F2 to create a Master Item Record for serialized items.

By creating a Master Item Record for serialized inventory, serialized items with the same Brand Name and Model Number will be maintained under the Master Record and will not appear in a general item scan. Master Item Record contains all pertinent information for the serialized items grouped under the Master Record. It will not contain any information in the serial number field nor will it contain pricing information other than acquisition cost.

From the Master Record, type B for Serialized Item Scan at the Next Item field and press Enter. Press F12 from the Valid Functions screen to view this function. The Serialized Item Scan lists all equipment contained under the Master Record. Besides the item serial

number, other information included on the Serialized Item Scan is Lot #, Customer, Date, and the Status of the equipment - rented (R), sold (S), loaned (L), or in repair (*).

From the Serialized Item Scan, the individual Item Record for the serialized inventory can be displayed by pressing the appropriate function key corresponding to the specific serialized item. A serialized item can be moved from one Master to another by changing the master item code displayed in the Master Record field on the specific Item Record. To return to the Master, type B at the Next Item field and press Enter. Press F12 to view this function from the valid Functions Screen.

CRx:

If your online claims are not going through in CRx, you may need to reset your modem. To do this, turn the modem off, then back on. Wait 5 seconds. From the Online Verification Screen, press <ESC> and then press F1 to relink.

If this doesn't resolve the problem, call CRx Product Support for further instruction.

Central Management System (CMS):

If you are utilizing the Security export feature on CMS, and if you forget the password you assigned to an employee in the security file, do a Ctrl Z on the 'Employee Password' field. It will display the existing password for you.

IN YOUR AREA

Training Seminars

San Leandro, CA: (866) 848-1942

05/21/2002 General and Custom Reports
06/11/2002 PrimeCare Enhancements
07/09/2002 A/R and 3rd Party Reservations
08/13/2002 Drug Inventory

Indianapolis, IN: (800) 637-5251

06/20/2002 SystemOne Seminar, Overview
07/25/2002 CRx Seminar, Overview

*Rx Training

05/21-22/2002 RxCare Plus: Introductory Setup & Training
08/20-21/2002 RxCare Plus: Introductory Setup & Training

Lexington, KY: (866) 441-7011

05/21/2002 POS Seminar, Overview
08/22/2002 SystemOne Seminar, Overview

*Rx Training

06/18-19/2002 RxCare Plus: Introductory Setup & Training

Richmond, VA: (877) 392-5851

06/20/2002 CRx Seminar, Overview

*Rx Training

07/23-24/2002 RxCare Plus: Introductory Setup & Training

Spartanburg, SC: (800) 889-9183

05/14/2002 HME 17.1 & 17.2 Enhancements
05/21/2002 RxCare Plus Enhancements
06/11/2002 HME Review
06/18/2002 Disease Management
07/09/2002 RxCare Plus Drug Inventory Ordering and Receiving

Sturbridge, MA: (800) 648-7428

04/17/2002 RxCare Plus: Basic Processing
06/19/2002 Point-of-Sale: Basic Operations

Mechanicsburg, PA: (717) 795-2700

05/15/2002 RxCare Plus: General and Custom Reports

* Rx Training (These are two-day courses with detailed information that will start you out on the RxCare Plus product. The \$500.00 fee per attendee includes two nights' lodging and lunch each day.)

Trade Shows

4/14-4/16 Orlando, FL

FMI Pharmacy
Food Market Institute

4/19-4/20 Columbus, OH Ohio Pharmacist Association

4/23-4/25 Las Vegas, NV

MedTrade West
Home Medical Equipment

5/8-5/10 Waukesha, WI WAMES

5/14-16 Las Vegas, NV

ASCP Geriatrics
American Society Consultant Pharmacists

6/1-6/21 Sunriver, OR Oregon Pharmacy Association

6/7-6/9 Brainerd, MN Minnesota Pharmacy Association

6/7-6/10 Coeur d' alene, ID Washington Pharmacy Association

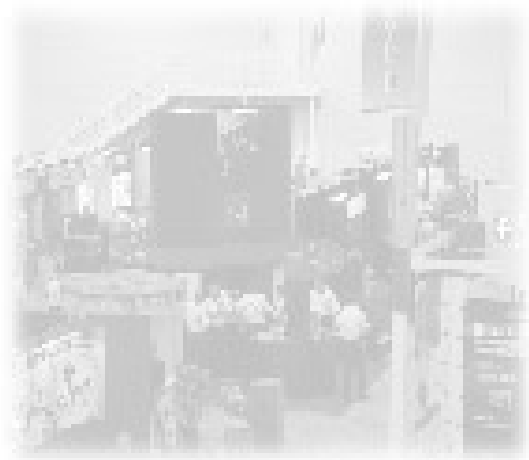
6/8-6/12 Edgewood Beach, FL Georgia Pharmacy Association

6/16-6/19 San Diego, CA Marketplace

6/19-6/23 Hollywood, FL Florida Pharmacy Association

6/27-6/30 Hilton Head Island, SC South Carolina Pharmacy Association

6/30-7/3 Destin Beach, FL Alabama Pharmacy Association



Go to www.qs1.com, QS/1's web site, for the most current training and trade show information.



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