

communications

web

internet

The Lines of Communication

<http://www>

MedGuides

Auto Fill

NPI - - - 3 Month Deadline

Online Invoicing

QS/1 Consulting Services

New Feature: Instant Communications

HME Rolls Out National Competitive Bidding

State of Independent Pharmacy Market

How Well Are You Communicating

With Your Customers



www.qs1.com

| April 2007

INSIGHT

The Art of Communication

QS/1's strong commitment to customer communications has led us to devote an entire issue of *Insight* magazine to this subject. Many of the communication tools QS/1 has developed over the years have originated from both customer feedback and industry requirements.

To accommodate this expanding arena, QS/1 is constantly evolving to fit into our customer's busy work day. This is evident in QS/1's revamped, proactive customer Support Center. This first point of contact is both responsive and attentive to our customers' needs.

Auto Fill is an example of a customer driven product. Likewise, many of the products QS/1 will develop in the future will be in response to our customers' needs and growing trends in the Healthcare Industry.

Electronic communications is a growing area that has captured the attention of many of QS/1's customers. QS/1's website and new Message Center deliver vital business and operating information.

QS/1 has a healthy respect for all instant forms of communications; however, we do not underestimate our traditional communication tools. Trade shows, workshops and customer conferences have proven to yield positive results. Mailers, newsletters and publications also hold an important role in our corporate voice.

The impact of good communications extends beyond QS/1 to you and your customers. In support of this idea we offer QS/1 Adpak, a quarterly advertising and promotional package developed specifically for QS/1 customers, to increase profits and help ensure customer loyalty.



Maintaining open and clear communications is only part of QS/1's goal. Listening is the other part of the equation, hearing what our customers are saying and responding to their needs. QS/1 believes the give and take of constructive dialogue encourages business growth - - - we invite all of our customers to join in on the conversation.

Sincerely,

Tammy Devine, Senior Vice President, QS/1

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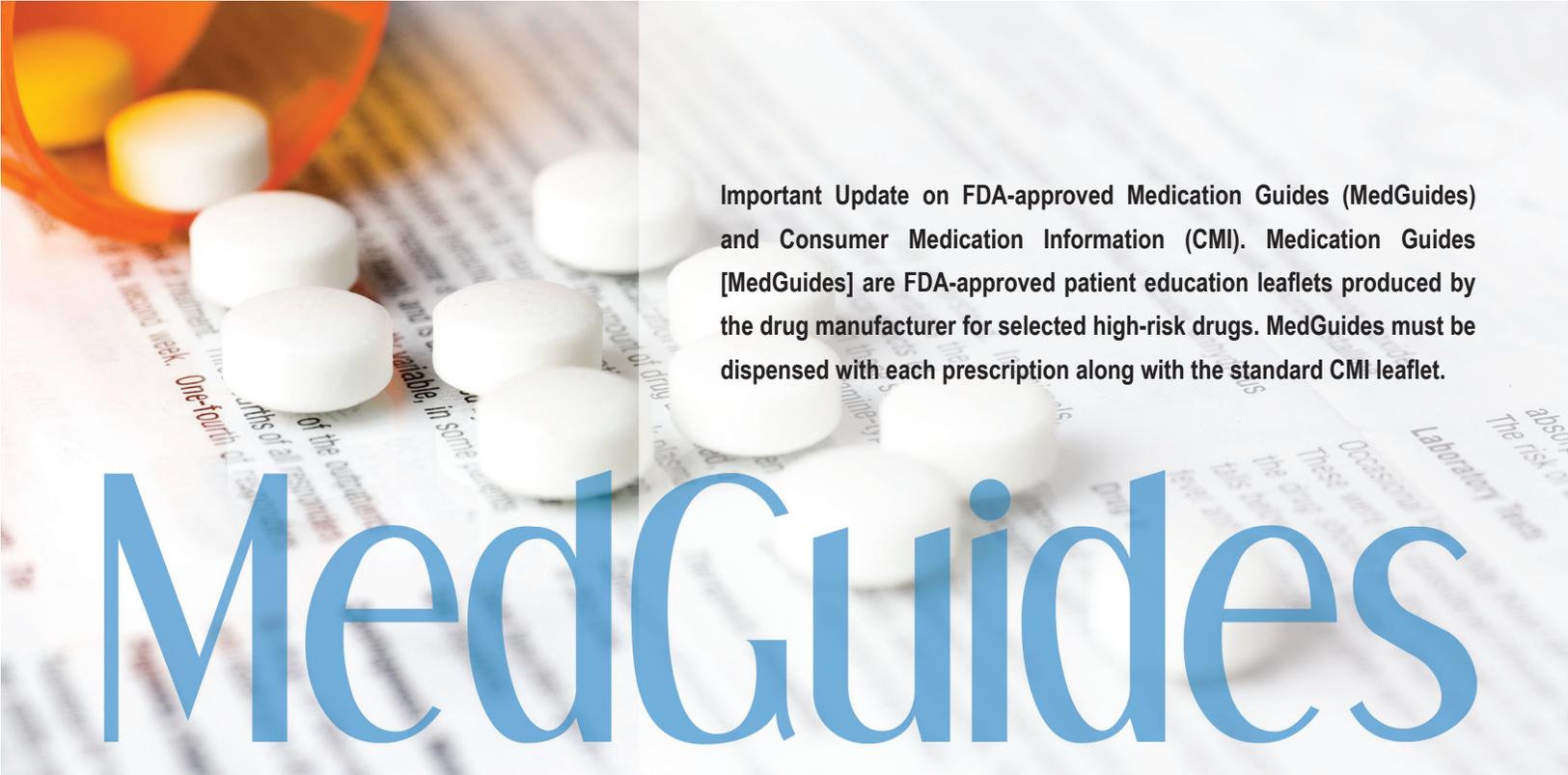
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Important Update on FDA-approved Medication Guides (MedGuides) and Consumer Medication Information (CMI). Medication Guides [MedGuides] are FDA-approved patient education leaflets produced by the drug manufacturer for selected high-risk drugs. MedGuides must be dispensed with each prescription along with the standard CMI leaflet.

MedGuides

by Nicholas J. Ratto, Pharm.D., Manager, Consumer Drug Information Group

The FDA has indicated that a MedGuide guidance document will be issued in March/April 2007. It will likely provide official information regarding the distribution/acquisition and formatting requirements of electronic MedGuides (e-MedGuides). For the current MedGuide regulation, see http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title21/21cfr208_main_02.tpl

So stay tuned for the official FDA Guidance, where electronic printing limitations and/or MedGuide pharmacy acquisition problems may be addressed.

First DataBank will be very interested in evaluating the FDA Guidance document and determining the feasibility of providing electronic solutions for this major industry concern.

Distribution/Acquisition

Currently, the official FDA stance is that pharmacies and manufacturers must arrange distribution/acquisition of the MedGuides without direct FDA involvement. There is no centralized process for MedGuide control and distribution, leaving pharmacies and manufacturers to their own devices with respect to getting the MedGuide leaflets into pharmacies. This has resulted in a very disorganized MedGuide distribution program. The FDA has been asked to re-engage in the process; hence the upcoming official Guidance document.

Formatting Requirements

Key to this issue is the electronic printing of the document. Currently, formatting of the documents must not be altered, and text file formats cannot provide the bulleting, bolding and boxing found in many MedGuides. Therefore, document formats such as a PDF (Portable Document Format) are required.

Many pharmacies can only print text file formats within the workflow. Therefore, the FDA has been asked to waive the strict formatting requirements to enable text file use.

CMI Leaflets

Background

With authority from Public Law 104-180, the so called “Keystone Guidelines” (KGs) were developed. The KGs were developed in 1997 and approved by Health and Human Services (HHS). The official KGs name is the “Action Plan for the Provision of Useful Written Prescription Medication Information.” The KGs serve as “de facto” national standards for CMI leaflets. The KGs include several criteria indicating what constitutes “useful” information. “Useful” refers to both content and formatting/printing of the CMI. In other words, the necessary clinical information must be present, and must be readable.

Congress mandated that the FDA verify 75% and 95% of consumers receive “useful” CMI in the year 2001 and 2006, respectively. Hence, the FDA will commission another “shopper survey” (targeted for Fall 2007), where volunteers carry prescriptions into pharmacies and receive medications along with whatever written information is dispensed. The written information then undergoes analysis and scoring against the KGs’ criteria.

Should the collected CMI not “pass” the compliance test, the FDA likely would decide to regulate CMI. Though the FDA does not have jurisdiction over pharmacy practice, the National Association of Boards of Pharmacy (NABP) does. In the 2001 FDA survey (where, despite flaws in the study, only approximately 55% of leaflets were deemed “useful”) NABP was commissioned by the FDA to conduct the survey. NABP may also partner with the FDA on the upcoming CMI survey. So the enforcement potential is present.

The following is a KGs hyperlink.

Appendix G covers printing recommendations.

<http://www.fda.gov/cder/Offices/ODS/keystone.pdf>

Significant Problems within a Federally Regulated CMI System

1. A regulated CMI system would likely have the drug manufacturers responsible for the creation of the CMI text.

The subsequent distribution of thousands of CMI leaflets and ongoing leaflet revisions could be very dysfunctional. Compare this to the current manufacturer distribution of only a few dozen unique MedGuide documents which is, at best, disorderly.

2. Print formatting enhancements (10 point font size, adequate white space, etc.) will be mandatory in a regulated system.

The FDA has stated that KGs formatting recommendations will be in force for any regulated leaflet. Since formatting enhancements will be inevitable and patient safety is at stake, it is critical that implementation of these enhancements take place now. This way, patient safety is improved, and the private sector maintains control of the current CMI system. In fact, prescription label vendors such as Moore Wallace, Inc. and Time-Med, Inc. have come forward to offer direct, practical, customized consulting to assist pharmacies in implementation – see contact information at the end of this article.

3. Paper costs/number of printed pages may increase in a regulated system.

FDA MedGuides, in many cases covering only one or two specific adverse effects or drug interactions/precautions, are each from 2-20 pages in length. Regulated CMI presumably would cover additional relevant clinical data. Therefore, the length of regulated CMI documents may result in increased paper costs to pharmacies.

4. Most importantly, patient safety may be degraded with a regulated system.

The potential acquisition problems (see above) for regulated CMI, in addition to update/revision process problems could combine to significantly degrade the timeliness of CMI revisions reaching the consumer. For a revision process example,

consider that the Center for Medical Consumers and others are recommending unit of use packaging for dispensing regulated CMI. Once the CMI revision is created, reviewed by the FDA and printed, it then needs to be distributed to pharmacies and rotated into stock before reaching the consumer. This entire regulated revision process could take many months. Contrast that with the available electronic weekly CMI updates/revisions currently in place within the private sector.

CMI Action Items for Pharmacists and Pharmacies

1. Print the entire CMI leaflet (as delivered to QS/1 by First DataBank) with dispensed prescriptions to enhance patient safety and reduce legal risk from any litigious consumers.

Deleting CMI text or simply not printing any CMI constitutes a significant patient safety and litigation risk for the pharmacy and the pharmacy system vendor. Your printed CMI leaflets should contain all the following sections: Important Note, Warning (only for medications with a “black box warning”), Uses, How to Use, Side Effects, Precautions, Drug Interactions, Overdose, Notes, Missed Dose and Storage.

2. Review “Keystone compliance checklist” items. Your CMI must:

- Be printed in at least 10 point font size
- Have adequate white space between each section
- Have standard left and right margins (no edge-to-edge printing)
- Not truncate the original database company monograph (except the Other Uses and Medical Alert sections)
- Use upper-lower case lettering (versus all-caps)

3. Consult proactive prescription label vendors (see below) and QS/1 regarding practical CMI solutions customized for your pharmacy.

Adopt your CMI printing solution now. The FDA survey is likely to begin September/October 2007.

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Prescription Label Vendors (not a complete list) who have consulted with the author:

Moore-Wallace, Inc. Joe LaMoy | Joe.lamoy@rrd.com
Time-Med, Inc. Cathy Russos | CathyRussos@TimeMed.com
Lexmark, Inc. Jeff Beard | jbeard@lexmark.com



Customer communication was the motivating force behind the development of the Auto Fill enhancement 18.1.17. A customer expressed a need and QS/1 developed a solution.



by John Frady, Market Analyst, QS/1 and Charles Garner, Market Analyst, QS/1

Auto Fill gives you a head start on your daily tasks by processing the refills generated overnight. Labels are printed automatically and ready for use first thing in the morning.

Auto Fill is available with QS/1's RxCare Plus, NRx, PrimeCare and WebConnect Products, via Service Pack 18.1.17.

Auto Fill is designed to be used with QS/1's Interactive Voice Response (IVR), Web Refills (WebRx), Docutrack and/or the Health Minder program for the refilling of prescriptions.



Auto Fill Features

QS/1's Auto Fill function enables refill requests sent via IVR, the web, interfaces, WebConnect or the Health Minder Report to be automatically filled when specific criteria is met. The Auto Fill feature is designed to save time and increase productivity.

The Auto Fill Options are used to customize the process in order to fit the specific needs of your pharmacy. For example, you may choose to send any errors to Error Resolution to await correction if utilizing QS/1's Workflow. On the other hand, if Workflow is not in use, you may choose to send errors to the Tickler File. A Price Plan option is also available. You may select the price plan used for error checking during Auto Fill. See Figure 1 (RxCare Plus) and Figure 2 (NRx) for a complete listing of options.

The option to require login for Pharmacist and/or Technician is also available. This determines how far each pharmacist and/or technician can go in the filling process when Auto Fill is in use. For instance, if the option is not selected and a valid pharmacist ID is not present in the Pharmacist ID field, the error "Valid Pharmacist ID is Required" displays until either a valid pharmacist ID is entered or the corresponding options are changed.

Another advantage is the Auto Fill Scan which is used to view prescriptions processed. The scan displays filled prescriptions along with those prescriptions that were unable to be filled as well as the reason(s) why. The Auto Fill Scan also displays the Rx Number, Patient Name, Date, Status and any error messages that apply (Figure 3).

In addition, you may also generate the Auto Fill Report. Much like the Auto Fill Scan mentioned above, filled prescriptions and prescriptions that were unable to be filled, along with the reason(s) why are listed.

QS/1 welcomes our customers' ideas and suggestions. If you have a request that you would like to submit, please visit the QS/1 website at www.qs1.com, click on Support and complete a Software Enhancement Request.

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QS/1 99990          ( R X )
Rel  18.1          RXCARE PLUS PHCY-BOIL.SPG

A U T O F I L L S C A N
-----
Rx Nbr  Customer      Date  Status  Message
-----
A) 06001274 JONES, TOM      02/07 Filled
B) 06001286 BELL, NANCY     02/07 Filled
C) 06001305 PARTY, THIRDO 02/07 Not Filled NDC Number
D) 06001261 ADAMS, JOHN    02/07 Filled
E) 06001258 SMITH, JOHN  02/07 Filled
    
```

Figure 1 | RxCare Plus Auto Fill Setup Screen

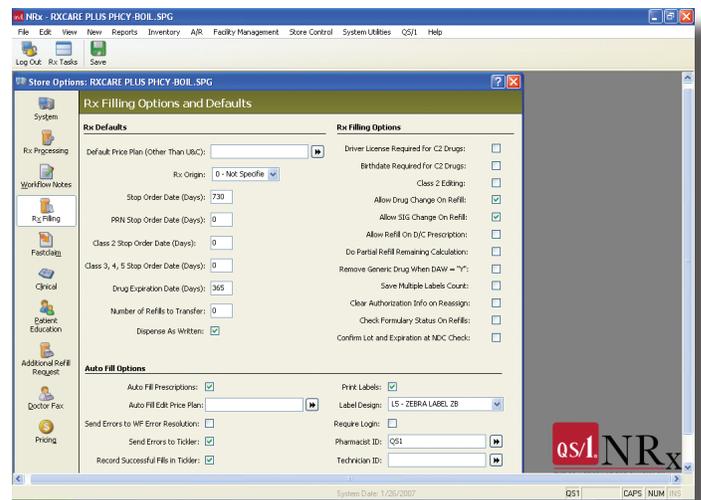


Figure 2 | NRx Auto Fill Setup Screen

Opt	Rx Number	Patient Name	Date	Status	Message
F3	06001274	JONES, TOM	02/07	Filled	
F4	06001286	BELL, NANCY	02/07	Filled	
F5	06001305	PARTY, THIRDO	02/07	Not Filled	NDC Number Is Blank
F6	06001261	ADAMS, JOHN	02/07	Filled	
F7	06001258	SMITH, JOHN	02/07	Filled	
F8	06001265	ADAMS, MARY	02/07	Filled	
F9	06001273	JONES, TOM	02/07	Filled	
F10	06001293	SCOTT, LISA	02/07	Filled	
F11	06001285	BELL, NANCY	02/07	Filled	
F12	06001305	PARTY, THIRDO	02/07	Not Filled	NDC Number Is Blank
F13	06001182	PATENT, CASH	02/05	Filled	

Figure 3 | NRx Auto Fill Scan Screen



**Think You
Have Three Months
to Notify Others of
Your Pharmacy NPI?
– Think Again**

Catherine C Graeff, R.Ph, MBA
Sr. Vice President, Communications & Industry Relations

In the last *Insight*, we highlighted how pharmacies should obtain their NPIs, and the importance of sharing NPIs with trading partners and with the National Council for Prescription Drug Programs (NCPDP). Recent reports from Medicaid agencies, health plans, and pharmacy claims processors indicate providers, including pharmacies, are not doing a very good job of sharing their NPIs with their trading partners.

A recent notice to providers indicated only 17% of providers had presented Alabama Medicaid with their NPIs. NCPDP reports that although virtually all chain pharmacies have NPIs on file with NCPDP, only 35% of non-chain pharmacies have shared their NPI with NCPDP. This is very concerning since health plans and other payers and PBMs rely on NCPDP for the matching of the current identifier, the NCPDP Provider ID, to the NPI.

With nearly 4 billion real-time pharmacy claim transactions processed each year, if just 10% of pharmacies fail in sharing their NPIs, about

1 million claims per day will be denied for invalid provider ID. Processors are required by HIPAA to deny these claims. This would result in disruption of patient care and payment that is significant – but preventable.

Don't let this happen to your pharmacy.

If you have not received your pharmacy NPI please:

Go directly to the NNPEs online tool at <https://nppes.cms.hhs.gov/NPPES/Welcome.do> and apply on-line. This is faster than using NCPDP and you should receive your NPI via email in a few days.

Go to http://www.ncdp.org/frame_news_npi-info.htm and download the NCPDP and NPI Pharmacy Application Form and follow the following procedure:

1. Complete the Application Form
2. Include a copy of the NPI notification you receive from the CMS Enumerator via email or letter
3. Fax your documents to NCPDP at 480-767-1043

If you already have your NPI, but NCPDP did not get it for you, perform Steps 2 and 3 above immediately.

NCPDP, as well as many payers and processors, are requiring pharmacies that have not yet notified trading partners of their NPIs to do so by March 1, 2007. Failure to submit your NPI to these entities and waiting until the last minute will result in a backlog of documents for these entities to update their systems, and may still result in rejection of your claims by some payers after May 23, 2007.

The time to act is NOW. Do not bet your ability to fill prescriptions and submit claim transactions on rumors of possible deadline extensions.

Obtaining your NPI and sharing it with trading partners and NCPDP takes time, but the time cost is minimal compared to the business disruption and resulting costs and time wasted of NOT doing so or acting late.

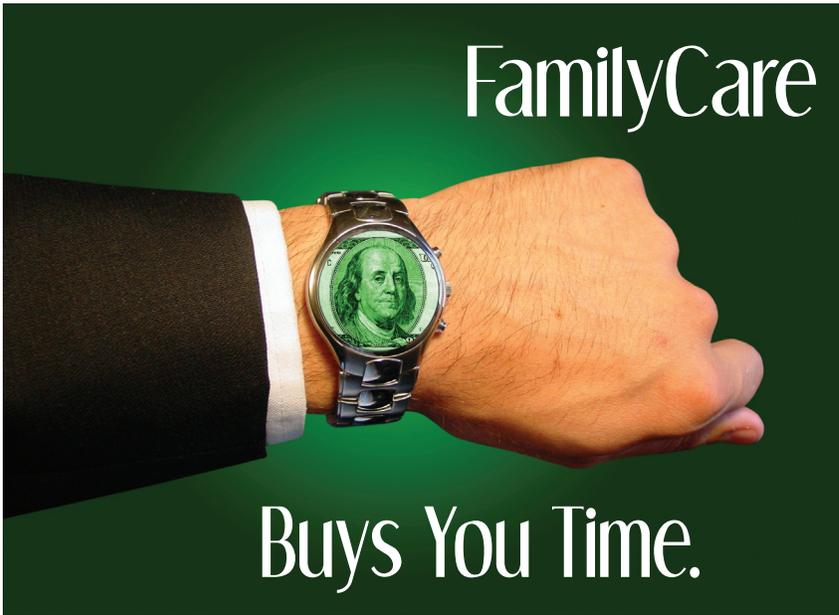
If you have questions regarding how to obtain your NPI, call CMS at 1-800-465-3203.

If you have questions regarding submitting your NPI to NCPDP, call NCPDP at 480-477-1000, ext 100.

Catherine C Graeff, R.Ph, MBA
Sr. Vice President, Communications & Industry Relations
National Council for Prescription Drug Programs

FamilyCare

Claim Reconciliation



Buys You Time.

Are you spending too much valuable time on the following reconciliation tasks?

- Posting each claim line by line
- Looking for underpaid and non-paid claims
- Depositing the check and hoping you were paid correctly

Let FamilyCare's Reconciliation Service work for you by automating this process and giving you access to both summary and detailed reports.

Patrick Lam RPh and DOP of both Lahey Clinic pharmacies in Massachusetts said, "I love the information that is available to me on the website. Not only can I see what has been paid but also what is still outstanding." Lam went on to say that their financial department appreciates the data (payments, payment dates, under and nonpayment's) that is available. "Once we load the information into our QS/1 pharmacy software, I have true reconciliation information right at my finger tips", Lam stated.

For more information on FamilyCare's Reconciliation Service or to request an enrollment package, please contact us at: FamilyCare@qs1.com or call 800-845-7558, ext. 2417.

New Technology Improves CornerDrugstore.com

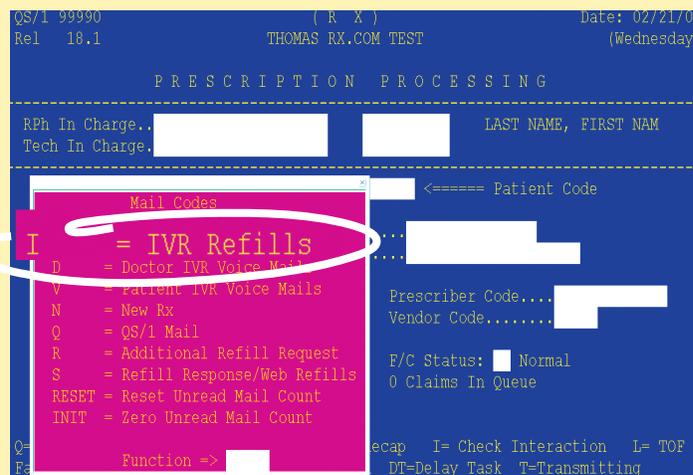
by Mandy Swink, Network Services Representative, QS/1

CornerDrugstore.com is continuing to make technological improvements that will benefit your pharmacy.

We provide a link between your pharmacy management system and QS/1 Web Services. When this connection is made, it allows the customer to request a prescription refill online and then deposits the order into your pharmacy management system real-time. This means that in just a few seconds, the system will validate the refill (by querying your pharmacy management system) and deposit it into the Tickler File, for your immediate attention.

By establishing this connection with your pharmacy, we are able to perform a series of validation tests. If a refill request fails to meet any criteria in the validation process, an error message is given to the customer stating the problem. Additionally, the customer is informed if their refill was successfully validated and received by the pharmacy.

Another great feature is how quick and easy it is to retrieve the prescription request within your pharmacy system. When a refill is made via the web, you are notified at the



bottom of the Prescription Processing Screen. Access the Tickler File to complete the customer's refill request. This new feature is a quick, accurate and convenient way to receive your online prescription refill requests. To add this new technology or to add CornerDrugstore.com to your current pharmacy services, contact CornerDrugstore Support at 1.800.559.5489 or email Support@CornerDrugstore.com.

NATIONAL COMMUNITY PHARMACISTS ASSOCIATION

The face of *independent*
pharmacy

2006



NCPA-Pfizer Digest

State of the Independent Pharmacy Market

Source: NCPA-Pfizer Digest 2006

Compiled by: Dan Gerst,
Manager, Marketing Operations, QS/1

For more than 70 years, the NCPA has provided an annual overview of independent community pharmacy demographics and finances. This year's Digest provides a comprehensive financial look at the businesses that make up this \$92 billion marketplace, including niche services that assist patient care and emerging services such as Medication Therapy Management (MTM).

Surveys were sent to all US independent pharmacies and completed surveys were received from hundreds of pharmacy owners. These surveys are assessed for accuracy by researchers at the University of Arkansas for Medical Sciences (UAMS) College of Pharmacy, and the data is compiled by the independent financial consulting firm, Business Resource Services, Inc. in Seattle, Washington. Other Information is also provided by Hamacher Resource Group.

2006 will be remembered as one of profound change for the community pharmacy. Implementation of the Medicare Part D Prescription Drug Benefit dramatically changed pharmacy practices. The average independent pharmacy spent over 70 hours preparing for Medicare Part D. Community pharmacists rose to the challenge and proved to be the glue that held the program together despite negative cash flow. According to Bruce Roberts, RPh, NCPA EVP & CEO "more than 6% of community pharmacies in Indiana, went out of business due to continually declining reimbursement."

There are several different Retail Pharmacy market segments.

Independent Pharmacies - 24,500 (42%)

Traditional Chain Pharmacies - 18,498 (31.5%)

Supermarket Pharmacies - 8,891 (15%)

Mass Merchandiser Pharmacies - 6,776 (11.5%)

Independent pharmacies are privately held businesses that can be single-store pharmacies, chain-store pharmacies, franchise pharmacies, Compounding pharmacies, long term care (LTC) pharmacies, specialty store pharmacies or supermarket pharmacies.

The average pharmacy was open 60 hours, six days a week and 10 hours a day. The average Pharmacy location had nearly 13 full time employees. 1.7 non-owner pharmacists, 4.3 technicians, 5.7 other positions and 1.1 working owners.

The average independent pharmacy location dispensed 61,071 prescriptions a year (196/day or 20/hour), a 2.7% increase; 48% were new, 52% were refills and 56% were generics. The average prescription charge was \$61.32 and 28% of these prescriptions were paid for by Medicaid/Medicare, 59% were paid for by other third parties and 13% were paid for with cash.

Third party payers are finding that tactics for reducing healthcare costs are not improving patient outcomes. Community pharmacists have however demonstrated that close monitoring of medication therapy can simultaneously improve patient outcomes and lower costs.

The average independent pharmacy generated 23.6% in Gross Profit, a 1.4% increase over 2004, which negated the 1.5% rise in payroll and operating expenses. They spent 13.4% on payroll (which includes owner compensation) a 1.2% increase and 6.5% on other operating expenses which resulted in a 3.7% Net operating Income. Generics are delivering higher gross margin percentages, but lower gross margin dollars.

Median Sales for an Independent Pharmacy location was \$3,485,602, a 10% increase over 2004. The largest pharmacies (top 21%) had total sales of over \$6,000,000. The smallest pharmacies (bottom 28%) had total sales under \$2,500,000.

Lower revenue pharmacies (\$2.5M-) generated the highest percentage of Gross margin (25.2%), paid the highest percentage of Payroll expenses (14.1%) and held more assets in Inventory 49.4% than their larger compatriots.

Higher revenue pharmacies (\$6M+) earned a greater portion of their sales from non-prescription sales 9.9%, paid the highest average salary \$45,770, held more assets in Receivables 25.3% and offered more specialty services.

Customer Care Specialty Services

88% offer delivery, but only 28% charge a fee

The average fee was \$2.84

88% offer nutritional services

74% offer durable medical equipment

68% provide compounding services and compound five prescriptions per day

55% offer Health Screening services

54% offer Ostomy services

53% support assisted living facilities

49% offer hospice services

37% support Long-Term Care (LTC) facilities

37% offer photo processing

Pharmacy Locations

33% of all independent pharmacy owners operated multiple locations. The average owned 1.87 locations. Pharmacies in high population areas (50,000+) had 32.9% higher sales, 1.6% higher gross profit margins and experienced both higher payroll and operating expenses. The majority of community pharmacies (50+ %) are located in areas with populations less than 20,000. Pharmacies in these rural areas kept costs in line with 2004 sales and continued to show a higher percent of net operating income due to lower payroll costs.

Technology Trends

Even though 100% of independent pharmacies have Internet access, only 77% use it to order drugs from their primary wholesaler, 51% use it to order non-Rx items and 38% use it to order drugs from their generic wholesaler. 99% have e-mail access, while 61% use it to read professional newsletters and 59% use it to complete CE. Even though 44% of pharmacies are registered to receive electronic prescriptions, only 24% are receiving electronic prescriptions.

Many pharmacies are becoming more concerned with cash flow and are looking for business analysis tools and pharmacy consulting services to help them improve their financial positions.



E1 Enhanced Eligibility

by John Schmidt, Supervisor, Product Analysis, QS/1
and Kevin Crowe, Engineer, Sr. Development, QS/1

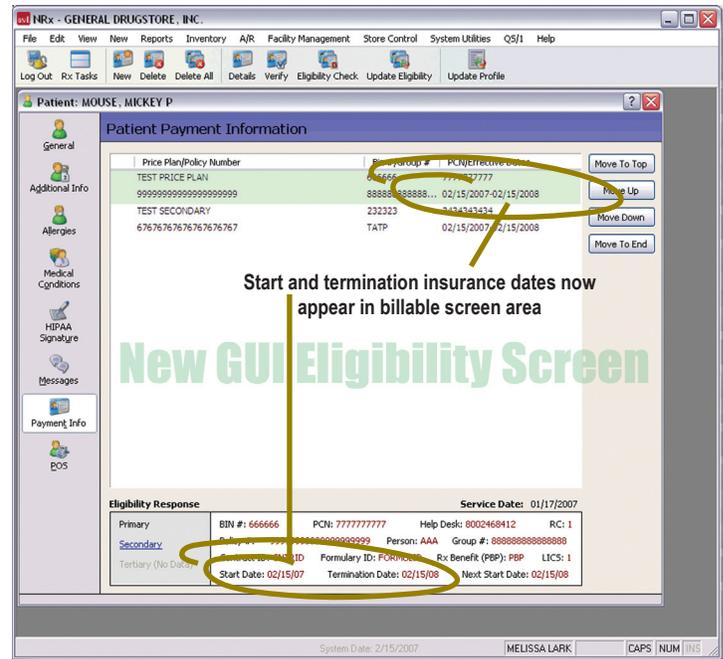
NCPDP has adopted an Enhanced Eligibility response for Medicare Part D which contains more detailed information than the original Part D Eligibility response. In addition to receiving more details to verify correct patient matches, the Facilitator now provides access to coverage history and future coverage for Part D recipients. Pharmacies can look up insurance information 90 days prior to, or after, the current date. To save time in researching patient coverage and to aid in retrospective billing, QS/1 provides the option for the user to change the date for the individual transactions to be submitted. This information is automatically updated in the Patient Insurance Record based on the date the information was requested.

The Facilitator now returns more information to verify that a correct patient match has been made, as well as more information about coverage. Pharmacies now receive the name and birth date of the patient matched at the Facilitator for verification, as well as payer information (BIN, PCN, Group Number, Cardholder ID, Person Code, and Help Desk Number). The new fields being sent back are:

- The Contract ID
- Prescription Benefit Plan (PBP)
- Effective Date, Termination Date
- CMS Low Income Cost Sharing (LICS) Level
- Next Part D Coverage Effective Date (if applicable)
- Next Part D Coverage Termination Date (if applicable)

The Formulary ID will be returned once Centers for Medicare & Medicaid Services (CMS) starts providing that information to the Facilitator. Two other insurance carriers may also be returned with the BIN, PCN, Group, Cardholder ID, Person Code, Relationship Code, and Help Desk Number.

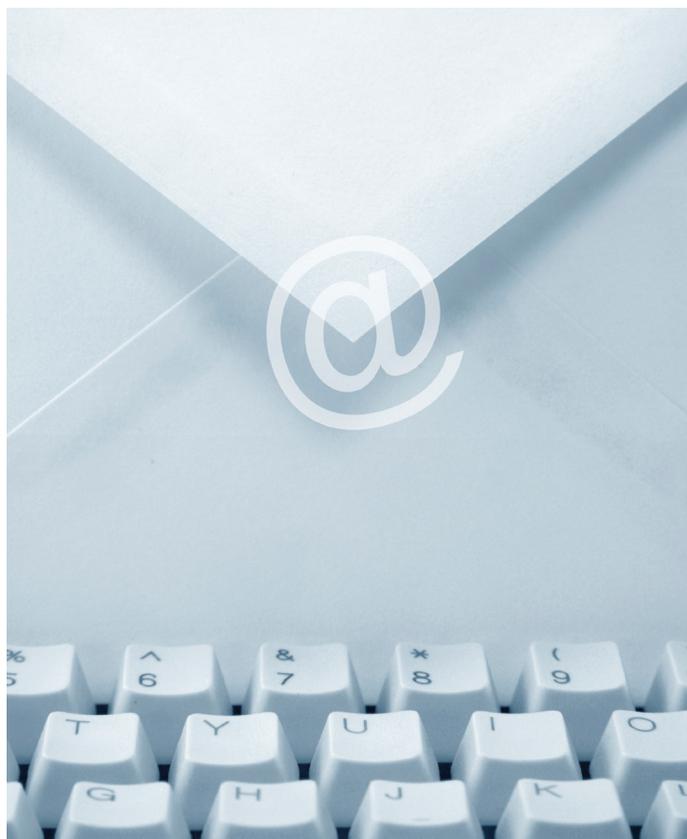
In order to receive Enhanced Eligibility Response, you will need to make one change to your price code. After downloading Service Pack 18.1.21, change the Processor Control Number to "222222222" on page four (4) of the price code that is setup for the Facilitator. The BIN will continue to be 011727.



The new information being returned was decided on after many hours of NCPDP Task Group conference calls and work group meetings with CMS and the Facilitator. The Task Group consisted of various industry representatives: vendors (including QS/1), switches, chains, payers, consultants, NCPDP staff members, pharmacy organizations (retail and long term care) and state Medicais. Several items were included to aid long term care pharmacies verifying information about dual eligibles and other patients. The Low Income Cost Sharing level helps to determine if the correct patient pay amounts are being returned to the pharmacy.

Another feature of Enhanced Response is more distinct reject messages to aid in making patient matches. The free Text messages returned indicate which fields could make a unique match if more than one patient is found when information is submitted. The Health Insurance Claim Number (HICN) – Medicare Part A, B, or C continues to be the best information to send on the transaction to make a correct match. The Facilitator also accepts the last four digits of the Social Security Number, the entire Social Security Number, or the Railroad Retirement Board Number. QS/1 will continue to send the Patient Zip Code, First Name, Last Name, Gender, and Date of Birth from the Patient Record. The Zip Code must be the Zip Code on file with the Social Security Administration to aid in matching the information.

QS/1 actively participates in the development of standards that affect our customers.



QS/1 Customers Now Have the Ability to View Account Invoices Online.

by Kerry Philbeck, Staff Writer, QS/1

QS/1 customers now have the ability to view account invoices online. Paperless invoicing has become popular in recent years due in large part to the increased popularity of the Internet. In addition, less paper clutter makes for a cleaner, more efficient work environment.

“Our customers no longer have to wait for invoices to be sent through the mail. All the information they need to manage their business account is just a click away,” said Brent Thomasson, QS/1 Finance Director.

Follow the steps below to access your invoices online.

To access your account online you must first visit the QS/1 website at qs1.com. From the QS/1 Homepage, highlight the Support Tab located to the top right hand side of the screen. Next, click Customer Login. At this point, the Customer Support Login Screen displays. Simply type your System ID Number plus ‘Admin’ as your Customer ID (i.e., F354Admin) and then your Password. The initial Password is your 4 digit Billing Number which is located to the right of your Invoice Number. Now, click on the gray ‘Login’ button.

This will bring you to a Service Selection Screen. Scroll to the bottom of the screen and you will notice the Current Invoices

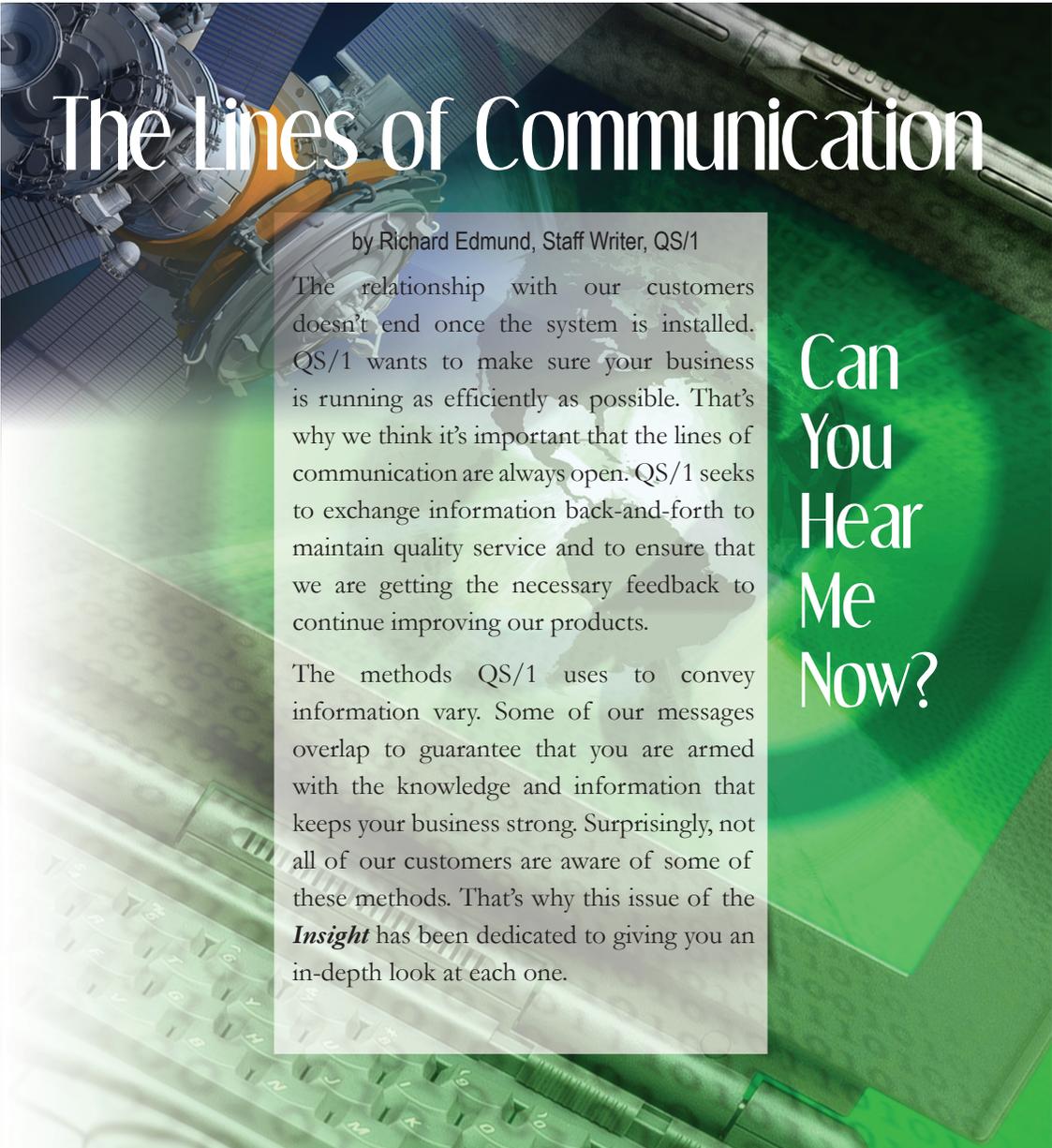
link highlighted in red to the left. Simply click here and the Customer Invoices Screen displays. From this screen, you have the option to view your invoices 3 different ways which include:

1. by Invoice Number
2. by ABC (Billing) Number
3. by Invoice Date

After choosing a view, all unpaid invoices will be displayed. To view a particular invoice, just click on that invoice and the details will display. You may print individual invoices or save them in a file to your computer for your records. Please note, once an invoice is paid it will not appear in this view. This view displays unpaid invoices only.

Our online invoicing service is available to customers with dial-up or internet capabilities. When invoices are posted online, an email notification is sent to the designated representative at your pharmacy or institution notifying them that the invoices are ready for viewing. As an added convenience, invoices dating back 12 months will be posted online.

**If you would like to change your password for viewing online invoices contact QS/1 for assistance at 1-800-845-7558 ext. 7391.*



The Lines of Communication

by Richard Edmund, Staff Writer, QS/1

The relationship with our customers doesn't end once the system is installed. QS/1 wants to make sure your business is running as efficiently as possible. That's why we think it's important that the lines of communication are always open. QS/1 seeks to exchange information back-and-forth to maintain quality service and to ensure that we are getting the necessary feedback to continue improving our products.

The methods QS/1 uses to convey information vary. Some of our messages overlap to guarantee that you are armed with the knowledge and information that keeps your business strong. Surprisingly, not all of our customers are aware of some of these methods. That's why this issue of the *Insight* has been dedicated to giving you an in-depth look at each one.

Can You Hear Me Now?

Message Center

Service Pack 20 gave you QS/1's new Message Center. With it, you will not have to worry about finding urgent updates and news, it will find you. Once installed on your computers, you will get pop-up alerts with crucial information.

Pop-ups will unobtrusively provide you with information that you need. The use of this alert will be limited to messages QS/1 believes are urgent. For example, an alert could be used to let pharmacies know if a third party carrier is having problems. Messages will also include important information to assist you and your pharmacy staff. Another great feature of the QS/1 Message Center is that you can choose which computers on your network will receive these messages.

You will only receive messages that apply to your operation. We distribute only appropriate messages to customers who operate on specific software platforms or who are in specific geographic regions.

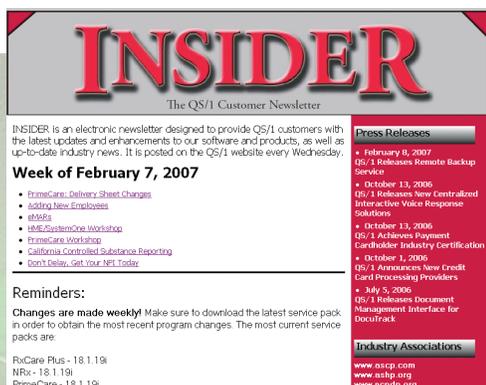
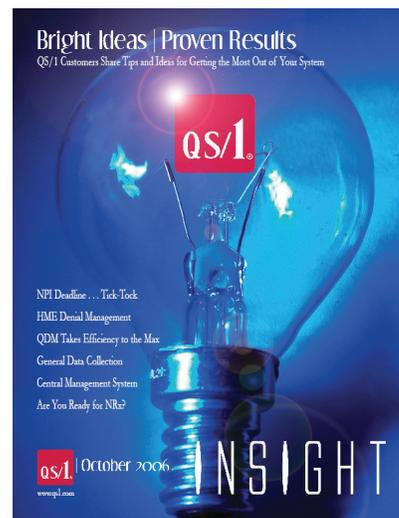
"If we knew a third party was having trouble, we could alert you so you wouldn't send claims that would fail," said Sonny Anderson, Director of Systems and Technology.

Once issues are resolved, QS/1 would then send a follow-up alert to update you on the situation. QS/1 is pleased to add this new form of communication. It is available to any customer using Service Pack 20 or higher.

Insight

Insight magazine is the flagship of QS/1 communications. It replaced “Behind the Counter,” a four-page newsletter that was originally sent to our customers. The 32-page magazine first rolled off the press in October 2000. Published each quarter since that time, the magazine takes a look at QS/1’s products, explains enhancements and gives a sneak peak into product developments in the works.

You will also find articles that are relevant to your daily business. We utilize industry experts who are contributing writers for the magazine. Topics range from Medicare Part D plans to applications that can help you increase your business’ bottom line. Months of work go into each issue. Long term planning takes place throughout the year to make sure the information you are getting is timely. By the time you begin reading this magazine, planning for the next one is already well underway.



Insider

A great supplement to **Insight** magazine is the weekly **Insider** newsletter. The **Insider** is online and published on QS/1’s website each Wednesday morning. It is updated as necessary, keeping you abreast of bulletins and information.

The **Insider** is a great resource for getting the most out of your system. You’ll find detailed descriptions of new enhancements and how they work. You’ll also find healthcare industry bulletins and the latest product versions.

Along the side, you’ll find a list of links to trade shows and other sites that have valuable information. For instance, we’ve posted links to forms and other information to ensure you properly apply for your National Provider Identifier (NPI). The **Insider** is a quick reference that is worth the few minutes it takes to read. We suggest scanning it each morning to ensure there are no critical updates that pertain to you. For instance, there was a monograph issue that needed immediate attention. The alert was added to the top of the **Insider** with all of the information our customers needed to know.

The **Insider** is not available to just everyone. This is a resource we keep private for our customers. You can access the **Insider** by logging onto the Customer Support section of qs1.com and typing your Customer ID and Password. From there, look on the upper-right side of the page and click on **Insider**. Another way to view the **Insider** is to download our RSS Reader. Once the feed is installed, the reader will display as one of your Task Bar Icons.

Website

Internet websites can truly be a wealth of information. QS/1 hopes you are utilizing our website to its full potential. The frontpage is your link to a world of services and products. Here, you will find information that is timely and relevant to your business.

Look deeper into qs1.com and access a wealth of information designed to keep your software systems up-to-date and running smoothly. Learn more about all of our products and services and how they can benefit your business.

You’ll find lots of resources behind the Customer Support login that you can use from the comfort of your computer. Need a Service Pack update? It’s just a few mouse clicks away. You no longer have to wait for a disk in the mail to update your system. Now, you can download and install them from the website. It’s a simple process.



Support Center

Most of the forms of communication we've discussed up to this point have all centered on automation and technology. QS/1 has not forgotten the human factor of communication. Sometimes, the exchange of information and ideas is done best orally. The Support Center is where we communicate one-on-one with you. When issues arise, the Support Center is ready to help you work through them as quickly as possible. The information we gather from these calls also helps QS/1 develop product enhancements and updates. This exchange is a vital part of QS/1's continued commitment to customer service.



QS/1 Customer Conferences might sound like fun, but they are serious business. The locations are places you might think of spending a week's vacation, but you can bet the time you spend at the Customer Conference is just as important as a week at work.

The days are spent in seminars going over product enhancements and the latest industry trends. We also demonstrate techniques that you may not be aware of in order to get the most out of your system. The dialog is great because we can show you first hand the topics being discussed.

Communication isn't just between you and QS/1. There is communication between you and other QS/1 customers. Getting the chance to spend time with your peers and finding out how they are using QS/1 systems and products is invaluable.

The Customer Conference is an eye-opening experience on many levels. If you have never attended a QS/1 Customer Conference, now is the time to consider making the investment. See page 24 for more details on this year's event. The registration deadline closer than you think.

Effective Communications

A big part of effective communication is listening; QS/1 listens carefully to its customers. Our job is to make sure you have the best pharmacy management system on the market and that you know how it works.

Over the last few years, we've looked for ways to make sure you are getting the information you need without too many interruptions to your workday. Whether it's the quarterly Insight magazine, or a quick instant message from the Message Center, we want you to be better informed and more confident about your ability to use your QS/1 system.

As technology evolves, QS/1 will continue to look for new and innovative ways to keep the dialog between the company and you, the customer, open. From the latest industry news to bulletins that require your immediate attention, we will make sure you are prepared.



How Well Are You Communicating With Your Customers?

And what are they hearing when you do?

Contributing Writer, Wayne Adams

Running a small business on a daily basis can be stressful. There is always far more work to do than there is time to do it. Usually what happens is the urgent tasks rise to the top and the non-urgent often more important tasks slip down the priority list. After all, they can be done tomorrow, right?

One of those important but not urgent tasks we often see businesses put aside is an assessment of how they communicate with their customers. What is the message they are sending when they do this?

Why is communication so important? It builds your brand, which builds customer loyalty. Even the smallest retail establishment is a brand that must be cultivated if its owner wants long term success.

The first step in successful communications is to decide what you want to be in the mind of your customer. That's what branding is all about. A brand is nothing more than the sum of all perceptions a consumer has about a business or product.

As simple as that sounds, it isn't easy to develop and manage. But it's well worth the effort because branding is the most powerful concept in marketing. Coca Cola's market value today is worth over \$100 billion. Over half that market value is attributed to just the brand name alone. That's \$50 billion of perceptions!

Coke is just one example. Your business is no different. The real value isn't in the products on your shelves.

The best market position for any small business is to become known for exceptional personal service.

So, how do you go about cultivating that image? First you do the obvious – look for ways to give personal attention in everything you do.

This goes far beyond providing delivery service. It's taking an extra moment with a customer to explain the item she just bought. It's a smile and greeting when she enters the store. It's stocking the hard to find items. It's compounding. It's keeping up with her birthday. It's the myriad of small things you can do every day that say you care about her.

And, it's about communicating to her without asking for something like most advertising does. Customers resent you if all they ever get from you is a promotion to get them to buy something. They want to know you care about them beyond their pocketbook.

An excellent way to do that is to provide health and wellness tips to them regularly. The QS/1 Adpak has a great little newsletter that alone makes the subscription worthwhile. The newsletter, which is formatted to allow mailing or bag stuffing, is filled with tips on health and wellness. If you haven't taken a look at Adpak, you should for this one tool alone.

Adpak is a quarterly package of advertising materials for pharmacies. Unlike most advertising, these materials don't promote discounts or other promotions; instead, they promote the personal service aspects of an independent pharmacy.



Each quarter, subscribers receive six to eight newspaper ads, three radio scripts, three bill/bag stuffers, three counter cards, three news releases for the local media and a newsletter. All for just \$49.95 per quarter. It's a great way to communicate your brand for about 50 cents a day.

To take a closer look at Adpak, contact Amy Carter at 888.765.1223 or acarter@adamsgroup.com for a trial package.

Health Tips

IT MAY BE MORE THAN A BUG THAT'S GOING AROUND.

HEALTHY SUMMER

Your immune system works hard to protect your body every day. Sometimes it gets weak and that weakness opens the door to illness. What may surprise you is the reason it's weak may have a lot to do with you.

Your immune system's not immune.

A death in the family, divorce or workplace stress can compromise your immune system enough to increase your chance of getting sick. Scientists are increasingly looking at stressors like these as factors in the very origin of disease.

Stress and threats raise our bodies to meet a chemical response. You become anxious. Your hormones levels rise. Your body's response actually serves as protection. Unfortunately, at some point, that protection can become a danger to your health.

Stress leads to serious problems.

Continuous stress has caused documented illnesses. A study from the *American Journal of Public Health* showed that stress was linked to serious problems such as high blood pressure and heart disease. And stressors of wars ranging from the Civil War to the Gulf War have suffered many long-term physical effects from serving in a war zone.

More and more health professionals are linking severe physical and emotional stress to adverse physical effects. What was once perceived as a "wasteful" is now great that your mental, physical and emotional health are all intertwined – much closer than you'd think.

Source: UC Berkeley Wellness Letter

Don't let it get the best of you.

Racing against deadlines, sitting in traffic, arguing with your doctor – all these make your body react as if you were facing a physical threat. Fortunately, you can develop skills to avoid some stressors and limit the effects of others.

- Look after your body
- Learn to relax
- Shift your outlook
- Get help

Source: AdpakClass.com

High blood pressure.

High blood pressure is a leading cause of heart disease and stroke. It can also lead to kidney failure, blindness, and dementia. The good news is that high blood pressure can be controlled with lifestyle changes and medication.

When do you stand?

A blood pressure reading below 120/80 is considered normal. A reading between 120/80 and 139/89 is considered prehypertension. A reading of 140/90 or higher is considered high blood pressure.

Category	Systolic	Diastolic
Normal	Less than 120	Less than 80
Prehypertension	120-139	80-89
High Blood Pressure	140-159	90-99
Stage 1	160-179	100-109
Stage 2	180 or higher	110 or higher

Breaking down a blood pressure check.

Have you ever had your blood pressure checked and wondered what the numbers mean? They represent the force of blood against the walls of your arteries.

Now, as in this example, a reading of 120/80 means that the pressure in the arteries is 120 mmHg when the heart is pumping blood and 80 mmHg when the heart is at rest.

Normal blood pressure is 120/80 mmHg. A reading of 130/80 mmHg is considered prehypertension. A reading of 140/90 mmHg or higher is considered high blood pressure.

Source: American Heart Association

Solving the Problem of ...



The Disappearing Bottom Line

by Dick Bradley R.Ph.

Director of Pharmacy Consulting Services, QS/1

Ask any business owner what their number one concern is and they'll talk to you about profits. Dwindling profit margins can rock their foundation, causing knee jerk reactions that may or may not solve "The Disappearing Bottom Line". Many believe 'volume' is the answer; make more sales, make more money! You can't fault this philosophy; however, volume reflects just one piece of a healthy business plan. Internal procedures, outside forces and great employees make for future growth and stability.

Pharmacy owners are experiencing one of the most volatile and exciting business climates in years. Aging "Baby Boomers" are expanding the prescription market, online services are extending a pharmacy's customer base and Medication Therapy Management reimburses pharmacists for their time counseling customers. Pharmacists are filling more prescriptions than ever before. Times are good, or are they?

Dwindling Margins

Causes behind the deteriorating profit margin and bottom line in the retail pharmacy business vary and include:

- **Third parties are paying pharmacies Average Wholesale Price (AWP), minus 17%, plus a buck or worse**
- **Reimbursement from third parties via private or government payment are unlikely to increase**
- **Further Medicaid cuts**

What Can Be Done?

When you're so engrossed in day-to-day operations it's hard to distinguish the flaws from the opportunities. It is also frustrating when you think you've got a handle on the situation and your bottom line is not reflecting your effort. Keeping up with changes in the healthcare industry, running your pharmacy and servicing your customers are all crucial business elements. When was the last time an extra set of eyes spent time observing your pharmacy operation? Utilizing industry experts can make the difference between growth and mere survival.

Prescription for Pharmacy Success

QS/1 Consulting Services replaces speculation with expert analysis; we can protect your retail pharmacy investment by reducing risk and helping turn your plans into profit. Every aspect of your operation has the potential to increase your bottom line. QS/1 has over 30 years of experience in the retail pharmacy business. QS/1 Consulting Services include:

- **Feasibility Studies**
- **Design and Construction**
- **Legality and Compliance**
- **Staffing and Training**
- **Management**
- **Financial Operations**
- **Personnel**
- **Workflow**

QS/1 Consulting Services stands ready to help you find your hidden profits. Our staff spends time in your pharmacy observing staff, tracking customer flow through your business and evaluating your workflow. After that visit, pharmacy experts will prepare an evaluation of your business with suggestions on how you can improve your operation. A follow-up with recommendations to you and your staff is done at your convenience.

**For more information on
QS/1 Consulting Services call: Dick Bradley R.Ph.
1.800.231.7776 or go online at:
www.qs1consultingservices.com**

Customer Testimonials and Success Stories

1. "We wanted our pharmacy to be as efficient and profitable as possible. We realized there were issues that needed to be addressed by someone with a good background in pharmacy," said Theresa Reed at National Medical Supplies. QS/1's Consulting Service "asked questions I would have never thought to ask." Reed said, "It's always a good idea to get an outside person's take on your company."
2. Another pharmacy recognized the need to fine-tune their busy pharmacy. Many important pieces were in place, but profits were dwindling. A team from QS/1 Consulting Services spent the day working alongside the pharmacy staff and was able to make suggestions that resulted in a more robust profit picture.
3. A neighborhood pharmacy contacted QS/1 for help with profits. They were confident that their business was losing market share to competition, both independent and chain. A problem was the ability to handle additional volume in a very tight area. QS/1 Consultants worked with management to suggest new ideas with workflow. Little needed to be changed to realize larger net profits.

HME's National Competitive Bidding Roll Out

by Chris Kinard, Market Analyst, QS/1



The Medicare Modernization Act of 2003 (MMA) required that the Centers for Medicare and Medicaid Services (CMS) implement national competitive bidding (NCB). Bidding encompasses durable medical equipment, off-the-shelf orthotics and supplies (DMEPOS). Proponents of the bidding process claim it will save Medicare beneficiaries money. On May 1, 2006, CMS published its proposed rule to phase in

the competitive acquisition program for DMEPOS under Medicare Part B. The proposed rule did not provide definite answers to the most pressing questions about the program, such as what cities and products will be included in the initial roll out. However, certain aspects in the final rule are likely to be very similar to those in the proposed rule.

Under the program, in 2007, competition will be phased in gradually. Initially, ten of the largest Metropolitan Statistical Areas (MSAs) will be called on to participate in the roll out process.

Areas that may be exempt from competitive acquisition of DMEPOS include:

- Rural areas with low population density.
- CMS proposes that for 2007, the New York City, New York; Los Angeles, California; and Chicago, Illinois MSAs

Note: A significant national market through mail order, for a particular item or service, might bring an exempted area into question.

Beneficiary Access

Beneficiary access in the final ruling is likely to remain the same. Who they receive their equipment/product from will depend on several factors:

- Beneficiaries who live in a competitive bidding area will only be allowed to receive DMEPOS from contracted suppliers.
- Beneficiaries whose permanent residence is outside a competitive bidding area (but visit a competitive bidding area) will be required to utilize contracted suppliers.

To protect the beneficiary, the final ruling may require contracted suppliers to accept any beneficiary in the MSA regardless of how many months rental remain on their equipment.

Competitively Bid Products

Products will be grouped together and identified by HCPCS code. A supplier can choose to bid on one, some or all product categories. However, if they choose to bid on a category, they must bid on every product in that category.

The following products will likely be included in 2007:

Oxygen and Oxygen Equipment | Diabetic Supplies
Glucose Monitors | Enteral Nutrition | Wheelchairs/POVs
Off-the-shelf Orthotics | Hospital Beds

Excluded product categories in 2007:

Limb Prostheses | Inhalation Drugs | Diabetic Shoes
Breast Prostheses | Urological Supplies | Surgical Dressings
Ostomy Products | Parenteral Nutrition | Lenses

CMS Approved Accrediting Agencies:

Accreditation Commission for Healthcare (ACHC) - www.achc.org
American Board of Certification for Orthotics and Prosthetics (ABD of O&P) - www.abcop.org
Board of Orthotic/Prosthetist Certification (BOC) - www.bocusa.org
Commission on Accreditation of Rehabilitation Facilities (CARF) - www.carf.org
Community Health Accreditation Program (CHAP) - www.chapinc.org
The Compliance Team - www.exemplaryprovider.com
Healthcare Quality Association on Accreditation (HQAA) - www.hqaa.org
Joint Commission (JCAHO) - www.jcaho.org
National Association of Boards of Pharmacy (NABP) - www.nabp.net
National Board of Accreditation for Orthotic Suppliers (NBAOS) - www.nbaos.org

The top 20 initial MSAs may include:

Orlando | Miami | Charlotte | Dallas/Ft. Worth | Riverside, CA | Pittsburgh | Seattle | Cincinnati | San Juan | Atlanta
San Francisco | Houston | Detroit | Baltimore | Philadelphia | Phoenix | Boston | Tampa | Cleveland | Kansas City, MO/KS

Bidding

Suppliers wishing to participate in the bidding process must complete four forms:

CMS-10169A - Form A: Application

CMS-10169B - Form B: Bidding Sheet per product category

CMS-10169C - Form C: Medicare DMEPOS Competitive Bidding Program Contract Supplier Quarterly Report

CMS-10169D - Form D: Competitive Bidding Program Beneficiary Survey

Additionally, suppliers must submit:

- Financial statement
- Credit report score
- Legal contracts between all network members, if applicable
- A signed letter of intent to enter into an agreement if a supplier plans to expand capacity through the use of subcontractors

Once qualified bids are submitted, CMS will estimate a supplier's capacity to meet demand based on:

- The submitted bid
- How many units they are willing to provide at the bid price
- Evidence of financial resources to support market expansion

CMS will determine the market demand required to service beneficiaries in a MSA and the number of suppliers needed to cover the area. CMS will then select the pivotal bid by counting up from the lowest bid until it has counted as many suppliers as it needs to meet the capacity for the area. Suppliers whose bids are at or below the pivotal bid would be the winning bidders. CMS will use the 'median' of the submitted bids as the reimbursement rate.

Accreditation

In order to participate in competitive bidding, a supplier must be accredited and in compliance with the final quality standards, which can be found at: www.cms.hhs.gov/CompetitiveacqforDMEPOS/04_New_QUALity_Standards.asp.

These standards will be enforced initially through the competitive bidding requirement. Those organizations located in the top twenty MSAs will likely see the first accreditation deadline.

The recently released Transmittal 188 that stated; "all providers billing Medicare Part B must be accredited by April 2, 2007," was rescinded. No definite date has been released, however some estimate 2010. It is important to choose an accrediting organization that specializes in the relevant product categories. See a list of Approved Accrediting Agencies listed on page 20.

Take Action Now

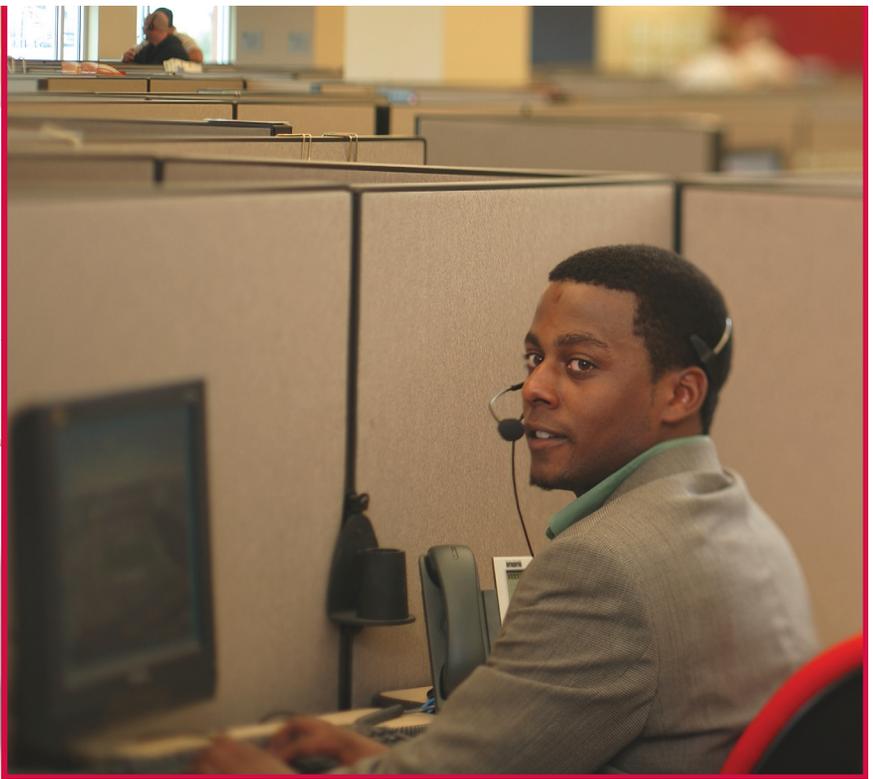
The bidding process is obviously labor intensive and will require a lot of planning and preparation time. It is recommended that suppliers wishing to participate in competitive bidding begin preparing NOW!

- **Become Accredited**
- **Implement Activity Based Costing - Associate a dollar amount to ALL activities**
- **Begin Preparing Bid Package**
- **Educate Employees on all CMS Updates**
- **Develop a Solid Business Plan**

SystemOne 18.1.20 Enhancements

- Added new options, Voided, Returned and Awaiting Return, to the Only Show portion of the Transaction Record Scan.
- Added the ability to create transactions for daily rentals. This option is used when a rental item is returned before the ending date of service is reached. Added field, 'Daily Rate,' to the Item Record. This field is user-defined and is used to specify a daily rental rate for items returned before the set rental period is up. If the item is returned within the month or before the ending date of the service, a prompt displays for the user to reprice the transaction. Click Yes to calculate the transaction price by multiplying the number of days the item was rented by the amount in the Daily Rate field on the Item Record. Click No to return the item without repricing the transaction.
- Added Available On-Hand amount to the Inventory Record. This total is calculated by subtracting the quantity committed from the total on-hand. This field is display only and cannot be edited. Added a column to the Item Scan for Available On-Hand. Check the Show Available On Hand flag at the bottom of the scan to view the available on-hand amount.
- Added the ability to sort and search Serialized Item Scan by item code and serial number and to show In-Stock Items only.
- Added the ability for the system to recognize Carrier Allowable and State Allowable rental and sale pricing fields as allowable amounts. The retail price is pulled from the Item Record and the allowable amount is pulled from either the Carrier Allowable or State Allowable screen. This applies to new transactions only.
- Added error message, Doctor NPI Number Missing, to the list of Error Messages on the Price Code in Store Control. The NPI Number is required on Third Party, Medicare and Medicaid billings.

Update:



Support Center Maintaining High Standards

by Kerry Philbeck, Staff Writer, QS/1

Phone system enhancements and staffing changes are making QS/1's Support Center technicians more accessible to customers everyday

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Possibly the biggest step made towards improved customer service and satisfaction were the enhancements made to our phone system's call routing capabilities in November 2006. This sophisticated system features options that assist Support Center Management in staffing support for each product. One feature in particular contains a measuring device which determines the call volume by product, by day and breaks the information down into 30 minute segments. According to Joseph Parrish, Senior Customer Support Manager, "This allows us to adequately staff to meet the demand of our call volume by product. By doing this, customers are more often reaching a technician, more often."

Customers have also benefited from additional staffing changes. "We are staffing our technicians for both earlier and later shifts," Parrish added.

Support Center Hours:

Sunday: 2:00pm – 10:00pm

Monday – Friday: 7:00am – 12:00am

Saturday: 9:00am – 5:00pm (Emergency Service Only)

* All times listed above are Eastern Standard.

These changes serve as an important step in improving the Support Center. Our goal is for all support calls to be answered by a technician. "No customer will have to wait for a callback – the response to questions and concerns will be immediate" Parrish explains.

As QS/1 prepares to meet the needs of our growing customer base, changes are in place and more will be implemented. It's just another example of how QS/1 is striving to meet your needs.

Sloan's Praises CornerDrugstore.com as a Steppingstone to Online Access

by Margery Morstein, Staff Writer, QS/1

Tim Zuch took a job while in high school at Sloan's Pharmacy in 1985, which placed him in the perfect position to observe a pharmacist in action. "They really seemed to be enjoying their job and it allowed me a glimpse into both the human and financial rewards behind becoming a pharmacist. Plus, such close proximity throughout my high school years gave the pharmacists access to nudge me in that career direction," added Zuch.



Sloan's Pharmacists left to right: Joe Yanchuck, Tom Murray, Shawn Reed, Mary Markovits, Wendy Kautz, Mariella Zuch & owners Tim Zuch, Jake Sherk

It worked; Zuch earned a degree in Pharmacy from Temple University. In June 2006, Zuch partnered with fellow pharmacist Jake Sherk and bought Sloan's Independent Pharmacies.

Zuch and Sherk planned to expand on the existing service strategy already in place when they purchased Sloan's five locations in and around Elizabeth Town, Pennsylvania. Hometown roots and impeccable service were the two core elements vital to Sloan's past growth and success. Now, with eight competing pharmacies within a five mile radius of Sloan's largest Norlanco location, Zuch perceived his expansion strategy would require an essential third element, online services.

"In the past customers were a bit hesitant of the online shopping experience; today customers are asking us if we're web accessible. CornerDrugstore.com has become the cornerstone of Sloan's online pharmacy service," says Zuch.

Zuch's idea was to target his customer's online 'Comfort Zone' by combining established customer service methodology with high tech security and convenience. Zuch admits, "It's been a slow process but

we're seeing great results. We field tested CornerDrugstore.com in a single location, found the results to be noteworthy and rolled it out to all five Sloan's Pharmacy locations within months."

Zuch was finding Sloan's younger customers quick to utilize online technology. Older customers, which makeup 70% of Sloan's customer base, were slower to get on board. "It's an ironic situation," explains Zuch, "as our older customers would benefit the most from online services." Sloan's adopted a one-on-one approach with these customers, introducing web services into the conversation as they answer medication questions. This personalized approach worked especially well with their senior customers.

In conjunction with CornerDrugstore.com, Sloan's utilizes QS/1's IVR system. The two programs combined streamline the pharmacy workflow and satisfy the customers' demand for convenience. "We find those customers not comfortable with online transactions are happy to leave a refill over the phone and enjoy the 24 hour access." says Zuch.

Zuch concludes, "As Sloan's online abilities grow and we begin to see more business coming in via the website, we'll begin to address other customer related conveniences. Thus far we've been extremely happy with CornerDrugstore.com. It's proven to be an easy way for our pharmacies to get online and a comfortable venue for our customers to refill their prescriptions."



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2007

Mark Your Calendar Now For QS/I's Customer Conference In Palm Springs, July 11-14th

PRODUCT INFORMATION | INDUSTRY NEWS | SEMINARS | PHARMACY TRENDS
UPDATES & ENHANCEMENTS | NETWORKING | VENDORS | WORKSHOPS

EXCHANGE OF IDEAS ON THE BUSINESS AND CUSTOMER SIDE OF RUNNING A SUCCESSFUL PHARMACY

Palm Springs
Renaissance Esmeralda
Resort & Spa
July 11-14

QS/I Customer Conference



FOR 2007 CUSTOMER CONFERENCE RESORT INFORMATION GO TO: WWW.RENAISSANCEESMERALDA.COM.
FOR RESERVATIONS CALL 1-800-446-9875. ASK FOR QS/I'S SPECIAL RATE OF \$110.00 PER NIGHT.





Welcome | Wednesday, July 11th
 Registration: 2:00pm-5:00pm
 Sunset Dessert Bash 8:00pm-9:30pm

07 Customer Conference



Thursday, July 12th

7:30am - 8:15am
 Continental Breakfast

8:15am - 8:30am
 Morning Introduction

8:30am - 3:00pm
 Industry Speakers
 Track Sessions
 Product Enhancements
 CE Credit Seminars

1:00pm-4:00pm
 Hardware Expo & Vendors

5:00pm
 Palm Springs Aerial Tram Tour
 (Optional-see below)

Friday, July 13th

7:30am - 8:15am
 Continental Breakfast

8:15am - 8:30am
 Morning Introduction

8:30am - 3:00pm
 Industry Speakers
 Track Sessions
 Product Enhancements
 CE Credit Seminars

1:00pm-5:00pm
 Hardware Expo & Vendors

Dinner on Your Own

Saturday, July 14th

7:30am - 8:15am
 Continental Breakfast

8:15am - 8:30am
 Morning Introduction

8:30am - 3:00pm
 Industry Speakers
 Track Sessions
 Product Enhancements
 CE Credit Seminars

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QDM

Insight | April 2007 | 27

18.1.18 | Printer

The number of QS/1 network printers has been increased from 13 to 50.

18.1.19 | NPI

Added a field for the NPI on the Price Code. Also added a batch function that transfers the NPI in the Store File to each Price Code.

18.1.20**Prescription Processing**

- Added Alternate Profile Screen to Store Level options for the ability to view the Patient Profile by Active Status, Last Fill Date and Original Date. The profile sort may also be changed by clicking the Status, Original Date and Last Date columns.
- Modified the Patient Profile view to hide the sig description. A plus symbol (+) displays at the beginning of each line to expand the prescription to view the sig description. If the sig is displayed, a minus symbol (-) is used to hide the sig from the view. To expand or collapse all lines to show or hide the sig description, press Shift + or Shift - .
- Modified the Patient Record and Prescription Record to display any tickler items or patient notes the first time the Patient or Prescription Records are accessed .
- Added the ability to enter a Patient Tickler note from the Patient Tickler.
- Added the ability to access the Patient Tickler from the Patient Record.
- Added the ability to view Point-of-Sale Transaction information from the Rx Transaction if the items were checked out through Point-of-Sale.
- Added options for the Relationship field on the Patient Insurance Record. New options are: Student, Disabled Dependent, Adult Dependent and Significant Other.
- Increased the number of pharmacies that can be stored for prescription transfers.

Reports

Added 'Revenue Report' to Management Reports. The Revenue Report is similar to the Sales Analysis Report. Voided transactions may be included on the report. If the transaction has been voided, the report prints ****Voided**** in place of the drug name and all prices are zero.

Added IV Compound Reports with the following report options: Audit List, Delivery Sheet, Invoice and SAR Form.

Security Access

Added Revenue Report to the list of Management Report flags on the Manage Employees screen. The flag is located under the Management Reports area of Security Access Flags.

18.1.18**Printer**

The number of QS/1 network printers has been increased from 13 to 50.

18.1.19**NPI**

Added a field for the NPI on the Price Code. Also added a batch function that transfers the NPI in the Store File to each Price Code.

18.1.20**Prescription Processing**

Added Alternate Profile Screen to Prescription Processing options in Store Identification for the ability to view the Patient Profile by Active status, Last Fill date, and Original Date. Valid options are:

Y - view all profile information including Drug Name, Quantity, Original Date, Last Date and Sig Code.

N - view profile sorted by Original Date

L - view profile sorted by Last Date Filled

Added the ability to view Point-of-Sale Transaction information from the Rx Transaction if the items were checked out through Point-of-Sale.

- **If the transaction was checked out using QS/1 POS, pharmacies with RxCare Plus can press "Enter" on the 'Checkout' field, which will display a window with the following information:**

**Transaction Date and Time | Transaction Number
Total Amount Paid | Payment Method | Register Number
Cashier**

Added options for the Relationship field on the Patient Insurance Record. New options are: Student, Disabled Dependent, Adult Dependent, and Significant Other.

Increased the number of pharmacies that can be stored for prescription transfers.

Reports

Added 'Revenue Report' to Management Reports. The Revenue Report is similar to the Sales Analysis Report. Voided transactions may be included on the report. If the transaction has been voided, the report prints ****Voided**** in place of the drug name and all prices are zero.

Security Access

Added Revenue Report to the Management Reports area of the Security Access Codes screen.

For more detailed information, consult the What's New section of PrimeCare HELP or access the topic in HELP.

18.1.18

Fill List Functions

Added Select and Sort options to the Fill List Utility program Send Fill List to Workflow. This provides the ability to send the original Fill List to Workflow and then any supplemental Fill List can be sent as needed.

Financial Management

Added Print option, Use Alternate, to Statement B. Type YES to use the patient's alternate address on the statement.

Network Printers

The number of QS/1 network printers has been increased from 13 to 50.

18.1.19

Delivery Sheets

Added two Print Options, Barcode Sheets and Cover Sheet to the Transaction Delivery Sheet, the Fill List Delivery Sheet and the Workflow Consolidated Delivery Sheet. The Bar Code sheets option creates a unique serial number for the Delivery Sheet at the time of printing. The serial number, as well as the bar code of the serial number, is printed. The bar code uses a font card. The second print option produces a cover sheet with the name and address but no personal information appears.

Delivery Reconciliation

This new function builds on the delivery sheet serial number. Scan or key delivery sheet serial numbers with the date, time, and initials of the person that received the medications and update all Delivery Records. This information is stored on the transaction (if present), the Workflow record, and the Fill List record (if present).

NPI

Added a field for the NPI on page 2 of the Price Code. Also added a batch function that transfers the NPI in the Store File to each Price Code.

18.1.20

New Revenue Report

This new report is similar to the Sales Analysis. The main advantage of this report is that it details the amounts from the primary, secondary and tertiary payers, as well as the copay. The cost is Acquisition Cost from your Drug File so the report is a more accurate snapshot of your revenue for the period.

Labels

Added label routines for IV/Compound Ingredient Manufacturer Code and Ingredient Manufacturer Name.

18.6

Prescription Processing

- Modified the system to send the pharmacy NPI to PowerLine if it is entered in the Software License Info screen (menu path 7.1 field #11). Please contact Customer Support if you need assistance changing your NPI. If PowerLine has your Pharmacy NPI they will stop sending your NCPDP number and begin sending the pharmacy NPI as plans are ready. You will however need to enter all of your Physician NPI numbers and change the qualifier in Third Party Add/Edit as needed (menu path 4.7.1 field #7).

- Added a new option, <L> Bill other, to Edit/Reprint (menu path 1.2) for a tertiary claim billing. This option is used to submit primary and secondary information to a tertiary third party.

- Added the ability to submit the prescription serial number on claims to support NY Medicaid requirements.

- Now storing the most recently used patient Id Number that is entered in the Controlled Substance Reporting box in dispensing for future fills for that patient.

Miscellaneous

- Added the ability to add up to 50 network printers.

- Added the ability to customize the text size for the patient monograph section of the 8 1/2 x 14 inch combo label (menu path 7.3.1.6.4).

From The Support Center

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

RxCare Plus

Accounts Receivable

After generating AR Statements and file compression, verify that customer AR Profiles aged properly. This will prevent next month's statements from printing the previous month's information.

Signature Capture

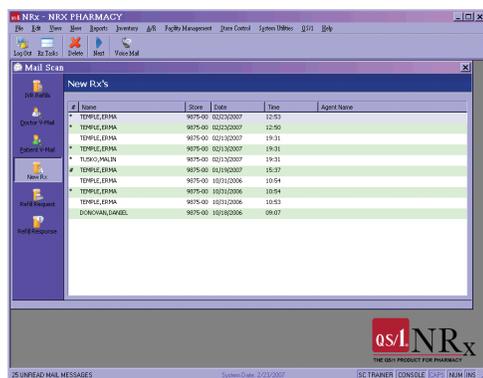
If you encounter problems capturing signatures through a Point-of-Sale/Rx-Care Plus application, make sure that your Signature Capture Options are the same in both systems. To set-up these options, follow the steps below:

From the RxCare Plus main menu access Store Information; press ENTER. Type User ID and Password; press ENTER. Type 1, Identification; press ENTER. Press F2 to scroll to Pharmacy Options Screen. Tab to the field to the right and press ENTER to display the options available.

From the Point-of-Sale main menu access Store Control File Maintenance. Press F8, Control Options. Press F2 to access each screen of Store Control options.

NRx

To check for New Electronic Prescriptions, in NRx you do not have to access the Electronic Claims Log. From Rx Tasks, click on Mail and then select New Rx to display New Electronic Prescriptions.



Fastclaim

If you have your NPI and have entered the number in Store Identification, below are the procedures for updating your Price Codes and Price Plans.

RxCare Plus & PrimeCare Miscellaneous

Application Name - P8QMVNPI

To transfer the NPI number from the Store Identification screen to the Price Code screen, type P8QMVNPI at Application Name. When this utility is run, a message displays, "This program will move the store NPI number located in Store Identification to the NPI field on all price codes. Do you want to continue?" The option defaults to 'NO'. Type 'YES' to continue the update. Only a blank NPI field on the Price Plan will be updated.

NRx | System Utilities

In NRx, under System Utilities, New Store Utilities, we added the new feature, 'Update Price Plan NPI'. This option is used to transfer the NPI number from the Store Identification screen to the Price Plan screen. When this utility is run, a message displays, "This program will move the store NPI number located in Store Identification to the NPI field on all price plans. Do you want to continue?" Click 'YES' to continue or 'NO' to escape. Only a blank NPI field on the Price Plan will be updated

Hardware

The QS/1 server holds the settings for printers attached to the server computer. These settings control what type of printer is installed and the font type and size. QS/1 has noticed that the system printer settings are not being saved if the server computer is not shut down correctly. To verify your printer settings, launch the QS/1 server application and press 'P'. This displays a list of all printers connected to the server. To change the settings for the printer, highlight the printer and the right arrow key until the correct printer type is selected. To save the settings press Ctrl C.

PrimeCare

QS/1 added Delivery Reconciliation to the Institutional Processing Menu in 18.1.19. Scan or type the Delivery Sheet barcode number and the system verifies that the Delivery Sheet number exists. Once the Delivery Sheet number is validated, type the date and time received and the initials. Once all Delivery Sheets have been added, press F4 to reconcile sheets. The message "Update all workflow, transaction, and fill list records with this information?" displays. Type YES to continue reconciling the Delivery Sheets.

The Nursing Home Delivery Flag on Workflow and Transaction Records is activated any time the tracking number field is updated with the Delivery Sheet barcode.

Two new print options 'Barcode Sheets' and 'Cover Sheet' were added to the Delivery Sheets and Workflow Consolidated Delivery Sheets. The cover sheet prints the facility information and the barcode only if these options are set to YES.

If the Delivery Sheet barcode is printed for the Workflow Consolidated Delivery Sheet, a Delivery Sheet number is assigned to all items in the tote and the number and barcode is printed on all Delivery Sheets.

Upgrade Information

Program Updates for releases 17.8 and older are no longer available. **You should convert to 18.1 and then begin your progression to QS/1's current upgrades to 18.1.20.** Contact QS/1's Upgrade Department at extension 1412 to confirm that your current hardware can support these upgrades.

Trade Shows

Tennessee Association for Home Care, Inc.

(<http://www.tahc-net.org/>)
Nashville, TN | **April 3-4, 2007**

Pacific Association for Medical Equipment Services (PAMES)

(<http://www.pames.org/>)
Portland, OR | **April 10-11, 2007**

Illinois Association for Medical Equipment Services (IAMES)

(<http://www.iames.org/>)
Lisle, IL | **April 19-20, 2007**

COOPHARMA

San Juan, PR | **April 20-21, 2007**

Medtrade Spring - Booth # 559

(<http://www.medtrade.com/>)
Las Vegas, NV | **April 25-26, 2007**

Ohio Pharmacists Association

Booth # 20 (www.ohiopharmacists.org/)
Columbus, OH | **April 27-28, 2007**

West Texas Pharmacy Association

El Paso, TX | **April 27-29, 2007**

Pennsylvania Association of Medical Suppliers (PAMS)

(<http://www.pamsonline.org/>)
State College, PA | **April 29-May 1, 2007**

Food Market Institute (FMI)

(<http://www.fmi.org/>)
Chicago, IL | **May 6-8, 2007**

Kentucky Medical Equipment Suppliers Association (KMESA)

(<http://www.kymesa.org/>)
Louisville, KY | **May 16-17, 2007**

American Society of Consultant Pharmacists (ASCP)

Booth # 306 (<http://www.ascp.com/>)
Hollywood, FL | **May 21-23, 2007**

American College Health Association (ACHA)

Booth # 519 (<http://www.acha.org/>)
San Antonio, TX | **May 29-June 2, 2007**
*** Attend QS/1 'User Group Meeting' on Tuesday, May 29, 2007 in Conference Room 16 from 2:30 pm to 4:30 pm.**

Heartland Conference

Waterloo, IA | **June 11-14, 2007**

Tri-State HME Convention

Perido Beach, AL | **June 17-19, 2007**

South Carolina Pharmacy Association

(<http://www.scrx.org/>)
Myrtle Beach, SC | **June 21-24, 2007**

Minnesota Pharmacists Association

(<http://www.mpha.org/>)
Duluth, MN | **June 22-24, 2007**

Georgia Pharmacy Association

(<http://www.gpha.org/>)
Myrtle Beach, SC | **June 23-25, 2007**

Florida Pharmacy Association

(<http://www.pharmview.com/>)
Marco Island, FL | **June 27-July 1, 2007**

Pharmacists Society of the State of New York

(<http://www.pssny.org/>)
Lake George, NY | **June 27-July 1, 2007**

Texas Pharmacy Association

(<http://www.texaspharmacy.org/>)
Grapevine, TX | **July 12-15, 2007**

Cardinal Retail Business Conference

(<http://www.cardinalrbc.com/>)
Boston, MA | **July 25-28, 2007**

Virginia Association of Durable Medical Equipment Companies (VADMEC)

(<http://www.vadmec.org/>)
Virginia Beach, VA | **August 1-3, 2007**

Mutual Drug Company

(<http://www.mutualdrug.com/>)
Myrtle Beach, SC | **August 4-6, 2007**

Southeastern Gatherin'

(<http://www.pharmview.com/>)
Destin, FL | **August 5-6, 2007**

National Association of Chain Drug Stores (NACDS)

(<http://www.nacds.org/>)
Boston, MA | **August 11-15, 2007**

Pharmacy Society of Wisconsin

(<http://www.pswi.org/>)
La Crosse, WI | **September 7, 2007**

HME Business Summit

(<http://www.hmesummit.com/>)
Boston, MA | **September 9-11, 2007**

Medtrade Fall

(<http://www.medtrade.com/>)
Orlando, FL | **September 25-27, 2007**

Pennsylvania Pharmacy Association

(<http://www.papharmacists.com/>)
Allentown, PA
September 27-30, 2007

Illinois Pharmacists Association

(<http://www.ipha.org/>)
St. Charles, IL | **October 4-7, 2007**

National Community Pharmacists Association (NCPA)

(<http://www.ncpanet.org/>)
Anaheim, CA | **October 13-17, 2007**

American Society of Consultant Pharmacists (ASCP) Booth # 427

(<http://www.ascp.com/>)
Philadelphia, PA
November 14-17, 2007

American Society of Health-System Pharmacists (ASHP)

Booth # 2051 (<http://www.ashp.org/>)
Las Vegas, NV | **December 2-6, 2007**

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