OFFICE OF THE CONTROLLER

CITY OF PHILADELPHIA PENNSYLVANIA

DEPARTMENT OF PUBLIC HEALTH

ASSESSMENT OF PHARMACY OPERATIONS AND IMPACT OF WALK-IN PATIENTS AT DISTRICT HEALTH CENTERS

FEBRUARY 2008

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City Controller

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February 7, 2008

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Pursuant to Section 6-400(d) of the Home Rule Charter, the City Controller's Office, with the assistance of Practical Healthcare Solutions, LLC, conducted an operations assessment of the Department of Public Health's pharmacies and of the impact of walk-in patients at the department's district health centers. The objective of the assessment was to determine the efficiency and effectiveness of pharmacy operations and to determine how the health centers could accommodate additional walk-in volume with existing resources. The conditions cited in the report occurred under the administration of previous Health Commissioners.

The findings and recommendations contained in the report were discussed with Health Department officials at an exit conference and we have included your written response to the comments as part of the report. We believe that these recommendations, if implemented by management, will improve the effectiveness and efficiency of both pharmacy and walk-in services.

We would like to express our thanks to you and your staff for the courtesy and cooperation displayed during the conduct of our work.

Very truly yours,

ALAN BUTKOVITZ
City Controller

cc: Honorable Michael Nutter, Mayor
Honorable Anna C. Verna, President
and Honorable Members of City Council
Members of the Mayor's Cabinet

OPERATIONS ASSESSMENT OF PHARMACY PROGRAM AND WALK-IN PATIENT IMPACT TO THE HEALTH CENTERS

CITY OF PHILADELPHIA DEPARTMENT OF PUBLIC HEALTH

JANUARY 2008

PRACTICAL HEALTHCARE SOLUTIONS, LLC

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EXECUTIVE SUMMARY

ASSESSMENT OF PHARMACY OPERATIONS

Pharmacists in the city's health centers fill an extraordinarily high volume of prescriptions (300 – 365 per day), and that volume is expected to increase. The higher the volume of prescriptions filled, the higher the risk to the patient. Pharmacists can make mistakes because they're working too fast; technicians can make mistakes because the pharmacists can't review their work; and patients can make mistakes because the pharmacists are too busy to counsel them. Further aggravating the risk to the patient are the prescription fill time (two days), and the limited hours for pickup: city health centers do not have early morning, evening, or noontime hours.

Hiring additional pharmacists to address the workload problem is a formidable task, when city pharmacists are paid three-quarters of what their counterparts in private industry are paid, including the contract pharmacists who work alongside them.

During the patient-intake process, insurance coverage and eligibility are verified at registration. If there is a change in insurance, this information has to be hand-carried to the pharmacies because the pharmacists do not have online access to these insurance changes at the present time. The Department has not established a sliding scale of payments for those who can afford to pay something toward the cost of their prescriptions.

DPH has recently hired a Central Staff employee to verify that the drug quantities billed by vendors are the quantities they actually delivered and that returned drugs are credited on vendor invoices. While there had been no inventory system in place, Pharmacy Administration is in the process of implementing an inventory system to manage the quantities of drugs on hand, to ensure the culling of expired drugs, and permit a safeguard against theft. This system will also print a label and information sheets for patient counseling. Manufacturers are overcharging for drugs 10 to 15 percent of the time, and lower prices may be negotiable directly through the manufacturers for non-formulary medications.

Recommendations

- Increase the salary for pharmacists to minimally $80,000 a year and the salary for pharmacy managers to minimally $88,000 per year. (pg. 20)

- Hire four more pharmacists, reduce technician hours, and cap the outlay for contract pharmacists to $50,000 a year. These actions will save the city $300,000 a year. (pg. 21)

- Place the new pharmacists at health centers 2, 4, 9, and 10; place the two floaters at 3 and 6; and possibly use the central-fill staff at other pharmacies. The additional

staff and the redeployment of staff will reduce the workload and allow pharmacists time for such tasks as drug counseling and overseeing the pharmacy technicians as review of insurance denials, and verification of vendor billings is being done. (pg. 22)

- Modify pharmacy space to allow for drug counseling. (pg. 22)

- Keep pharmacies open at lunchtime, and provide early morning and early evening hours for prescription pickups. (pgs. 22 and 23)

- Revamp the intake process to ensure the gathering of information on insurance coverage, benefit eligibilities, and income. Transmit this information electronically to the pharmacies. (pg. 10)

- Require the city's drug vendor to send individual invoices to each health center, and have the health-center staff verify quantities billed and return credits. (pg. 27)

- Require the pharmacies to complete a return form and forward it to Pharmacy Administration for submission to DPH Finance. (pg. 27)

- Provide software integration between DPH Finance and the pharmacies. (pg. 13)

- Implement an incentive program to encourage pharmacies to maximize insurance reimbursements. (pg. 34)

- Institute an inventory-control system (an HBS system is highly recommended), and perform periodic physical inventories to cull expired drugs. (pg. 26)

- Engage a firm to check drug-manufacturer prices and request the city's drug vendor to check the prices paid by its other customers. (pg. 29)

- Negotiate better prices for the city's top 12 non-formulary drugs. (pg. 24)

- A "Special Benefits Officer" should be employed in each Health Center to assist the uninsured patients complete the applications for the indigent program. (pg. 31).

ASSESSMENT OF WALK-IN-PATIENT IMPACT

Discussions with the local hospital administrators disclosed that the hospitals are adversely affected by the volume of uninsured walk-in patients. Discussions with health-center administrators disclosed that the health centers are overwhelmed by patient demand. The average wait for a new-patient appointment at the health centers is five to six months, and certain medical services, such as hematology and dermatology, are not available at all.

Recommendations

- The city and local hospitals should form a partnership and meet quarterly to review implementation or development of plans to improve health center operations and seek financial support through grant funding. (pg. 40)

- DPH and the city's Personnel Dept should form a task force to develop strategies to make the position of health-center physician attractive and competitive. Management should complete, as soon as possible, the current plan to improve physician salaries. (pg. 40)

- Add an additional doctor and nurse at Health Centers #6 and #10 and expand working space at both locations. (pg. 40)

- Add Saturday morning hours at Health Centers #6 and #10. (pg. 41)

- Build up to three more clinics in strategic locations. (pg. 41)

- Encourage hospitals to consider building urgent-care centers on hospital grounds. (pg. 41-42)

- Institute a city/hospital task force to explore the possibility of expanding ER-doc contracts to allow doctors to work in city health centers. (pg. 42)

- Build incentives for physicians and other health-center staff to maximize the identification of insurance-eligible patients. (pg. 41)

CITY OF PHILADELPHIA

OVERVIEW AND BACKGROUND

The Controller's Office of the City of Philadelphia (COCP) engaged Practical Healthcare Solutions, LLC (PHS) to carry out an assessment that was two phased:

I. Assessment of Pharmacy operations among the City's eight Healthcare Centers with the goal being to determine if pricing is consistent with 340B Veterans' Administration pricing. In addition, evaluate how the pharmacies could be made more cost effective with increased efficiency.

II. Assessment of Walk-in patient impact to the Health Centers.

I. ASSESSMENT OF PHARMACY OPERATIONS

A. Quantitative Data Collection

The initial data request was formulated with regard to selecting Centers with specificity to their Pharmacy Program. Items requested would focus on promoting our understanding of the current pharmacy operations; any integrated systems and controls; a detailed picture of the work load; staff levels in the pharmacies; schedules and utilization patterns; personnel and pharmaceuticals. Items requested, received, and reviewed/analyzed included:

- Table of organization for pharmacy services
- Sample of Monthly Pharmacist Assignment Calendar
- Pharmacy Personnel in each Center
- City of Philadelphia Pharmacy Formulary
- Detail of drug costs by Formulary and Non-Formulary drugs as designated by the Department of Public Health
- Copy of pharmacy contract with outside vendor
- Copy of Monthly Pharmacy List – Formulary and Non-Formulary
- Copy of one month's detailed pharmacy costs by drug type
- Total number of Visits by Center, Major Payer Type, and number of Prescriptions filled by Center

- Sample of Quarterly Invoices by outside vendor
- Details of any inventory control system
- Sample diagram of Pharmacy Centers

B. Qualitative Data Collection/Interviews

The data collected above allowed for a knowledge base of understanding prior to visitation of the selected Centers. A tour of the selected centers and the physical layout of the pharmacy provided an understanding of the flow within the Centers in relation to the various departments, and advantages or limitations of the pharmacy layout and its effectiveness on the pharmacy operation itself. Interviews were conducted with key personnel in each Center: the Director, the Medical Director and Pharmacy Manager. Interviews were also conducted at the physical plant of the pharmaceutical provider, R & S Northeast, LLC.

Interviews Conducted

Initial Meeting with City Controller's Office
Michael Egan, CPA, Audit Administrator
Albert Scaperotto, Deputy City Controller
Carmen Paris, Health Commissioner (Former Commissioner)
James Pollack, Executive Assistant to Health Commissioner
Kevin Vaughan, Deputy Health Commissioner

Additional Meetings

Thomas P. Storey, MD, MPH
Director of Ambulatory Health Services

Kalpana Vaidya, MD
Medical Director – City of Philadelphia
Department of Public Health

Leo Moskoff, COO

Dixon – Shane, DBA/ R & S Northeast, LLC

City Contract No.: 0700071

Gina O'Brien, R & S Project Manager – Bids and Contracts

Chris Ferdman, R & S Manager

Donald Hannon, R.Ph.

Director of Pharmacy

Department of Public Health

Iris Massey, R.Ph.

Assistant to Donald Hannon, R.Ph.

Health Center #6

Darnell Wilkerson, Director

Anitha Vuppalapati, MD

Medical Director

Brian Leviscer, R.Ph.

Health Center #10

Stuart Katz, Director

Cheryl Bettigole, MD

Medical Director

C. Center Selection Analysis

The goal was to select two "Beta Sites" that offered a wide breadth of services that were representative of services found in most of the City Health Centers and would serve as the baseline. The City operates eight (8) HC with a Central Fill Pharmacy for refills for HC #9. The health centers are listed below:

(See Exhibit 1 - Location and other Pertinent Information by Center).

HC#2	1720 S. Broad Street	Philadelphia, PA
HC#3	555 S. 43rd Street	Philadelphia, PA
HC#4	4400 Haverford Avenue	Philadelphia, PA
HC#5	1900 N. 20th Street	Philadelphia, PA
HC#6	321 W. Girard Avenue	Philadelphia, PA
HC#9	131 E. Chelten Avenue	Philadelphia, PA
HC#10	2230 Cottman Avenue	Philadelphia, PA
HC#12 (SMHC)	2840 W. Dauphin Street	Philadelphia, PA

We obtained data on all City Health Centers, based on the 2006 Record of Visits and Prescriptions. **(See Exhibit 2- 2006 Fiscal Year Totals by Center)**

We compared information with regard to:

- Visit totals by Center
- Pharmacy totals for prescriptions filled
- Scope of Services

  Types of visits:
  - Adult visits
  - Pediatric visits
  - Family Medicine/Family Planning/Prenatal
  - Dental
  - Financial breakdown on types of visits by Center

    Medicare, Medicaid, Private, Uninsured

D. Centers Selected

Health Center #6
321 W. Girard Avenue
Philadelphia, PA 19123

This Center was selected as it fell in the mid-range of center visits with a proportionate number of prescriptions filled. It is located in a well-populated North Philadelphia neighborhood with access to public transportation.

Health Center #10
2230 Cottman Avenue
Philadelphia, PA 19149

This Center was selected as it had the highest number of visits and a proportionately high number of prescriptions filled. It is located in a very densely populated area in Northeast Philadelphia with access to public transportation**.**

Observation:

It must be duly noted that the number of visits to Health Center #10 has increased dramatically in the last two years and therefore the number of prescriptions filled has also risen.

E. Description of Operations – Health Centers #6 and #10

Patients are scheduled to be seen, either through scheduled appointments for a new patient or as an established patient. The wait time for a new patient appointment is two to three months at Health Center #6 and closer to five months at Health Center #10. If an urgent appointment is needed, patients can also come into the Center as a walk-in patient where they are triaged by a nurse. The walk-in patients begin lining up as early as 7:30 AM. The respective Centers open at 8:30 AM. The walk-in patients are given a number as they enter the Center and those with numbers are triaged by the nurse. Only a certain number of patients can be filtered into an already busy schedule, based on the number of patients with existing appointments, the no-show rate, and the manpower on hand on that particular day. Any patients with conditions considered by the triage nurse to be serious will be sent to the nearest Emergency Room. The result is that walk-in patients not seen, either wait until the next walk-in session or go to the nearest Emergency Room. Walk-in Sessions occur every day in most Centers. Patients may also go to another Health Center which may have availability sooner.

F. Flow in the Health Centers

Patients are directed as they enter to the particular area to be seen. This disbursement throughout the building was orderly.

- Walk-ins with numbers are sent to the triage nurse; those designated to be seen in the Center are sent to registration.
- Established patients with scheduled appointments are sent to the waiting area.
- Patients who are picking up prescriptions are sent to the Pharmacy area which opens at 8:30 AM where they receive a number and are called upon in the order of the number they have received.
- Patients for prenatal visits are sent to that area to be seen by a Nurse Practitioner.
- Patients requiring pregnancy tests, or other tests, are sent to the lab area. Some may be instructed to return later in the afternoon based on the results of those tests or for counseling.

G. Registration and Insurance Information

Prior to the patient being sent to any department in the Health Center, they are checked in at registration. Eligibility is checked through online Internet addresses such as https://.navinet.navimedix.com which includes IBC products such as Personal Choice, Keystone Health Plan East, and Aetna. The online verification for Medicaid is **www.Promise.com** and/or if the patient has Access secondary to Medicare Part A/B. If they are new patients, they are given a yellow card to be kept for future visits once it is verified that they are a resident of Philadelphia (one proof of ID and proof of address). If they are an established patient, any changes in information, such as demographics or insurance, is updated for the computer at registration and noted on the chart.

H. Relevance to Pharmacy

There are some Medicaid Electronic Verification System machines in the pharmacies whereby the pharmacist can verify current eligibility for Medical Assistance. If an allergy has occurred with a previous medication, this must be communicated to the pharmacist, prior to a prescription renewal. If a patient is a recent hospital discharge, even if they are an established patient of the Center, they cannot take their prescriptions to the pharmacy without first being seen by a Center physician. **This is a safe policy**.

Observation

At this time, there is no computerized method of getting the updated registration information into a computer for the pharmacist who is filling the prescription, it must be physically taken to the Pharmacy.

Recommendation

Coordination of patient information and changes taken at the front registration desk must be communicated to the pharmacist online (in real time) so that the correct insurance company is billed and allergies flagged in the pharmacy computer.

Call Line

There is no call line to the pharmacies for refills. One had been tried several years ago but, due to the many different languages spoken, the information left on the line was not clear and could not be relied upon to be accurate. *A call line is not an advantage to the pharmacist or the pharmacy tech that might be taking messages off the line due to the language barriers and should not be reinstituted.*

Prescriptions

Prescriptions being filled:

HC#6 – An average of 310 Rx's/day in 2006, as well as 2007

HC#10 – An average of 345 Rx's/day in 2006. ***(See Exhibit 3 – 2007 YTD Prescription Totals by Health Center, Annualized)***

It must be noted that while the number of scripts at Health Center #6 remains relatively unchanged, the number of scripts being filled at Health Center #10, continuing at its present rate and annualized to the end of the year, will rise to 393 Rx's/day. This is due mainly to the influx of patients seeking care at Health Center #10.

When a patient presents a prescription to the pharmacy window, this script is filled based on the availability of the drug. For those drugs not in stock, the medication is then ordered from R & S, the supplier, who delivers the drugs that afternoon if the item is requested before 12 Noon. If requested after 12 Noon, the item is delivered early the next day. There is good cooperation between the pharmacists and R & S, the supplier. The shipment of requested drugs is checked as it is received in each Health Center from the supplier to verify that all items requested are received. **This is a safe policy.**

After the prescriptions are filled, they are kept in a bin until the patient returns to pick them up. At present, the pharmacy is closed for one and one half hours at lunch time, (the times closed vary from Center to Center). The time the pharmacy is closed basically provides the pharmacist time to catch up due to the shortage in pharmacy staffing. The patients who are working, however, have no block of time where they can pick up their prescriptions because the pharmacy is closed before work, after work, and at lunchtime. The current practice of permitting family members and neighbors to pick up prescriptions with proper authorization and identification can virtually be eliminated if the pharmacies are staffed to remain open through the lunch hour (with additional staffing planned). The scripts are filled in two business days and sometimes on the first day if the patient is seen in the AM, but there may be a delay in the patient starting their prescription due to the unavailability of pharmacy hours.

Observation

Most pharmacists are working past the closing time of the Center in order to fill the number of prescriptions, and be in a better position to handle the work load for the next day.

Observation

There is no time for counseling of the patients with the present workload. Counseling cannot be accomplished as the availability of pharmacists presently employed is insufficient to handle this volume. All pharmacies, except Health Center #5 and Health Center #12, need two pharmacists to handle the volume of prescriptions. This breakdown of prescriptions filled per Health Center in Fiscal Year 2006 appears on the second page of Exhibit 2 ***(See Exhibit 2: Table on Prescriptions for Fiscal Year 2006)****. There is one pharmacist in each Health Center despite the fill rate of over 301 in six (6) of the Centers. The two floaters are used to cover leave and vacations and are sent to Centers where they are needed. Shown below is the industry staffing standard for pharmacists and pharmacy technicians based on average prescriptions filled/day.*

Staffing Standard			
Prescription Count	**Pharmacist**	**Technician**	**Clerk**
Up to 150 prescriptions per day	1	1	0
151-200 prescriptions per day	1	1	1
201-300 prescription per day	1	2	1
301-400 prescriptions per day	2	2	1

I. Reimbursement

As the pharmacist fills the prescription, the bill is transmitted to Health Business Systems, the clearing house, who then disburses this electronically to the various insurance carriers. As these prescriptions are processed by the carriers, checks for payment are sent to a lock box for the DPH Finance Unit. The Explanation of Benefits attachments are then sent to Pharmacy Administration.

Observation

There is no verification that what is billed is being reimbursed in the individual pharmacies. The pharmacists in the Centers do not see the checks or the Explanation of Benefits (EOB) that accompanies them which may contain information on items not paid and the denial codes. The EOB's are checked centrally. There is no posting of payments to any patient accounts at this time in Finance or in the Pharmacy.

Recommendation

There are no computers in the Health Centers that could perform the payment posting function when the insurance carriers make reimbursements on the prescriptions. Software integration between the finance office and the City pharmacies is urgently needed to facilitate and insure proper controls, so that the pharmacists can view a patient's paid prescription or any denial codes attached if it is not paid.

J. Supply Side

In 1992, the 340B program was passed by the United States Congress which provides for lower drug prices for non-profit providers including hospitals and federally qualified health centers. The Health Centers of the City of Philadelphia qualify for this program. R & S, Northeast is their supplier for this program.

1. 340B pricing is being used on formulary and non-formulary drugs with a standard 5% markup. Physicians in the Centers use Formulary drugs predominantly and, as a general rule, do not make exceptions. While R & S can obtain a non-formulary drug, there is an approval process in the Center by the Medical Director and possibly even by the Pharmacy Director if a non-formulary drug is needed, dependent on the price. Every effort to update changes to the pricing and any formulary changes seems to be effectively handled by R & S.

2. R & S, as the supplier, sends all invoices directly to Pharmacy Administration. Credits for drugs returned are shown on these invoices. Any unopened stock bottle that is returned will be taken back by R & S. Any expired drugs will be credited if they are returned within six months of expiration. Any changes in a drug's unit price will be reflected in the next quarterly pricing list which goes to the City of Philadelphia Pharmacy Director.

INTRODUCTION TO PHARMACY PROGRAM ANALYSIS

Based on our overview, Practical Healthcare Solutions (PHS) proceeded to more fully analyze the various components of the Health Center Pharmacy Program including:

1. Pharmacy Staffing

The Department of Health (DPH) of the City of Philadelphia operates and staffs each of its eight (8) Health Centers with an on-site pharmacy, and each pharmacy is individually licensed by the State of Pennsylvania.

The pharmacies operate from either 8:00AM – 4:30PM or 8:30AM – 5:00PM, Monday – Friday, excluding official City holidays, and each pharmacy is closed one and one-half hours for lunch break from noon to 1:30PM or 12:15PM to 1:45PM.

The Health Center pharmacies are all staffed with one pharmacist and at least two pharmacy technicians.

Observation

In Health Center #6, in addition to the pharmacist, we observed two (2) pharmacy technicians plus a window receptionist taking in new prescriptions and providing filled prescriptions to the patient.

There are two (2) floating pharmacists who help fill in for vacation/sick time and help cover the busier Centers.

With the ever increasing number of prescriptions that need to be filled, there are significant problems having only one pharmacist at a number of the busier Centers including:

1. Prescriptions

   The total prescriptions filled for all the Health Centers in FY'06 were 611,573 compared to FY'02 when the prescriptions filled were 553,075 (Pharmacy

Statistics furnished by Director of Pharmacy – Pharmacy Primer, February 2006). This represents a 10.6% increase in four (4) years while there has been no increase in permanent pharmacy staff.

Observation

Based on the first eight months of 2007, annualized prescription volume will increase another 20,252, from September 2007 through December 2007, with over 15,000 more prescriptions in Health Center #10 alone.

2. Waiting Time To Fill Prescriptions

   A major effort has been made to fill all prescriptions at all Centers in no more than two (2) days. This has been accomplished in spite of the increase in prescription volume.

Observation

While a two (2) day wait to have prescriptions filled is a great improvement over the three to four day fill rate, the standard of care, if adequate staff were available, should be one (1) day.

3. Prescriptions Filled/Day/Pharmacist

   While there is a range between Health Centers, each pharmacist in six (6) Health Centers filled between 300-365 prescriptions/day in FY 2006 (**See Exhibit 2 – 2006 Prescriptions/day by Health Center)** The same trend is occurring in Calendar Year 2007. **(See Exhibit 3 – 2007 Year to Date Prescription Total by Health Center).**

Observation

While the two (2) pharmacy technicians are of significant help, the number of prescriptions being filled raises a safety concern. Based on our observations, it appears that at one Health Center, the pharmacist is unable to adequately check each prescription which is being filled by the technicians. The volume of prescriptions as noted in Exhibit 3 per Health Center is relatively unchanged in 2007, with increases in

Health Centers 2, 4 and 6 and a significant increase in Health Center 10. The HBS inventory control option, which has been initiated, will further enhance safety through bar code checks of the stock bottles and visual images of pills on the computer monitor and will greatly decrease any potential errors in filling prescriptions. ***(See Exhibit 11 – Specification of Lexmark T642 Printer and Sample of Label)***

DEALING WITH THE RISK OF INADEQUATE STAFFING

PROJECTED PRESRIPTION FILLED FOR 2007			
Health Center	Annually	Daily	Fill Time in Seconds
10	98,467	410	70
2	94,602	394	73
4	91,849	383	75
9	85,539	356	81
3	81,006	338	85
6	74,470	310	93
5	58,683	245	118
12	47,229	197	146

In the 70-second period indicated for Health Center #10, the pharmacist must do the following : read (or decipher) the prescription; examine the medication placed in a tray by a technician and make sure it matches the prescription; access the patient's medical record (or set up a profile for a first-time patient) and check for duplications, allergies, drug interactions, or other contraindications; enter the prescription data into the computer, if not already done by a technician; react to computer-generated flags; place the computer-generated label on the medication vial; and make a final check of the vial label and contents against the prescription (name, ID#, medication, and directions for use).

Keep in mind that the 70 seconds allowed at Health Center #10 assumes the pharmacist takes no time for lunch, coffee breaks, phone calls (e.g. to and from physicians or insurance companies), ordering drugs, receiving drugs (checking quantities to packing slips), culling expired drugs, filling out credit slips, going to the restroom, counseling patients, or miscellaneous administrative tasks. If the pharmacist takes time for any one of these tasks, he or she would have to work even faster to keep up. The numbers shown above are averages.

RECOMMENDATION AND ADVISORY

We are making the assessment that the understaffing of pharmacists could lead to a potentially serious situation in the Health Centers due to the volume of prescriptions being filled and the inability to provide adequate counseling. Resolving the pharmacy staffing issue as expeditiously as possible will eliminate unnecessary risk to the patients, the pharmacists, the City of Philadelphia and its Department of Health.

4. Drug Counseling

   At the current time, it is virtually impossible for pharmacists to provide drug counseling to patients at the individual Health Centers as they are barely able to fill the prescriptions that are being presented within a two day time frame. This counseling is currently provided by the physicians seeing the patients, prior to the prescription being filled. The physicians' time will be more effectively maximized when the pharmacist can assume a more interactive role in the drug counseling.

Observation

National studies have shown that counseling significantly improves health and economic outcomes. Using a counseling program pharmacists can:

- *Reduce unnecessary or less than optimal use of medication;*
- *Reduce adverse drug reactions;*
- *Reduce noncompliance with prescribed medications which can result in revisits to a physician, hospitalizations, etc.*

Observation

At Health Center #10 and Health Center #6 respectively, the Medical Directors and other physicians noted that drug counseling by a pharmacist would improve the physicians' efficiency and help improve overall patient care. It should be noted that some capital expenditures will be required at each HC to provide space for counseling.

Contract Pharmacists

In order to support full-time pharmacist staffing levels at the Health Centers and sustain orderly operations, there are contracts with two (2) pharmacy staffing agencies, PharmPro and General Healthcare Resources. Both agencies provide **temporary contract pharmacist coverage as well as pharmacy technicians**. During Fiscal Year 2007 (**See Exhibit 5 – Contract Amount with PharmPro & General Healthcare Resources**) through June 30, 2007, the Department of Health spent approximately $740,000 on these two pharmacy manpower agencies. The amounts expended for FY 2007 are shown as original encumbered amounts in the attached exhibits furnished by the Director of Pharmacy. The remaining balance for PharmPro of $25,308 went to cover Nursing Staff at Riverview Nursing Home, as well as the remaining balance of $31,900 for General Healthcare Resources. **(See Exhibit 5 – FY 07 for PharmPro and General Healthcare Resources, Pages 1 to 4)**

The agencies are being paid $75/hr. for a Pharmacist of which $46/hr. represents Pharmacist earnings and $29/hr. goes to the agency.

PharmPro provides Pharmacists almost exclusively, and this represented $424,692 for Fiscal Year 2007. General Healthcare provides pharmacy technicians predominately but, at times, also provides Pharmacists. The total payment to General Healthcare in Fiscal Year 2007 was $253,100. These totals appear at the bottom of the reports for these contract companies. **(See Exhibit 5 – FY 2007 Actual Expenditures – PharmPro & General Healthcare Resources).**

Observation

While PharmPro supplies most of the Pharmacists, we estimate that Pharmacist cost from General Healthcare Resources is approximately $50,000/yr. so the total Pharmacist cost from the temporary agencies for Fiscal Year 2007 is approximately $528,000. In the 2008 Fiscal Year budget, the Pharmacist cost from PharmPro is budgeted at $495,000 and an encumbered amount of $50,000 for General Healthcare Resources, bringing the yearly cost, therefore, to $545,000. However, based on current Fiscal Year usage of contract pharmacists, the budget will be totally expended by March 1, 2008. There will

be a need for additional funds in FY 2008 of $185,000 through June 30, 2008 to maintain existing staff levels. Therefore, the total for FY 2008 contract pharmacists will be $730,000. **(See Table on Page 21 – Justification of Savings based on Utilization of City Pharmacists vs. Contract Pharmacists)**

Observation

At a base salary of $46/hr., a full-time Pharmacist working for PharmPro or General Healthcare Resources is earning $95,680/yr., plus benefits.

Observation

During our interviews at Health Center #6 and Health Center #10, we were informed that the agency Pharmacists perform their jobs adequately but do not make the extra effort made by the City Pharmacists to fill the maximum number of prescriptions.

Pharmacist Salaries

At the current time staff Pharmacist salaries are set at $77,000/year while Pharmacy Managers earn $81,000/yr. The salaries of Pharmacists in the Philadelphia area are at a base salary of $104,671/yr. for the 25th percentile as of July 2007 and 90% of the pharmacists are earning over $100,000/yr. (**See Exhibit 6 – Pharmacist Base Salaries in Philadelphia Region**). On a national basis Pharmacists are averaging a base salary of $98,300/yr. (**See Exhibit 7 – National Pharmacist Base Salaries, 2006**)

Observation

Based on the current Pharmacist salary scale the Department of Public Health (DPH) will be hard-pressed to recruit new Pharmacists at the salary that is being offered.

Recommendation

The salary for Pharmacists should be increased to at least $80,000/year (with a range up to $88,000 based on experience) with the Pharmacy Managers being raised to at least $88,000/year (with a range up to $92,000). At these higher salary levels, recognizing the excellent benefit package the City offers and no weekends, evenings or holiday hours, the DPH should be in a position to recruit full-time pharmacists, thereby reducing the current dependence on temporary contract pharmacy staffing. The adoption of a permanent residency waiver for pharmacists would significantly help with recruitment of personnel.

Recommendation

- **Recruit four (4) additional full-time Pharmacists at $80,000/yr. which equates to additional Pharmacist salary costs of $320,000/yr. Recognizing the benefits and taxes paid by the City for each employee that equates to approximately 20% of the salary cost (See Exhibit 8 – Fringe Benefits Cost).**

  The total cost for four (4) additional Pharmacists would be approximately $400,000/yr.

- **Cap the use of outside agency Pharmacists to no more than $50,000/yr.**

Observation

Based on anticipated salary-related expenses for the four (4) new Pharmacists and a limited amount of outside agency coverage, the DPH could save at least 300,000/yr. or more based on the anticipated FY 08 Temporary Staffing Pharmacy expenditures.

Justification of Savings Based on Utilization of City Pharmacists vs. Contract Pharmacists and Contract Pharmacy Technicians	
4 Pharmacists at - $80,000/yr.	$320,000
Benefits for 4 Pharmacists	80,000
	$400,000/yr.
Reduction in subcontract from	
PharmPro	($495,000)
General Healthcare	(50,000)
Pharmacy Need – March 1, 2008- June 30, 2008	(188,000)
	(733,000)
Leave contract pharmacists	50,000
	683,000
Savings to Health Department	
Pharmacists	**$283,000/yr.**
Pharmacy Technicians Savings (minimum of $17,000) Reaching Total Savings of at least	**$300,000/yr.**

Note: The pharmacist starting salary will need to be more consistent with the Philadelphia market barometers in order to successfully recruit quality individuals.

With four (4) additional pharmacists available, place them in the Health Centers where the most prescriptions/month are filled. At the selected Centers, which will now have two pharmacists, reduce the number of pharmacy technician hours, thereby increasing the savings well beyond the $300,000/yr.

Recommendation

Place the four new pharmacists at Health Centers # 2, 4, 9, and 10.

Recommendation

Place the two float Pharmacists at Health Center #3 and Health Center #6. Assign the two float pharmacists to predominantly two of the busier Health Centers based on their prescription volumes.

Observation

Health Centers #5 and #12 do not need a second Pharmacist based on their prescription volume.

Recommendations

1. **The Health Center pharmacies should now be able to accomplish the following:**
    - **Provide patient counseling;**
    - **Target filling prescriptions within one (1) day; and**
    - **Utilize a Pharmacy Technician to review and re-bill any insurance rejections from their specific Health Center as provided by Health Business Systems.**

2. **Modify the pharmacy space at the Health Centers with two pharmacists to accommodate counseling of patients.**

3. **No longer close the pharmacy for one (1) to one and one-half (1 ½) hours per day and thereby increasing productivity.**

4. **Modify pharmacy hours to provide at least one (1) evening/week open to 7:30PM – 8:00PM and/or open all pharmacies with two pharmacists at 7:30AM for drug pick-ups for patients before they go to work or school.**

5. **Re-evaluate the need for a centralized location to handle refills and the effectiveness of this program and consider utilizing the staff at the centralized pharmacy to support specific pharmacies at the Health Centers.**

Centralized Pharmacy

Currently a pilot project to centralize pharmacy refills from Health Center #9 is under way to see if this can improve services as well as efficiency.

Observation

It is too early in the process to see if a centralized pharmacy for refills will be effective. A review of the results at the end of one year should be undertaken. With two pharmacists at the six busiest HC's (4 new pharmacist plus the two float pharmacists) it is unlikely that a centralized location for refills will be necessary**.**

2. Drug Purchasing

At the current time the Health Department continues to utilize Dixon-Shane LLC, doing business as R&S Northeast LLC, a Philadelphia-based company, to provide drugs for the Health Center pharmacies. The contract was just renewed for another year with most drugs being paid at Veterans health care prices, (340B pricing, plus 5%). The estimated expenditures for drugs is approximately $7.5 million dollars/year. However, fiscal year-to-date totals from R & S Northeast are going to put the expenditures at a somewhat higher amount.

Observation

It should be noted that no other drug wholesaler showed any interest in bidding on the contract.

In analyzing the top 57 individual Formulary drugs for one month **(See Exhibit 9– Formulary Drugs, April 2007 – 340B pricing, plus 5%),** they represented

approximately $468,070 or over 75% of the Health Centers' drug expenditures. In most cases, the costs represented 340B pricing, plus a 5% mark-up which was dramatically lower than the average wholesale price (A.W.P.). Most drugs ordered by the physicians at the Heath Centers are included in the formulary established by Ambulatory Health Services.

Observation

The formulary is fairly extensive and does assist the Health Department in reducing the overall cost of inventory that would need to be maintained and the annual cost of drugs.

By using a formulary and where possible, generic rather than brand name drugs, this also reduces the cost of drugs to the Health Department.

While most drugs dispensed are in the formulary and are also generic drugs, there is a group of items not in the formulary and not PHS items which are regularly dispensed and stocked in the pharmacy.

Observation

A one-month sample for April 2007 **(See Exhibit 10 – Non-Formulary Drugs, April 2007***) showed that the non-formulary drugs represent approximately $70,500 in drug costs/month, with the top twelve (12) non-formulary drugs and supplies (e.g.,. Vials) utilized representing approximately 91% of the non-formulary dollars.*

Recommendation

We understand that the Health Department has recently negotiated a lower cost with Roche Diagnostics for Accu-Check CMFR Curve Test which will help reduce the Health Departments drug costs. We would recommend that the Health Department proceed to make efforts to negotiate reduced drug costs for all of the top twelve (12) non-formulary drugs utilized by dollars expended/month.

Practical Healthcare Solutions also reviewed the drugs provided by R&S to a sample of Health Centers for the month of April 2007 and the following was determined:

1. Ordered drugs are verified at the individual Health Center when they are received. These packing slips are then forwarded to Pharmacy Administration.

Observation

At present, Pharmacy Administration is checking slips against invoices for each Health Center as they are received in summary form as a bill. The goal is to have a Central Office Staff person review these reports by line item.

Addendum

As of this report writing, a Central Staff person has been hired to review these reports by line item.

2. At the start of each quarter, R & S sends a copy of the price list for the quarter **(See Reference Binder, Item 3 – R & S 4th Quarter Summary).** For the first two weeks, this price list is checked daily against 340B pricing by Pharmacy Administration for accuracy; after two weeks it is sampled daily for five different drugs to make sure that the 340B pricing continues to be in effect. While this is not foolproof, 340B pricing is being checked to the extent that current staffing will allow. Again, we stress the importance of the Central Staff person checking these reports for accuracy.

Recommendation

Consideration should be given to having R&S comply with the following procedure:

- **Send an individual drug bill to each Health Center pharmacy manager;**
- **Have the invoice verified against packing slips received by the individual Health Center pharmacy;**
- **Have this verified bill forwarded to the Chief Pharmacist for his final review and then sent on to the Health Department's Finance Department for payment. If, however, appropriate billing help is secured in the Central Office, as planned, this would assist in keeping billing centralized.**

3. Drug Inventory

Based on our site visits at Health Centers 6 and 10, there is currently no drug inventory control system at the Health Center pharmacies. Each Health Center pharmacy can order drugs daily from R&S for same-day delivery. Therefore, without an inventory system the following problems were noted:

- There is minimal control, at present, with regard to the quantity of drugs in each Health Center;
- Excessive inventory can lead to an increased probability of outdated drugs; and
- There is no control system to assist the pharmacy in ensuring that the proper drug was dispensed to each patient.
- Theft is a risk and a possible consequence with no inventory control system.

Observation

We noted in discussion with the Chief Pharmacist that we would be making a recommendation in regard to an inventory control system.

Recommendation

Institute a inventory control system, like the one offered by Health Business Systems, which modifies inventory levels as prescriptions are filled and also prints a counseling summary at each Health Center pharmacy.

Recommendation

As part of the inventory control system, conduct a physical inventory, discarding or returning all outdated medications in each Health Center to R&S. Health Business Systems also produces a Patient Counseling Sheet as part of the label process which is consistent with Federal regulations. (See Exhibit 11 – Specifications of Lexmark T642 Printer and Sample of Label).

Addendum

As of this report writing, the protocol for removing all expired drugs from the Health Centers has been initiated.

Observation

Based on our recommendation, the Chief Pharmacist indicated that he was proceeding to propose instituting an inventory control system at the earliest possible time and may have begun implementation already.

Observation

The R & S contract with the City of Philadelphia's Health Department, Section 2.2.7.1, Inventory Control suggests that R & S propose and devise an inventory control method for each site, which will be acceptable to the City of Philadelphia.

Recommendation

Hold discussions with R&S and determine their willingness to assist the Health Department underwrite some of the cost of implementing an inventory control system.

4. Drug Returns

In discussions with R&S and with the pharmacists at Health Centers #6 & #10, there is a mechanism in place to return expired drugs. All unopened bottles or items within 6 months of being outdated can be returned for credit.

We obtained the enclosed copy of a sample credit memo along with the credit being applied to a specific invoice in August 2006. **(See Exhibit 12 - Credit Memo)**

Observation

It is unclear whether there is a system in place to assure that DH Finance Department verifies that drugs returned for credit are credited on all subsequent invoices.

Recommendation

Consideration should be given to sending all returns to R&S by each HC pharmacy. However, a form delineating all returns sent back to R&S should be sent to the Pharmacy Director of the Health Center pharmacies. After being checked, the

form utilized to request credit from R&S could then be forwarded to the DPH Finance Department to be checked against the actual credits which are received. This would provide a procedure to ensure that proper credits are being given to the Health Department.

5. 340 B Federal Drug Program

In 1992, the 340B program was passed by the United States Congress, which provides for lower drug prices for non-profit providers, including hospitals and federally qualified health centers or "look alike" facilities. The Health Centers of the City of Philadelphia Health Department qualify for this program.

340B is targeted for those providers that serve a larger proportion of indigent patients and requires drug companies who participate in the Medicaid program to offer steep discounts. Most of the major drug manufacturers participate in the 340B program. However, over the last few years some drug companies have dropped out of the 340B program, putting more financial pressure on the Health Centers operated by the City of Philadelphia.

Under the Health Department's contract with R & S Northeast LLC, the 340B prices are passed along to the Health Department and the drugs are marked-up 5% above acquisition cost. **(See Reference Binder, Item 1 – R & S Northeast Contract) .**

As part of this engagement, Practical Healthcare Solutions contacted and discussed the Health Centers' drug costs with the Claro Group, a national firm that focuses on 340B programs, and we also analyzed and reviewed publicly available information about the 340 B program. We were able to determine the following:

- A few years ago, the U. S. Department of Health and Human Services included the City of Philadelphia in a sample of organizations to determine whether entities were receiving appropriate 340B pricing;
- The Department's findings across the complete sample which were made public were that entities were charged higher amounts between 10% and 15% of the time;

- Based on our review, which was confirmed by the Claro Group, of the top 50 plus drugs dispensed and paid for in the second quarter of this year, it appears that the same approximate error rate by the manufacturers of the drugs is occurring. It appears that the City and the Health Department continue to overpay for such drugs as Lipitor and Zyrtec, five of the top 20 drugs (different dosages) on the basis of cost utilized at the Health Centers.

Addendum

As of this report writing, it is noted that Lipitor and Zyrtec are provided to patients with no insurance through Pfizer's Share the Care Program. As of 12/15/07, Zyrtec has come off patent and is no longer on the City Formulary as of January 1, 2008. It is available Over-the-Counter.

Recommendation

The Health Department should again review the U. S. Department of Health and Human Services analysis and consider engaging a firm to do an in-depth analysis of the drugs the City is purchasing for the Health Centers and elsewhere (e.g. Nursing Home, etc.) to ensure it is receiving the proper prices under the 340B program and determine what corrective action needs to be taken, including demanding refunds from the manufacturers, to ensure that the appropriate discount pricing is being universally charged to the City.

Observation

Since R & S provides drugs for a large number of entities who participate in the 340B program, the City of Philadelphia should request that R & S analyze what is being paid by other entities they have contracts with for 340B drugs elsewhere in the country in order to evaluate whether there are any discrepancies in what the City and R&S are being charged by the manufacturers.

6. Indigent Programs

Pfizer's "Share the Care (STC) Program"

Since 1995, this program has been in operation and is available to persons who have income less than 200% of the poverty level and lack any type of prescription coverage. It is only available to Federally Qualified Health Centers that operate on-site pharmacies. The program has grown to over $6 million dollars in 2006. The eight pharmacies that are located within the City Health Centers constitute the largest "Share the Care" program in the country.

Process:

A patient with no prescription coverage is electronically enrolled in Share the Care with a code number. Each Health Center downloads the prescription request and, within 10 to 14 days, the drug used to fill the prescription is replaced at the individual Health Center (bulk replenishment).

Observation

Pfizer's Share the Care has been and continues to be a huge cost savings to the City of Philadelphia Health Centers. It also permits access to brand drugs that are not available on the Ambulatory Health Services Formulary when required.

Other Indigent Programs

Many pharmaceutical companies offer indigent drug programs that require an application by the patient requiring medications. These applications are available at each Health Center. An employee called a "Special Benefits Officer" assists patients in completing these applications. The drugs (usually a 30-day supply) are then direct shipped either to the patient or back to the Health Center for pick up by the patient.

Observation

The true savings to the Health Centers can not be calculated exactly because the drugs are shipped directly to the patient or to the Health Center. It is estimated by the Director of the Pharmacy that the savings could be between $100,000 and $500,000. ***This is seen as a very positive effort by Pharmacy Administration to contain costs for the Department of Health.***

Recommendation

Each Health Center has a "Special Benefits Officer". This person is an integral part of programs for the indigent in assisting patients with no coverage to obtain benefits. It is critical that this position always be filled.

7. Drug Counseling

There is minimal drug counseling being provided at the Health Center pharmacies. Additionally, no written information concerning dispensed medication is being provided by the Health Center pharmacies as required by Pennsylvania Code, Title 49, Section 27.19, Prospective Drug Review and Patient Counseling. All pharmacies must, at least for new prescriptions, provide the patient with information describing the following:

- How to use the medication;
- Precautions;
- Possible side effects and what should be done if a side effect occurs; and
- Special instructions associated with each drug.

While this counseling instruction is not fool proof, it provides an extra level of protection and education for the patient.

Recommendation

As part of the inventory control system, the Health Department should ensure that the system they install provides a patient counseling component like the one which is available from Health Business Systems, using the Lexmark printer.

Recommendation

With the prospective availability of additional pharmacists at most of the Health Center pharmacies, expanded patient counseling by the pharmacists should be initiated to any patients who request counseling.

8. Pharmacy Billing

Health Business Systems (HBS) acts as a clearing house for the pharmacies at the HC's. The contract with HBS for fiscal year 2007 is for a maximum of $75,735. **(See Exhibit 13 – Health Business Systems: Pharmacy Information System - Contract Summary)** HBS is paid on the basis of eight (8) cents per prescription transmitted to third party Payers.

The individual pharmacies transmit the information to HBS and HBS transmits the information to third party Payers. Based on data from FY 2005 and annualized FY 2006, there are collections of $1.9 million dollars plus Medicare Part D reimbursement which brings collections to $2.4 million plus whatever amounts are collected from the self-pay population.

The FY 2006 data shows that of the total 324,014 patient visits to all health centers, 50.1% were uninsured and 47.4% were covered by private insurance, Medicare, Medicaid, or other carriers.

Observation

It is unclear how many Medicare patients have Part D coverage or private insurance or can afford to pay for prescriptions being filled.

In reviewing the billing process, the problems actually start at the point a patient drops off a prescription at the intake window. There is no verification of current Medicaid coverage or other third party coverage.

Recommendation

All patients coming to the Pharmacy should provide evidence of any health coverage. This will allow the pharmacy to ensure it is obtaining the most current health coverage for all patients with some type of insurance.

There is no system in place at the Pharmacy to confirm a patient's income and their potential eligibility for:

- The PACE Program and
- Indigent Programs

Additionally, there is no sliding scale for all patients based on their income and ability to pay, and there is no effort to collect any funds from self-pay patients who comprise over 50% of the patients seen and 50% of the prescriptions filled.

Recommendation

Institute a procedure to confirm a patient's insurance coverage and income at registration to ensure maximum third party payments can be received and have this data available by computer at the pharmacies. For self-pay patients, develop and utilize a sliding scale similar to one utilized by the vast majority of Federally financed health centers and "look alike facilities."

Based on the data received, evaluate patients' eligibility at the pharmacy for the PACE program as well as free drugs through the Share the Care (STC) Program or other drug manufacturers' programs.

In regard to information transmitted by HBS to the various third party payers, checks with Explanation of Benefits (EOB's) are then sent to a lock box for the Health Department Finance Unit. The EOB's are then sent to Pharmacy Administration

At the current time, there is no correlation analysis between the prescriptions sent to HBS and the transmittal forms and payments received. This would help to ensure that all prescriptions transmitted are actually billed, as well as provide guidance on how to handle billing rejections or potential errors on HBS' part or errors by the insurance company.

Recommendation

The transmittals (EOB's) should be checked against the prescriptions submitted to ensure the HC is receiving the correct reimbursement.

We would recommend that initially a sample of the transmittal information should be checked against the prescriptions submitted by each HC pharmacy.

If the Health Department can increase pharmacist staffing to two pharmacists in each HC pharmacy, the audit function of sampling or reviewing all transmittal forms against the prescriptions submitted to HBS can be decentralized and handled by each pharmacy site. In lieu of this, a Central Pharmacy Staff person who has been committed to perform this function, could work closely with each Center's pharmacists to favorably increase and maximize revenue.

Recommendation

The DPH and City of Philadelphia should consider implementing an incentive plan so that the pharmacies can increase reimbursement over a specific threshold and a specific amount of funds can be utilized by the individual Health Centers for facility improvement, personnel salaries, etc. We understand the magnitude of this project but recommend that a firm commitment to establishing a time frame be outlined for its development.

II. ASSESSMENT OF WALK-IN PATIENT IMPACT TO THE HEALTH CENTERS

This portion of our analysis is prepared with the intent of providing recommendations to assist the City in its review of current health care services for walk-in clinic patients.

A. Purpose

- Evaluate cost effective ways in which urgent walk-in services can be expanded.
- Meet with the administrators and medical directors of Health Centers #6 and #10 to review current operations and to explore options to expand services and to provide medical care to larger numbers of patients in surrounding communities.
- Develop written recommendations and observations delineating how the Health Centers could accommodate, with available resources, additional walk-in volume.

B. Review Process

The following process was used to make this evaluation:

- Two Beta sites were selected. These sites were Health Centers #6 and #10. These sites were selected based on the fact that each of these sites, in most respects, reflects services, staffing patterns and resources that are similar to the other Health Center sites.
- Each site was visited to review both pharmacy and patient walk-in services.
- General operations were reviewed with both the clinic administrators and medical directors.
- Reviewed scheduling: pre-scheduled appointments, walk-in patients and pharmacy operations.
- Researched current walk-in practices at other clinics.

- Reviewed each Health Center's capacity to handle additional patient volume with current resources.
- A review of physical layout was performed at each site.
- Discussed options for service expansion with each Health Center administrator and medical director.

C. Overview

Philadelphia is very much like other major urban centers throughout the United States in that the City provides medical services to many of its citizens who are indigent, medically underserved or medically needy. This group which includes the working uninsured or underinsured, is a major and growing problem. This problem or challenge is present in both urban and rural areas.

The ultimate solution to this problem will require action at the federal level to create equity, consistent access to services and medical care and affordable quality care for both adults and children.

The City of Philadelphia is to be commended for its efforts to provide care to its citizens. Hospitals in communities where clinics are located or where there are referrals for specialty care are also to be commended for their support of the Health Centers and their work.

However, hospitals continue to be faced with walk-in urgent care in their emergency rooms. The demand for health care for walk-in urgent care continues to grow. In addition, emergency rooms face growing numbers of persons who seek mental health care. Walk-in urgent care cost in emergency rooms is not only costly to hospitals; it is also inefficient and presents a major problem for true emergency and trauma care.

Observation

Practical Healthcare Solutions made contact with three (3) City hospitals for the purpose of discussing their interest in collaboration with the City around the issue of care for non-emergent/non-urgent patients coming to their Emergency Rooms.

The hospitals noted they were adversely affected by the walk-in patients who had no insurance. However, the institutions were hesitant to expand care for additional walk-in patients without some source of funding from the City, State, or Federal Government or foundations.

Observations

Management

- *Administrators in both Health Centers #6 and #10 were knowledgeable and directly involved in day to day operations.*
- *Administrators commanded respect from staff.*
- *Administrators coordinated day to day activities.*
- *Both administrators work closely with their medical directors.*
- *Medical directors in both Health Centers are dedicated, experienced and highly qualified.*

Staff

- *Staff are well trained and busy.*
- *No staff members were observed wasting time.*
- *Health Centers were busy. However, staff did not appear to rush. Work was handled in an orderly manner.*
- *Each Health Center has on staff persons who can serve as interpreters speaking several different languages. Each interpreter has assigned additional duties.* Note: this is a major plus which enhances the quality of service provided.

Patients/Services

- *People begin gathering at each site 45 to 60 minutes prior to the opening of the Health Center.*
- *People gathering prior to clinics opening are a mixed group including adults with appointments, parents with children who have appointments, dental appointments and walk-in or unscheduled visits.*
- *Payer mix includes self-pay, Medicaid, Medicare and privately insured patients. This is a positive indication that the quality of medical service is good. Even with an ability to provide payment, patients use the City Health Centers. This mix of patients is important in that it will help to maintain a high quality of medical care.*
- *Medical services include adult, pediatric, prenatal and dental.*
- *Patient mix includes adults with chronic conditions, prenatal, pediatric and dental, in addition to unscheduled walk-ins.*
- *Each Health Center operates two (2) sessions per day.*
- *Both Health Center # 6 and Health Center # 10 operate one (1) evening session per week.*
- *The average wait for a new patient appointment is five to six months.*

Physicians

- *Medical directors are knowledgeable regarding operations and budgeting.*
- *Appointments are assigned to each physician. Approximately 14 patients per physician are scheduled per session.*
- *Each physician assigned appointments operates with two exam rooms and one nurse.*
- *Walk-ins are assigned to one physician. Physicians who have gaps because of no shows in their schedule are presented with walk-in patients to fill these available slots.*

- *All billing and coding is facilitated by DPH's Pharmacy Administration.*

Facilities

- *Facilities, both inside and outside, although heavily trafficked, were clean.*
- *Space in each facility is limited.*
- *Exam rooms are small but adequate.*
- *Space at each facility is fully utilized.*
- *Hallways were clear of clutter including equipment.*
- *Additional land at either facility is unavailable.*
- *Parking at both facilities is extremely limited. Additional land is not available to remedy this situation.*
- *Bus access is adequate at both facilities.*

D. Conclusions

Short of Federal action, resulting in a national health care program, the problem faced in Philadelphia and other major urban cities throughout the United States will continue to grow.

The City is to be commended for its efforts which have resulted in large numbers of city dwellers receiving excellent health care. Hospitals are also to be commended for their participation and support of this system.

Health Centers #6 and #10 are representative of the remaining six (6) Health Centers operated by the City.

Referrals for specialty care are handled in a reasonable manner. However, at the time of our analysis, there was no hematology or dermatology available. Also,

follow-up reporting from the specialists back to the Health Center physicians needs some improvement. This will facilitate consistency in treatment regimens.

It is important that hospitals understand that the Health Centers not only provide a safety net for the patients they are serving, but that they assist in redirecting large numbers of patients who would end up in emergency rooms seeking care. Patients generally will wait until they have no choice and so the care would be more costly. Because the care is then provided in an emergency room, it would be more expensive and less efficient and would also interfere with true emergency care.

Recommendations

Both the City and Philadelphia hospitals are to be commended for providing health care through City Health Centers, supported by specialists who take referrals through the hospitals. A working partnership between the City and its hospitals would be beneficial in both maintaining quality of service and in managing the growing numbers of individuals and families in need of health care. This partnership could meet on a quarterly basis to review implementation or development of plans to improve the overall operation of the City's Health Centers.

1. **Short-Term**

- **Both Health Centers #6 and #10 may be able to handle additional walk-ins and reduce the waiting period for appointments by adding an additional physician. This would require adding a nurse and working space so that additional examination rooms are available.**
- **The City's personnel department and the leadership for the Health Centers should form a task force to develop strategies to make the position of Health Center physician attractive and competitive.**

- **The billing process appears to be working. However, the City should consider building in incentives either to physicians or the Health Centers themselves to maximize identification of insurance-eligible patients. The purpose would be to maximize adequate coding and billing. This recommendation is not intended to put additional pressure on patients or to scare them away. Rather, it is to put more attention to details in coding and identification of eligibility at the Health Centers to help defray operational costs.**

- **Health Centers #6 and #10 should consider operating a Saturday morning session. This would enable people who work to be seen. Health Center #10 does operate a Wednesday evening session, but it is not well utilized by the public. There are, however, cost and staffing related issues. It may not be cost effective under the current staffing arrangements to continue operating the evening session.**

- **Both Health Centers are very busy during morning and afternoon sessions. It is not recommended that any significant expansion of service in the existing Health Centers be contemplated during these sessions. Note: Except for earlier recommendation regarding the addition of one physician and support staff made earlier in this report.**

- **The City is correctly working to improve physician salaries. This effort should be completed as soon as possible.**

2. <u>Long-Term</u>

- **The City and representatives from the hospitals should meet to discuss expansion of this system. Options to be considered are building up to three strategically located clinics in the most critical areas. These additional clinics would help to alleviate pressure on both the hospital emergency rooms and on the existing eight city operated Health Centers. The hospitals should also consider opening urgent care centers on hospital grounds. This would enable**

the hospitals to directly operate outpatient clinics that would help to alleviate their emergency room backlogs. Hospital contracts with physician groups would help to control staffing and cost related issues.

- **A separate City/Hospital Task Force should explore the possibility of expanding hospital emergency room physician group contracts to allow physicians on contract to work directly in City Health Centers. One benefit of this initiative, if implemented, is that it would help hospitals to demonstrate more directly a partnership with the City that is essential to the well being of both as it relates to health care.**
- **A separate working group of City and hospital finance representatives should review current revenue sources and develop a plan to seek new funding through grants and foundation model program initiatives. The current process for coding should also be reviewed to ensure that maximum reimbursement is achieved through efficient coding.**

E. Models

The City health care system is complex serving both indigent and insured families and individuals.

In our research, we did not find a perfect match in other jurisdictions which could be copied for use in Philadelphia. However, there are many models to be studied that might provide ideas that could be used to enhance the current system.

The following is an example of a successful effort utilizing a county hospital partnership to provide better care and control cost:

- Wisconsin: Milwaukee County General Assistance Medical Program's Community-Based Primary Care Model

Overview of Model

Wisconsin's General Assistance Medical Program (GAMP) provides health care coverage to indigent Milwaukee County residents who are not eligible for other forms of public coverage (such as Medicaid and the State Children's Health Insurance Program) and are not enrolled in private coverage. The county redesigned the GAMP program into a community-based primary care model in the late 1990s. Prior to this, indigent patients relied on the emergency room of the county hospital, which created access barriers for enrollees and cost inefficiencies for the county.

Under the redesigned model, GAMP enrollees select a participating clinic as their primary care provider, which is then responsible for providing and coordinating services. The clinic coordinates specialty care for the enrollee by working with specialists and hospitals that participate in the GAMP network.

The program covered a total of 24,000 individuals in calendar year 2003, with some 10,000 to 12,000 individuals enrolled at any given time. All in all, GAMP estimated that it saved $4.2 million in 2000 (in comparison to the projected costs had the previous system remained in place). Administrators believe that inpatient and outpatient costs have been controlled largely through a Utilization Management program that ensures delivery of care in the appropriate settings and using appropriate resources.

Exhibit 1

Location and other Pertinent Information by Center

Provider Name: City of Philadelphia Dept of Public Health d.b.a.

	Location	City, State	Zip	Phone	Tax ID#	Days	Hours	Del'ry
Health Center #1	500 S. Broad Street	Phila., PA	19146-1696	215-685-6513	236003047	M-F	9:00-4:30	No
Health Center #2	1720 S. Broad Street	Phila., PA	19145-2315	215-685-1834	236003047	M-F	8:30-5:00	No
Health Center #3	555 S. 43rd Street	Phila., PA	19104-4489	215-685-7511	236003047	M-F	8:30-5:00	No
Health Center #4	4400 Haverford Avenue	Phila., PA	19104-1399	215-685-7626	236003047	M-F	8:00-430	No
Health Center #5	1900 N. 20th Street	Phila., PA	19121-2297	215-685-2936	236003047	M-F	8:30-5:00	No
Health Center #6	321 W. Girard Avenue	Phila., PA	19123-1531	215-685-3822	236003047	M-F	8:30-5:00	No
Health Center #9	131 E. Chelten Avenue	Phila., PA	19144-2153	215-685-5714	236003047	M-F	8:00-430	No
Health Center #10	2230 Cottman Avenue	Phila., PA	19149-1298	215-685-0616	236003047	M-F	8:30-5:00	No
S.M.H.C.*	2840 W. Dauphin Street	Phila., PA	19132-4697	215-685-2419	236003047	M-F	8:00-430	No

*Strawberry Mansion Health Center

	NCPDP#	R.Ph. Permit	DEA#	Provider #	NPI#	Hdcp	Opened
Health Center #1	3987750	PP481593	FP0080832	1000076950093	1780752188	Yes	2/1/07
Health Center #2	3941540	HP418339L	AP9357369	1000076950035	1730260704	Yes	8/5/80
Health Center #3	3941704	HP418344L	AP9501239	1000076950037	1902992605	Yes	10/14/80
Health Center #4	3939305	HP418324L	AP8597746	1000076950039	1164518866	Yes	4/12/79
Health Center #5	3941552	HP418342L	AP9281748	1000076950041	1700972411	Yes	7/1/80
Health Center #6	3939317	HP418325L	AP8597758	1000076950043	1659468916	Yes	4/12/79
Health Center #9	3947059	HP418356L	AP2561872	1000076950078	1144306333	Yes	4/6/84
Health Center #10	3941564	HP418337L	AP9247683	1000076950045	1417038191	Yes	4/16/80
S.M.H.C.*	3953874	PP413927L	BP0911532	1000076950082	1487730222	Yes	5/22/87

*Strawberry Mansion Health Center

Contact Person

Hung Nguyen, R.Ph
Pharmaceutical Services Administrator
City of Philadelphia
Dept of Public Health, Div of Pharmaceutical Services
500 S. Broad Street
Philadelphia, PA 19146-1696
215-685-6864
215-790-1651 (fax)

	Cross Street
Health Center #1	Broad & Lombard Sts
Health Center #2	Broad & Tasker Sts
Health Center #3	43rd & Chester Ave
Health Center #4	44th & Haverford Ave
Health Center #5	20th & Berks Sts
Health Center #6	3rd & Girard Ave
Health Center #9	Chelten & Germantown Aves
Health Center #10	Cottman & Bustleton Aves
S.M.H.C.*	29th & Dauphin Sts.

Please note all remittances are to go to the lock box:

City of Philadelphia
P.O. Box 8500-50020
Philadelphia, PA 19178

Software Vendor

Health Business Systems 1-800-444-1427

Exhibit 2

2006 Fiscal Year Totals by Center

EXHIBIT 2

2006 Fiscal Year Totals by Center

Visit Total by Center for Fiscal Year 2006

FY 06 Visits	Adults	Peds	Total
HD 2	41,469	8,757	50,226
HC 3	22,704	7,101	29,805
HC 4	31,820	6,689	38,509
HC 5	32,618	8,998	41,616
HC 6	33,793	8,768	42,561
HC 9	32,957	7,931	40,888
HC 10	46,037	10,053	56,090
SMHC	19,282	5,037	24,319
TOTAL	260,680	63,334	324,014

Type of Visits by Services for Fiscal Year 2006

FY 06 Visits	Family Medicine	Family Planning	Prenatal	Dental*	Total
HD 2	40,868	2,865	2,580	3,913	50,226
HC 3	25,181	1,160	1,276	2,188	29,805
HC 4	31,838	1,665	1,620	3,386	38,509
HC 5	35,771	1,994	1,712	2,139	41,616
HC 6	33,798	2,417	2,976	3,370	42,561
HC 9	33,792	2,322	1,520	3,254	40,888
HC 10	45,121	3,956	4,003	3,010	56,090
SMHC	21,519	1,753	1,047	-	24,319
Total	267,888	18,132	16,734	21,260	324,014

EXHIBIT 2 (cont'd)

Prescriptions for Fiscal Yr. 2006

FY 06 Scripts	Total Filled	Monthly Total	Filled # Per Day
HD 2	90,871	7573	379
HC 3	82,132	6844	342
HC 4	88,804	7400	370
HC 5	60,307	5026	251
HC 6	73,849	6154	308
HC 9	85,586	7132	357
HC 10	82,918	6910	345
SMHC	47,106	3926	196
Total	**611,573**	**50,964**	**2,548**

Insurance Coverage by Health Center for Fiscal Year 2006

FY 06 Visits	Uninsured	Medicaid	Medicare	Private	Total
HD 2	25,519	12,732	8,139	3,836	50,226
HC 3	15,990	7,942	3,153	2,720	29,805
HC 4	20,259	9,029	6,416	2,805	38,509
HC 5	16,637	15,656	5,782	3,541	41,616
HC 6	25,519	9,302	4,965	2,775	42,561
HC 9	20,533	10,137	6,383	3,835	40,888
HC 10	30,636	10,634	8,354	6,466	56,090
SMHC	7,218	9,771	4,887	2,443	24,319
Total	**162,311**	**85,203**	**48,079**	**28,421**	**324,014**

Exhibit 3

2007 YTD Prescription Totals by
Health Center, Annualized

EXHIBIT 3

City of Philadelphia Pharmacy Project

Health Center Prescription Total 2007 YTD	Jan	Feb	Mar	April	May	June	July	Aug	2007 Total YTD	2006 Total	2007 Annualized	2006 vs 2007
HD #2	8312	6629	8032	7435	8351	7853	8071	8385	63068	90871	94602	3731
HC #3	7002	5782	7088	6213	7632	6366	6798	7123	54004	82132	81006	-1126
HC #4	7887	6001	8139	7489	7619	7830	8291	7977	61233	88804	91849	3045
HC #5	4941	4009	4776	4666	5173	5026	5096	5435	39122	60307	58683	-1624
HC #6	6546	5149	6557	5982	6292	6181	6412	6528	49647	73849	74470	621
HC #9	6952	5940	7076	7350	7623	7171	7412	7508	57026	85586	85539	-47
HC #10	7977	6861	8525	7701	9149	8314	8374	8744	65645	82918	98467	15549
HC #12 (SMHC)	4005	3434	3962	3798	4190	3799	4006	4292	31486	47106	47229	-123
TOTAL YTD	**53622**	**43805**	**54149**	**50634**	**56029**	**52540**	**54460**	**55992**	**421231**	**611573**	**631825**	**20252**

Observations:

While the number of visits has not increased dramatically overall, with the exception of Health Center 10, the number of prescriptions being filled has. If it continues at the present rate, shown above, the number of scripts filled will increase by approximately 20,000 with the bulk of these occurring at Health Center 10.

CITY OF PHILADELPHIA
DEPARTMENT OF PUBLIC HEALTH
AMBULATORY HEALTH SERVICES
PHARMACEUTICAL SERVICES

February-5, 2007

MEMORANDUM

TO : Dr. Thomas Storey , Director
Dr. Kalpana Vaidya

FROM : Hung Nguyen, R.Ph., Acting Director
Pharmaceutical Services

SUBJECT : HEALTH CENTER PRESCRIPTION TOTAL JANUARY 2007

HEALTH CENTER #2	8312
HEALTH CENTER #3	7002
HEALTH CENTER #4	7887
HEALTH CENTER #5	4941
HEALTH CENTER #6	6546
HEALTH CENTER # 9	6952
HEALTH CENTER # 10	7977
HEALTH CENTER #12	4005
TOTAL PRESCRIPTIONS	53,622 / 8 = 6702 / 20 days = 335

Cc: Janet Stevenson
Linda Cutler
Iris Massey

HN/hb

CITY OF PHILADELPHIA
DEPARTMENT OF PUBLIC HEALTH
AMBULATORY HEALTH SERVICES
PHARMACEUTICAL SERVICES

March 7, 2007

MEMORANDUM

TO : **Dr. Thomas Storey , Director**
Dr. Kalpana Vaidya

FROM : **Hung Nguyen, R.Ph., Director**
Pharmaceutical Services

SUBJECT : **HEALTH CENTER PRESCRIPTION TOTAL FEBRUARY 2007**

HEALTH CENTER #2	**6629**
HEALTH CENTER #3	**5782**
HEALTH CENTER #4	**6001**
HEALTH CENTER #5	**4009**
HEALTH CENTER #6	**5149**
HEALTH CENTER # 9	**5940**
HEALTH CENTER # 10	**6861**
HEALTH CENTER #12	**3434**
TOTAL PRESCRIPTIONS	**43,807** 18 = 5476/20 days = 274

Cc: Janet Stevenson
Linda Cutler
Iris Massey

HN/hb

CITY OF PHILADELPHIA
DEPARTMENT OF PUBLIC HEALTH
AMBULATORY HEALTH SERVICES
PHARMACEUTICAL SERVICES

April 26, 2007

MEMORANDUM

TO : **Dr. Thomas Storey , Director**
Dr. Kalpana Vaidya

FROM : **Hung Nguyen, R.Ph., Director**
Pharmaceutical Services

SUBJECT : **HEALTH CENTER PRESCRIPTION TOTAL MARCH 2007**

HEALTH CENTER #2	**8037**
HEALTH CENTER #3	**7088**
HEALTH CENTER #4	**8139**
HEALTH CENTER #5	**4776**
HEALTH CENTER #6	**6557**
HEALTH CENTER # 9	**7070**
HEALTH CENTER # 10	**8525**
HEALTH CENTER #12	**3962**
TOTAL PRESCRIPTIONS	**54,125** /8 = 4766/20 days = 338

Cc: Janet Stevenson
Linda Cutler
Iris Massey

HN/hb

CITY OF PHILADELPHIA
DEPARTMENT OF PUBLIC HEALTH
AMBULATORY HEALTH SERVICES
PHARMACEUTICAL SERVICES

May 24, 2007

MEMORANDUM

TO : **Dr. Thomas Storey, Director**
Dr. Kalpana Vaidya

FROM : **Hung Nguyen, R.Ph., Director**
Pharmaceutical Services

SUBJECT : **HEALTH CENTER PRESCRIPTION TOTAL APRIL 2007**

HEALTH CENTER #2	**7435**
HEALTH CENTER #3	**6213**
HEALTH CENTER #4	**7489**
HEALTH CENTER #5	**4666**
HEALTH CENTER #6	**5982**
HEALTH CENTER # 9	**7350**
HEALTH CENTER # 10	**7701**
HEALTH CENTER #12	**3798**
TOTAL PRESCRIPTIONS	~~50,636~~ /8 = 6329/20 days = 314

Cc: Janet Stevenson
Linda Cutler
Iris Massey

HN/hb

CITY OF PHILADELPHIA
DEPARTMENT OF PUBLIC HEALTH
AMBULATORY HEALTH SERVICES
PHARMACEUTICAL SERVICES

June 15, 2007

MEMORANDUM

TO : **Dr. Thomas Storey , Director**
Dr. Kalpana Vaidya

FROM : **Donald Hannon, R.Ph., Acting Director**
Pharmaceutical Services

SUBJECT : **HEALTH CENTER PRESCRIPTION TOTAL MAY 2007**

HEALTH CENTER #2	**8351**
HEALTH CENTER #3	**7632**
HEALTH CENTER #4	**7619**
HEALTH CENTER #5	**5173**
HEALTH CENTER #6	**6292**
HEALTH CENTER # 9	**7623**
HEALTH CENTER # 10	**9149**
HEALTH CENTER #12	**4190**
TOTAL PRESCRIPTIONS	**56,029** /8 = 7004/20 days = 350

Cc: Janet Stevenson
Linda Cutler
Iris Massey

DH/hb

CITY OF PHILADELPHIA
DEPARTMENT OF PUBLIC HEALTH
AMBULATORY HEALTH SERVICES
PHARMACEUTICAL SERVICES

July 17, 2007

MEMORANDUM

TO : **Dr. Thomas Storey , Director**
Dr. Kalpana Vaidya

FROM : **Donald Hannon, R.Ph., Acting Director**
Pharmaceutical Services

SUBJECT : **HEALTH CENTER PRESCRIPTION TOTAL JUNE 2007**

HEALTH CENTER #2	**7853**
HEALTH CENTER #3	**6366**
HEALTH CENTER #4	**7830**
HEALTH CENTER #5	**5026**
HEALTH CENTER #6	**6181**
HEALTH CENTER # 9	**7171**
HEALTH CENTER # 10	**8314**
HEALTH CENTER #12	**3799**
TOTAL PRESCRIPTIONS	**52,540** /8 = 6567/20 days = 328

Cc: Janet Stevenson
Linda Cutler
Iris Massey

DH/hb

CITY OF PHILADELPHIA
DEPARTMENT OF PUBLIC HEALTH
AMBULATORY HEALTH SERVICES
PHARMACEUTICAL SERVICES

August 18, 2007

M E M O R A N D U M

TO : **Dr. Thomas Storey , Director**
Dr. Kalpana Vaidya

FROM : **Donald Hannon, R.Ph., Acting Director**
Pharmaceutical Services

SUBJECT : **HEALTH CENTER PRESCRIPTION TOTAL JULY 2007**

HEALTH CENTER #2	**8071**
HEALTH CENTER #3	**6798**
HEALTH CENTER #4	**8291**
HEALTH CENTER #5	**5096**
HEALTH CENTER #6	**6412**
HEALTH CENTER # 9	**7412**
HEALTH CENTER # 10	**8374**
HEALTH CENTER #12	**4006**
TOTAL PRESCRIPTIONS	**54,466** /8 = 6808/20 days = 340

Cc: Janet Stevenson
Linda Cutler
Iris Massey

DH/hb

09/12/2007 13:28 2157901651 PHARMACY PAGE 05/07

CITY OF PHILADELPHIA
DEPARTMENT OF PUBLIC HEALTH
AMBULATORY HEALTH SERVICES
PHARMACEUTICAL SERVICES

September 6, 2007

M E M O R A N D U M

TO : **Dr. Thomas Storey , Director**
Dr. Kalpana Vaidya

FROM : **Donald Hannon, R.Ph., Acting Director**
Pharmaceutical Services

SUBJECT : **HEALTH CENTER PRESCRIPTION TOTAL AUGUST 2007**

HEALTH CENTER #2	**8385**
HEALTH CENTER #3	**7123**
HEALTH CENTER #4	**7977**
HEALTH CENTER #5	**5435**
HEALTH CENTER #6	**6528**
HEALTH CENTER # 9	**7508**
HEALTH CENTER # 10	**8744**
HEALTH CENTER #12	**4292**
TOTAL PRESCRIPTIONS	**55,992** /8 = 6999/20 days = 350

Cc: Janet Stevenson
Linda Cutler
Iris Massey

DH/hb

Exhibit 4

Contract Amount with Pharm Pro &
General Healthcare Resources

Iris Massey/Health/Phila
05/31/2007 02:18 PM

To Thomas Storey/Health/Phila@Phila
cc Donald Hannon/Health/Phila@Phila
bcc
Subject Re: updated e-mail concerning end of year finance for pharmacy contracts

I need:

1. Original amount encumbered.
PharmPro MDXX07000263 $375,000.00
General HealthCare MDXX07000262 $250,000.00

2. Amount that you expect to spend through 6/30/07 (total cost)
PharmPro $125,000.00 (providing that they can provide the staffing to fill the vacant slots)
General HealthCare $45,000.00

3. Amount needed to reach that total.
PharmPro we will need ***$103,248.08*** ($125,000.00-$21,751.92 we have left)
General HealthCare will need ***$10,278.50*** ($45,000-$34,721.50 we have left)

Iris M.
Thomas Storey/Health/Phila

Thomas Storey/Health/Phila
05/31/2007 12:25 PM

To Donald Hannon/Health/Phila@PHILA, Iris Massey/Health/Phila
cc
Subject updated e-mail concerning end of year finance for pharmacy contracts

Where is the brief e-mail that you were to write yesterday afternoon for the two pharmacy contracts. I need this info immediately so that we can spend the end of year $. Health Fiscal is waiting for my reply.

I need:

1. Original amount encumbered.

2. Amount that you expect to spend through 6/30/07 (total cost)

3. Amount needed to reach that total.

Thomas P. Storey, MD, MPH
Director
Ambulatory Health Services
Philadelphia Department of Public Health
500 S. Broad Street

Iris Massey/Health/Phila
05/29/2007 02:44 PM

To Thomas Storey/Health/Phila@Phila
cc Donald Hannon/Health/Phila@Phila, Hattie Brown/Health/Phila@Phila
bcc
Subject Re: Temp Staffing Contract Money

This is what we need in toto:

	FY07	FY08
General HealthCare	$30,000.00	$250,000.00
(have)	$41,698.50	$0.00
PharmPro	$263,587.50	$1,600,000.00
(have)	$30,628.00	$0.00

This is based on the premise that nothing we plan changes.
Iris M.
Thomas Storey/Health/Phila

Thomas Storey/Health/Phila
05/25/2007 04:20 PM

To Iris Massey/Health/Phila, Donald Hannon/Health/Phila@PHILA
cc
Subject Re: Temp Staffing Contract Money

Exactly how much do you need in each. What can you live with. Any dollars placed here will be taken from end-of-year equipment purchases for the health centers.

Thomas P. Storey, MD, MPH
Director
Ambulatory Health Services
Philadelphia Department of Public Health
500 S. Broad Street
Philadelphia, PA 19146
215-685-6782
Fax 215-685-6732
Iris Massey/Health/Phila

Iris Massey/Health/Phila
05/24/2007 05:05 PM

To Thomas Storey/Health/Phila@Phila
cc
Subject Temp Staffing Contract Money

Exhibit 5

FY 2007 Actual Expenditures
Pharm Pro & General Healthcare
Resources

Pharm Pro Inc. FY07

Original Amt.	Spending	Balance	Invoice#	Date of Inv.	Total Rph Hours	Total Spnd		Total Tech Hours	TOTAL SPND
POXX07000263									
$375,000.00	$5,949.33	$369,050.67	20838	7/12/2006					
	$9,444.83	$359,605.84	20867	7/18/2006					
	$14,120.07	$345,485.77	20898	7/26/2006					
	$12,071.73	$333,414.04	20932	8/1/2006					
	$10,743.90	$322,670.14	20963	8/9/2006					
	$10,494.57	$312,175.57	20994	8/15/2006					
	$9,190.50	$302,985.07	21028	8/22/2006					
	$9,988.77	$292,996.30	21066	8/29/2006					
	$11,215.32	$281,780.98	21102	9/6/2006					
	$10,494.57	$271,286.41	21140	9/12/2006					
	$11,508.00	$259,778.41	21213	9/26/2006					
	$7,165.00	$252,613.41	21244	10/3/2006					
	$10,021.15	$242,592.26	21279	10/10/2006					
	$607.50	$241,984.76	21278	10/10/2006					
	$7,204.07	$234,780.69	21312	10/18/2006					
	$472.23	$234,308.46	21311	10/18/2006					
	$5,600.16	$228,708.30	21348	10/25/2006					
	$634.23	$228,074.07	21349	10/25/2006					
	$4,792.59	$223,281.48	21388	10/31/2006					
	$362.34	$222,919.14	21387	10/31/2006					
	$600.75	$222,318.39	21426	11/8/2006					
	$4,554.18	$217,764.21	21427	11/8/2006					
	$580.77	$217,183.44	21486	11/15/2006					
	$359.91	$216,823.53	21270	10/11/2006					
	$492.75	$216,330.78	21497	11/20/2006					
	$2,506.09	$213,824.69	21498	11/20/2006					
	$3,587.50	$210,237.19	21535	11/29/2006					
	$10,458.93	$199,778.26	21177	9/20/2006					
	$686.07	$199,092.19	21585	12/5/2006					
	$5,755.00	$193,337.19	21603	12/5/2006					
	$463.59	$192,873.60	21614	12/13/2006					
	$6,261.00	$186,612.60	21615	12/13/2006					
	$636.93	$185,975.67	21648	12/19/2006					
	$6,884.50	$179,091.17	21649	12/19/2006					
	$627.75	$178,463.42	21686	12/26/2006					
	$5,418.25	$173,045.17	21685	12/26/2006					
	$398.25	$172,646.92	21725	1/2/2007					
	$4,383.00	$168,263.92	21724	1/2/2007					
	$506.25	$167,757.67	21762	1/9/2007					
	$4,780.00	$162,977.67	21763	1/9/2007					
	$472.50	$162,505.17	21798	1/16/2007					
	$411.75	$162,093.42	21830	1/24/2007					
	$7,870.75	$154,222.67	21799	1/16/2007					
	$517.32	$153,705.35	21864	1/30/2007					
	$7,067.50	$146,637.85	21829	1/1/2207					
	$8,157.00	$138,480.85	21865	1/30/2007					
	$6,002.75	$132,478.10	21910	2/6/2007					
	$486.00	$131,992.10	21911	2/6/2007					

Pharm Pro Inc. FY07

	$596.16	$131,395.94	21946	2/6/2007					
	$8,654.00	$122,741.94	21947	2/13/2007					
	$524.34	$122,217.60	22010	2/27/2007					
	$371.25	$121,846.35	21975	2/21/2007					
	$7,162.00	$114,684.35	21976	2/21/2007					
	$3,057.50	$111,626.85	21487	11/15/2006					
	$6,245.00	$105,381.85	22015	2/27/2007					
	$618.84	$104,763.01	22046	3/6/2007					
	$7,335.91	$97,427.10	22047	3/6/2007					
	$508.41	$96,918.69	22080	3/14/2007					
	$6,620.50	$90,298.19	22081	3/14/2007					
	$551.34	$89,746.85	22110	3/20/2007					
	$6,597.75	$83,149.10	22109	3/20/2007					
	$533.25	$82,615.85	22167	4/3/2007	Total Rph Hours	Total Spnd	Week of	Total Tech Hours	TOTAL SPND
	$6,604.50	$76,011.35	22138	3/27/2007					
	$522.18	$75,489.17	22137	3/27/2007					
	$7,571.00	$67,918.17	22166	4/3/2007	59.75	$4,182.50		125.5	$3,388.50
	$8,097.00	$59,821.17	22176	4/10/2007	75	$5,775.00		86	$2,322.00
	$450.09	$59,371.08	22175	4/10/2007				16.67	$450.09
	$8,951.00	$50,420.08	22281	5/2/2007	85.25	$5,967.50		110.5	$2,983.50
	$628.02	$49,792.06	22280	5/2/2007				23.26	$6,280.02
	$1,750.00	$48,042.06	22302	4/24/2007	25	$1,750.00			
	$8,471.75	$39,570.31	22314	5/8/2007	76.5	$4,860.05		133.75	$3,611.25
	$1,225.00	$38,345.31	22339	5/8/2007	17.5	$1,225.00			
	$7,202.50	$31,142.81	22235	4/17/2007	59.5	$4,165.00		112.5	$3,037.50
	$513.00	$30,629.81	22234	4/17/2007				19	$513.00
	$611.82	$30,017.99	22408	5/23/2007				22.66	$611.82
	$7,586.50	$22,451.49	22343	5/15/2007	68.75	$4,812.50		102	$2,754.00
	$497.07	$21,954.42	22344	5/15/2007				18.41	$497.07
	$202.50	$21,751.92	22367	5/15/2007				7.5	$202.50
	$8,268.75	$13,483.17	22382	5/22/2007	81	$5,670.00	5/14/07	96.25	$2,598.75
	$643.14	$12,840.03	22413	5/30/2007			5/21/07	23.82	$643.14
	$8,057.50	$4,782.53	22414	5/30/2007	77.5	$5,425.00	5/21/07	97.5	$2,632.50
$75,000.00	$4,782.53	$79,782.53	increase	6/1/2007					
	$398.25	$79,384.28	21534	12/6/2007					
	$7,870.75	$71,513.53	21799	1/16/2007					
	$4,608.84	$66,904.69	22273	5/1/2007	23.25	$1,627.50		110.42	$2,981.34
	$501.66	$66,403.03	22272	5/1/2007				18.58	$501.66
	$542.43	$65,860.60	22315	5/16/2007				20.09	$542.43
	$6,175.41	$59,685.19	22446	6/5/2007	62.25	$4,357.50	5/29/07	67.33	$1,817.91
	$479.25	$59,205.94	22447	6/5/2007			5/29/07	17.75	$479.25
	$661.50	$58,544.44	22476	6/12/2007			6/1/07	25.5	$661.50
	7,950.00	$50,594.44	22477	06/012/07	81.75	$5,722.50	6/4/07	82.5	$2,227.50
	7,551.50	$43,042.94	22519	6/19/2007	69.5	$4,865.00	6/11/07	99.5	$2,686.50
	8,590.00	$34,452.94	22551	6/26/2007	74.5	$5,215.00	6/18/07	125	$3,380.00
	380.43	$34,072.51	22550	6/26/2007			6/18/07	14.09	$380.43
	598.59	$33,473.92	22518	6/19/2007			6/11/07	22.17	$598.59
	7,511.00	$25,962.92	22589	7/3/2007	76.25	$5,337.50	6/25/07	80.5	$2,173.50
	654.75	$25,308.17	22588	7/3/2007			6/25/07	24.25	$654.75
		$25,308.17							

GRAND TOTAL

$375,000 + $75,000 – $25,308 = **$424,692**

General Healthcare Resources FY07

Original Amt.	Spending	Balance	Invoice#	Date of Inv.					
POXX07000262									
$250,000.00	$5,717.25	$244,282.75	76800	7/13/2006					
	$6,000.00	$238,282.75	77272	7/20/2006					
	$7,533.00	$230,749.75	77783	7/27/2006					
	$6,736.50	$224,013.25	78272	8/3/2006					
	$5,933.25	$218,080.00	78799	8/10/2006					
	$6,596.00	$211,484.00	79326	8/17/2006					
	$6,864.75	$204,619.25	79828	8/24/2006					
	$9,869.50	$194,749.75	80322	8/31/2006					
	$7,215.75	$187,534.00	80800	9/7/2006					
	$4,644.00	$182,890.00	81285	9/14/2006					
	$5,845.50	$177,044.50	81776	9/21/2006					
	$7,391.25	$169,653.25	82251	9/28/2006					
	$5,931.75	$163,721.50	82729	10/5/2006					
	$5,567.25	$158,154.25	83232	10/12/2006					
	$5,116.50	$153,037.75	83715	10/19/2006					
	$4,360.50	$148,677.25	84206	10/26/2006					
	$2,376.00	$146,301.25	84207	10/26/2006					
	$6,069.75	$140,231.50	84725	11/2/2006					
	$6,659.25	$133,572.25	85197	11/9/2006					
	$5,535.00	$128,037.25	85702	11/16/2006					
	$4,981.50	$123,055.75	86176	11/23/2006					
	$4,252.50	$118,803.25	86633	11/30/2006					
	$3,624.75	$115,178.50	87124	12/13/2006					
	$4,873.50	$110,305.00	87577	12/14/2006					
	$4,063.50	$106,241.50	88062	12/21/2006					
	$3,753.00	$102,488.50	88642	12/28/2006					
	$3,368.25	$99,120.25	88886	1/4/2007					
	$3,226.50	$95,893.75	89459	1/11/2007					
	$3,928.50	$91,965.25	89943	1/18/2007					
	$2,598.75	$89,366.50	90405	1/25/2007					
	$3,213.00	$86,153.50	90862	2/1/2007					
	$13.50	$86,140.00	90961	2/1/2007					
	$3,240.00	$82,900.00	91322	2/8/2007					
	$3,037.50	$79,862.50	91769	2/15/2007					
	$3,321.00	$76,541.50	92211	2/22/2007					
	$2,106.00	$74,435.50	92680	3/1/2007					
	$3,387.00	$71,048.50	93131	3/8/2007					
	$3,010.50	$68,038.00	94053	3/2/2007					
	$3,253.50	$64,784.50	94523	3/29/2007					
	$2,490.75	$62,293.75	94975	4/5/2007	Total Rph Hours	Total Spnd	Total Tech Hours	Week Of	Total Spnd
	$2,131.50	$60,162.25	95451	4/12/2007	7.5	$525.00	59.5		$1,606.50
	$4,973.25	$55,189.00	95902	4/19/2007	21	1470	129.75		$3,503.25
	$8,096.75	$47,092.25	96811	5/3/2007	63.5	$4,445.00	135.25		$3,651.75
	$5,401.75	$41,690.50	97286	5/10/2007	38.5	$2,695.00	100.25		$2,706.75
	$3,667.50	$38,023.00	97800	5/17/2007	22.5	$1,575.00	77.50		$2,092.50
	$3,301.50	$34,721.50	98231	5/24/2007	30	$2,100.00	44.50		$1,201.00
	$2,578.50	$32,143.00	98737	5/31/2007	0	$0.00	95.50		$2,578.50
	$4,713.75	$27,429.25	93607	3/27/2007					

General Healthcare Resources FY07

	$2,808.00	$24,621.25	96353	5/1/2007			104.00		$2,808.00
	$6,972.75	$17,648.50	76318	7/12/2006					
	$1,650.75	$15,997.75	99217	6/7/2007	15	$1,050.00	22.25	5/29/07	$600.75
$35,000.00		$50,997.75		6/15/2007					
	$3,936.25	$47,061.50	99706	6/14/2007	22	$1,540.00	88.75	5/29-6/8	$2,396.25
	$2,281.50	$44,780.00	100198	6/21/2007			84.50	6/11/15	$2,281.50
	$6,458.00	$38,322.00	100695	6/28/2007	42.5	$2,975.00	129.00	6/18/07	$3,483.00
	$6,421.50	$31,900.50	101311	7/5/2007	22.5	$1,575.00	179.50	6/25/07	$4,846.50
		$31,900.50							
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		$31,900.50							

GRAND TOTAL

$250,000 + $35,000 - $31,900= **$253,100**

Exhibit 6

Pharmacist Base Salaries in
Philadelphia Region

ClassesUSA: Online Degrees and Programs!
Need a degree to get that raise? Find more information at **classesUSA**
http://www.**classesusa**.com/

salary.com Connecting people, pay and performance

Salary Wizard®

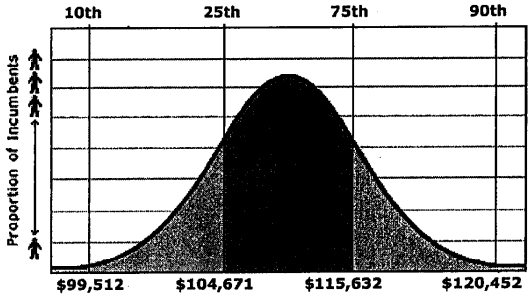
① Match Job → ② Personalize → ③ Free Answer → ④ Premium Answer

Local Base Salary Range

Base Salary | Bonuses | Benefits | Paycheck

Pharmacist — New Search | Help

Location: Philadelphia, PA 19103



HR Reported data as of July 2007 — Methodology

Percentile	10th	25th	75th	90th
Philadelphia, PA 19103	$99,512	$104,671	$115,632	$120,452

Your profile affects where you fall in the local range

③ **Add your skills and job history to build your FREE profile.**

Ph. D — Go

Why you should build your FREE profile:

The Local Base Salary Range is not personalized to you. Adding important factors such as your education, report relationships and job history will allow you to see your relevant range.

philly
View openings
Philadelphia,
Search mor

Get r
Work
Find your
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YAHOO! hotjobs

Exhibit 7

National Pharmacist Base Salaries
2006

Pharmacy Today

'It's a good time to be a pharmacist'

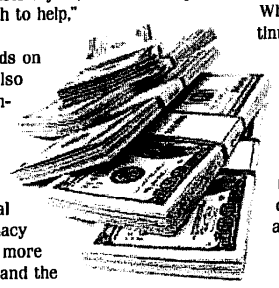
Profession's pay increases outpace others'

Pharmacists who feel undervalued may want to take a look at the data from the 2006 Pharmacy Compensation Survey conducted by Mercer Human Resource Consulting. The truth is that pay for pharmacists is growing at a rate that would be hard to match in many other professions. "Pay for pharmacy professionals is outpacing salary increases in other professions," Eric Michael, PharmD, a senior consultant with Mercer's Managed Pharmacy Practice told ***Pharmacy Today***. "That's been the track record for at least 10 years." Michael said that, while salaries in other professions increased an average of 3.6%, pay for pharmacy professions increased at an average rate of 4.5%. Staff pharmacist salaries increased 5.4% to an average of $98,300 (including base salary and annual bonus). "Salaries for pharmacists are increasing at a 25% higher rate than other professions," Michael stated.

The pharmacist shortage and an increased demand for pharmacy services has contributed to the higher pay rate. "As the need for pharmacists outpaced supply, pharmacy operators are compensating competitively to fill open positions," said Michael.

That trend isn't changing very soon. Enrollments may be up due to a growing number of pharmacy schools, but demand still exceeds supply. "The average pharmacy school graduates between 50 and 100 pharmacists a year, so that doesn't really do much to help," said Michael.

Increased demands on pharmacists have also led to increased compensation. "Pharmacy school is now a 6-year program and specializing requires an additional 2 years. As the pharmacy profession requires more and more education and the health care marketplace requires more highly-trained professionals, pay has been reflecting those changes," said Michael.



Location, location, location

Mercer's survey showed that pay levels vary considerably by geography. The best place to be a pharmacist is San Jose, Calif., where pharmacists currently have a median total cash compensation of $109,100. Minneapolis weighed in with the second-highest pharmacist salary of $101,900. "Minneapolis is right up there, but that has to do with the fact that the study includes not just traditional pharmacies, but pharmacy benefit managers [PBMs] as well, and many PBMs are located in the Minneapolis area," Michael explained. New York City pharmacists make an average of $100,200, but their cost of living is much higher than in many other cities.

Techs doing well

Salaries for a pharmacy technician now average $21,800, while a pharmacy team manager's salary averages $104,300, according to the survey, which included data from some of the nation's largest pharmacy operators. Regional pharmacy operations managers averaged $122,100 in total salary. Rite Aid, CVS, Walgreens, Giant Food Stores, and Kroger were just some of the chains that participated in the semi-annual survey of more than 380 metropolitan areas across the United States.

While pharmacists may continue to feel overworked, they can take comfort in their compensation. "Pharmacists are paid pretty well for what they do," said Michael. "Our salaries are not much behind that of the average physician. It's a good time to be a pharmacist."

Barbara Sax
—Contributing writer

Exhibit 8

Fringe Benefits Cost

Exhibit 8

FRINGE BENEFIT COSTS
DC 47 Members (White Collar Union)

	% of Pay	Per Month
Pension	4.72%	
Workers Comp		$99.27
Reg 32 Disability		5.28
Social Security	6.20%	
Medicare	1.45%	
Groupe Life		4.52
Healthcare		750.82
Unemployment		6.16
Group Legal		12.00
	12.374%	$878.05

Exhibit 9

Formulary Drugs, April 2007 – 340B
plus 5%

PHS 5% - Formulary - April 1, 2007

PRODUCT DESCRIPTION	NDC	UNIT SIZE	MANUFACTURER	QTY	AWP	UNIT PRICE	SUBTOTAL	WAC	PHS (no markup)	ITEM#
TRUVADA TABS	61958-0701-01	30 CT	GILEAD SCIENTIFIC	58	$ 919.20	$ 574.04	$ 33,294.32	$ 778.75	$ 546.70	07010104
LIPITOR TABS 20MG	00071-0156-23	90 CT	PFIZER	144	$ 370.95	$ 229.86	$ 33,099.84	$ 311.60	$ 218.91	015623
ADVAIR DISKUS INH. 250/50 PWD	00173-0696-00	60 CT	GLAXO	282	$ 195.19	$ 103.60	$ 29,215.20	$ 164.64	$ 98.67	069600
SINGULAIR TABS 10MG UOU	00006-0117-54	90 CT	MERCK HUMAN HEALTH	144	$ 325.15	$ 175.49	$ 25,270.56	$ 275.45	$ 167.13	011754
ZYRTEC TABS 10MG	00069-0731-66	100 CT	PFIZER	146	$ 242.48	$ 169.40	$ 24,732.40	$ 203.68	$ 161.33	073166
DIOVAN TABS 160MG	00078-0359-34	90 CT	NOVARTIS	325	$ 194.18	$ 74.99	$ 24,371.75	$ 166.06	$ 71.42	035934
LIPITOR TABS 40MG	00071-0157-23	90 CT	PFIZER	83	$ 370.95	$ 259.22	$ 21,515.26	$ 311.60	$ 246.88	015723
LIPITOR TABS 10MG	00071-0155-23	90 CT	PFIZER	117	$ 260.05	$ 146.17	$ 17,101.89	$ 218.45	$ 139.21	015523
ADVAIR DISKUS INH. 100/50 PWD	00173-0695-00	60 CT	GLAXO	199	$ 154.18	$ 82.66	$ 16,449.34	$ 132.52	$ 78.72	069500
NORVASC TABS 10MG	00069-1540-68	90 CT	PFIZER	80	$ 221.06	$ 154.50	$ 12,360.00	$ 190.12	$ 147.14	154068
REYATAZ CAPS 150MG	00003-3624-12	60 CT	BRISTOL MYERS SQUIBB	17	$ 928.63	$ 632.47	$ 10,751.99	$ 772.62	$ 602.35	362412
NIFEDIPINE ER TABS 90MG XL	00378-3495-01	100 CT	MYLAN PHARM	95	$ 256.15	$ 112.54	$ 10,691.30	$ 213.60	$ 107.18	349501
ADVAIR DISKUS INH. 500/50 PWD	00173-0697-00	60 CT	GLAXO	75	$ 269.58	$ 141.11	$ 10,583.25	$ 225.24	$ 134.39	069700
FLOVENT HFA AER INH DC 110MCG	00173-0719-20	12 GM	GLAXO	145	$ 116.38	$ 69.30	$ 10,048.50	$ 100.03	$ 66.00	071920
SUSTIVA TABS 600MG	00056-0510-30	30 CT	BRISTOL MYERS SQUIBB	28	$ 519.40	$ 353.96	$ 9,910.88	$ 442.53	$ 337.10	05103000
NIFEDIPINE ER TABS 60MG XL	00093-5173-55	300 CT	TEVA	51	$ 694.29	$ 181.37	$ 9,249.87	$ 543.96	$ 172.73	517355
DIOVAN TABS 80MG	00078-0358-34	90 CT	NOVARTIS	133	$ 180.60	$ 68.43	$ 9,101.19	$ 154.44	$ 65.17	035834
KALETRA TABS 200/50MG	00074-6799-22	120 CT	ABBOTT	16	$ 796.26	$ 561.35	$ 8,981.60	$ 662.49	$ 534.62	679922
ZYRTEC TABS 5MG	00069-0732-66	100 CT	PFIZER	51	$ 242.48	$ 169.00	$ 8,619.00	$ 203.68	$ 160.95	073266
DIOVAN W/HCTZ TABS 160/12.5MG	00078-0315-34	90 CT	NOVARTIS	109	$ 211.34	$ 61.92	$ 6,749.28	$ 180.74	$ 58.97	031534
GLIPIZIDE ER TABS 10MG	00591-0845-10	1000 CT	WATSON PHARMA	34	$ 765.04	$ 197.17	$ 6,703.78	$ 612.03	$ 187.78	084510
XALATAN OP SOL 50MCG/ML *REF*	00013-8303-04	2.5 ML	PFIZER	205	$ 64.35	$ 31.93	$ 6,545.65	$ 54.06	$ 30.41	830304
NOVOLIN 70/30 U-100 *REF*	00169-1837-11	10 ML	NOVO NORDISK	1778	$ 37.70	$ 3.45	$ 6,134.10	$ 33.00	$ 3.29	183711
COMBIVIR TABS 150/300MG	00173-0595-00	60 CT	GLAXO	13	$ 793.58	$ 465.61	$ 6,052.93	$ 669.40	$ 443.44	059500
TRIZIVIR TABS	00173-0691-00	60 CT	GLAXO	7	$ 1,285.39	$ 840.11	$ 5,880.77	$ 1,084.25	$ 800.10	069100
METFORMIN HCL TABS 500MG	53489-0467-10	1000 CT	MUTUAL PHARM. CO.	181	$ 700.00	$ 32.47	$ 5,877.07	$ 223.17	$ 30.92	046710
COMBIVENT AEROSOL	00597-0013-14	14.7 GM	BOEHRINGER INGELHEIM	206	$ 97.54	$ 25.71	$ 5,296.26	$ 83.49	$ 24.49	001314
LEXIVA TABS 700 MG 60'S	00173-0721-00	60 CT	GLAXO	10	$ 694.84	$ 480.55	$ 4,805.50	$ 586.11	$ 457.67	072100
PLAVIX TABS 75MG	63653-1171-01	90 CT	BRISTOL MYERS SQUIBB	21	$ 438.20	$ 225.89	$ 4,743.69	$ 350.56	$ 215.13	117101000
DIOVAN W/HCTZ TABS 80/12.5MG	00078-0314-34	90 CT	NOVARTIS	72	$ 194.24	$ 65.88	$ 4,743.36	$ 166.11	$ 62.74	031434
VIREAD TABS 300MG	61958-0401-01	30 CT	GILEAD SCIENTIFIC	13	$ 553.20	$ 333.92	$ 4,340.96	$ 482.39	$ 318.02	04010100
EPZICOM TABS	00173-0742-00	30 CT	GLAXO	8	$ 857.81	$ 514.28	$ 4,114.24	$ 723.58	$ 489.79	0742000
FLOVENT HFA AEROSOL INH 220MCG	00173-0720-00	12 GM	GLAXO	35	$ 180.76	$ 109.29	$ 3,825.15	$ 155.37	$ 104.09	072000
LESCOL CAPS 40MG	00078-0234-05	100 CT	NOVARTIS	66	$ 236.09	$ 57.68	$ 3,806.88	$ 207.56	$ 54.93	023405
LEVAQUIN TABS 500MG	00045-1525-50	50 CT	J-O-M PHARMACEUTICAL	12	$ 614.13	$ 304.68	$ 3,656.16	$ 510.46	$ 290.17	152550
LIPITOR TABS 80MG	00071-0158-23	90 CT	PFIZER	14	$ 370.95	$ 259.23	$ 3,629.22	$ 311.60	$ 246.89	015823

LOVASTATIN TABS 40MG	49884-0756-10	1000 CT	PAR PHARM	18	$ 4,195.65	$ 195.54	$ 3,519.72	$ 1,333.65	$ 186.23	075610
LOVASTATIN TABS 20MG	49884-0755-10	1000 CT	PAR PHARM	25	$ 2,372.67	$ 139.40	$ 3,485.00	$ 738.23	$ 132.76	075510
AMLODIPINE BESYLA.TAB 10MG	59762-1540-01	90 CT	GREENSTONE	94	$ 213.65	$ 36.02	$ 3,385.88	$ 161.60	$ 34.30	1540010
DILTIAZEM HCL ER CAPS 240MG	00228-2578-09	90 CT	ACTAVIS ELIZABETH	81	$ 184.55	$ 41.02	$ 3,322.62	$ 119.39	$ 39.07	257809
ETHAMBUTOL TABS 400MG	00555-0923-02	100 CT	BARR LABS, INC.	37	$ 178.63	$ 88.73	$ 3,283.01	$ 127.04	$ 84.50	092302
DILANTIN CAPS 100MG	00071-0362-32	1000 CT	PFIZER	12	$ 368.88	$ 271.13	$ 3,253.56	$ 309.90	$ 258.22	036232
NIFEDIPINE ER TABS 30MG XL	00093-0819-55	300 CT	TEVA	31	$ 401.24	$ 99.51	$ 3,084.81	$ 314.46	$ 94.77	081955
EPIVIR TABS 300MG	00173-0714-00	30 CT	GLAXO	12	$ 366.00	$ 245.40	$ 2,944.80	$ 308.73	$ 233.71	071400
VIRACEPT 625MG TABS	63010-0027-70	120 CT	PFIZER	5	$ 756.66	$ 528.68	$ 2,643.40	$ 605.33	$ 503.50	0027700
LEVOXYL NDA TABS 25MCG	52604-5025-02	1000 CT	MONARCH PHARM	15	$ 308.16	$ 172.60	$ 2,589.00	$ 256.39	$ 164.38	502502
GLUCOTROL-XL TABS 10MG	00049-1560-73	500 CT	PFIZER	9	$ 537.81	$ 275.72	$ 2,481.48	$ 451.80	$ 262.59	156073
FLUTICASONE 50MCG NASAL SPRAY	49884-0398-77	16 GM	PAR PHARM	262	$ 75.26	$ 9.26	$ 2,426.12	$ 53.52	$ 8.82	039877
PROCARDIA-XL TABS 90MG	00069-2670-66	100 CT	PFIZER	10	$ 374.14	$ 239.66	$ 2,396.60	$ 314.28	$ 228.25	267066
PROCARDIA-XL TABS 60MG	00069-2660-72	300 CT	PFIZER	4	$ 972.79	$ 594.07	$ 2,376.28	$ 817.14	$ 565.78	266072
NORVASC TABS 5MG	00069-1530-72	300 CT	PFIZER	7	$ 536.96	$ 319.98	$ 2,239.86	$ 461.80	$ 304.74	153072
COUMADIN TABS 5MG	00056-0172-90	1000 CT	BRISTOL MYERS SQUIBB	6	$ 956.25	$ 370.49	$ 2,222.94	$ 814.73	$ 352.85	017290
SINGULAIR TABS 5MG UOU CHEW	00006-0275-54	90 CT	MERCK HUMAN HEALTH	12	$ 325.15	$ 175.51	$ 2,106.12	$ 275.45	$ 167.15	027554
NOVOLIN N U-100 *REF*	00169-1834-11	10 ML	NOVO NORDISK	372	$ 37.70	$ 5.63	$ 2,094.36	$ 33.00	$ 5.36	183411
AMLODIPINE BESYLA.TAB 5MG	59762-1530-02	300 CT	GREENSTONE	23	$ 518.95	$ 87.48	$ 2,012.04	$ 392.53	$ 83.31	153002
DILTIAZEM HCL ER CAPS 300MG	00228-2579-09	90 CT	ACTAVIS ELIZABETH	37	$ 239.20	$ 53.67	$ 1,985.79	$ 154.73	$ 51.11	257909
RIFAMPIN CAPS 300MG	00185-0799-05	500 CT	EON LABS	6	$ 902.88	$ 327.37	$ 1,964.22	$ 677.19	$ 311.78	079905

Exhibit 10

Non-Formulary Drugs, April 2007

Non-PHS - April 2007

PRODUCT DESCRIPTION	NDC	UNIT SIZE	MANUFACTURER	QTY	AWP	UNIT PRICE	SUBTOTAL	WAC	ITEM#
ACCU-CHEK CMFR CURVE TEST STRI	50924-0881-10	100 CT	ROCHE DIAGNOSTICS	664	$ 83.00	$ 35.60	$ 23,638.40	$ 8.30	0881100
RECOMBIVAX PF 10MCG/ML 10S *R*	00006-4995-41	1 ML	MERCK HUMAN HEALTH	27	$ 736.79	$ 602.75	$ 16,274.25	$ 590.93	499541
TUBERSOL 5TU-50 *REF*	49281-0752-22	5 ML	SANOFI-PASTEUR	62	$ 113.75	$ 93.18	$ 5,777.16	$ 91.35	075222
FLOVENT HFA AER INH DC 44MCG	00173-7182-00	10.6 GM	GLAXO	41	$ 86.93	$ 76.20	$ 3,124.20	$ 74.71	071820
SYR INSULIN 1ML/29G 1CC	86227-0901-05	500 CT	ALLISON MEDICAL	56	$ 129.75	$ 50.00	$ 2,800.00	$ 103.80	0901050
SOFTCLIX LANCETS	50924-0971-10	100 CT	ROCHE DIAGNOSTICS	444	$ 10.94	$ 5.51	$ 2,446.44	$ 8.75	097110
VIAL 8.5 DRAM SAFETY CAP	40011-7585-	# 350/CS	PALM-N-TURN	80	$ 27.98	$ 27.98	$ 2,238.40	$ 27.98	7585
SYR INSULIN 0.5ML/29G 1/2CC	86227-0900-55	500 CT	ALLISON MEDICAL	39	$ 129.75	$ 50.00	$ 1,950.00	$ 103.80	090055
RANITIDINE TABS 150MG	64679-0906-03	500 CT	WOCKHARDT USA, INC	146	$ 743.91	$ 12.54	$ 1,830.84	$ 44.44	090603
SEROMYCIN CAPS 250MG	00002-0604-40	40 CT	LILLY	12	$ 167.40	$ 136.60	$ 1,639.20	$ 133.92	060440
PNEUMOVAX 23 5 DOSE VIAL *REF*	00006-4739-00	2.5 ML	MERCK HUMAN HEALTH	8	$ 148.18	$ 133.00	$ 1,064.00	$ 130.39	473900
ISONIAZID SYR 50MG/5ML	46287-0009-01	480 ML	CAROLINA MED PROD	33	$ 33.75	$ 31.25	$ 1,031.25	$ 25.00	000901
PASER GRANULES 4GM *REF*	49938-0107-04	1 CT	JACOBUS	10	$ 112.13	$ 91.49	$ 914.90	$ 89.70	010704
VIAL 16 DRAM SAFETY CAP	40011-0751-6	# 200/CS	PALM-N-TURN	25	$ 24.72	$ 24.72	$ 618.00	$ 24.72	07516
LISINOPRIL TABS 40MG	60505-0189-01	1000 CT	APOTEX CORP.	6	$ 1,541.78	$ 101.10	$ 606.60	$ 448.50	0189010
LISINOPRIL TABS 40MG	60505-2688-08	1000 CT	APOTEX CORP.	5	$ 1,541.78	$ 101.10	$ 505.50	$ 448.50	268808
ZETIA 10MG	66582-0414-54	90 CT	MERCK & CO. INC.	2	$ 285.38	$ 245.69	$ 491.38	$ 240.87	041454
ENALAPRIL MALEATE TABS 10MG	64679-0925-03	1000 CT	WOCKHARDT USA, INC	12	$ 1,072.10	$ 30.49	$ 365.88	$ 166.25	092503
ALBUTEROL INH SOL 0.083% 25'S	00487-9501-25	3 ML	NEPHRON PHARM	94	$ 20.00	$ 3.30	$ 310.20	$ 4.00	950125
DIABETIC TUSSIN DM	60569-0062-04	118 ML	HEALTH CARE PRODUCTS	59	$ 5.23	$ 4.56	$ 269.04	$ 3.80	0062040
VIAL 20 DRAM SAFETY CAP	40011-0752-0	# 150/CS	PALM-N-TURN	8	$ 27.86	$ 27.86	$ 222.88	$ 27.86	07520
LISINOPRIL TABS 5MG	60505-0185-01	1000 CT	APOTEX CORP.	7	$ 953.19	$ 30.60	$ 214.20	$ 203.00	018501000
RANITIDINE TABS 300MG	64679-0907-02	250 CT	WOCKHARDT USA, INC	11	$ 671.75	$ 15.17	$ 166.87	$ 47.61	090702
ALBUTEROL INH SOL 0.083% 60'S	00487-9501-60	3 ML	NEPHRON PHARM	20	$ 48.00	$ 7.92	$ 158.40	$ 9.60	905160
PENTOXIFYLLINE ER TABS 400MG	60505-0033-07	500 CT	APOTEX CORP.	4	$ 297.80	$ 34.92	$ 139.68	$ 127.99	003307
ENALAPRIL MALEATE TABS 5MG	64679-0924-03	1000 CT	WOCKHARDT USA, INC	5	$ 1,024.10	$ 25.36	$ 126.80	$ 150.38	092403
VIAL 40 DRAM SAFETY CAP	40011-7540-	# 80/CS	PALM-N-TURN	6	$ 20.14	$ 20.14	$ 120.84	$ 20.14	7540
PAROXETINE HCL TABS 20MG	60505-0083-02	100 CT	APOTEX CORP.	3	$ 273.30	$ 37.03	$ 111.09	$ 187.99	00830200
NITROGLYCERIN TRAN PCH .2MG/HR	49730-0111-30	30 CT	HERCON LABORATORIES	6	$ 49.45	$ 17.10	$ 102.60	$ 18.70	0111300
GABAPENTIN CAPS 400MG	60505-0114-05	500 CT	APOTEX CORP.	2	$ 798.55	$ 46.50	$ 93.00	$ 598.81	01140500
CIMETIDINE TABS 400MG	60505-0020-08	500 CT	APOTEX CORP.	4	$ 731.00	$ 22.06	$ 88.24	$ 45.58	002008
OFLOXACIN OPTH SOL 0.3%	50383-0024-05	5 ML	HI-TECH PHARMACAL	8	$ 41.71	$ 10.80	$ 86.40	$ 33.36	002405
DAPSONE TABS 100MG	49938-0101-01	100 CT	JACOBUS	4	$ 21.35	$ 17.42	$ 69.68	$ 17.08	0101011
PANOKASE TBS(PANCRILIPASE 8000	51991-0655-01	100 CT	BRECKENRIDGE	4	$ 34.50	$ 17.40	$ 69.60	$ 18.30	0655010
VIAL 5 DRAM SAFETY CAP	40011-7505-	# 500/CS	PALM-N-TURN	2	$ 34.20	$ 34.20	$ 68.40	$ 34.20	7505
LANCETS MONOLET LANCETS	08881-0207-05	100/BOX	SHERWOOD	12	$ 5.88	$ 5.40	$ 64.80	$ 8.40	0207050

PSEUDOEPHEDRINE SYRUP 15MG/5ML	54838-0104-40	120 ML	SILARX	55	$ 2.30	$ 1.14	$ 62.70	$ 1.15	010440	
DIPHEN SYRUP 12.5MG/5ML	54838-0154-40	120 ML	SILARX	58	$ 2.50	$ 1.04	$ 60.32	$ 1.09	015440	
ACETAMIN ELIXIR 160MG/5ML	54838-0144-40	120 ML	SILARX	51	$ 2.50	$ 1.06	$ 54.06	$ 1.12	0144400	
TRUTOL 100GM (COLA)	44623-4014-05	300 ML	NERL DIAGNOSTICS	42	$ 2.35	$ 1.20	$ 50.40	$ 1.02	401405	
LACTULOSE SOLUTION 10GM/15ML	00121-0577-16	480 ML	PHARMACEUTICAL ASSOC	12	$ 34.70	$ 4.08	$ 48.96	$ 7.75	057716	
DIAZEPAM INJ 5MG/ML CARPUJECT	00074-1273-32	10 X 2ML	HOSPIRA	2	$ 25.33	$ 24.31	$ 48.62	$ 20.26	127332	
GELUSIL TABS	00501-5104-99	100 CT	PFIZER CONSUMER	8	$ 6.67	$ 5.81	$ 46.48	$ 5.70	510499	
LIPRAM CAPS 4500 UNITS	00115-7035-01	100 CT	GLOBAL PHARM.	2	$ 60.03	$ 22.68	$ 45.36	$ 23.94	703501	
IBUPROFEN TABS 800MG	53746-0137-05	500 CT	INTERPHARM	2	$ 145.11	$ 20.34	$ 40.68	$ 24.14	013705	
ENALAPRIL MALEATE TABS 2.5MG	64679-0923-03	1000 CT	WOCKHARDT USA, INC	2	$ 803.70	$ 20.24	$ 40.48	$ 117.42	092303	
VIAL 60 DRAM SAFETY CAP	40011-7560-	# 50/CS	PALM-N-TURN	2	$ 18.74	$ 18.74	$ 37.48	$ 18.74	7560	
BOT CHILD RESIST 4OZ	40011-CRB4-NE	# 110/BX	PALM-N-TURN	1	$ 32.51	$ 32.51	$ 32.51	$ 32.51	CRB4NE	
SODIUM CHLORIDE 0.9% 24'S	00074-7983-03	500 ML	HOSPIRA	1	$ 36.59	$ 31.75	$ 31.75	$ 24.48	798303	
GABAPENTIN CAPS 100MG	60505-0112-01	100 CT	APOTEX CORP.	7	$ 53.24	$ 4.30	$ 30.10	$ 39.93	01120101	
BOT CHILD RESIST 8OZ	40011-CRB8-NE	# 70/BX	PALM-N-TURN	1	$ 26.57	$ 26.57	$ 26.57	$ 26.57	CRB8NE	
TRI-SUDO SYRUP	54838-0101-40	120 ML	SILARX	23	$ 3.15	$ 1.11	$ 25.53	$ 1.17	010140	
LORATADINE CHILD SYR 5MG/5ML	51672-0207-38	120 ML	TARO PHARMACEUTICALS	4	$ 9.39	$ 6.30	$ 23.42	$ 5.99	020738	
IBUPROFEN TABS 600MG	53746-0132-05	500 CT	INTERPHARM	1	$ 114.42	$ 14.34	$ 14.34	$ 16.13	013205	
AUX LABEL-RINSE MOUTH AFTER US	50044-1234-5	500 CT	DRUG PACKAGE	3	$ 3.35	$ 4.23	$ 12.69	$ 3.35	12345	
ALBUTEROL SYRUP	50383-0740-16	480 ML	HI-TECH PHARMACAL	2	$ 39.60	$ 5.52	$ 11.04	#N/A	#N/A	
POLY-VITAMIN DROP W/IRON	50383-0632-50	50 ML	HI-TECH PHARMACAL	5	$ 4.60	$ 1.86	$ 9.30	#N/A	#N/A	
TICLOPIDINE HCL TABS 250MG	60505-0027-04	60 CT	APOTEX CORP.	1	$ 111.97	$ 7.20	$ 7.20	#N/A	#N/A	
FERROUS SULFATE ELIXIR	54838-0001-80	480 ML	SILARX	3	$ 6.90	$ 2.29	$ 6.87	#N/A	#N/A	
POLY-VITAMIN DROP	50383-0625-50	50 ML	HI-TECH PHARMACAL	3	$ 4.60	$ 1.86	$ 5.58	#N/A	#N/A	
METHYLPREDNISOLONE DOSEPAK 4MG	51991-0188-31	21 CT	BRECKENRIDGE	2	$ 11.00	$ 2.08	$ 4.16	#N/A	#N/A	
AUX LABEL-TAKE WITH FOOD	50044-5590-1	1000 CT	DRUG PACKAGE	1	$ 3.35	$ 3.15	$ 3.15	#N/A	#N/A	
AUX LABEL-TAKE WITH WATER	50044-5540-1	1000 CT	DRUG PACKAGE	1	$ 3.35	$ 3.15	$ 3.15	#N/A	#N/A	
AUX LABEL-FOR THE EAR	50044-5610-1	1000 CT	DRUG PACKAGE	1	$ 3.35	$ 1.89	$ 1.89	#N/A	#N/A	
CITRATE OF MAGNESIUM (LEMON)	00395-0600-10	300 ML	HUMCO	1	$ 1.64	$ 1.40	$ 1.40	#N/A	#N/A	

Exhibit 11

Specifications of Lexmark T642
Printer and Sample of Label

"Angel Nelson"
<Angel.Nelson@sxc.com>
08/21/2007 02:41 PM

To donald.hannon@phila.gov
cc "Joe Krause" <Joe.Krause@sxc.com>, "Martin Spellman" <Martin.Spellman@sxc.com>
bcc
Subject City of Philadelphia

Donald,

As a follow-up to our conversation last week, attached is the spec sheet for the Lexmark T642N printer. Below are the following fees from going to dot matrix to laser. The week of August 27th, I will have Joe Krause in our labels and forms division give you a call in regards to laser labels from HBS.

COST:

Pharmex Soft Fonts: $150.00/year per site
Laser programming fee: $375.00 per site

Joe,
Please contact Donald Hannon at 215-685-6864 or cell# 610-952-0957 in regards to pricing for laser labels and mailing samples.

Thanks!

This communication, including any attachments, may contain information that is confidential and may be privileged and exempt from disclosure under applicable law. It is intended solely for the use of the individual or entity to which it is addressed. If you are not the intended recipient, you are hereby notified that any use, disclosure, dissemination, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender.

Thank you for your coopcration. T642_Spec_Sheet.pdf

printers would be purchased by city at 1100 - 1200 @

HBS SXC 400 0000 REV. B

⬆ FEED THIS DIRECTION FACE DOWN ⬆

FORMS REORDER # 800-444-1427

HBS PHARMCY
738 LOUIS DRIVE
WARMINSTER, PA 18974 (215) 442-9300 ℞

Rx# 11723 Refills Left: 1 Until: 12/08/07
12-08-06
For: PATIENT TEST
HBS WARMINSTER, PA 18652

TAKE ONE TABLET BY MOUTH DAILY

LIPITOR TAB 10MG PFIZER U.S.
#30
Dr. T. TEST
Discard After: 12/08/07 SC Rph: NB
Caution: Federal law prohibits transfer of this drug to any person other than patient for whom prescribed.

[redacted]

DO NOT EAT GRAPEFRUIT OR DRINK GRAPEFRUIT JUICE WHILE TAKING THIS MEDICATION

This medication may be taken with or without food.

OBTAIN MEDICAL ADVICE BEFORE TAKING NONPRESCRIPTION DRUGS. SOME MAY AFFECT THE ACTION OF THIS MEDICATION.

IT IS VERY IMPORTANT THAT YOU TAKE OR USE THIS EXACTLY AS DIRECTED. DO NOT SKIP DOSES OR DISCONTINUE UNLESS DIRECTED BY YOUR DOCTOR.

PATIENT TEST (215) 555-1212 Refills Left: 1 12-08-06
HBS 18652 DOB: 7-07-79
WARMINSTER, PA EXP: 12/08/07 #30
LIPITOR TAB 10MG DAW: 0
00071-0155-23 PFIZER U.S.
Price: $86.39 Copay: $5.00 Bill: AET
Dr. T. TEST Dr.DEA: AT0000000
Dr. Phone: 000-0000 Dr. State License: MD00000000
RPh: NB Rx# 11723
WARMINSTER NY 18974

PATIENT TEST 12-08-06
Rx: 11723
Dr. T. TEST
RPh: NB
Copay: $5.00 Bill: AET
Received by: ____________
PATIENT: ( )Counseled ( )Refused Counseling ( )Other

Rx: 11723
PATIENT TEST
HBS
WARMINSTER, PA
LIPITOR TAB 10MG
#30
COPAY: $5.00
Due for refill: 01/07/07
(215) 555-1212 Bill: AET
18652
12-08-06 RPh: NB

HBS PHARMCY Issued: 12-08-06
(215) 442-9300

COUPON

THIS IS THE COUPON
TEXT AREA
15% OFF COUGH SYRUP

Authorization Code:

HBS PHARMCY
738 LOUIS DRIVE
WARMINSTER, PA 18974

TELEPHONE Rx
12-08-06
Rx: 11723
Refills Left: 1

PATIENT TEST (215) 555-1212
HBS 18652
WARMINSTER, PA DOB: 7-07-79
LIPITOR TAB 10MG QTY: #30 *ORIGINAL*
NDC: 00071-0155-23 PFIZER U.S.
Price: $86.39 Copay: $5.00 Bill: AET
Dr. T. TEST Dr.DEA: AT0000000
Dr. Phone: 000-0000 Dr. State License: MD00000000
WARMINSTER NY 18974 RPh: NB

TAKE ONE TABLET BY MOUTH DAILY

TIME: ____________
DATE: ____________
DAW: 0

HBS PHARMCY
738 LOUIS DRIVE
WARMINSTER, PA 18974 (215) 442-9300 ℞

RECEIPT

Rx# 11723 12-08-06 For: PATIENT TEST
HBS WARMINSTER, PA 18652

LIPITOR TAB 10MG
#30 NDC: 00071-0155-23
DR. T. TEST
AET COPAY: $5.00

HBS PHARMCY
738 LOUIS DRIVE
WARMINSTER, PA 18974 (215) 442-9300 ℞

RECEIPT

Rx# 11723 12-08-06 For: PATIENT TEST
HBS WARMINSTER, PA 18652

LIPITOR TAB 10MG
#30 NDC: 00071-0155-23
DR. T. TEST
AET COPAY: $5.00

HBS PHARMCY
738 LOUIS DRIVE
WARMINSTER, PA 18974 (215) 442-9300 ℞

PATIENT COUNSELING

Rx# 11723 12-08-06 LIPITOR TAB 10MG

GENERIC NAME: ATORVASTATIN (a-TORE-va-sta-tin)

COMMON USES: This medicine is an HMG-CoA reductase inhibitor (also known as a "statin") used to lower cholesterol and triglyceride levels in your blood. It may also be used to reduce your risk of heart attack, blood vessel blockage, or chest pain, or to treat other conditions as determined by your doctor.

HOW TO USE THIS MEDICINE: Follow the directions for using this medicine provided by your doctor. This medicine may be taken on an empty stomach or with food. Try to take this medicine at the same time each day. Do not eat grapefruit or drink grapefruit juice at the same time you take this medicine. STORE THIS MEDICINE at room temperature between 68 to 77 degrees F (20 to 25 degrees C) in a tightly-closed container, away from heat and light. IF YOU MISS A DOSE OF THIS MEDICINE, take it as soon as possible. If it is almost time for your next dose, skip the missed dose and go back to your regular dosing schedule. Do NOT take 2 doses at once.

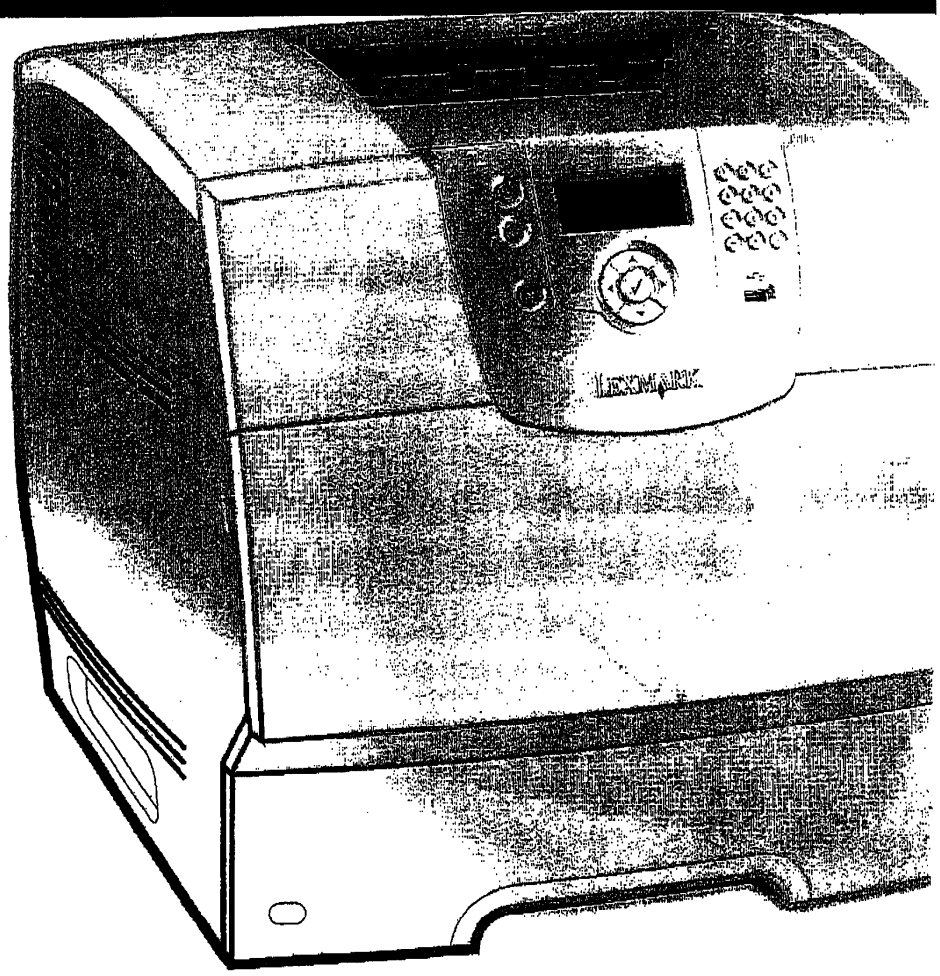
CAUTIONS: DO NOT TAKE THIS MEDICINE if you have had an allergic reaction to it or are allergic to any ingredient in this product. FOLLOW THE DIETARY PLAN provided by your doctor. IT MAY TAKE SEVERAL WEEKS before the full benefits of this medicine can be seen. IT IS IMPORTANT TO CONTINUE TAKING THIS MEDICINE even if you feel well. Most people with high cholesterol or triglycerides do not feel sick. LABORATORY AND/OR MEDICAL TESTS such as blood cholesterol levels or liver function tests may be done before you begin taking this medicine and during treatment to monitor your progress or to check for side effects. KEEP ALL DOCTOR AND LABORATORY APPOINTMENTS while you are using this medicine. BEFORE HAVING ANY KIND OF SURGERY, tell your doctor that you are taking this medicine. DAILY USE OF ALCOHOL may increase your chance for serious side effects. Limit alcoholic beverages. THIS MEDICINE MAY CAUSE DIZZINESS. DO NOT DRIVE, OPERATE MACHINERY, OR DO ANYTHING ELSE THAT COULD BE DANGEROUS until you know how you react to this medicine. Using this medicine alone, with other medicines, or with alcohol, may lessen your ability to drive or to perform other potentially dangerous tasks. THIS MEDICINE MAY INFREQUENTLY cause muscle damage. Untreated, this can lead to kidney damage and a very serious condition known as rhabdomyolysis. Contact your doctor immediately if you develop muscle pain, tenderness, or weakness especially if they occur with fever or unusual tiredness. Eating grapefruit or drinking grapefruit juice while you are taking this medicine may increase the amount of this medicine in your blood, which may increase your risk for serious side effects. Talk with your doctor before including grapefruit or grapefruit juice in your diet while you are taking this medicine. BEFORE YOU BEGIN TAKING ANY NEW MEDICINE, either prescription or over-the-counter, check with your doctor or pharmacist. CAUTION IS ADVISED WHEN USING THIS MEDICINE IN THE ELDERLY because they may be more sensitive to the effects of the medicine. FOR WOMEN: DO NOT USE THIS MEDICINE if you are pregnant. IF YOU SUSPECT THAT YOU COULD BE PREGNANT, contact your doctor immediately. It is recommended that women of child-bearing age use effective birth control measures while taking this medicine, since it may cause fetal harm. THIS MEDICINE IS EXCRETED IN BREAST MILK. DO NOT BREAST-FEED while taking this medicine.

POSSIBLE SIDE EFFECTS: SIDE EFFECTS that may occur while taking this medicine include dizziness, headache, nausea, diarrhea, constipation, gas, or stomach upset/pain. If they continue or are bothersome, check with your doctor. CHECK WITH YOUR DOCTOR AS SOON AS POSSIBLE if you experience joint pain, chest pain, or swelling in the arms or legs. CONTACT YOUR DOCTOR IMMEDIATELY if you experience muscle pain, tenderness, or weakness (especially with fever or unusual tiredness); yellowing eyes and skin; dark urine; change in the amount of urine; pale stools; or severe stomach pain. AN ALLERGIC REACTION to this medicine is unlikely, but seek immediate medical attention if it occurs. Symptoms of an allergic reaction include rash, itching, swelling, dizziness, or trouble breathing. If you notice other effects not listed above, contact your doctor, nurse, or pharmacist.

BEFORE USING THIS MEDICINE: Some medicines or medical conditions may interact

THE INFORMATION ABOVE IS PROVIDED IN ORDER FOR YOUR MEDICATION TO BE MOST EFFECTIVE. PLEASE CONSULT WITH THE PHARMACIST IF YOU HAVE ANY QUESTIONS.

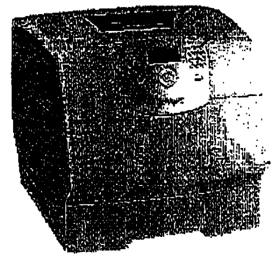
Lexmark T642



- **Feature-packed high-performance workgroup printer**
- **Broad range of paper-handling options**
- **Optional 802.11g wireless networking**
- **Advanced user interface for easy operation**

LEXMARK™

Lexmark T642



- ImageQuick™ standard for fast graphic printing
- USB Direct interface for quick walk-up printing from USB flash memory drive
- Bookmark capability for easy on-demand printing from the Internet or intranet
- Numeric keypad for easy entry of confidential printing PINs

Lexmark T642, T642n, T642tn, T642dtn

Product Specifications

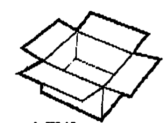
Part Number	US/Canada: 20G0200 (T642), 20G0250 (T642n), 20G0430 (T642tn), 20G0530 (T642dtn)
Product Class	Medium to large workgroup laser printer
Speed	Up to 45 ppm
Resolution	1200 x 1200 dpi, 2400 image quality, 1200 image quality, 600 x 600 dpi
Time to First Page	As fast as 6.5 seconds
Processor	457 MHz
Memory (std./max.)	T642: 64MB/576MB; T642n, T642tn, T642dtn: 128MB/640MB
Connectivity	
Standard	T642: Parallel, USB, 2 internal solutions ports (ISP), USB Direct Interface T642n, T642tn, T642dtn: Ethernet, Parallel, USB, 2 ISPs, USB Direct Interface
Optional	T642: Ethernet, Gigabit Ethernet, Serial, Token-Ring, Coax/Twinax, Wireless, Fiber Optic T642n, T642tn, T642dtn: Gigabit Ethernet, Serial, Token-Ring, Coax/Twinax, Wireless, Fiber Optic
Network Mgmt. Utility	MarkVision Professional
Operating Systems	Windows, Linux, UNIX, Mac, NetWare and OS/400 For a complete list visit www.lexmark.com
Printer Languages	PostScript 3 and PCL 6 emulations, PPDS Migration Tool
Direct Print Formats	Base: PDF v1.5; Network: PDF v1.5, JPEG, JPG, TIFF, GIF, PNG, BMP, PCX and DCX
Fonts	PCL: 89 scalable, 2 bitmapped, Includes: OCR-A, OCR-B and Code 3 of 9 bar codes; PostScript: 158 scalable; PPDS: 39 scalable, 5 bitmapped
Size (WxDxH)	T642, T642n: 17.2 in. x 20.6 in. x 16 in. (436 mm x 523 mm x 406 mm) T642tn: 17.2 in. x 20.9 in. x 23 in. (436 mm x 523 mm x 585 mm) T642dtn: 17.2 in. x 28.2 in. x 23 in. (436 mm x 718 mm x 588 mm)
Weight	T642, T642n: 51 lb. (23.1 kg) T642tn: 58 lb. (26 kg) T642dtn: 69 lb. (31.3 kg)
Acoustics	55 dBA printing, 30 dBA idle
Duty CycleUp	to 225,000 pages per month
Warranty	1-year Advanced Exchange limited warranty

Media Specifications

Paper Capacity (sheets)	T642, T642n	T642tn, T642dtn
Standard Input	600 (500 + 100 MPF)	1,100 (500 + 500 + 100 MPF)
Maximum Input	4,100	4,100
Standard Output	500	500
Maximum Output	3,000	3,000
Paper Sources	T642, T642n	T642tn, T642dtn
Standard Input	2	3
Maximum Input	7	7
Standard Output	1	1
Maximum Output	11	11

Media Types	Plain paper, bond, envelopes, card stock, transparencies, paper labels, dual-web labels, polyester labels, vinyl labels
Media Sizes	Letter, legal, A4, A5, JIS B5, statement, executive, folio, universal (2.75 x 5 in. to 8.5 x 14 in.), and envelopes (7 3/4, 9, 10, DL, C5, B5, other)
Media Weights	Plain paper: 16 to 47 lb. (60 to 176 g/m²); Card stock: up to 110 lb. Index (199 g/m²)

In the Box



Lexmark T642
- Lexmark T642 Printer
- 6,000-page Return Program Print Cartridge*
- Power Cord
- Publications CD
- Drivers and Utilities CD

Lexmark T642n
- Lexmark T642
PLUS
- Ethernet

Lexmark T642tn
- Lexmark T642n
PLUS
- 500-sheet drawer

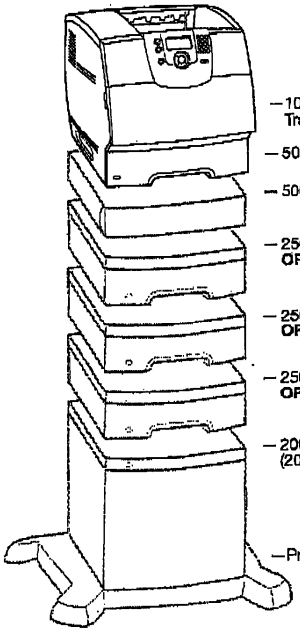
Lexmark T642dtn
- Lexmark T642tn
PLUS
- 500-sheet duplex unit

Lexmark T642

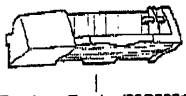
Supplies & Accessories

Supplies	21,000-page Optra Return Program Print Cartridge	64015HA[1]
	21,000-page Optra Return Program Print Cartridge	64035HA[1]
	21,000-page Optra Return Program Print Cartridge for Labels	64040HA[1]
	6,000-page Optra Return Program Print Cartridge	64015SA[1]
	6,000-page Optra Print Cartridge	64035SA[1]
	Staple Cartridges	11K3158
	Fuser Maintenance Kit	40X6100
	Maintenance Kit	
Memory/Flash Options	128MB DDR RAM	13N1523
	256MB DDR RAM	13N1524
	512MB DDR RAM	13N1526
	32MB Flash Card[2]	1021208
	64MB Flash Card[2]	1021209
	T64x Hard Drive	1021207
Furniture	Low Profile Printer Stand	1906979
	Printer Stand with Cabinet	1906988
	Printer Stand	1906989

Paper Handling Options[3]

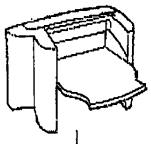


- 100-sheet Multipurpose Tray (standard)
- 500-sheet Drawer (standard)
- 500-sheet Duplex Unit (20G0886)
- 250-sheet Drawer (20G0889) **OR** 500-sheet Drawer (20G0890)
- 250-sheet Drawer (20G0889) **OR** 500-sheet Drawer (20G0890)
- 250-sheet Drawer (20G0889) **OR** 500-sheet Drawer (20G0890)
- 2000-sheet Drawer–Letter (20G0892)
- Printer Base (10G0080)

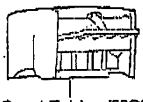


Envelope Feeder (20G0891)
Up to 85 envelopes

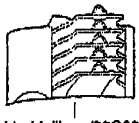
Output Expander (20G0894)
Up to 650 sheets



High Capacity Output Stacker (20G0896)
Up to 1,850 sheets



StapleSmart Finisher (20G0897)[1]
Up to 750 sheets unstapled,
up to 40 stapled sets



5-bin Mailbox (20G0895)
Up to 120 sheets per bin

Options not pictured:
250-sheet Tray (20G0879)
500-sheet Tray (20G0884)[4]
250-sheet Universally Adjustable Drawer (20G1223)
250-sheet Universally Adjustable Tray (20G1224)[10]
400-sheet Universally Adjustable Drawer (20G1218)
400-sheet Universally Adjustable Tray (20G1217)[4]
T Horizontal Kiosk Presenter (11K4648)
T Vertical Kiosk Presenter (11K4647)

Additional Information

[1] Functions only with replacement cartridges designed for use in the USA and Canada
[2] Declared standard page yield value in accordance with ISO/IEC 19752
[3] Printing label applications requires a special fuser cleaner included in the cartridge for labels
[redacted]

Lexmark T642

Additional Accessories

Connectivity	MarkNet X2000 Series External Print Servers	
	X2011e Ethernet 10/100BaseTX	46D0060
	X2012e Ethernet 10/100BaseTX/10Base2	46D0040
	X2031e Ethernet 10/100BaseTX (3 ports)	46D0020
	X2030t Token-Ring (3 ports)	46D0000
	MarkNet N4000 Series External Print Servers	
	N4000e Ethernet 10/100BaseTX	14E0080
	MarkNet N8000 Series Internal Print Servers	
	N8000 Fast Ethernet	14S0230
	N8020 Gigabit Ethernet	14S0200
	N8030 Fiber 100BaseFX	14S0220
	Wireless	
	N8050 802.11g Print Server	14S0165
	N4050e 802.11g Print Server	16D0145
	802.11g Print Adapter	16J0042
Application Solutions	Bar Code Card	20G0737
	Card for IPDS and SCS/TNe	20G0738
	PrintCryption™ Card	20G0740
	Forms Card – Single Byte	20G0741
	Forms Card – Simplified Chinese	20G0742
	Card for PRESCRIBE	20G0739
	Korean Font Card	1021240
	Simplified Chinese Font Card	1021241
	Traditional Chinese Font Card	1021242
	Japanese Font Card	1021243
Other Attachment Options	1284-B Parallel Card	1[illegible]K4601
	RS-232C Serial Interface Card	11K4602
	RS-232C/422C External Serial Adapter	1366705
	Coax/Twinax Adapter for SCS	14S0240
Cable Options	Serial 50-foot Cable	1038693
	Parallel 6-foot 1284-C Cable	11K4078
	Parallel 1284 C-B Adapter	11K4250
	USB 6-foot Cable	12A2405
	Parallel 10-foot high speed bidirectional Cable	1329605
Print Media	Transparencies	70X7240

[1] Requires external parallel connection
[2] Requires USB connection

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71K1110

ENERGY STAR

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CERTIFIED USB

HBB BXC 108-14 0010 REV. A

PENNINGTON Pharmacy DrugCenter
DEA NO. BP-4315162
209 WEST MORGAN AVE. 546-1551 PENNINGTON GAP, VA 24277

Rx# C654321 Refills Left: 5 Rx Expires 03/05/08 9-05-07
For: CANDACE BERNSTIEL
836 FARMINGTON AVE POTTSTOWNVILLE, PA 19464

ADVAIR DISKU MIS 100/50
#181 FASDF
Dr. PEARLSTEIN, PHIL A555555555
Discard After: 8/04/08 NSC Rpts: HBS
Description: IMPRINTED WITH AN IMPRINT WHITE ELLIPSE ROUND SQUARE

BERNSTIEL C654321

BERNSTIEL C654321

WARNING: DO NOT exceed the dose prescribed by your physician. If sluggish or fatigued, contact your physician.

This medication will not stop an asthma attack once one has started.

Rinse mouth thoroughly after each use

Read The Patient Information Leaflet That Came With This Medicine

IT IS VERY IMPORTANT THAT YOU USE ONLY THIS EXACTLY AS DIRECTED. DO NOT SKIP DOSES OR DISCONTINUE UNLESS DIRECTED BY YOUR DOCTOR.

C654321
CANDACE BERNSTIEL
836 FARMINGTON AVE
POTTSTOWNVILLE, PA 19464
(610) 222-3456
#181 MISC NEW

PAY $0.00

B

9-05-07

NDC# 00173-0695-00 DA[illegible]
C654321 CAND[illegible] BERNSTIEL

CANDACE BERNSTIEL C654321 9-05-07 5 REFILLS
836 FARMINGTON AVE POTTSTOWNVILLE, PA 19464 HBS /
NDC# 00173-0695-00 ADVAIR DISKU MIS 100/50
QTY: #181 MISC PRICE: $504.71
PEARLSTEIN, PHIL NORRISTOWN PA DEA# AB5555555

PENNINGTON Pharmacy DrugCenter
DEA NO. BP-4315162
209 WEST MORGAN AVE. 546-1551 PENNINGTON GAP, VA 24277

CUSTOMER RECEIPT

9-05-07
ORIG: 9-05-07

CANDACE BERNSTIEL
836 FARMINGTON AVE
POTTSTOWNVILLE, PA 19464
(610) 222-3456
RX: C654321 ADVAIR DISKU MIS 100/50
QTY: #181 MISC NDC# 00173-0695-00
AFT
Dr. PEARLSTEIN, PHIL
NORRISTOWN PA

PAY: $0.00
PRICE $504.71

PLEASE CALL 24-48 HOURS IN ADVANCE FOR REFILLS.
TEST FOR STORE HOURS ANY DAY
ANY TIME DAY AND NIGHT COUPON

PENNINGTON Pharmacy DrugCenter
DEA NO. BP-4315162
209 WEST MORGAN AVE. 546-1551 PENNINGTON GAP, VA 24277

DUPLICATE RECEIPT

9-05-07
ORIG: 9-05-07

CANDACE BERNSTIEL
836 FARMINGTON AVE
POTTSTOWNVILLE, PA 19464
(610) 222-3456
RX: C654321 ADVAIR DISKU MIS 100/50
QTY: #181 MISC NDC# 00173-0695-00
AFT
Dr. PEARLSTEIN, PHIL
NORRISTOWN PA

PAY: $0.00
PRICE $504.71

PLEASE CALL 24-48 HOURS IN ADVANCE FOR REFILLS.
TEST FOR STORE HOURS ANY DAY
ANY TIME DAY AND NIGHT COUPON

PENNINGTON Pharmacy DrugCenter
DEA NO. BP-4315162
209 WEST MORGAN AVE. 546-1551 PENNINGTON GAP, VA 24277

PATIENT COUNSELING

FOR: CANDACE BERNSTIEL

Rx# C654321 9-05-07
ADVAIR DISKU MIS 100/50

GENERIC NAME: FLUTICASONE (flew-TICK-uh-sone) and SALMETEROL (sal-MET-er-all)

COMMON USES: This product is a combination "controller" medicine for long-term treatment of asthma and chronic lung diseases (such as emphysema, chronic bronchitis, or COPD). It works to open the airways of the lungs in two ways (decreasing bronchiolar swelling and causing muscle relaxation). It may also be used to treat other breathing conditions as determined by your doctor. This medicine does not work immediately and should not be used for acute asthma attacks. Use other "quick-relief" medicines/inhalers for sudden shortness of breath or asthma attacks.

HOW TO USE THIS MEDICINE: Follow the directions for using this medicine provided by your doctor. THIS MEDICINE COMES WITH A MEDICATION GUIDE. Read it carefully. Refer to the illustrated directions provided for instruction on the correct use of this device. Ask your doctor, nurse, or pharmacist any questions that you may have about this medicine. Always activate and use this device in a level, horizontal position. Do not breathe into the inhaler. Do not use a spacer. Your dose is based on your condition and response to treatment. Gargle and rinse your mouth after using this medicine to help prevent dryness, relieve throat irritation, and to prevent mouth infections (such as thrush). Do not swallow the rinse solution. If you have been using a "quick-relief" beta agonist inhaler (such as salbutamol/albuterol) on a regular daily schedule, you must discontinue this schedule and only use it "as needed" for acute asthma attacks. Consult your doctor. Do not take the inhaler apart or wash the mouthpiece of the inhaler. STORE THIS MEDICINE at room temperature as directed on the package, away from heat, moisture, or light. Keep the inhaler dry at all times. CONTINUE TO USE THIS MEDICINE even if you feel well. Do not miss any doses. IF YOU MISS A DOSE OF THIS MEDICINE, use it as soon as possible. If it is almost time for your next dose, skip the missed dose and go back to your regular dosing schedule. Do NOT use 2 doses at once.

CAUTIONS: DO NOT STOP USING THIS MEDICINE without first checking with your doctor. Some conditions may become worse when the medicine is suddenly stopped. Your dose may need to be gradually decreased. DO NOT EXCEED THE RECOMMENDED DOSE or use this medicine more often than prescribed without checking with your doctor. Doing so would decrease the effectiveness of the medicine and increase the risk of side effects. THIS MEDICINE MAY CAUSE DIZZINESS. DO NOT DRIVE, OPERATE MACHINERY, OR DO ANYTHING ELSE THAT COULD BE DANGEROUS until you know how you react to this medicine. Using this medicine alone, with other medicines, or with alcohol may lessen your ability to drive or to perform other potentially dangerous tasks. Limit alcoholic beverages. BEFORE YOU BEGIN TAKING ANY NEW MEDICINE, either prescription or over-the-counter, check with your doctor or pharmacist. Check the labels on all your medicines (such as cough-and-cold products or diet aids) because they may contain ingredients that could increase your heart rate and blood pressure. Ask your pharmacist about the safe use of those products. If you have switched from an oral corticosteroid (such as prednisone tablets) to this inhaler within the past 12 months, or if you have been using this product in higher-than-usual doses and suddenly stop using it, your body may not produce enough natural steroids. You may need to start taking additional corticosteroids, especially if your body is stressed due to a major infection, surgery, or injury. Consult your doctor or pharmacist for more details, and inform them that you use (or have used) any type of corticosteroid. Carry a warning card stating that you may need supplemental corticosteroids (such as prednisone) during stress periods (such as trauma or major surgery). Contact your doctor if you experience any symptoms of low steroid levels including unusual weakness, weight loss, fainting, or dizziness. Caution is advised when using this medicine in the elderly because they may be more sensitive to the effects of the medicine, especially the effects on the heart (cardiovascular). Caution is advised when using this medicine in children. Though it is very unlikely to occur with inhaled steroids (fluticasone), this medicine may decrease a child's growth rate, but not necessarily their final adult height. Though it is very unlikely with inhaled steroid use, children

HBS SKU 100-14 0000 REV. B ▼ FEED THIS DIRECTION FACE DOWN ▼ 800-444-1427

bellevue drug co. inc.
254 BELLEVUE AVE. HAMMONTON, NJ PHONE 609-561-0825

[redacted]

bellevue drug co. inc.
254 BELLEVUE AVE. HAMMONTON, NJ PHONE 609-561-0825

RECEIPT

bellevue drug co. inc.
254 BELLEVUE AVE. HAMMONTON, NJ PHONE 609-561-0825

RX COPY

bellevue drug co. inc.
254 BELLEVUE AVE. HAMMONTON, NJ PHONE 609-561-0825

THE INFORMATION ABOVE IS PROVIDED IN ORDER FOR YOUR MEDICATION TO BE MOST EFFECTIVE. PLEASE CONSULT WITH THE PHARMACIST IF YOU HAVE ANY QUESTIONS.

Exhibit 12

Credit Memo

R & S NORTHEAST LLC.
** CREDIT MEMO **

CREDIT MEMO # 036522CM CREDIT DATE: 8/22/06

SHIP TO: DISTRICT HEALTH CENTER #2 CUST#: 71652
1720 SOUTH BROAD STREET
DELIVER TO BROAD & MORRIS
PHILADELPHIA
PA 19145

BILL TO: DISTRICT HEALTH CENTER #2
1720 SOUTH BROAD STREET
PHILADELPHIA
PA 19145

INV #	INV. DATE	PO #
34255	8/21/06	NECF3178

ITEM #	DESCRIPTION	CREDIT QTY	UNIT PRICE	EXT. PRICE	CR CD	APRVD	DATE APPLIED
080939	ALAMAG ANTACID	36	.66	23.76	30	Y	12/27/06
047492	SUSTIVA CAPS 20	6	268.30	1609.80	31	Y	12/27/06
015440	DIPHEN SYRUP 12	6	.83	4.98	31	Y	12/27/06
0078150	GENTAMICIN TOPI	3	.82	2.46	31	Y	12/27/06
028435	GENTAK OPHTH OI	3	6.10	18.30	31	Y	12/27/06

CREDIT MEMO TOTAL 1659.30

CREDITS MUST BE USED WITHIN 12 MONTHS OF BEING ISSUED OR THEY ARE NO LONGER VALID. IF YOU HAVE AN OPEN INVOICE YOU WISH TO APPLY TO, PLEASE NOTE THE MEMO# WHEN MAKING PAYMENT. CALL (800) 998-4661 WITH ANY QUESTIONS.

R&S NORHEAST LLC

WEEK OF 8/21/2006 THRU 8/25/2006

PHI06 INVOICE#	71652082906	
DATE	AMOUNT	AMOUNT
MONDAY	3,971.23	53.82
TUESDAY		
WEDNESDAY	15,334.17	
THURSDAY		
FRIDAY	6,755.46	
CREDITS	(1,659.30)	
TOTAL	24,401.56	53.82
PHI06 TOTAL	24,455.38	

PHI07 INVOICE#	71653082906	
DATE	AMOUNT	AMOUNT
MONDAY	2,705.20	
TUESDAY		
WEDNESDAY	6,825.62	22.08
THURSDAY		
FRIDAY	7,898.66	
CREDITS		
TOTAL	17,429.48	22.08
PHI07 TOTAL	17,451.56	

PHI08 INVOICE#	71654082906	
DATE	AMOUNT	AMOUNT
MONDAY	3,706.81	
TUESDAY		
WEDNESDAY		
THURSDAY		
FRIDAY	7,163.49	
CREDITS		
TOTAL	10,870.30	-
PHI08 TOTAL	10,870.30	

PHI09 INVOICE#	71655082906	
DATE	AMOUNT	AMOUNT
MONDAY	2,074.22	
TUESDAY		
WEDNESDAY	3,756.55	
THURSDAY		
FRIDAY	865.60	
CREDITS		
TOTAL	6,696.37	-
PHI09 TOTAL	6,696.37	

PHI10 INVOICE#	71656082906	
DATE	AMOUNT	AMOUNT
MONDAY	704.36	
TUESDAY		
WEDNESDAY	2,466.70	
THURSDAY		
FRIDAY	4,622.85	
CREDITS		
TOTAL	7,793.91	-
PHI10TOTAL	7,793.91	

PHI11 INVOICE#	71657082906	
DATE	AMOUNT	AMOUNT
MONDAY	20,274.75	
TUESDAY		
WEDNESDAY	4,461.17	
THURSDAY		
FRIDAY	3,866.05	
CREDITS		
TOTAL	28,601.97	-
PHI11 TOTAL	28,601.97	

PHI12 INVOICE#	71658082906	
DATE	AMOUNT	AMOUNT
MONDAY	5,580.21	
TUESDAY		
WEDNESDAY	7,114.83	
THURSDAY		
FRIDAY	6,303.93	
CREDITS		
TOTAL	18,998.97	-
PHI12 TOTAL	18,998.97	

PHI13 INVOICE#	71659082906	
DATE	AMOUNT	AMOUNT
MONDAY	1,744.65	
TUESDAY		
WEDNESDAY	3,166.75	
THURSDAY		
FRIDAY	2,378.59	
CREDITS	(160.40)	
TOTAL	7,129.70	-
PHI13 TOTAL	7,129.70	

PHI14 INVOICE#	71660082906	
DATE	AMOUNT	AMOUNT
MONDAY		
TUESDAY		
WEDNESDAY	19.08	
THURSDAY		
FRIDAY	1,503.40	
CREDITS		
TOTAL	1,522.48	-
PHI14 TOTAL	1,522.48	

PHI15 INVOICE#		
DATE	AMOUNT	AMOUNT
MONDAY		
TUESDAY		
WEDNESDAY		
THURSDAY		
FRIDAY		
CREDITS		
TOTAL	-	-
PHI15 TOTAL	-	
GRAND TOTAL		123,520.64

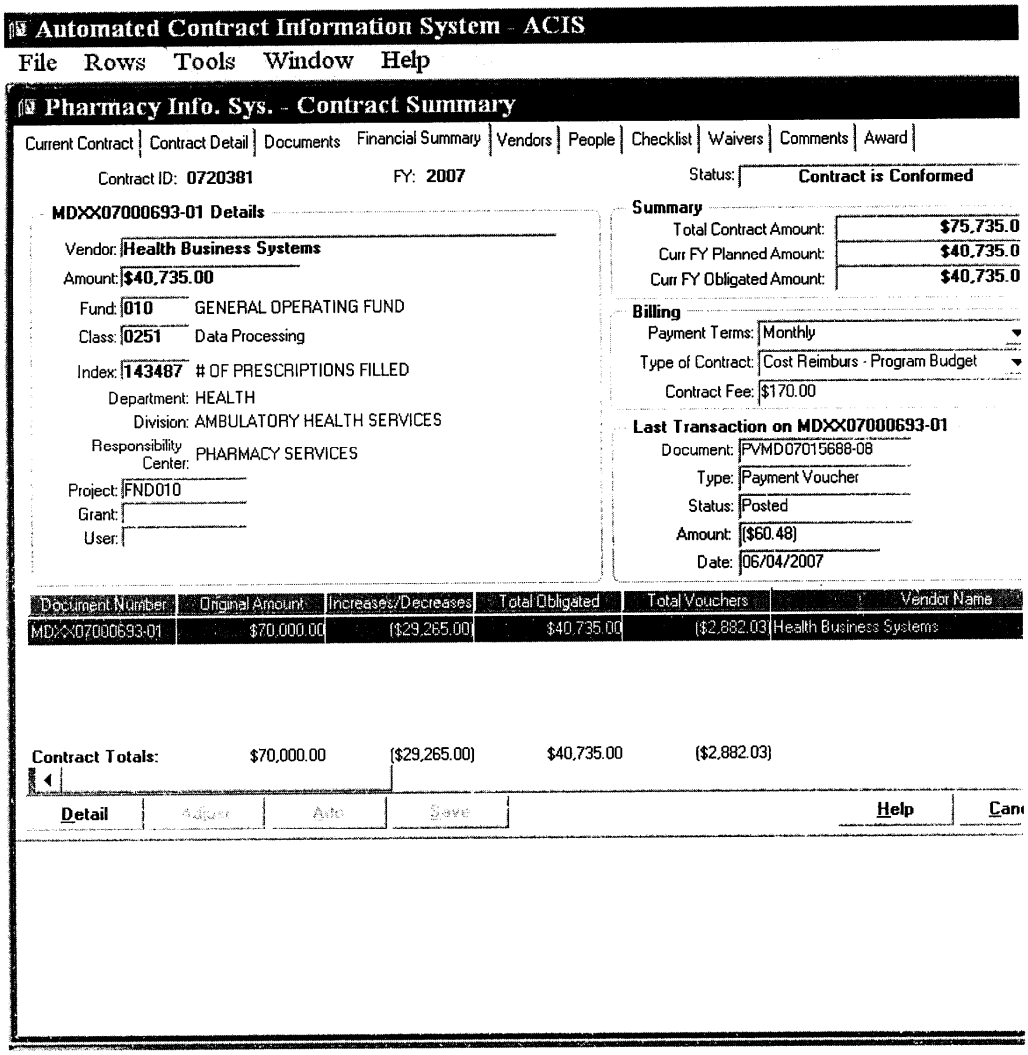
PHI16 INVOICE#		
DATE	AMOUNT	AMOUNT
MONDAY		
TUESDAY		
WEDNESDAY		
THURSDAY		
FRIDAY		
CREDITS		
TOTAL	-	-
PHI16 TOTAL	-	

PHI17 INVOICE#		
DATE	AMOUNT	AMOUNT
MONDAY		
TUESDAY		
WEDNESDAY		
THURSDAY		
FRIDAY		
CREDITS		
TOTAL	-	-
PHI17 TOTAL	-	

12/27/2006

Exhibit 13

Health Business Systems:
Pharmacy Information System –
Contract Summary


Automated Contract Information System - ACIS
File Rows Tools Window Help
Pharmacy Info. Sys. - Contract Summary
Current Contract | Contract Detail | Documents | Financial Summary | Vendors | People | Checklist | Waivers | Comments | Award
Contract ID: 0720381
FY: 2007
Status: Contract is Conformed
MDXX07000693-01 Details
Vendor: Health Business Systems
Amount: $40,735.00
Fund: 010 GENERAL OPERATING FUND
Class: 0251 Data Processing
Index: 143487 # OF PRESCRIPTIONS FILLED
Department: HEALTH
Division: AMBULATORY HEALTH SERVICES
Responsibility Center: PHARMACY SERVICES
Project: FND010
Grant:
User:
Summary
Total Contract Amount: $75,735.0
Curr FY Planned Amount: $40,735.0
Curr FY Obligated Amount: $40,735.0
Billing
Payment Terms: Monthly
Type of Contract: Cost Reimburs - Program Budget
Contract Fee: $170.00
Last Transaction on MDXX07000693-01
Document: PVMD07015688-08
Type: Payment Voucher
Status: Posted
Amount: ($60.48)
Date: 06/04/2007
Document Number | Original Amount | Increases/Decreases | Total Obligated | Total Vouchers | Vendor Name
MDXX07000693-01 | $70,000.00 | ($29,265.00) | $40,735.00 | ($2,882.03) | Health Business Systems
Contract Totals: $70,000.00 ($29,265.00) $40,735.00 ($2,882.03)
Detail | Adjust | Add | Save | Help | Can

Debra Kitchen/Health/Phila
06/18/2007 05:36 PM

To Iris Massey/Health/Phila@Phila, Donald Hannon/Health/Phila@PHILA
cc Thomas Storey/Health/Phila@Phila, Joyce Paige/Health/Phila@Phila
bcc

Subject FY 2007 HBS CONTRACT

The FY 2007 HBS contract was conformed in the amount of $75,735. However, it was only partially certified at $40,735 (MDXX07000693-01). Are you going to need the contract to be fully certified, ie the remaining $29,265? To date, you have only processed invoices in the amount of $2,882.03.

Let me know as soon as possible.

Exhibit 14

Questionnaires for Health Center Interviews

PHARMACY QUESTIONNAIRE
INTERVIEW QUESTIONS
Health Centers #6 and #10

1. Is there a call line specifically for pharmacy refills? If not, has it been tried and what were the results?
2. What is the length of time required for patients to have an Rx refilled without a visit? Is this a uniform requirement within all health centers?
3. Do you feel the turn around time with R & S is adequate?
   Our understanding is that if you place an order by Noon, you could have it the same day or by the next morning.
4. How soon can the patient expect to pick up this refill once you have received drug?
5. What specific problems are you seeing with the pharmacy process?
6. Do you sometimes run out of formulary items or does that mainly happen with non-formulary items?
7. How would coverage at the lunch hour change the way you process the prescriptions?
8. What is the average number of scripts you are filling in a day?
9. What is the approximate number of unfilled Rx's left at the end of the day? Does this number increase if a contract pharmacist has to be pulled in?
10. In general, do you feel you are handling the needs of the community you serve?

1. What is the average number of patient appointments on a given day?
2. Is your patient population stationary or do you feel it is transient and changes constantly?
3. Is there a higher percentage of elderly who may need more scripts written?
4. How many **new patients** are seen on a given day?
5. Do you build slots into the schedule for new patients?
6. Is there a **triage** for walk-in patients? How many walk-ins can you accommodate on a given day?
7. How do the walk-ins impact the pharmacy in your center?
8. If you had to break down the ethnicity of the population you are serving, what would those percentages be?
9. Do you feel that immigrants are coming into the center in higher numbers?

What other problems are you seeing?

CITY OF PHILADELPHIA

DEPARTMENT OF PUBLIC HEALTH
1101 Market Street, 8th Floor
Philadelphia, PA 19107
Tel: (215) 685-5670
Fax: (215) 685-5398

Donald F. Schwarz, MD, MPH
Deputy Mayor, Health & Opportunity
Health Commissioner

February 7, 2008

Alan Butkovitz
City Controller
Office of the Controller
1230 Municipal Services Building
1401 John F. Kennedy Boulevard
Philadelphia, PA 19102

Dear Mr. Butkovitz:

This is in response to your letter of January 24, 2008, requesting comments from the Department of Public Health on the Controller's Office report: Operations Assessment of Pharmacy Program and Walk-in Patient Impact to the Health Centers—City of Philadelphia, Department of Public Health, January 2008.

We reviewed the report carefully, and I have prepared the following responses to the report's recommendations.

Assessment of Pharmacy Program

Recommendation
Increase the salary for pharmacists to minimally $80,000 a year and the salary for pharmacy managers to minimally $88,000 per year.

Response
Salary increases for Civil Service job classes Pharmacist and Pharmacy Manager are necessary to successfully recruit and retain staff. It is unclear from the report as to how the recommended salaries were derived. Our current salary for a Pharmacist is $77,000 (starting at EP24 step 5), and the Pharmacy Manager position currently ranges from $81,000 to $91,000 (EP 27 steps 3 to 5). In accordance with the consultants' assessment, which quoted pharmacist salaries significantly higher than $80,000 and 90 percent of pharmacists earning more than $100,000 per year, we are attempting to raise the salaries significantly higher than recommendations of $80,000 for Pharmacists and $88,000 for the Pharmacy Manager. The

Health Commissioner has recently met with the City's Personnel Director on this issue to develop a plan to increase the salaries for both positions. In addition, the Department is seeking a permanent residency waiver for Pharmacists and Pharmacy Managers, which we believe will assist significantly with recruitment.

Recommendation
Hire four more pharmacists, reduce technician hours, and cap the outlay for contract pharmacists to $50,000 a year. These actions will save the city $300,000 a year.

Response
We concur with the assessment that we need to hire more pharmacists. As we have lost two additional pharmacists since the consultants' assessment earlier this year, we now need to hire a minimum of six pharmacists. For optimal coverage, an additional two pharmacists (eight new hires) would be required, which would provide a permanent floater to provide vacation and sick leave coverage, and a pharmacist to cover operation of the Central Fill.

One for one, the cost of employing pharmacists is lower than the cost of utilizing contract pharmacists, and we believe hiring the additional pharmacists will improve cost effectiveness in providing pharmacy services. While one of our goals is to minimize contract costs, it is with the assumption that adequate Civil Service staff is available at all times. Even with optimum employee staffing levels, unexpected and unavoidable staffing shortages occur, and contract staffing permits management to sustain pharmacy operations during these times. While it is our intention to reduce contract staffing overall and use it only when needed, we believe setting a fixed cap on contract costs could be self-defeating and further cripple pharmacy operations if contracting is needed for periods of staffing shortages. A review of the changes in our utilization of contract pharmacy technicians demonstrates that we have been successful in reducing our use of contract technician staff since increasing hiring levels of Civil Service technicians in 2007.

Recommendation
Place the new pharmacists at health centers 2, 4, 9, and 10; place the two floaters at 3 and 6; and possibly use the central-fill staff at other pharmacies. The additional staff and the redeployment of staff will reduce the workload and allow pharmacists time for such tasks as drug counseling and overseeing the pharmacy technicians as review of insurance denials, and verification of vendor billings is being done.

Response
We certainly agree with placement of a second pharmacist at all of the sites where the work demands are greatest, and will do so as additional pharmacists are hired.

Recommendation
Modify pharmacy space to allow for drug counseling.

Response
Because the health center pharmacies are co-located with the physicians prescribing the medications, we currently provide drug counseling while the patient is within the team setting. While a second window could be helpful we do not believe that a second window is required to be compliant with state medication counseling requirements. Remodeling the pharmacies to add an additional window would be a major undertaking, and one that would not necessarily be cost effective. In other facets of health center operations, we have recently been able to reduce staffing needs without reducing services by increasing efficiencies and reducing the number of staffed workstations.

We expect to improve the medication counseling process with an upgraded Health Business Systems (HBS) system, which will more readily provide printed drug information that lists drug side effects and drug interactions. In addition, we have recently completed a needs assessment for an electronic medical record (EMR) system for health center patients, which, when implemented and interfaced with the upgraded HBS system will allow us to further enhance medication counseling for our patients.

Recommendation
Keep pharmacies open at lunchtime, and provide early morning and early evening hours for prescription pickups.

Response
While it is against state law to open a pharmacy without a licensed pharmacist physically present in the pharmacy, we anticipate that with the hiring of additional pharmacists we will be able to keep those pharmacies that are staffed by two pharmacists open throughout the day, and expand the hours of operation in the morning and early evening for those pharmacies.

Regarding the recommendation on page 23 of the report to open all pharmacies at 7:30 AM and staff them with two pharmacists, we concur with early openings when we have two pharmacists assigned to a pharmacy. However, where two pharmacists are assigned to a health center, only one of the pharmacists would be present at 7:30 AM; the second would be scheduled to arrive later in the morning in order to keep the pharmacy open later in the day. With regard to the recommendation also made on page 23 that we re-evaluate the need for a central refill operation, we do plan to thoroughly evaluate the effectiveness of this program, and continue its operation only if it is deemed to be successful.

Recommendation
Revamp the intake process to ensure the gathering of information on insurance coverage, benefit eligibilities, and income. Transmit this information electronically to the pharmacies.

Response
Because of staffing problems and high prescription volumes, pharmacy insurance information is not collected at the pharmacy window. Rather, AHS fiscal staff shares insurance information with Central Office Pharmacy staff that enters the information into the HBS system for billing purposes. Successful adjudication of pharmacy claims is at an all time high - $2.7M in FY2007. We anticipate that implementation of the EMR will address the recommendation for an electronic link between the billing and pharmacy systems.

Recommendation
Require the city's drug vendor to send individual invoices to each health center, and have the health center staff verify quantities billed and return credits.

Response
We disagree with the recommendation that invoice review should be decentralized. Sharing drug pricing is not the standard practice in the industry, and health center pharmacy staff are not trained in drug pricing. We have, however, implemented a process that requires an item-by-item review of packing slips for all drug shipments received at each health center pharmacy. Information on medications not received by the health center pharmacy is submitted directly to HBS for credit. Copies of packing slips that have been reviewed and approved at the health center pharmacies are sent to Central Pharmacy, where a dedicated staff member has been added to review every item on every invoice for accuracy prior to payment authorization.

In addition, the procedure for returning to the vendor medications that are nearing their expiration date (returns) has been reviewed with all pharmacy staff, and is now being done on a regular basis. Copies of all return forms are also sent to Central Pharmacy.

Recommendation
Require the pharmacies to complete a return form and forward it to Pharmacy Administration for submission to DPH Finance.

Response
We have adopted this standard based on the original Controller's report. This was implemented in August 2007. All packing slips are reviewed and initialed by health center staff, and all packing slips and return forms are forwarded to Central Pharmacy.

Recommendation
Provide software integration between DPH Finance and the pharmacies.

Response
We have explored this option and we have determined that an interface between HBS and Siemens can be built. At this time the Department is pursuing implementation of an EMR, including new scheduling/registration and billing systems, which will address this issue.

Please note that HBS provides the software application by which prescriptions are currently billed. Individual pharmacies already have access to this billing information, and can view the prescriptions for which we have received reimbursement. DPH Finance forwards payment records to Central Pharmacy for review and reconciliation.

Recommendation
Implement an incentive program to encourage pharmacies to maximize insurance reimbursements.

Response
Implementing an incentive program related to insurance reimbursements among the pharmacies would be a complicated proposition in our environment, as the busiest pharmacies would have the least amount of time to focus on the incentive, while the least busy would have the greatest amount of time. Pharmacy staff moving between health centers might further complicate such a proposal.

Recommendation
Institute an inventory-control system (an HBS system is highly recommended), and perform periodic physical inventories to cull expired drugs.

Response
Much work has been done on the issue of inventory control. All expired drugs have been removed from the health center pharmacies, and an ongoing schedule for culling medications nearing their expiration date has been implemented. In addition, HBS and the City have developed a proposal for an inventory control system, which has been submitted as a contract amendment. We plan to have the system fully implemented in 2008.

Recommendation
Engage a firm to check drug-manufacturer prices and request the city's drug vendor to check the prices paid by its other customers.

Response
This is currently being performed in Central Pharmacy. A dedicated staff member has been hired to review every invoice, line by line. Based on this recommendation we will consult with an organization that deals with 340B pricing in Philadelphia to confirm that we are consistently obtaining the best pricing available under this program. The two examples provided in this report are both Pfizer products that we receive free of charge through Pfizer's Sharing the Care indigent drug program for most of our patients.

Recommendation
Negotiate better prices for the city's top 12 non-formulary drugs.

Response
The City obtains 340B pricing for both formulary and non-formulary items. We negotiated a separate agreement with Roche for glucose testing strips and lancets (neither is a pharmaceutical) because of the expense of the test strips and the high volume we use. There are several vaccines listed on the top non-formulary drugs; vaccines are purchased in collaboration with the Division of Disease Control, and we work to receive the best pricing allowed as a public health department. We do not believe that there are significant additional savings within the top 12 non-formulary items.

Recommendation
A "Special Benefits Officer" should be employed in each Health Center to assist the uninsured patients in completing the applications for the indigent program.

Response
We concur with this recommendation. We have set up a program using AmeriCorp workers who enroll our patients in patient assistance programs when their physician prescribes expensive medications that are not on formulary. This program is operational at all eight health centers. In the first year, our patients received medications valued at more than $360,000 (340B pricing) through indigent programs other than Pfizer's Sharing The Care program.

Walk-in Patient Impact on the Health Centers

The recommendations under this section are that the City improve health center physicians' salaries, expand operating hours using increased staffing, build up to three new clinics and expand workspace at existing centers, and also form partnerships with local hospitals that would address health center operation improvements, encourage hospitals to construct urgent care centers, and expand physician contracts in the health centers.

Walk-in service, as such, comprises approximately one-third of the primary care delivered through our health centers. The discussion in this section, however, frames the broad and critically important issue of delivering and paying for health care in general and especially to those without insurance or other means to pay for their care.

Indeed, this issue is of major concern nationwide and its impact is felt most acutely by state and local jurisdictions. In fact, in the absence of sound national policy in this regard, states have begun to address the issue on their own. Maine, Vermont, Massachusetts and California are some of the states that have begun to formulate health plans. Importantly, in January 2007, Governor Rendell unveiled the Prescription for Pennsylvania, a plan to assure access to good health care for all Pennsylvanians, regardless of their ability to pay for it. Portions of this plan have already been passed by the legislature, while others, and in

particular the funding provisions have stalled. In some cases, cities have initiated action in this regard on their own. San Francisco did so, only to have a federal court strike down the key payment provision in the San Francisco plan. It is clear that at every level the issue of who pays for health care, especially care for the poor, uninsured, and underinsured remains very much unresolved. Cities alone cannot bear the health care financing burden.

We must look at the issues raised in this audit in the context of what has indeed become a national crisis. In Philadelphia, this cannot be an issue for the city government alone. Solutions must include the federal and state governments, the federally qualified health center system, the hospitals and health systems, the medical and health care community, businesses, insurers, and advocates.

The Philadelphia Department of Public Health has begun and will continue to provide leadership through the recently established Health Leadership Partnership by engaging these interests and stakeholders in a process focused on identifying creative ways to better coordinate services and collaborate so as to be positioned to take advantage of progress as it is made at the state and federal levels to provide and pay for an acceptable level of health care for everyone.

Thank you again for the work of the Controller's Office and for the opportunity to review and respond to the report.

Sincerely,

Donald F. Schwarz, MD, MPH
Deputy Mayor, Health & Opportunity
Health Commissioner

DFS/jp