



COMMUNITY PHARMACY FOR
THE FUTURE

Featured Article-Flatirons Family Pharmacy

INSIDE THIS ISSUE:

<i>Featured Article</i>	1
<i>President's Message</i>	2
<i>Executive Director</i>	2
<i>RxPlus Political Issues</i>	3

RxPlus Mission

RxPlus Pharmacies, Inc. is an organization of health care providers which creates value by promoting the economic, professional, educational, and political advancement of community pharmacy. We do this for the health and well being of our communities.

If you find any errors or omissions, or if you have any comments regarding the Website, you can fill out the email form following the "Contact Us" button of the homepage!



Since Jennifer was 14 years old, she has been a part of the world of pharmacy. Her first job was working for an independent in New York where she first got the bug to become a pharmacist. She attended St. John's University in New York and from there got her first job in Memphis, TN at Walgreens. While in Memphis, Jen met her husband- an engineer- and he was living in Colorado. While Colorado wasn't Jen's first choice she moved to be with him and is now very happy her path brought her here. She was able to transfer with Walgreens and continue her budding career. All in all, Jen spent 13 years working for Walgreens, which was long enough to witness the negative changes in retail. Due to the plummeting economy, Walgreens reacted by cutting expenses, which ultimately changed the focus of the pharmacists. Emphasis was taken off the patient and more pressure was placed on the pharmacists to spend their time performing other tasks. Chains have adapted to a more rigid budget and the effect is more of an assembly line approach to caring for patients.

Jen felt compelled to leave retail and begin working for an independent in Colorado-Goose Creek. After spending a little over a year with them, she could tell they would close and made the decision to start her own pharmacy.

With just a few months under her belt as a new business owner, Jen is already seeing her pharmacy continue to grow. She had difficulties in the beginning getting up and running with insurance which led her to an additional focus in compounding. She researched her demographic area and found she was in a prime area for patients who would be willing to spend cash on Veterinary, Pain and HRT compounds. This additional branch of her business allowed her to get through the challenges she faced with the insurance companies and continues to be a good revenue stream to support a new and



Jennifer Palazzolo, Owner and Pharmacist

growing business. The biggest lesson she learned about undertaking the challenge of opening her own pharmacy is that she underfunded herself. Her recommendation to anyone researching their own store is to add 20% to whatever their estimate is.

Jen believes, as an independent pharmacy, you need to find something that sets you apart from other pharmacies, especially the chains. She believes that independents should stick together against the chains and hold each other to the highest standards which will provide a unified front to face retailer competition.

Jen is one of our newest board members at RxPlus. She praised the organization for being a big part of why she felt able to open her own store in the first place, and for the support she continues to receive whenever questions arise. Whenever she calls in to speak with Kathy Muller, Director of Operations, she is guaranteed answers to her questions, saving her valuable time.

Jen is the proud mother of two adorable children, and when she finds the time (which is very rarely!) she enjoys cooking and having the opportunity to travel. Through the initial ups and downs of new business ownership, Jen continues to blaze her trail with **Flatirons Family Pharmacy** in Longmont, providing top notch service to her patients.

President's Message

Another Annual Meeting is now behind us, and I would like to thank everyone who attended. It is your dedication, hard work and interest that makes it possible for us to put on a successful Annual Meeting. If you were unable to attend, please let the Board know if there is anything we can do to make it easier for you to attend in the future. Feel free to call any Board Member, especially if you need relief help. The benefits of attending the Annual Meeting are immeasurable, and we would really like to see you there. Getting new pharmacists involved and keeping the stores we have going and transitioning is how RxPlus will stay strong. We need everyone's help. If you have any suggestions or comments regarding the meeting, please let us know.

I would like to thank our staff for the great job they do and the many hours of work they put in to make this a fun, interesting, and educational event. I would also like to thank all the Board members for their endless hours of work. I would like to especially thank Jere Maxwell, our Treasurer. Jere works extra hard for RxPlus.

I would also like to welcome Dan Scales of Scales Pharmacy and Jennifer Palazzolo of Flatirons Family Pharmacy to the RxPlus Board of Directors. I look forward to working with both of them.

I am anticipating a great and exciting year for community pharmacy and RxPlus.

Bill Masse
President

Executive Director's Message

Once again we had a great Annual Meeting, thanks to the efforts of Kathy Muller and the entire staff at RxPlus. For those of you who were able to attend, I hope you had a fun and productive meeting.

I want to welcome our two new members on the Board of Directors of RxPlus Pharmacies, both of whom are new store owners within the past year. Dan Scales came from working at Walgreens for fourteen years. He opened a new store in the Denver area close to his old employer. His business plan is to utilize his expertise and contacts to go after the specialty market that he had been working in for the past few years. Jennifer Palazzolo started her pharmacy in Longmont after working at Goose Creek Pharmacy in Boulder. She recognized the value she could bring to the Longmont area and built her store to fit the needs of that community. I look forward to working with both Jennifer and Dan.

This year we will start paying profitability checks on a quarterly basis. The first checks will be sent out in early January and quarterly from then on. The first quarter delay is necessary because we do not get details on the rebates until 45 days after the end of the quarter, following which we can calculate our profitability. This process takes a few weeks. Once we are through the first full quarter everything should be on a regular schedule.

Grant Kinn
Executive Director



GOVERNMENTAL AFFAIRS REPORT

Governmental Affairs Newsletter Update
By Brad Young

October 2014

Remember- This is an election year! Make the time to meet the candidates and contribute to their campaigns!

Political Committee: The RxPlus Independent Providers Political Committee is organized to accept contributions from RxPlus members to contribute to candidates for the Colorado State House and Senate. We also contribute to Colorado Republican and Democratic Party Committees. We can't make contributions to candidates for federal office from the political committee.

During the 2013-14 election cycle we raised and contributed \$9150. 58% went to Democrats, 42% to Republicans. We contributed \$3800 to the Parties and \$5350 to individual candidates. Most of the candidate contributions were for \$100, except our bill sponsors, to whom we contributed \$200. For comparison, during the 2011-12 election cycle we raised \$9900. My basic rule on contributions is "we support our friends." I won't contribute to candidates who are running against legislators who voted with community pharmacy.

Possible Colorado Legislation: In 2013 the Colorado Legislature passed PBM audit legislation, and in 2014 it was MAC. In 2015 there are several issues we are considering for legislation:

1. The feedback we have had on **PBM audits** suggests we may need to make some changes in the statute to eliminate a couple of unforeseen circumstances. We plan to ask the Colorado Insurance Commissioner for some assistance dealing with the PBMs.
2. Given the prevalence of closed and preferred networks for pharmacy by the health plans, we are considering requesting legislation to allow **consumer choice or "any willing provider"**.
3. Consumer groups asked the Colorado Insurance Commissioner's office to form a **"Specialty Pharmacy"** task force to see if the health plans and PBMs would be willing to try to find a way to reduce out-of-pocket expenses for consumers who require specialty drugs. The task force has been meeting weekly. Although the commissioner's office does NOT want to have legislation, the issue of defining specialty pharmacy in statute has come up. Val Kalnins is on the task force to represent pharmacy, and I have been attending to assure independent pharmacies are given a voice in the process. **We may consider "Specialty Pharmacy Consumer Choice of Pharmacy" legislation, regardless of the outcome of the task force.**

Provider Status: During the RxPlus Annual Meeting the Deans of the schools of pharmacy, Dean Atlire from CU and Dean Carter from Regis, asked us to join the national efforts to change state laws to give pharmacists the status of "health care provider". California passed such a law during the 2014 session. We have recently started discussions with university staff and Val Kalnins of the Colorado Pharmacists Society. The focus of national effort is to get as many states as possible to pass legislation granting pharmacists specific authority as providers. The support from state legislature may make it easier to get Congress to pass, H. R. 4190 that grants pharmacists health provider status for Medicare in medically underserved areas.

Mark your Calendar

NCPA 116th Annual Convention
Austin Convention Center
Austin, TX
October 18-22, 2014



Follow us!



Visit our new website
at www.rxplus.com,
call the office at 303-
463-4875 for your
member log in id and
password!

RxPlus Pharmacies, Inc.

**3660 Wadsworth Blvd.
Wheat Ridge, CO 80033
Phone 303-463-4875
Fax 303-463-4880
Email info@rxplus.com**

RxPlus Pharmacies, Inc. is an organization of health care providers which creates value by promoting the economic, professional, educational, and political advancement of community pharmacy. We do this for the health and well being of our communities.

Staff

Grant Kinn
Executive Director

Kathy Muller
Director of Operations

Brad Young
Director of Government Affairs

Ginger Jones
Director of Business
Development

Leah Frank
Accounting Manager

John Starker
IT / Social Media

Board of Directors

Bill Masse - President
Jere Maxwell - Treasurer

Tom Davis - Secretary

Joe Valdez

K.C. Owen

Jim Sajbel

Vicki Einhellig

Stan Callas

David Lamb

Tom Gierwatoski

Mike Bemis

Ky Davis

Jennifer Palazzolo

Dan Scales

Governmental Affairs Cont.

Board of Pharmacy PDMP Update: The Board of Pharmacy has now changed the rule to require the PDMP to be **updated DAILY instead of every two weeks**. The rule change becomes effective October 16, but the Board of Pharmacy has allowed a **temporary waiver period** to give pharmacies time to make the change. Fines will not be implemented during the waiver period. We will let you know the time frame of the waiver period when it is announced by the Board.

Medicaid Pricing Issues: 2013 COD Survey Results: Cost of Dispensing Surveys were completed by 52 independent pharmacies for the 2013 study, compared to 23 in 2012. There were 177 chain pharmacies that responded in 2013 compared to 283 in 2012. The average COD based on the 2012 surveys was \$11.67, but in 2013 the average (based on the surveys) was only \$8.06. Obviously, we need to review the process of filling out the surveys. The surveys will go out again in the Spring of 2015.

Average Acquisition Cost (AAC) Pricing: The AAC/COD process has inherent problems by its very design. We hope to continue to improve the process with your help. The primary problem is below-cost payments. We have had some success getting prices changed as a result of pharmacies submitting the AAC Inquiry Worksheet forms. If you would like to submit a below cost inquiry please call or email me and I'll be glad to assist.

Medicaid Coordination of Benefits (COB) Manager: One of our members found significant record keeping problems being caused by the Medicaid program that bills third party insurers when a patient has primary insurance and Medicaid. Since Medicaid is the "insurer of last resort", Medicaid is required by federal law to operate a COB program. HMS is the company that the department contracted with. A survey of RxPlus members indicates that several pharmacies are having problems reconciling when COB Manager bills on their behalf. It is possible that legislation may be our only solution if the problems persist. Please let us know if you have also had problems with COB Manager.

Other States: We are working with the state pharmacy associations and RxPlus members to get legislation introduced next year in Arizona and Wyoming. Representative Dan Kirkbride (R-Chugwater) has turned in legislation for drafting in Wyoming concerning PBM audits and MAC. The legislation passed unanimously in Oregon in 2013 and Washington in 2014. The AzPhA Legislative Committee was planning to introduce audit legislation in 2015. An RxPlus member suggested that MAC and Any Willing Provider legislation should also be introduced. The AzPhA Legislative Committee voted recently to include those issues.

IOWA PBM Lawsuit: The PBMs, through their joint organization PCMA, have filed suit in federal court to overturn MAC legislation that passed in Iowa during the 2014 session. Other state MAC laws might also be at risk if the suit is successful. The Iowa Attorney General is planning to vigorously defend the law. The Iowa legislature was VERY aggressive with its legislation, allowing the Iowa Insurance Commissioner specific enforcement powers that have not been passed in other states. The passage of the Iowa legislation was the result of a STRONG GRASSROOTS EFFORT by pharmacists due to the tactics of one specific PBM. Brad Young attended a meeting in Iowa on behalf of IPC to hear about the Association's plans to address the lawsuit.

Visit our new website to view or post **classified ads** at www.rxplus.com, call the office at 303-463-4875 for your member log in id and password!

