

INSIGHT

January 2005

THE QS/1 MAGAZINE



Standing Out In The
Crowd

QS/1.

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At QS/1 we want you, our customers, to feel special and unique. We strive to provide you the best tools and services to help you easily stand out in a crowd of your peers. In this issue of *Insight* we are sharing some success stories from customers who are using QS/1 products to the great benefit of their businesses. Networking with fellow QS/1 customers and sharing tips and tricks is a great way to learn more about your system(s) and to find new ways to increase volume and profits.

We also are proud to bring you industry information regarding national healthcare standards from Tom Bizarro of First DataBank. He shared valuable knowledge with the attendees of our 2004 QS/1 Customer Conference, and we were happy to invite him to share more of his business insights with you in our magazine. Also, Jack Evans of Global Media Marketing presents new ways to increase front-end profits by selling HME items. As usual, we have more HIPAA information to pass along, and Rich Muller, QS/1 National Sales Manager for Chain Product, reviews the security rules as we approach the April deadline.

We have an interesting customer spotlight for the January magazine, The Prescription Parlour of Nassau, Bahamas. We all imagine sun and fun when we think of the Bahamas, but Dr. Laura Pratt-Charlton, the pharmacy's owner and pharmacist, has put great effort into making her business one-of-a-kind in the area.

As always, we are updating you with the latest in QS/1 news. There are many great opportunities to expand business offerings with such services as CornerDrugstore, OnDemand and FamilyCare. In addition, our Central Management System is ready with its Release 18.2 that has many great new features.

This issue of *Insight* is packed with helpful information regarding your business and software needs. As we embark on 2005, take the opportunity to explore your growing and changing needs to be sure you are offering your customers the best in service and technology. As always, the staff of QS/1 is available to help you make the transition to new products and to accomplish your business goals. Do not hesitate to contact us at any time.

Bill Cobb
President, QS/1





January 2005

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What's New HIPAA

Security Rules Overview

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

Required implementation of the HIPAA Security Rule is about 100 days away, and the clock is ticking. Policies, procedures, business associate agreements and your computer software need to be created, revised or updated by April 20, 2005. Are you ready? Let's quickly review the rules.

The purpose of the security rule is to define the administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of electronic protected health information, which we now refer to as e-PHI. The security rule does not deal with PHI, such as a plain paper fax or a doctor's handwritten prescription, that is not in electronic form. Instead, it deals with information that is stored and transmitted electronically, such as the information on your QS/1 system. The rule is broken into two types of specifications, required and addressable. If a specification is addressable, alternative measures may be implemented, or none at all, based on a variety of factors. These specifications were discussed in the July 2003 issue of *Insight*.

In addition, the rule discussed three different types of safeguards: administrative, physical and technical. Administrative safeguards deal with administrative actions needed to conform with the security rules. Examples of the administrative safeguards are the risk analysis, sanction policy, the appointment of a security officer, incident procedures, contingency plans and the business associate agreement. If you already have a business associate agreement in place, be sure it addresses the security rule, otherwise a new business associate agreement (BAA) must be drawn or an addendum made. The administrative safeguards were discussed in the October 2003 issue of *Insight*. Additional details about business associate agreements were provided in the July and October 2004 issues of *Insight*.

The physical safeguards are the physical measures, policies and procedures needed to protect the electronic systems and related buildings and equipment from hazards and unauthorized intrusion. These safeguards include facility access controls, security plans, access and validation procedures, maintenance records, disposal and reuse of equipment and backup and storage. These items were discussed in the January 2004 issue of *Insight*.

The technical safeguards deal with the policy and procedures for the use of the technology that protects e-PHI. Many of the technical safeguards deal with software features that must be made available to you. These features include the unique user identification, audit controls and the automatic logoff. Other technical safeguards include emergency access procedures, entity authentication and transmission security. These safeguards were discussed in the April 2004 issue of *Insight*.

QS/1 Release 18.1 for RxCare Plus, Point-of-Sale, SystemOne and premiere and Release 18.2 of CMS and CRx are the tools required to help your business be HIPAA compliant. As has been said many times before, your software vendor cannot make you HIPAA compliant. However, with the security rule, QS/1 does, in fact, play a role in helping you become compliant. The appropriate release of your software has either already been shipped to you, is on its way or will be coming to you by the end of February 2005. The security functions were described in detail in the July 2004 issue of *Insight*.

If you are still uncomfortable or unsure about the HIPAA security rule, there are additional resources available to help you. PRS Pharmacy Services, a Latrobe, Penn., based company, has partnered with NCPA and QS/1 in offering their HIPAA compliance CD. This CD is quite comprehensive and will guide you step-by-step through the security rule, print out forms for your policies and procedures and give you a business associate agreement you can use also. HIPAA CD kits are also available from other vendors.

You also need to be sure to load Release 18.1 (or Release 18.2 for CRx or CMS) prior to April 21, 2005. As with all new releases, there is a possibility you will need an upgrade due to the increased functionality of the software or because of hard disk space. Even if you are not ready to install the release, you should make sure your system is able to load the release.

Should you wish to review any of the *Insight* articles referred to above, please visit our web site at www.qs1.com and click on the QS/1 Magazine option on the left side of the screen. Also on our web site is a sample of the business associate agreement.

National Standards- RxNorm



*by Thomas R. Bizzaro, R.Ph., VP, Sales and Marketing,
First Data Bank, Inc.*

Forces outside the control of pharmacy practitioners have always affected the way pharmacists practice healthcare. Now, for the first time, federal regulations are setting standards that must be used in the electronic communication of healthcare information. The HIPAA (Health Insurance Portability and Accountability Act) originally was developed to assure that Americans who changed jobs would be able to maintain continuity of healthcare insurance. But the scope of HIPAA broadened to include legislating the use of standards.

While this is the first time electronic healthcare standards have been mandated in the United States, it will not be the last. Pharmacy has been following standards on a voluntary basis for many years. These standards were developed and followed to meet a business need. Federal involvement has greatly complicated the implementation of these mandated standards.

The NCVHS (National Committee on Vital and Health Statistics) is charged with advising the Health and Human Services Administration on the use of healthcare standards. As a result of the Medicare Modernization Act and a mandate for e-prescribing, additional standards will be legislated. A little over a year ago NCVHS recommended the adoption of three voluntary standards: Logical Observation Identifiers Names and Codes (LOINC) for labs, the Systemized Nomenclature of Medicine (SNOMED) for medical terminology and RxNorm for drugs. The national standard that, if mandated, will have the largest impact on pharmacy is the use of RxNorm.

There are numerous proprietary code sets that codify drug concepts currently available in the marketplace. A non-proprietary code set in common use is the NDC (National Drug Code). The NDC defines drugs at the packaged product level. It defines a pharmaceutical product at a very specific level. The NDC defines the pharmaceutical entity's ingredients, strength, dosage form, manufacturer and packaging. For example, an NDC represents Diazepam 5mg tablets in a bottle of 100 by Mylan. This specificity makes the NDC very useful in dispensing and billing for a product but too specific for prescribing or, in some cases, profiling a drug. For this reason, RxNorm becomes important.

RxNorm is a non-proprietary code set that defines a product as a pharmaceutical entity, dosage form, strength and strength unit of measure, for example Diazepam 5mg tablet. The RxNorm code will be maintained by the National Library of Medicine. As a non-proprietary code set, RxNorm is expected to be incorporated into pharmacy dispensing system applications and e-prescribing applications. Current proprietary compendia will be expected to cross reference their code sets to RxNorm. This process will facilitate the interoperability of electronic healthcare applications.

The use of RxNorm could assure that disparate applications requiring electronic storage and transmission of drug information have a common code set that ensures the accuracy of that information. For this to work, the NLM will have to maintain a comprehensive set of codes and make them available in a timely manner.

First DataBank is committed to making available cross references that will benefit our customers when and if RxNorm is required by the marketplace. We see the patient safety benefits that are possible with a national standard for drug identification and support those efforts. First DataBank has testified as an expert before NCVHS and will continue to provide guidance that, we hope, will result in a workable national standard. We all have the same goal, to protect the patient and improve the electronic transmission of healthcare information.

Top Five Time Wasters

by Bill Roberts, Director of Human Resources, QS/1

In a previous column, we discussed how organizations waste time: unnecessary meetings and waiting for non-value added approvals are two examples. As managers, we should strive to eliminate all such organizational inefficiencies and practices that waste valuable time. However, just as organizations sometimes waste our time, we as individual employees also waste a lot of the organization's time. I'm not talking about blatant things like playing computer games on company time; I'm talking about a combination of personality traits and poor personal time management skills.

1 Procrastination: The most prominent personality trait that lends to wasted time is procrastination. We all do it. In fact, it seems that putting off unpleasant tasks is a common human frailty. Though procrastination may appear to be a simple human behavior, in reality it is a very complex pattern of behavior that varies from person to person and from task to task. Experts tell us there are ways to beat procrastination. They suggest breaking a large task down into smaller tasks, setting completion dates or creating lists on a bulletin board or a palm pilot as frequent reminders. All of these methods can be helpful, but the best course of action is simply to go ahead and perform the unpleasant task.

2 Hiding the Necessary Behind the Urgent: Believe it or not, some of us waste time by being too busy. Frequently, we get so caught up in the urgent that we don't have time for the necessary. At one time I kept a hockey stick in the office. Why? A hockey player comes to work, suits up and spends all of his working time chasing the puck. Many of us treat our jobs this way; we spend our

workday dealing with what comes up. That's not the way we should be running our business. My hockey stick was a personal reminder that I should not lose sight of the necessary things my job required me to do. For many of us it's more fun to chase the crisis than to do everything necessary to get the job done. Emergencies happen, but when everything becomes an emergency our organization's efficiency suffers.

3 Telephone: The telephone also can be a huge time waster. Some people always seem to be tied to their phones, and cell phones pose even more of a problem. For these people, a ringing phone takes precedence over any task. Instead of using an answering machine or other ways of screening calls, they interrupt important work to take calls. Some people even take calls during meetings; and then not only do they waste their time, but they also waste the time of the people who have to wait while they talk on the phone.



4 Poor Delegation: As managers, we also waste time by refusing to delegate tasks to other employees. The need to be in control can become a drain on managers' time. Time is wasted by doing things others should be doing and, naturally, not doing the things we should be doing.

5 Saying "Yes": We waste time when we just can't seem to say "no" to coworkers asking for help or trying to give us extra responsibility. Some of us just keep taking on more and more work until we just don't have time to do necessary jobs well, or sometimes at all.

1. PROCRASTINATION

A human fault most of us need to overcome

2. HIDING THE NECESSARY BEHIND THE URGENT

Allowing crisis behavior to dominate our business

3. THE TELEPHONE

A communication tool that can control our time

4. POOR DELEGATION

Negates good management and good time management

5. SAYING 'YES'

Allowing others to put monkeys on our backs

Improve Patients' Health While Increasing Store Revenue

by Randy Burnett, Healthcare Services Supervisor, QS/1

There are over 91 million Americans taking herbal and nutritional supplements. Approximately 31% of those are also taking prescription medication. Since more than 68% of all prescription medications interact either positively or negatively with supplements, the need for information concerning potential interactions is extremely important.

QS/1 and Healthway Solutions, Inc. have joined forces to offer Nutri-Link, an extensive database of scientifically validated information, which provides pharmacists with data on the most prescribed medications in use today. The Nutri-Link database is integrated with QS/1's pharmacy management system (no additional hardware or software required) to provide pharmacists with a one-page handout to deliver to their patients. This allows pharmacists to offer safe and appropriate counseling recommendations that provide their patients with reliable health advice and result in enhanced patient outcomes without interrupting workflow when filling prescriptions.

The pharmacy software evaluates the NDC number (identification code) of the medication and searches for a match within the Nutri-Link database. Upon finding the information, it prints it for the pharmacist and patient. Nutri-Link supplies information on nutritional considerations, such as nutrients that may be reduced in the body by the medication. It also produces data on any potential interactions that might be caused if taken with common herbs and natural products.

Justifying Your Cost

Assuming a conservative 50% of prescription drugs may cause nutrient depletion, only 25% of customers follow a pharmacist's advice, each store fills an average of 120 prescriptions per day, a 50% margin on retail supplement products, and an average price of \$15 on each supplement:

120 x 50%	= 60 prescriptions/day with possible nutrient considerations
60 x 25%	= 15 sales realized by one quarter of customers following advice
15 x \$15	= \$225 per day supplement sales
26 x \$225	= \$5,850 per month (gross sales)
.5 x \$5,850	= \$2,925.00 Gross profit <u>per month</u> (at 50% margin)

For enrollment and pricing information please call QS/1 Marketing Support, 1.800.231.7776.

Selling HME as Your New Front-End Profit Center

by: Jack Evans, President, Global Media Marketing

Independent drug stores are transitioning from pharmacy to health and wellness to healthcare. Today, HHC (home healthcare) is one of the fastest growing and highest margin segments sold in pharmacies. Local pharmacies are quickly establishing themselves as HHC destinations and community healthcare centers.

Pharmacies are the natural location for HHC products and supplies (or HME (home medical equipment)). As Americans age and more baby boomers become caregivers for their parents, consumers need convenient locations and knowledgeable salespeople to help meet their daily home healthcare needs. According to numerous Gallop consumer surveys, the first person consulted outside of the immediate family concerning medical problems is the trusted pharmacist at their corner pharmacy.

Four Stages of Building Your HHC Business

Most drug stores need to remove a few feet of cards and/or candy in order to make room for a new display of home medical products. When you compare the gross profit on one \$800 lift chair or \$1200 scooter to the dozens (or hundreds) of cards and candies you would need to sell to equal this amount, the transition does not seem that daunting.

Drug stores usually approach the HHC business through a series of stages. Many are already in the healthcare business to a limited degree, selling throughout the store a basic selection of blood pressure monitors, canes and crutches, diabetes products, incontinence products, orthopedic supports, urinals and bedpans. The first stage to further develop their HHC business is to combine many of these related products into one HHC planogram that is eight to twelve feet.

After a few months of sales growth and increased requests for additional products, then drug stores move to the second stage. These products are included within complete categories that are featured in separate departments, often adjacent to one another. These are usually small planograms of two to four feet, such as canes within mobility aids, urinals in bath safety and blood pressure monitors as part of home diagnostics.

The third stage is to create a separate HHC department. This stage usually involves removing one or more gondolas to make a small "valley" of 600 to 800 sq. ft. with open floor space, aisles on both sides and shelves, slat wall or pegboard facing inward on both sides. Some very successful HHC drug stores move to a fourth level from which they actually transform their entire front-end into a medical products showroom or create a separate showroom adjacent to their drug store.

Showroom Size vs. Sales

The average HME showroom around the country is from 1,200 to 1,500 sq. ft., with most independent drug stores using between 600 and 800 sq. ft. Not all categories and products can be displayed or sold in this area. The key to successful sales, turns and profits is matching the categories with your customer demographics. In general, showrooms 600 to 800 sq. ft. generate \$600,000 to \$750,000 per year. Showrooms twice this size will generate twice the revenue, so size does matter when selling HME. The larger products such as lift chairs, scooters, wheelchairs and rollators take considerable floor space when displayed properly to include customer choices for models, price points and brands.

How do you determine which products to display in depth? Examine your existing script patient base

and identify several major medical conditions. Then focus on two or three related HME categories and display depth within these categories. For example, baby boomers who buy diabetic products on a monthly basis would also need diabetic shoes and socks, compression stockings and specialized skin and oral care products. Female seniors who buy incontinence products also need mobility and bathroom safety products. Utilize a front window to display lifestyle and comfort products from these categories on a monthly rotational basis.

Designing and Merchandising Your HME Showroom

There is no "one-size-fits-all" for home healthcare product selection. An HME business can no longer afford to carry every product. Stock the products your loyal customers buy on a repeated basis and any other products that might also appeal to their same needs or values. Merchandise your HME showroom demographically to provide senior, baby boomer and family caregiver selections that are grouped separately. Or simply start with the basic mobility and bath safety categories and customize related categories and products according to your customers' needs.

Pharmacy counters placed in the back of the store direct customers to walk through the HME section. Removing gondolas and displaying lift chairs, wheelchairs, walkers, bath benches and other large HME products on the floor invites customers to walk over and try the equipment. Arrange related equipment together so that a customer renting a wheelchair or buying a transport chair can also be shown wheelchair cushions, trays and portable ramps.

Jack Evans, president of Global Media Marketing, is an educator and marketing specialist in HHC. He works with HME providers and drug stores to develop retail layouts, merchandising, sales training, marketing and advertising programs. He can be reached at www.retailhomecare.com or 310.457.7333.

Customer Spotlight

by Kathryn Hix, Creative Services Technician, QS/1

Nestled in the New Providence residential area of Nassau, Bahamas, The Prescription Parlour is unique among QS/1 customers because of its location and its regulations. According to Dr. Laura Pratt-Charlton, owner and pharmacist of The Prescription Parlour, "One of the most beneficial aspects of our business in the Bahamas is no third party claims, no Pharmacy Benefit Manager...it is cash and carry!" Also, Bahamas laws regarding prescription drugs reflect British laws (because Great Britain once occupied the territory) and are under the influence of U. S. regulations due to the country's close proximity.

The reputation of The Prescription Parlour is only enhanced by the technology the staff uses to operate the business. Charlton says she has been a satisfied QS/1 customer for four years, and she uses RxCare Plus and Point-of-Sale software as well as additional features such as Inventory Control, Accounts Receivable, Prescription Scanner, Symbol Handheld Machine and Advantage Blaster Label Machine. To further improve her pharmacy management, Charlton plans to install Nutri-Link software and the QS/1 IVR (Interactive Voice Response) system.

The Prescription Parlour offers services that its local competitors do not. The pharmacy recently moved into a newly renovated two-story building near its previous location. Since the move, the pharmacy has expanded its line of over-the-counter and health and beauty products. The larger office space is also better suited to accommodate the steady business and the many consultations offered. The Prescription Parlour uses conference room space to conduct blood glucose testing, blood pressure monitoring, blood cholesterol monitoring, pregnancy testing and patient counseling. In addition, the pharmacy offers 24-hour delivery service and 24-hour emergency service. According to Charlton, "The pharmacy has also introduced the Bahamas' first compounding pharmacy, and we are members of PCCA (Professional Compounding Centers of America). We are also the only pharmacy in the Bahamas offering FLAVORx medication flavoring system."

Charlton says The Prescription Parlour stands apart from its competitors in terms of service and technology. "There are approximately 30 independently owned pharmacies in New Providence; however, most of these pharmacies are just traditional dispensers. There are three independent chain pharmacies with similar but not as extensive services. We have been acknowledged as the innovator and leader in pharmacy services in the Bahamas," says Charlton.

Charlton has her favorites among her QS/1 software's many features. "While I am impressed with the entire QS/1 software [system], my favorite feature of the QS/1 software is the ability to scan prescriptions for easy access should the need arise. This feature is also very helpful in minimizing medication errors, as you are able to view the prescription at anytime without having to dig up the original prescription," she says. She says her customers benefit from another QS/1 feature. "The most helpful information or feature of the QS/1 system for the customers is the easy-to-read patient information sheet (monograph) printed with each prescription," she says.

QS/1 receives many good marks from Charlton. She says, "I recommend the QS/1 software to colleagues all the time (not only in the Bahamas, but in the region and U.S. as well). I often invite them to come and visit our pharmacy and view the software and its capabilities. Our pharmacy has the most advanced pharmacy software in the Bahamas."

Charlton has been a practicing pharmacist since graduating from Howard University College of Pharmacy 15 years ago. She has been an independent pharmacy owner since 1993. She is proud of her profession and spends her time outside of the pharmacy increasing community awareness of the need for good pharmacists. She personally assists students financially with their pharmacy education and is involved with local organizations to advocate her profession.



Images Images Images

**Helping QS/1 Customers
Reduce Dangerous Risks
and Ensure Proper Drug
Dispensing**

and imprints

QS/1 is making great strides in prescription filling accuracy and safety. As a result of great technological advances, when used in conjunction with Workflow, QS/1's Images and Imprints Service can significantly reduce filling errors while improving patient education and satisfaction.

Drug Images are comprised of a collection of standardized digital photographs, displaying the drugs' characteristics. Drugs are indexed by common identifiers which are used in the pharmaceutical industry. Each image is photographed on a neutral, gray background so images are easily recognizable. Dosage form and packaging determine how the specific image is photographed. For example, tablets, capsules, creams, inhalers and Ophthalmic, to name a few, are pictured including their packaging if applicable.

These images are generated from the Drug Image Database which also includes a Unique Drug File. When an NDC (National Drug Code) number is entered, this table provides the dosage form and its manufacturer. A Unique Drug ID is given based upon these three specific components.

A Drug Manufacturer File is also used to identify the originating source of the drug and to decode manufacturers necessary in order to distinguish multiple appearances of the same NDC number. Last, the Image File stores image base filenames associated with the Image ID.

The Drug Imprints Database provides data which assists in drug identification with descriptive text. Imprint information may include characters or symbols, numbers, letters, logos or any combination of these items. In addition, there are several Descriptor categories: Clarity,

Coating, Color, Flavor, Shape and Score. Categories then are broken down into more specific groups. For example, listed under the shape "Oblong," seven additional descriptors are listed, including Elliptical, Football Oblong and Seed. Freeform text describing the drug is also present and can be printed on a patient's monograph. At present, all 40,000 NDCs have an imprint available. Not all imprints have images available.

Many additional descriptor files work in conjunction with the Drug Imprint Files, including the Unique Drug, Drug Manufacturer, Property Imprint, Dosage Form and various text files. Imprint Regulations are determined by the states and by the FDA (Food and Drug Administration).

According to John Frady, QS/1 Market Analyst, "When used as a final checking device through NDC Verification or Quality Assurance in QS/1's Workflow, the image file can reduce the risk of errors and assure proper drug dispensing and administration." The Imprint information serves to identify the drug by means of descriptive verbiage. When combined, these can ensure you are taking the best care possible of your patients.

Call QS/1's Marketing Department at 1.800.231.7776 for more information or to order the Images and Imprints Service.

by Kerry Philbeck, Creative Services Technician, QS/1



What Can

QS/1's Data Center

Do For You

by Beverly Knight, Staff Writer, QS/1

Redundancy might be considered a negative term in some contexts, but in the world of modern technology, it is an absolute necessity.

For that reason, the plan for the Data Center at QS/1's new headquarters building in downtown Spartanburg, S.C., included redundancy as one of the key components of the design.

The planning for the new Data Center started over a year before the move to the new facility in September 2004. Teams were assembled with staff members from multiple departments, with more than 20 people meeting weekly to ensure that the design would meet the needs of QS/1 and its customers.

"In essence, the Data Center is the heartbeat and central nervous system for QS/1," Les Hutchins, Technology Administrator for QS/1, said, because providing uninterrupted service to the company's customer base depends on the Data Center's communication lines, servers and equipment functioning smoothly and continuously.

Compared to the data center in QS/1's former location, the new Data Center has double the capacity and useable space. Raised floors throughout contain all the electrical cabling, and the network data cabling is installed from the ceiling on ladder trays above each cabinet. Separating data and power cabling in this way prevents possible interference causing network transmission errors and downtime.

The success of the design is in the details. Before the new building was completed, all information was routed through the data centers in Spartanburg or Richmond, Va. "While we were making the transition, we approached the new Data Center as a third site," Hutchins said, noting that coordination and communication were the keys to the successful transition. Due to the importance of PowerLine and other hosted systems, it was critical that no negligible downtime occur during the transition. Thus a decision was made early in the planning to add the new Data Center as a third site, complementing the two existing sites.

A high-speed link between the original Data Center location and the new headquarters building provided a totally seamless transition for customers when the move was made in September. "The systems group worked for 14 months planning the transition to downtown. We have always considered that one of the most important parts of the process," Chris Cox, QS/1's liaison with the architects and builders, explained.

To accomplish the transition, new equipment was purchased, and new voice and data circuits were ordered from each of the major national carriers to expand the WAN (Wide Area Network). In addition, the MAN (Metropolitan Area Network) was expanded with a high-speed Metro Ethernet connection over a fiber backbone, linking both the old and new data centers. Over the course of several weeks, equipment and circuits were brought online at the new Data Center, allowing QS/1 to make the transition from old to new with little if any impact on day-to-day core business operations.

The built-in redundancy of maintaining multiple data centers was considered essential. And redundancy was also a key factor in the decision to use the services of four national carriers—AT&T, Sprint, Qwest and MCI—to ensure that if service was interrupted with one carrier, traffic would be automatically rerouted to the others, allowing continuous transmission of data.

Considering there are 271,000 feet of network cable in the new building and a total of 1,700 network connections, 400 in the Data Center alone, dealing with cable was one of the major concerns for the planning group. Since each of the more than 100 servers can have five or more cables directly attached, Hutchins said there was ample opportunity for things to get messy.

To help maintain neat and orderly connections, the Data Center is furnished with over 40 new cabinets which have dual built-in power strips, each on separate electrical circuits, providing greater redundancy for dual power supply equipped servers. Cabinets also have an easy-to-mount rail and shelving system and built-in cable management trays so cabling stays neat and confined to appropriate areas. Ladder trays from the ceiling and power in the floor made it possible for the cables to be managed neatly, eliminating what Hutchins says could otherwise have been "a rat's nest of cables."

The Data Center houses PowerLine, Database Services, CornerDrugstore, Web and ASP (Application Service Provider)-hosted systems. In addition, it hosts newly obtained state-of-the-art IP phone, security, access and climate control systems as well as mail, database and other systems used internally by the staff. With over one million transactions a day flowing through the center, it is essential that every aspect of the system have a backup. As Hutchins said, "A customer in California doesn't care that a driver in Spartanburg hit a power pole and knocked out power to our Data Center. The pharmacist just wants the ability to fill prescriptions so that customers don't leave and go to a competitor across the street."

To further ensure that customers are never left without support, the Data Center was constructed with special fireproofing and its own Liebert unit. Backed up with a generator, to condition power and guard against power outages to the Data Center housing the sensitive electronic equipment. PDUs (Power Distribution Units) monitor power to computers, making sure that there are no power surges and ensuring that voltage does not drop.

All systems located in the Data Center are supplied with power through the Liebert 65 kVA Uninterruptible Power Supply system, which provides short-term battery backup with input filtering of power delivered to all systems in the Data Center.



The system limits spikes, fluctuations in power, line noise and harmonics, all common occurrences in power received from public power systems and which, if left unprotected, can damage sensitive electronic equipment. The system also has diagnostic reporting and remote management capabilities.

In case of prolonged power outages, the Data Center is powered by a Cummins Diesel 300 kW power generator with a 1,000-gallon tank capable of running the Data Center for more than four days. It is



equipped with an automatic transfer switch and, paired with the Liebert UPS system, delivers continuous, seamless, uninterruptible power to the Data Center. The generator has diagnostic reporting and remote management capabilities just as the Liebert UPS system does.

Hutchins thinks of the Data Center as a self-contained facility within an office. It is isolated from the main building and has a single secure entrance. Only authorized staff can gain entrance, using their individually assigned PIN codes. Two-hour fire rated walls separate the Data Center from the building's office infrastructure. The climate control system for the center is monitored separately from other areas and floors of the building, and the Data Center has separate chiller and air handler systems from those used throughout the rest of the building.

The Johnson Control climate control system monitors temperature, humidity and carbon dioxide levels with sensors strategically placed throughout the facility, including the Data Center. The system maintains a consistent stable environment for the Data Center, regardless of outside weather.

Another key component to the design is the SONET (Synchronous Optical Network) Ring, composed of a circle of fiber optic cable and network elements that, when cut or disabled, automatically reroute traffic around the fault to the unbroken side of the loop. Rings can detect, analyze and restore themselves within 100 milliseconds (ms) of a fiber outage. BellSouth installed two separate fiber connections that provide full service to the headquarters building from either side of the ring. Providing for that redundancy of service required 15-18 miles of fiber optic cable that roughly complete a circle, ensuring that there will be no interruption of service

and that the support center can always be contacted if needed and is always available for transactions.

“The new Data Center provides greater reliability and expandability. It has better, newer, more advanced power protection systems and a more diverse network and data infrastructure. It will be easier to grow and expand system capacity in this facility,” Hutchins said. “Having the new Data Center means QS/1 can continue to provide services that are affordable and reliable for our customers, now and in the future.”

Those who worked on the Data Center's design plan from its inception take pride in the state-of-the-art facility because it meets the technology needs of the present and can accommodate inevitable changes in the future.

Standing Out In The Crowd



QS/1 Tools to Make Your Business **Stand Out** in Today's Marketplace

Wouldn't you like to know how to stand out in the crowd? In the competitive atmosphere of today's healthcare market, it is important for businesses to set themselves apart from the competition. QS/1 offers a variety of tools to aid pharmacies, long term care facilities and home medical equipment providers in the quest to be the best.

Here, some of QS/1's most successful customers share their stories. These businesses employ products and services that have given them distinct advantages in the marketplace.

Excellent Flow with Workflow: KPS Greensboro

KPS (Kindred Pharmacy Services), located in Greensboro, N.C., uses PrimeCare, QS/1's software product for long-term care facilities, to manage a business that generates 600-1,100 orders per day, 98 percent of which are received via fax. KPS Greensboro is one business in a system of 34 pharmacies that are a part of Kindred Healthcare, based in Louisville, Ky. The staff of KPS Greensboro implemented PrimeCare's Workflow solution early in 2004.

Prior to implementing the workflow process, employees would generate delivery sheets at 4 p.m. and again at 6 p.m. Drivers would manually check orders, a process that could result in errors. Now, employees use scanning capability to check in orders continuously and save the controlled drugs for the end of the day. The workflow system checks all orders to ensure accuracy. The new technology saves labor costs of at least \$2,000 a month from drivers; labor dollars saved are equivalent to one driver, seven hours a day, five days a week.

"With the implementation of workflow, we can do many more prescriptions with the existing staff and without the added stress levels," says Jeff Chodrow, Pharmacy Manager. "Now we don't get behind if there is an interruption. Everyone is focused on clearing his or her queue."



Because of the increased efficiency and accuracy Chodrow's staff experiences from using Workflow, he says, "Of all the programs, this was by far the best advancement. It fit into our practice model. You can quantify the results, and the stress level is reduced."

Home Health Harmony: Andrew Brown's Home Health Care Center

Since March 1992, Andrew Brown's Home Health Care Center has been using QS/1's standalone HME product, SystemOne, to keep track of medical supplies and customer records. Robert Brown of Andrew Brown's Home Health Care Center says the business has "a fairly streamlined system in place" to deal with the volume of customers and the high-end rehabilitation equipment the store offers.

Brown says in using QS/1 software for 12 years he has learned many tips and tricks. He says SystemOne's detailed transaction processing and transaction profiles put his mind at ease with online patient information and reliable records. Brown says many elderly customers cannot recall their last prescription, but SystemOne's patient and product tracking helps him determine what customers need. And, says Brown, "rebilling is no problem once a patient is in the system."


The efficiency SystemOne provides to Andrew Brown's Home Health Care Center enables them to maintain a DSO under the industry average; their aggregate DSO for the last quarter was 60. In addition, Brown says that they employ their own strategies to save time for the staff. "From a workflow standpoint, we generate the printed invoices as delivery tickets to eliminate a step," Brown says. He recommends networking with other HME business employees to learn more about the business and the software system. "One thing people have to understand – don't think the system can't do what you need. Don't be afraid to find out how other QS/1 users use the software. That way, you make the most of the software you have. With support, we are able to do that," Brown says.

Better Billing: ECS Billing & Consulting, Inc.

Vice President for ECS Billing & Consulting Sarah Hanna uses QS/1's SystemOne software, both GUI and character-based versions, in operating a niche business in the HME market. According to Hanna, "We bill for HME, rehab, respiratory and supply companies. We consult and bill for clients throughout the U.S., and we offer practical billing and CSR training on the QS/1 system. We also offer assistance in collecting companies' old accounts receivable. The client can work their current and under 120 claims, while ECS works the 120 and over claims."

Hanna says that several QS/1 features especially benefit her company. She contends that printing Physician Orders directly from the software system is a great optional feature and that the ability to generate custom reports according to ECS clients' needs is the best feature of System One. Hanna is hard-pressed to choose only one QS/1 feature that benefits the work of ECS Billing & Consulting more than others. "The ease of sending out claims electronically from QS/1 to Medicare and utilizing QS/1 for the Medicare ERN process [benefit the work of ECS]," says Hanna. "The advantage of





using the GUI system is the ease of training new staff on the system. The ability to export the reports into an Excel spread sheet benefits ECS in our ability to work the clients' accounts receivable." Hanna also says that QS/1's willingness to take suggestions from customers is important. "I think QS/1 welcomes ideas from their clients on how to compete in the industry. When ECS has an idea or a suggestion on what we would like to have the system do, we send in a request or call the support line and explain what we would like to see the system do, and they will send it down to programming to look at. Keeping on top of the quarterly updates received by QS/1 is very important," she says. Finally, Hanna notes that the support QS/1 provides customers allows her company to operate at its best. "The support staff at QS/1 is very knowledgeable and friendly. If you have to leave your name and number for them to call you back, they will return your call until they talk to you," she says.

Multi-Product Powerhouse: A&H Drug Stores


"QS/1 allows us to provide the same things as larger stores, while at the same time providing a higher level of customer service," says Charlie Sizemore, Pharmacy Technology Specialist at A&H Stores, Inc. of Renton, Washington.


Sizemore says that the resultant high quality "customer service and friendly atmosphere" set his business apart from surrounding pharmacies. He credits an efficient workflow process with his staff's ability to spend more time with patients. "Bar coding and Workflow have allowed us to reduce the amount of time pharmacists spend on each prescription, freeing them up for more final checks and counseling time," says Sizemore. In addition, he says, "the ease at which information (patient, drug, accounts receivable, etc.) is available" most benefits A&H Drug Stores' customers and "allows us to provide better customer service to our patients."

A&H Drug Stores, according to Sizemore, have a niche business "combining pharmacy and HME together in one building in a professional atmosphere to provide a one-stop healthcare experience for our patients."

A&H Drug Stores have used QS/1 systems since 1991. The company takes advantage of a combination of QS/1 software products to make the best use of what is available for their market. A&H Drug Stores have QS/1's RxCare Plus for pharmacy management, SystemOne for HME, Point-of-Sale for business operations and IVR (Interactive Voice Response) for telephone systems. The stores also have bar code scanning, Workflow, electronic signature capture, WinFax and Point-of-Sale's Frequent Shopper program.

Sizemore compliments QS/1 products for their dependability. "The stability of the product makes it very easy to maintain. All of our stores are fairly self-sufficient, and if a problem does come up, they can work around it until we can get it fixed," he says. Sizemore also finds QS/1 products easy to learn, use and train, "especially if going from one QS/1 product to another." When asked if he would recommend QS/1 to his peers, he says, "Not only would I, but I have."





E-Prescribing Efficiency: Nassif's Home Healthcare

Rick Czarnecki, Manager at Nassif's Home Healthcare, knows a thing or two about customer service. As a QS/1 customer for over 15 years, the staff at Nassif's prides themselves in the level of personal service they are able to give their customers. This success is due in large part to their QS/1 systems, particularly QS/1's ePrescribing feature.

According to Czarnecki, "We spend much less time on the phone now," which translates into more quality time spent with customers. "Service is what sets us apart from other pharmacies," Czarnecki says. With training and years of experience, the staff at Nassif's is able to take full advantage of QS/1's ease-of-use and efficiency. "The software will do anything you ask," and for that reason we are able to provide many special services other pharmacies do not have time to provide, says Czarnecki. In addition to ePrescribing, Nassif's also uses QS/1's SystemOne and RxCare Plus systems.

Czarnecki also knows that in order to stay successful, you have to embrace changes in technology. He notes that "QS/1 has advanced with the times and has done a great job of keeping up with technology."

IVR. Focusing On Your Patients: Dunavant's Drug

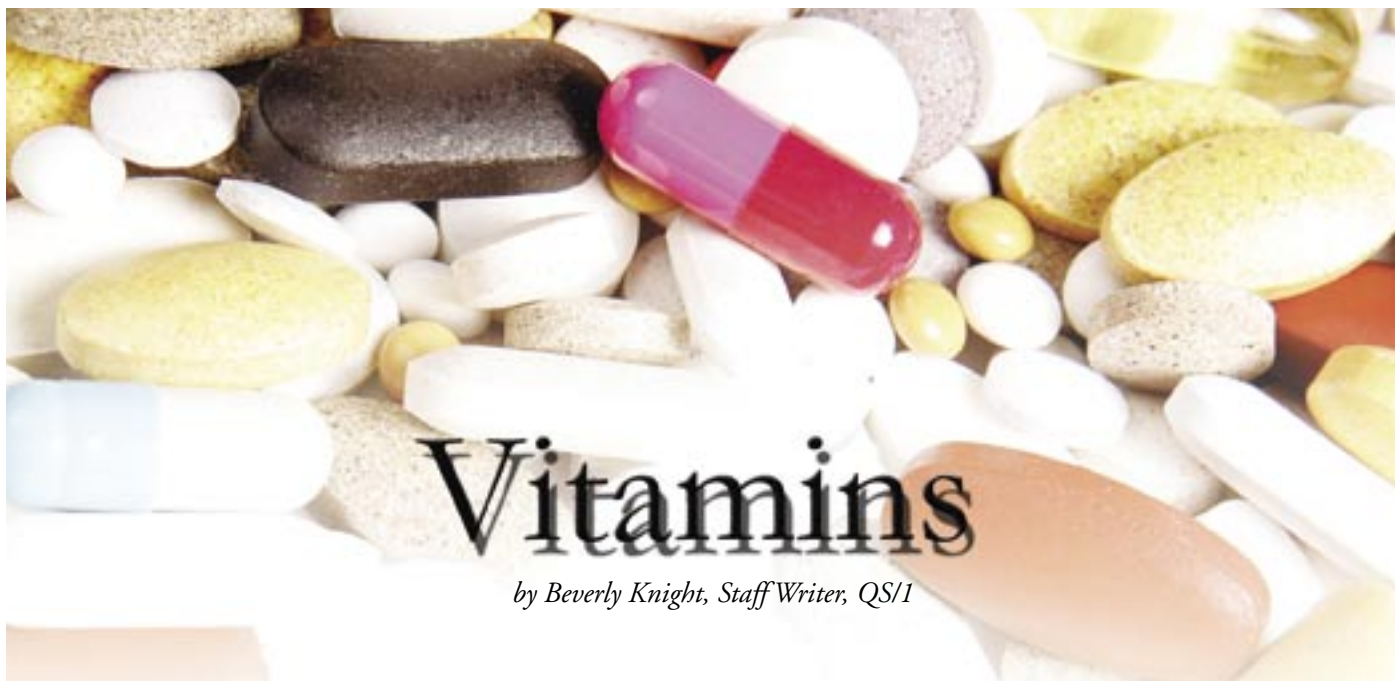
Personal service. Technology friendly services. Satisfied customers. These are just a few details that Susan Pappas, Business Manager at Dunavant's Drug and the store's dedicated staff pay careful attention to. Thanks to QS/1's IVR (Interactive Voice Response) product, pharmacists are spending less time on the phone and completing less paperwork, allowing them to practice even better customer service. According to Pappas, "Our staff and customers enjoy a much quieter, more relaxed setting. We are more accessible to our customers and able to converse with them more freely."

Of course, the IVR system does not handle every call that comes into the pharmacy, but it "helps promote and handle quick transactions," Pappas states. The customer response has also been positive. "You can retrain your customers. We have a broad spectrum of customers that use our IVR system and have received positive customer feedback regarding the system," she says. She also points out that as a QS/1 customer for over 15 years, it's important to keep up with advances in technology, especially when these advances help focus attention on patient care and satisfaction. Currently Dunavant's utilizes QS/1's RxCare Plus, Point-of-Sale and IVR systems, sends insurance claims through PowerLine and is a member of the FamilyCare network. During these competitive times, it is important to operate "above the curve in technology," Pappas explains. "QS/1 helps us do that."

These stories represent a small cross section of QS/1 customers who are using various tools and services provided by QS/1 to set themselves apart from their peers. Their insights and time-tested methods for success can be implemented in any QS/1 pharmacy to improve service and increase profits. Every business is unique, but standing out in a crowd is easier with QS/1 products and support. For more information call 1.800.231.7776 or log on to www.qs1.com.

by Kathryn Hix and Kerry Philbeck, Creative Services Technicians, QS/1





Vitamins

by Beverly Knight, Staff Writer, QS/1

Vitamin supplements have become key ingredients of a healthy lifestyle. And as public awareness of the benefits of these supplements grows, so does the array of products on the market.

Smith Drug Company, a subsidiary of QS/1's parent company, J M Smith Corporation, is a wholesale warehouse for joint purchasing for pharmacies in the nine-state Southeastern region.

Because its customers depend on their supplier for information as well as products, the company has kept abreast of advances in the over-the-counter market, particularly dietary supplements. According to Brad Pine, Smith Drug's Director of Product Development, vitamins, analgesics and cough and cold medications are the three largest health and beauty care producers of sales for independent drug front ends.

Smith Drug decided to limit the lines that it offered to the more than 600 stores it serves. The primary criteria used for selecting the three branded products it carries—Nature's Bounty, Pharmavite and Sundown—was their quality control.

"There are so many companies out there that we have concentrated on a few that we have faith in. We have to be sure that the product contains the ingredients that it says it does. Our reputation depends on the quality of the product as much as that of the manufacturer does," Christa Hampton, Smith's Director of Marketing explained adding that vitamins are not FDA regulated, even though there is talk of regulation. "It is important to Smith Drug that we only stock vitamin lines that we have faith in."

Nature's Bounty is Smith's best selling line and the one they push hardest. That's because, Pine said, the

company is customer friendly and has a merchandising team they can get into stores to do resets, moving merchandise around and updating the category. That updating is important because studies show that 40 percent of sales come from products released in the past three years.

An advantage of Nature's Bounty is the depth of its line, more than 400 total products of which Smith carries 250 SKUs (stock keeping units), but Pharmavite, the number one broad-line vitamin brand, is another product that Smith has a great deal of confidence in, Hampton said. Pharmavite is already in the process of setting its standards to what the FDA will require when regulation of vitamin supplements begins. The third branded product, Sundown, also offers a full line of vitamin supplements. In addition, Smith offers the control label, Good Sense.

The top sellers are glucosamine and calcium products, both of which have proven health benefits. There is also a demand for anti-aging products, particularly vitamin E and C, both of which come in topical concentrates and oral form.

Smith also provides information needed to help customers make an informed choice. According to Hampton, "There is a desperate need for live continuing education programs for pharmacies."

The vitamin market offers an opportunity for pharmacies to increase profits as the profit margin for prescription drugs decreases, making the products important to an independent pharmacy's bottom line. In the 16 years Hampton has worked for Smith Drugs she has seen customers become more health conscious. And as vitamin supplements garner media attention, consumers are more educated about their benefits.

"We all want to live longer, live happily and live well," Pine said.

Moving On Up:

Customers Upgrade from Windows NT to Windows XP

by Kathryn Hix, Creative Services Technician, QS/1

The last time QS/1 sold a Windows NT computer system was in the year 2000. That system had a 6.4 gigabyte disk and 32 megabytes of memory, a mere fraction of the 80 gigabyte disks and 512 megabytes of memory that current Windows XP systems contain.

Now QS/1 is encouraging all of its customers still operating with Windows NT systems to move to the new Windows XP machines. According to Sonny Anderson, QS/1 Director of Systems and Technology, there are primarily two reasons QS/1 is encouraging customers to move now from Windows NT to XP.

First, meeting federal HIPAA regulations is a top priority for QS/1 and its customers. It is imperative that all QS/1 servers be upgraded to Release 18.1 by the April 16, 2005, deadline in order to operate within the new security rules. Increased functionality and numerous new features available in Release 18.1 require a larger amount of disk space than did previous QS/1 releases.

Next, Anderson says the advantages that Windows XP offers for QS/1 customers go beyond the necessary conversion capacity. Windows XP automatically receives update notifications about Service Packs and can perform silent downloads of these Service Packs without interrupting business operations. While update detection of Service Packs is automatic via the Windows XP operating system, Windows NT servers require customers to perform the detection manually. Also, the Windows NT downloads are not a background process and may interrupt business operations. Microsoft improvements have optimized the latest versions of their Operating Systems for the Service Pack detection/download process.

New servers also contain more memory and larger hard drives. More memory on the new machines leads to better system performance. "For most of our customers with NT servers, they should see increased performance running Windows XP. They also will need the larger hard drives for the best performance running Release 18.1," says Tammy Devine, QS/1 Vice President.

Anderson contends that a three- to five-year-old personal computer is considered old and outdated by most any standard. The rate of hardware and operating system improvements has greatly outpaced the schedule of most customers' need to upgrade. It also is important to remember that NT servers replaced by new XP servers can be converted to workstations.

The most desirable upgrade would be "a new computer with the XP operating system and Internet access, preferably broadband, which includes cable modem, DSL or frame relay," says Anderson. He says these features should be viewed as functional improvements to the daily work process but that the force driving the upgrade should be the need to convert to Release 18.1.

The cost of the Windows NT to XP upgrade depends on the individual customer's needs. The low end of the price range includes new server, monitor, backup drive, ethernet switch and installation. The high end of the price range includes upgraded server, backup, ethernet switch, one laser printer, one workstation and installation. Costs vary depending on the number of workstations or Point-of-Sale terminals that must be upgraded to support Release 18.1. Customers should contact their regional office to schedule upgrade installations.



The 2005 QS/1 Customer Conference is being held in beautiful Orlando, Fla. Be sure to mark this date on your calendar. Take this opportunity to network with other customers, learn more about your QS/1 system and enjoy all that Orlando has to offer. Rooms are only \$159 a night at Disney's Contemporary Resort, right in the heart of Disney World! Room rates are good three days before and after the conference. All product tracks are included. Don't miss out!!

Check out www.qs1.com for conference updates....

**Disney's
Contemporary Resort
\$159/night**



CornerDrugstore.com

The Internet continues to play an increasingly vital role in the marketing strategy of community and independent pharmacies. Marketing can be the ultimate factor in the level of success of a product. The CornerDrugstore team recognizes the importance of developing relationships with our customers to achieve optimal customer service and site utilization. To aid pharmacies with their marketing strategies, we developed the Marketing Tool Kit.

The Marketing Tool Kit provides a quick and easy way for CornerDrugstore customers to establish a high level of awareness concerning their online pharmacy. Pharmacies around the country are taking advantage of the Marketing Tool Kit because it includes PDF layouts of counter cards, store brochures, refill reminder cards, staff buttons and bag stuffers. Any pharmacist with a CornerDrugstore.com web site can access the Marketing Tool Kit by visiting <http://pharmacy.cornerdrugstore.com>, logging onto Pharmacy Connection with a user name and password and clicking the Marketing tab located at the top of the Pharmacy Connection page.

Mike Ross, owner and pharmacist at Blythewood Pharmacy in Blythewood, S.C., became involved with CornerDrugstore because he felt it would solidify his pharmacy's position in the marketplace. His team at Blythewood Pharmacy has taken full advantage of the Marketing Tool Kit. Jessica Ross, the store manager for Blythewood Pharmacy says, "We wanted our customers to utilize our web site, so we began to incorporate the ideas included in the Marketing Tool Kit by publishing our web address on prescription bottle labels, pamphlets, flyers and business cards." This strategy promoted their pharmacy name and literally drove their customers to take advantage of the services Blythewood Pharmacy offers online. Because of the success of this initiative, the pharmacy staff began to use other innovative ideas to advertise their web site. One initiative included a co-sponsorship with the Columbia Inferno Hockey Team in nearby Columbia, S.C., which provided web address recognition for Blythewood Pharmacy among local hockey fans.

According to Ross, "When my customers began to utilize the online refills, we cut our operation and overall work time by reducing the time spent keying in prescription information and copying information from the phone orders." Blythewood Pharmacy is a prime example of how the different tools provided by CornerDrugstore can help increase customer usability and pharmacy efficiency.

For additional information visit, <http://www.CornerDrugstore.com> or call CornerDrugstore support at 1.800.559.5489.



by Tranaka Oglesby, Customer Support Associate, QS/1

by Randy Burnett, Healthcare Services Supervisor, QS/1

Having trouble balancing your third party Accounts Receivable?

If you answered "yes" or "I am not sure" to the above question, FamilyCare has a solution for you. FamilyCare's Reconciliation service can help you manage your pharmacy's third party receivable. With the year end approaching quickly, many of you will be trying to figure out exactly what is outstanding with your third party receivable, and some will have difficulty finding the information because either you have not had anyone posting the pharmacy's remittance or posting has been inconsistent. Should you find some outstanding claims, how difficult will it be to resolve with the third party, especially at this time of year? Don't find yourself in this spot next year -- allow FamilyCare to assist in the management of your third party receivable. For most, the investment will be less than \$100 per month, and you have access to the following information: Non-Payment 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 amount adjudicated). FamilyCare's Reconciliation Service provides the tools necessary to close your books knowing exactly where you stand with your pharmacy's third party receivable. Now is the time to begin, as it normally takes two to four weeks for FamilyCare to begin receiving your third parties' electronic remittance. For enrollment information, please contact FamilyCare Support at 1.800.428.7271.

The latest on MMA

Medicare Part D

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 brought about the Medicare Discount Card Program. This same act also mandates that, effective January 1, 2006, Medicare Part D will replace the Discount Card Program. As you may have guessed, Medicare Part D is the Medicare Prescription Drug Benefit.

Although the final plans are still in the planning stages, this much is known: participation in Part D is voluntary and the \$35 monthly premium could be adjusted according to income. The patient's copay is also based on income. Congress has mandated that each eligible person have access to at least two plans, even though they can only enroll in one. There must be a minimum of two plans per region. The number and locations of these regions has not been decided yet.

We will keep you up to date as the final plans for Medicare Part D become available. Further information is available at www.medicare.gov and www.cms.hhs.gov.

ePrescribing gains ground with new states

NCPA and NACDS continue strong support of SureScripts as they move into more states. Ohio is the latest, with the Cleveland Clinic in the northern portion of the state and doctors in the Toledo area signing on with SureScripts. Washington State makes the 2004 cut as they were added to the approved list for ePrescribing network services. With nearly 400 QS/1 pharmacies and thousands of doctors participating, the impact on improved patient health is just around the corner. ProxyMed continues to have strong QS/1 support in Fla., Ariz. and Texas, while WebMD begins testing in Wis. The 2005 year promises to have even greater gains as the communication between physician and pharmacist expands with the implementation of NCPDP version 7.1. Other fields under consideration are CanelRx, RxChange and, for the doctors, RxFill. As new changes become available, look to our web site www.qs1.com and *Insight* for details. For information on enrollment, please call software support at 1.800.845.7558 or CRx at 1.800.879.1987.

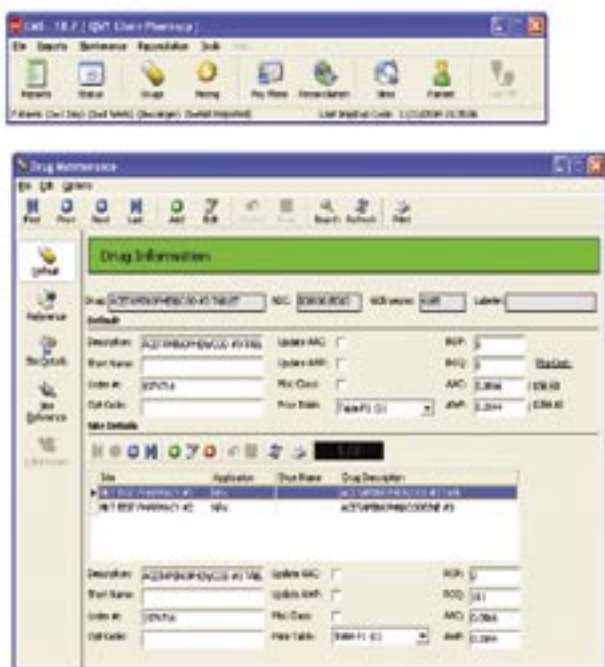
Central Management System Release 18.2

by Paulette Slaughter, Product Analyst, QS/1

Over the last year QS/1 has been updating CMS (Central Management System) to have the same look and feel of the NRx Pharmacy Management System.

CMS Release 18.2 is written in Microsoft Visual Basic, a widely known programming language that allows for more available resources. Using Visual Basic for programming also expedites the process of correcting reported problems and adding enhancements to the software.

There are several advantages and enhancements to CMS Release 18.2. It is fully functional with CRx and NRx. In addition, with RxCare Plus, CMS can collect data for reporting, export data (with the exception of price codes) and reconcile third party claims. CMS can also be used with PrimeCare to collect data for reports and reconciliation of third party claims. Another important feature of CMS Release 18.2 is full compliance with the HIPAA security rules.



Centralized Patient Profiles is another new feature available in Release 18.2. With this centralized patient database, patient demographics are available at all pharmacies within the chain, but patients are only added to the local pharmacy as needed. All changes to patient records synchronize between pharmacy locations. In addition, prescriptions easily can be transferred between stores, and it is possible to check for interactions on all prescriptions filled at all of the pharmacies within the chain. Centralized Patient Profiles is only available with NRx.

The most significant improvement is in the communication with the sites in your chain. The new communication program continuously searches for imports and exports. Imports are the daily audit files from each site that contain all of the transactions from that day or time period. Exports are files created in CMS by the corporate office and sent to the sites for maintaining

drugs, pricing, price tables and pay plans. With the improvement of the communications, CMS Release 18.2 can export data in a more real-time environment than can the current version. As soon as an export is created, depending on the time to check for import/export setting, the export is picked up from the CMS system, delivered to the site and processed. There is no need to wait until the next day to send exports.

There are now two options for exporting, manual and automatic. Manual exports in Release 18.2 are exactly the same as in the current version of CMS. At any time a file can be created to contain all items marked for export. Automatic exports are new to CMS Release 18.2. There is a new option for setting the number of minutes between import/export cycles in CMS to create an export for all data that has been marked for export.

QS/1 is scheduled to have CMS Release 18.2 to all current customers in the first quarter of 2005.

Demand for OnDemand Gains Momentum

The Internet ushered in a new generation of hosted software solutions that have come to be known as OnDemand or ASP (Application Service Provider) solutions.

Earlier software solutions required customer personnel or IT resources to handle all the computer management: systems configuration, software installation, monitoring, maintenance and backup. These new hosted solutions enable customers to get started quicker for less up front cost (with just a computer connected to the Internet) and less resource commitment.

Many software vendors were quick to jump on the bandwagon as they saw this type of solution as a way to keep customers on the latest version of their software, potentially reducing their support costs.

QS/1 offers ASP solutions for each of its primary software products: NRx OnDemand, RxCare Plus OnDemand, PrimeCare OnDemand and SystemOne OnDemand.

QS/1 has unique advantages because it hosts OnDemand solutions in widely separated hosting facilities with full network, equipment and electric power redundancy and failover. Therefore, if a natural disaster were to strike one facility, data would automatically be shifted to the other facility to maintain customer data availability. Because QS/1 stores data in redundant data centers, business owners can be confident that valuable customer data will not be lost due to power outages, network or equipment failures. These systems and networks are being monitored 24 hours a day, seven days a week. One hosting center is located in the new QS/1 headquarters in Spartanburg, S.C., which has been designed specifically for this purpose, while a second location is in Richmond, Va. QS/1 also handles data backups to eliminate this time-consuming task for customers.

By sharing systems, storage, networks and power infrastructure resources, customers can leverage economies of scale, resulting in lower cost usage-based pricing. In addition to the system monitoring, management and configuration, QS/1 also takes care of installing the latest price, clinical, virus and software updates to ensure that customers always have the most up-to-date system.

Since the business's staff is no longer concerned with computer management and maintenance tasks, staff training in these areas is eliminated and more time is available to increase staff productivity and improve customer service.

by Dan Gerst, Marketing Operations Manager, QS/1

Congratulations

To These QS/1 Customers, Winners of Drug Topics Magazine's Outstanding Independent Pharmacies Awards

Category 1: Exceptional Pharmacy and Nonpharmacy Services

Central Avenue Health Mart Pharmacy
Valley City, N.D.
Drug Mart of Millwood
Millwood, N.Y.
Evers Pharmacy
Collinsville, Ill.
Medical Center Pharmacy
Statesboro, Ga.
Osterhaus Pharmacy
Maquoketa, Iowa
S & S Drug
Beloit, Kan.
Smith-Caldwell Drug Store
Benton, Ark.

Category 2: Exceptional Merchandising/Advertising/Promotion

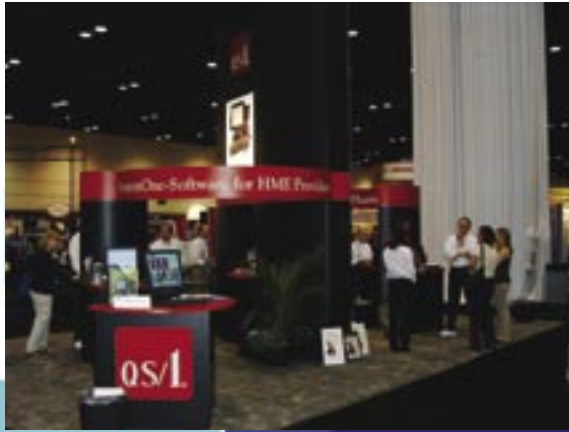
Batson's Drug Store
Howard, Kan.
Cook's Pharmacy
Eminence, Ky.
Dean's Pharmacy
Dewitt, Ark.
Fair Haven Pharmacy
Mundelein, Ill.
Smith-Caldwell Drug Store
Benton, Ark.

Category 3: Overcoming Competition

Central Avenue Health Mart Pharmacy
Valley City, N.D.
Grove Park Pharmacy
Orangeburg, S.C.
Hometown Pharmacy
Chillicothe, Mo.
Orchard Hills Pharmacy
Springfield, Mo.
Smith-Caldwell Drug Store
Benton, Ark.

Category 4: Handling A Crisis

Gowanda Pharmacy
Gowanda, N.Y.
Smith-Caldwell Drug Store
Benton, Ark.



TRADE SHOWS

**MedTrade 2004
Orlando, FL**



**ASCP 2004
San Francisco, CA**





Central Fill Interface

A new Central Fill interface has been integrated into QS/1's Pharmacy Management Workflow software to support the prescription filling process. Prescriptions now can be filled in the local pharmacy or sent to the Central Fill location depending on the customer's delivery urgency. Central Fill also can lower the amount of prescription inventory needed in remote stores. Rather than investing in a broad assortment of medications for each and every store, pharmacy owners with Central Fill are able to keep the bulk of the pharmacy's inventory in the central location and thus reduce overall inventory costs. If pharmacies can use Central Fill to lower inventory costs, increase prescription volume and spend more time performing customer counseling, they simultaneously can preserve margins and increase customer satisfaction.

The Central Fill interface allows multi-location pharmacies to send prescriptions to a central location for fulfillment. The pharmacy will continue to enter new prescriptions and counsel patients as needed. Once the prescription order has been adjudicated, the prescription is sent to the Central Fill location. After the prescription is assembled, verified and packaged, it can be shipped back to the pharmacy for customer pick-up or mailed to the customer.



QS/1 offers new signature pad device

HHP has discontinued selling the TT3101 signature capture device. It is being replaced by the TT8500 unit.

QS/1 will be making software changes in order to interface with the new signature capture device. The new unit has additional memory as well as enhanced support for different screen displays such as radio buttons and other extended controls. The TT8500 has a magnetic stripe reader as did the TT3101 model, but the newer unit will support up to 38400 baud rate opposed to the 9600 baud rate of the TT3101 device.

The TT8500 signature capture device can be 3DES (Triple DES) encrypted in order to meet VISA requirements for encrypting PINs during a debit card transaction. Therefore, it can be certified with Visa CISP (Cardholder Information Security Program). Visa has CISP Requirements and CISP Compliance Validation is based on Merchant Level or Service Provider Level. The web site for additional information is www.visa.com/cisp.



CRx

Electronic Prescribing is available in CRx Release 18.1. We can now process electronic prescriptions, refill requests and refill responses.

In Release 18.1 the online setup screen (menu path 4.7.2) was modified to facilitate changing carrier/connection settings. The purpose of this change is to simplify the setup and maintenance of third party online submission set ups. To change from one switch to another, edit the field under Global options and all third party records are changed. Also added was the ability to search for a third party by bin number to eliminate adding the same plan to the system multiple times. From the Edit Plan screen (menu path 4.7.1), type <*> to search by bin number. If there is a match on the bin number, the plans display. If there is no match, type <A> to add the third party.

From the Support Center



Point-of-Sale:

We recently added Frequently Asked Questions regarding Point-of-Sale to our web site. If you have a question about Point-of-Sale software that you cannot find in Help, please visit our web site at www.qs1.com and log in to the Support section. Here you will find Frequently Asked Questions with helpful hints and solutions. Visit the web site frequently for new information.

CMS Release 17.8:

Did you know that you can now filter the EOD Daily Sales Journal report by trans_code?

Visit our web site at www.qs1.com and check out the Frequently Asked Questions section.

RxCare Plus & PrimeCare:

If you are trying to add a new drug to your system and do not see a prompt to type the NDC number or if you are trying to update an existing drug, make sure you have a QS/1 update CD in your CD drive. If there is a CD, reset the QS/1 server then try adding or updating the drug again.

PrimeCare:

If fill list PRNs are created with an original quantity of '0,' in order for the prescription to discontinue and reassign, first access the Edit Fill List function to update the cassette quantity for the correct dispensing amount. Then when creating transactions from the fill list, if the stop date is exceeded or no refills remain, etc., the prescription will discontinue and reassign a new prescription number.

You would not normally want any transactions to be filled or billed with a quantity of '0.' Always make sure PRNs have a P in the Refill field, or something like 12 or 99. Different locations use different refill amounts for PRNs. If Refills Remaining is 0, then the prescription will discontinue and reassign monthly when creating transactions from the fill list, even if the stop date is not exceeded. Provided the Edit Price Code is set up properly, if a prescription has remaining refills but the stop date is exceeded, then when creating transactions from the fill list the prescription should discontinue and reassign.

Trans_Codes Definitions:

A = Auto charge
D = Deleted
H = On Hold
L = Secondary Billing and Primary rejected/ paid nothing
M = Manual Reversal
P = Price Change
Q = Quantity Change
H = On Hold
L = Secondary Billing and Primary rejected/ paid nothing
Q = Quantity Change
R = Reversal
S = Secondary Billing
T = Transferred

Did you know that Fields to Include has been added to the Inventory Listing Report?

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

CRx Release 17.8:

Did you know that if you are submitting a secondary billing and the primary rejects, you can use the <L> Bill Other option?:

- Access the rejection (MM.1.2)
- Choose <L> for Bill Other
- System will prompt for you to choose secondary third party
- Continue with the filling process - fill in the appropriate bill other information

If you need assistance, call Customer Support at 1.800.441.1995, option 1.

IN YOUR AREA

Training Seminars

West Coast Region*:

Seattle, WA (866) 848-1942

01/17/2005 RxCare Plus: Prescription Processing 101
01/21/2005 RxCare Plus: A/R & Third Party Reconciliation
01/27/2005 SystemOne: Transaction Processing 101
03/21/2005 RxCare Plus: Prescription Processing 101
03/25/2005 RxCare Plus: Drug Inventory

Valencia, CA (866) 848-1942

01/14/2005 Point-of-Sale: Inventory Control & Automatic Reorder
02/14/2005 RxCare Plus: Prescription Processing 101
02/18/2005 RxCare Plus: Nursing Home Training
02/25/2005 SystemOne: Inventory Control
03/18/2005 Point-of-Sale: Report Logic

**Special times and pricing. Please call the regional office for more details.*

Mid-Atlantic Region:

Indianapolis, IN (800) 637-5251

01/13/2005 RxCare Plus: 18.1 Overview
01/20/2005 Point-of-Sale: 18.1 Enhancements
02/17/2005 PrimeCare: Patient and Facility Billing Matrix
03/10/2005 RxCare Plus: 18.1 Overview
03/22/2005 PrimeCare: System Overview
03/24/2005 SystemOne: 18.1 Overview

Lexington, KY (866) 441-7011

01/20/2005 SystemOne: 18.1 Overview
01/25/2005 RxCare Plus: 18.1 Overview
02/10/2005 RxCare Plus: 18.1 Overview
02/17/2005 Point-of-Sale: 18.1 Enhancements

Richmond, VA (877) 392-5851

01/20/2005 CRx: 18.1 Overview
01/25/2005 RxCare Plus: 18.1 Overview
02/15/2005 SystemOne: 18.1 Overview
02/17/2005 CRx: 18.1 Overview
03/10/2005 Point-of-Sale: 18.1 Enhancements
03/24/2005 RxCare Plus: 18.1 Overview

Midwest Region:

Pleasant Hill, MO (800) 541-5358

11/2/2004 PrimeCare: Billing Matrix

St. Paul, MN (800) 541-5358

11/30/2004 Point-of-Sale: Basic Inventory

Southeast Region:

Spartanburg, SC (800) 889-9173

01/13/2005 RxCare Plus: A/R
01/20/2005 Point-of-Sale: 18.1 Enhancements
01/27/2005 SystemOne: 18.1 Enhancements
02/10/2005 RxCare Plus: 18.1 Enhancements
02/17/2005 Point-of-Sale: 18.1 Enhancements
02/24/2005 SystemOne: 18.1 Enhancements
03/10/2005 RxCare Plus: 18.1 Enhancements
03/17/2005 Point-of-Sale: 18.1 Enhancements
03/24/2005 SystemOne: 18.1 Enhancements

Miami, FL (800) 889-9183

01/13/2005 RxCare Plus: 18.1 Enhancements
01/20/2005 Point-of-Sale: 18.1 Enhancements
01/27/2004 SystemOne: 18.1 Enhancements
03/10/2005 RxCare Plus: 18.1 Enhancements
03/17/2005 Point-of-Sale: 18.1 Enhancements
03/24/2005 SystemOne: 18.1 Enhancements

Orlando, FL (800) 889-9183

02/10/2005 RxCare Plus: 18.1 Enhancements
02/17/2005 Point-of-Sale: 18.1 Enhancements
02/24/2005 SystemOne: 18.1 Enhancements

Gulf States Region:

Dallas, TX (800) 248-0096

02/17/2005 Point-of-Sale: 18.1 Enhancements
02/18/2005 RxCare Plus: 18.1 Enhancements
03/17/2005 RxCare Plus: 18.1 Enhancements

Brandon, MS (800) 248-0096

01/13/2005 Point-of-Sale: 18.1 Enhancements
01/14/2005 RxCare Plus: 18.1 Enhancements
02/17/2005 Point-of-Sale: 18.1 Enhancements
02/18/2005 RxCare Plus: 18.1 Enhancements
03/24/2005 Point-of-Sale: 18.1 Enhancements
03/25/2005 RxCare Plus: 18.1 Enhancements

Albuquerque, NM (800) 248-0096

02/10/2005 Point-of-Sale: 18.1 Enhancements
02/10/2005 RxCare Plus: 18.1 Enhancements

Houston, TX (800) 248-0096

01/13/2005 Point-of-Sale: 18.1 Enhancements
01/14/2005 RxCare Plus: 18.1 Enhancements
03/24/2005 Point-of-Sale: 18.1 Enhancements
03/25/2005 RxCare Plus: 18.1 Enhancements

Little Rock, AR (800) 233-6204

02/24/2005 Point-of-Sale: 18.1 Enhancements
02/24/2005 RxCare Plus: 18.1 Enhancements

Denver, CO (800) 248-0096

03/17/2005 Point-of-Sale: 18.1 Enhancements

McAllen, TX (800) 248-0096

12/02/2004 SystemOne: GUI Overview

New Branfels, TX (800) 248-0096

11/18/2004 RxCare Plus: Advanced Topics

New Orleans, LA (800) 233-6204

11/04/2004 PrimeCare: Patient & Facility Billing Matrix
11/18/2004 RxCare Plus: Advanced Topics
11/18/2004 Point-of-Sale: Basic Processing

San Angelo, TX (800) 248-0096

12/14/2004 RxCare Plus: Advanced Topic

Northeast Region:

Sturbridge, MA (800) 648-7428

01/11/2005 RxCare Plus: 18.1 Enhancements & Review
02/08/2005 SystemOne: 18.1 Enhancements & Review
02/16/2005 PrimeCare: Patient & Facility Billing Matrix
02/17/2005 PrimeCare: Patient & Facility Billing Matrix
03/08/2005 RxCare Plus: 18.1 Enhancements & Review
03/17/2005 RxCare Plus: Custom & General Reports

Mechanicsburg, PA (717) 795-2700

01/25/2005 RxCare Plus: 18.1 Review & Enhancements
02/15/2005 PrimeCare: Patient and Facility Billing Matrix
02/22/2005 Point-of-Sale: 18.1 Enhancements & Review
03/22/2005 RxCare Plus: 18.1 Enhancements & Review

\$25.00 per person per seminar

(FamilyCare Members: one person per month FREE)

To register or for more information, contact your respective regional office two weeks prior to the seminar. Seating is limited.

IN YOUR AREA

Trade Shows

Naples, FL

January 27-30, 2005:
NACDS Regional Chain Conference

Las Vegas, NV

February 8-11, 2005:
NGA - Supermarket Synergy Showcase

St. Thomas, U.S. Virgin Islands

February 16-19, 2005:
NCPA Multiple Locations Pharmacy Conference

San Diego, CA

February 17-20, 2005:
California Pharmacists Association

Dearborn, MI

February 18-20, 2005:
Michigan Pharmacists Association

Dallas, TX

February 22-23, 2005:
MESA Medical Equipment Suppliers Association

Amityville, NY

March 9, 2005:
Bellco Drug Corporation

Overland Park, KS

March 10-11, 2005:
MAMES Midwest Association for Medical Equipment Services

Orlando, FL

April 1-5, 2005:
American Pharmacy Association

Las Vegas, NV

April 6-7, 2005:
MedTrade Spring

Austin, TX

April 8-11, 2005:
TSHP Texas Society of Health-System Pharmacists

New Orleans, LA

April 10-12, 2005:
FMI Supermarket Pharmacy Conference

Columbus, OH

April 15-17, 2005:
Ohio Pharmacists Association

Orlando, FL

May 16-18, 2005:
ASCP American Society of Consultant Pharmacists

Las Vegas, NV

April 6-7, 2005:
Medtrade Spring

New Orleans, LA

April 15-17, 2005:
Ohio Pharmacists Association

Orlando, FL

May 16-18, 2005:
ASCP American Society of Consultant Pharmacists



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

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