

Customer Connection

A Publication Of McKesson Pharmacy Systems

McKESSEON
Empowering Healthcare



Our mission is to advance the health of the healthcare system by advancing the success of our partners.

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Getting Ready for D.0 Claims: MPS Update

In 2011 payers will be moving from telecommunications standard NCPDP version 5.1 claims to version D.0 claims. MPS is currently working on the necessary system upgrades to meet these new standards.

Part of MPS's responsibilities during this preparation year is to obtain payer certification for D.0 claims. This certification progress depends on the readiness of payers and MPS software development teams to test and certify these submissions. However, once your system is ready and certification has been gained, you could begin submitting D.0 claims as early as this summer.

Throughout the 2011 transition period both 5.1 and D.0 claims will be accepted. D.0 formatted claims are not required by law until January 1, 2012 and no payer can require D.0 claims until then—although, they may state that they prefer D.0 claims.

Payers may contact your pharmacy directly to request information regarding the readiness of your pharmacy management system to handle sending D.0 claims.

If you encounter a payer requesting a certification, please contact your software's Customer Support Help Desk and we will respond with that systems' current status.

Once your system is upgraded you will be capable of sending claims in both the D.0 and 5.1 formats. Although the deadline for all claims to be submitted in D.0 is just about a year away, we encourage you to begin submitting your claims in the D.0 format immediately once you've upgraded your software and your carriers are ready to receive D.0 claims.

As we move through this transition period in 2011, we will send you regular updates to inform you of our status and educate you on what you can do to prepare your team for D.0 claims.

Please watch your email, visit <http://Learning.McKesson.com> and check your routine system alerts, for the latest news regarding payer certifications and tips for coping with changes in the claim submissions process.

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Message from the President of MPS

Nathan Mott, MPS President

Upcoming Events:

March:

APCI Annual Conference
March 25 – 26
Birmingham, Ala.

April - May:

NACDS Annual Meeting
April 30 – May 3
Scottsdale, Ariz.
McKesson Table #446

June:

MPS Community Pharmacy User Conference
June 28 – 29
San Francisco, Calif.
<http://marketing.mckesson.com/2011UserConf.html>

June – July:

McKesson Pharmacy Strategies Conference
June 30 – July 3
San Francisco, Calif.
www.mckessontradeshow.com

With the passing of the New Year, I couldn't help but realize that 2011 promises to be a big year for pharmacy—from software system changes for D.0 claims to the new rules and regulations coming from the Patient Protection and Affordable Care Act, we all have a lot in front of us.

We address some of these changes in this quarter's edition of *Customer Connection*, including an update from MPS on how you can begin preparing for the transition to D.0 and an article addressing the role pharmacists will play in the establishment of Accountable Care Organizations.

As policy makers redefine our industry and the adoption of new technology takes hold to support these changes, you can rest assured that MPS is investing in the development of the systems you need to run a successful pharmacy.

This year we have already released a new version of EnterpriseRx for independent customers, which will be quickly followed by a new update for Pharmserv.

Beyond our pharmacy management systems, we are continually working on interoperable solutions with other divisions of McKesson

to deliver added efficiency and profitability to your business.

One of our newest offerings is our low volume Central Fill option; made possible with McKesson High Volume Solutions. The inventory and labor resources saved when using Central Fill are sometimes astonishing. I encourage you to investigate this solution further on page 5 or online at <http://www.mckesson.com/HVS>.

One of the best venues for learning more about the value MPS strives to bring to your business is at our User Conferences. In June we will host our annual Community Pharmacy User Conference in San Francisco, just ahead of the McKesson Pharmacy Strategies Conference.

It's during these conferences that we learn exactly what is happening in your pharmacy so that we can provide products and services to help you evolve with the industry. Furthermore, User Conferences are where you can help shape those changes. I look forward to seeing you there and warm wishes for a prosperous year!

Nathan Mott

President
McKesson Pharmacy Systems and High Volume Solutions

As always, we appreciate your continued patronage and look forward to ongoing conversations. Please utilize the information below to send in your thoughts, questions, or suggestions. We look forward to hearing from you.

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MPS Community Pharmacy User Conference 2011

McKesson Pharmacy Strategies Conference



MPS will host its annual MPS Community Pharmacy User Conference June 28 to 29, 2011 at the Moscone Center, San Francisco. This year's event is scheduled to occur just prior to the opening of the McKesson Pharmacy Strategies Conference.

The complementary training opportunities for EnterpriseRx and Pharmaserv users will begin June 28, followed by a day of interaction with McKesson executives, product managers and staff at the User Conference on June 29.

At the 2011 conference, customers can participate in breakout sessions for their specific pharmacy management system and hear the product plans, time lines and other detailed information regarding new regulations and the transition to D.0 claims. MPS market experts and several executives will be on site to discuss our company strategies and share insight on where the industry is headed, and

how McKesson is working to better serve its pharmacy customers.

"Attendees often report that opportunity to spend time with product managers, executives and other system users during the User Conference are extremely helpful," said Brenton Burns, senior vice president of product management, strategy and marketing. "We design this conference to be a valuable and rewarding time away from the pharmacy."

Online registration is required, so please make plans now to attend these sessions. They are scheduled just prior to the opening of the broader McKesson Pharmacy Strategies Conference.

Registration for the MPS Community Pharmacy User Conference is very easy. Simply visit our <http://marketing.mckesson.com/2011UserConf.html>. From this site you will also find direct links to

preview the agenda and book hotel accommodations using McKesson discounted rates.

If you would like to set up a personal training session, meet with a MPS executive or simply register by phone, please contact Julie Elter, special events coordinator, at 724-443-7770 from 8 a.m. – 5 p.m. EDT.

McKesson Pharmacy Strategies Conference

Stay in beautiful San Francisco and spend three days focused on your success at the 2011 McKesson Strategies Conference June 29 through July 3.

While there you'll experience the latest programs and products; discover new revenue opportunities in clinical and cognitive services and learn from business and policy leaders. Find out what's working for your peers. Gain new skills that drive new growth, and sharpen your strategies for serving your patients and building your profits. We're already planning:

- Peer-networking and strategy sessions
- Dozens of CE courses
- Health Mart Annual Meeting and Health Mart University
- Vast trade show floor with hundreds of suppliers offering special deals

Visit www.mckessontradeshow.com to find out more and register today.

Are You Ready to Participate in ACOs?



National Association of Chain Drug Stores wants to make sure pharmacists secure their place on the healthcare team and are included in ACO rules.

All members of the healthcare team should be recognized for the important role they can play in patients' overall care. However, if your pharmacy was invited to participate in a local Accountable Care Organization (ACO), would your current technology fit the bill?

In a recent letter to The Centers for Medicare and Medicaid Services (CMS), the National Association of Chain Drug Stores (NACDS) called attention to the fact that retail pharmacists shouldn't be left out of the agency's proposed rules for ACOs and Medicare Shared Savings Programs.

"We think medication adherence is among the important measures for ACOs. It is about expanding the role of community care, which could include immunizations and other preventive services and screenings," said NACDS representative Chrissy Kopple, in a recent article published by *Drug Topics*.

CMS is expected to issue a final rule on ACOs in early 2011, and final regulations are expected to be implemented by January 2012.

ACOs will require up-front costs. Among the most obvious is intellectual technology that will report and store data. Since all providers in an ACO will be jointly accountable for quality and cost measures, IT require multiple-provider compatibility to allow complete information sharing.

"ACOs will require some new-age pharmacy technology with reporting structures to guarantee success," says Susan Pipars, market manager MPS. "If community pharmacy services are included in the proposed rules, and pharmacies want to participate, they may need to put new processes in place to improve efficiency of their operations, invest in the technology needed to coordinate care with other members of the healthcare team, and produce reports on quality and cost measures."

Such efficiency-improving technologies would include automation robots like the Parata Mini or Parata Max, or use of McKesson Central Fill. Software systems such as EnterpriseRx with its automated Promise Time Workflow improves efficiency. This type of software also offers Reports Director for customized reporting and HL7 for communicating across health systems.

With the technology in place to support reporting and patient monitoring, the overarching goal of ACOs is to improve quality of care and drive down costs by providing an incentive for better patient outcomes and lower costs. That's why, ACO participants are paid at the end of each ACO contract year for keeping patients healthy, rather than payment for the number of medical services provided.

The CMS regulations on ACOs are due for release soon and will cover the following points:

- What are the required performance standards?
- What are their benchmarks and how will they be measured?
- What configurations of ACOs are permissible other than those described in Section 1899?
- What are the reporting requirements?
- What comparison factors are used to determine cost savings?
- How much savings are required before savings are shared?

How this section of the Patient Protection and Affordable Care Act plays out and exactly how much health care providers will be paid, still remains to be seen.

Nevertheless, those interested should start thinking about their own participation should NACDS get their request that pharmacists be included as required participants of ACOs.

McKesson High Volume Solutions Launches New Website



If you or your organization is interested in learning more about how McKesson High Volume Solutions can help you install a customized Central Fill or Mail Delivery system, there's a new place to visit— www.mckesson.com/hvs.

On this new pharmacy automation web site, you can view new product movies, see a Central Fill facility in action and enjoy a guided tour with Brian Williams, vice president of engineering, HVS.

The site shows how HVS automation solutions are intelligently designed and engineered to deliver industry-leading count speed, dispense accuracy and patient safety.

Responsible for more than 60% of the closed-door pharmacy system installations in the United States, McKesson High Volume Solutions is the leading provider of customized, automated prescription fulfillment systems for pharmacies of all types and sizes.

The company supplies customized prescription fulfillment systems for

Central Fill, Mail Service, Long-Term Care and Specialty Pharmacies. Its systems are built to enhance productivity, quality, accuracy and patient safety. With an HVS system in place, customers have experienced:

- 10% reduction in system capital expense
- 30% reduction of system footprint
- 20% reduction of system-wide labor cost per prescription
- 98% automation of all countable prescriptions
- 99.99% count accuracy for Parata Express
- 99.92% count accuracy for Kalish Cells

After visiting the site, you can schedule a private demonstration of the complete HVS portfolio of pharmacy automation solutions by contacting Michele Leibow at michelle.leibow@mckesson.com, or calling 1-888-HVS-RXR.

Customer and Friend of MPS, Steve Judy, Passes on 1/29.

Longtime friend and customer of McKesson Pharmacy Systems, Steven Craig Judy, died Jan 29, 2011, at Winchester Medical Center, Winchester, Va. Steve was 58 years old.

He lived with his family in Petersburg, WVa., where he was co-owner of Judy's Drug Store in Petersburg and a second pharmacy in Moorefield, WVa.

An advocate for the advancement of pharmacy, Steve was a past President of the WVa Pharmacists Association and served on the W. Va State Board of Pharmacy. He was also a member of the American Society for Automation and Pharmacy Board, and NCPA Technology Committee where he worked with many associates of MPS.

Steve was also a member of the West Virginia Drug Utilization Review Board for Medicaid, and Vice President of EPIC Pharmacies Inc.

He graduated from West Virginia University School of Pharmacy in 1975. In 2005 he was a recipient of the W. Va Bowl of Hygeia Award.

In lieu of flowers, memorials may be made to The Steven C. Judy Memorial Scholarship in Pharmacy, c/o WVU School of Pharmacy, PO Box 9008, Morgantown, WV 26506, or The Joyce Judy Memorial Scholarship Fund 24 North Main Street, Petersburg, WV 26847.

TechKNOW: E-Prescribing Adoption Increases, 5 Tips on Promoting to Physicians

Healthcare's sluggish shift to electronic prescribing and health information technology is picking up pace as new studies show the explicit benefits of e-prescribing adoption.

To prove the advantages of e-prescribing, pharmacy benefit management giant Medco Health Solutions and the California Public Employees Retirement System, or (CalPERS), recently completed an 18-month pilot project that tracked a significant boost in e-prescribing use by thousands of network physicians—and a corresponding increase in efficiency, accuracy and generic dispensing rates.

The results of the groups' study, released at the end of 2010, showed that the number of doctors using e-prescribing in the pilot surged 79%, and overall prescription renewals were up 104%.

In addition, paperless prescribing among the more than 12,000 physicians serving CalPERS—the nation's second-largest public health purchaser after the federal government—was found to boost efficiency and medication safety. According to the report, 50% of (participating) physicians changed at least one prescription after receiving a safety alert through e-prescribing. The project also led to lower prescription costs through an 11% increase in generic dispensing rates among doctors who converted to e-prescribing during the pilot.

While the adoption of e-prescribing

was slow when first introduced in 2007, it has steadily increased by 109% year over year. By the end of 2009, more than 62% of independent pharmacies and 97% of chains were connected to the Surescripts network for prescription routing.

Pharmacies that haven't yet made the switch should consider these and other added benefits of e-prescribing, including:

- Reduces errors through the delivery of "clean" prescriptions which increases patient safety.
- Easy access to prescription benefit coverage to reduce the number of rejected claims and eliminate rework.
- Reduces paperwork and re-keying.
- Reduces staff time - e-prescriptions go directly into your computer and renewal authorizations can be managed with a few keystrokes.
- 100% of e-prescriptions arrive at the pharmacy, which results in increased patient compliance and more business for your pharmacy.
- E-prescribing physicians prefer to do business with e-prescribing enabled pharmacies.

If you would like to make the switch and need to know more information about how your pharmacy software system works with e-prescribing, please contact us at 800-289-2192.

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Top Tips for Promoting E-prescribing to Physicians in Your Area

If you have already made the decision to accept e-prescriptions, you are likely experiencing some of the benefits, but have you reached your full potential?

The key to maximizing the benefits of e-prescribing is letting your prescribers know that you accept e-prescriptions. Encourage healthcare professionals in your area to adopt e-prescribing technology, and help them understand its benefits. The tips listed below can help you educate your peers on the benefits of e-prescribing:

1. Email the five largest physicians offices in your area to let them know you can accept e-prescriptions.
2. Identify a staff member as your e-prescribing expert and have them make direct calls to area physicians informing them you can accept e-prescriptions.
3. Take full advantage of managing renewal authorization requests electronically. This will strengthen your relationship with area physicians since it will reduce their time required to handle prescription renewals.
4. Educate your staff about how e-prescribing works, and the benefits of the service.
5. Utilize the free educational materials available on the Surescripts website at <http://www.surescripts.com/about-e-prescribing/resources.aspx>.

EnterpriseRx 2.3.1i Now Available



EnterpriseRx customers rang in the New Year with a new version of their pharmacy software system. EnterpriseRx 2.3.1i brings more than 16 new features designed specifically for independent pharmacists, such as 340B support, Loss Alerts, View and Override pricing, as well as McKesson Connect integration.

“We place a lot of emphasis on listening to our customers and adjusting our products to support the unique needs of each type of pharmacy,” said Brent Burns, senior vice president of product management, strategy and marketing. “EnterpriseRx 2.3.1i is the result of customer feedback and offers more flexibility at the store level for the independent pharmacy.”

MPS will push the latest upgrade out to independent pharmacies automatically and the EnterpriseRx Customer Support teams will work directly with each pharmacy to configure settings according to their individual preference. Some of the upgrades in EnterpriseRx 2.3.1i include:

340B Support: Pharmacies can now flag product, prescribers, Third Parties, and prescriptions as 340B-eligible so that EnterpriseRx can track this information for prescription filling and reporting purposes.

McKessonConnect Integration: EnterpriseRx 2.3.1i provides direct access to McKesson’s online wholesale site, McKesson Connect to better support the Purchase Order process.

Client Level Product Overrides: New enhancements make it easier to edit local products and override values on corporate products; make changes to existing product records as needed; and modify cost bases and product descriptions.

Loss Alerts: Alerts now notify you when the profit on a prescription has fallen below cost, allowing you to make effective pricing decisions. You can also configure your settings to display these alerts at various points in the workflow.

View and Override Pricing: To improve profit margins, acquisition cost is now provided to further

enable the display of profit calculations on each prescription, plus pharmacies can now configure the level of pricing detail and where it can be viewed (and overridden) in the customer-level workflow. In addition, pharmacies can now view a larger number of pricing components at multiple points in the workflow.

Accounts Receivable: For pharmacies using accounts receivable, statements now display chronologically, not numerically by Tx Number. EnterpriseRx 2.3.1i now ignores leading zeros when searching for an account by account number; plus there is a new Statement Review and Print selection for a specified date range.

Long-Term Care: New features include billing after a patient is discharged, and billing regardless of prescription status.

Each of the new features and enhancements in EnterpriseRx 2.3.1i were tested extensively by pharmacists around the nation, and the feedback on improvements to efficiency and access to information were positive.

“The enhancements to EnterpriseRx have made certain aspects of the system simpler and more efficient. Fingertip access to important profitability data and cumulative time savings resulted in increased profits for us,” said Tom Bahra, Owner of Indian River Village Pharmacy in Mich. “In addition the single sign-on through EnterpriseRx to the McKesson Connect home page will save hundreds on logins per year; it’s one click to go, one click to come back.”

EnterpriseRx 2.3.1i is currently being scheduled for rollout to current users, and new independent customers will have the upgrade installed during their scheduled software implementation. For more information about EnterpriseRx, please visit www.EnterpriseRx.com or contact us at 1.866.682.8942.

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McKesson Pharmaserv Order Management Moves to Pharmaserv Supply Management

The Pharmaserv development team announced this month that all McKesson distribution customers will transition to Pharmaserv Supply Management (PSM) in preparation for the upcoming release of Pharmaserv 6.1.0.

Pharmaserv Supply Management is an integrated inventory management module that was first introduced in 2005. Its primary use was to provide non-McKesson customers with a method to maintain their perpetual inventory and price updates from their suppliers. McKesson customers continued to use the Pharmaserv Order Management (POM) application

to manage inventory and acquisition (ACQ) price updates.

There are many added benefits to using PSM, including:

- Ability to create your own purchase order number
- Ability to track credit returns and automatically update quantity on hand
- Ability to print credit return report to fax or e-mail

Also, in addition to the existing POM functionality, we have added the following functions for McKesson customers:

- Ability to identify an item as 'Do not substitute'

- Ability to identify if an item should be marked as 'Do not order' when substituted

The Pharmaserv team will be working with its customers to facilitate this transition. The transition will be performed in three groups beginning in March and will be conducted monthly through June. All customers should have received a letter by mail that provided detailed information on group assignments, transition schedules and training.

Any customer who did not receive a letter should contact Pharmaserv Support at 1-800-424-0444 option 1.