

# RISK MANAGEMENT

2016

Commercial Lines Edition III

## Drug Security in the Independent Pharmacy: A Safe Choice

Christopher von Zwehl, Rx Security Specialist and Senior Vice President Scripps Safe

Since the CDC declared an epidemic of prescription drug abuse in the United States in 2010, numerous programs and initiatives have been implemented to control access to narcotics. These have included prescription Drug Monitoring, increased DEA activity, addiction treatment funding, changes in prescription guidelines, drug take back programs, crackdowns on pill mills and rescheduling of hydrocodone to schedule II. Unfortunately, despite the push to decrease access, the demand for prescription drugs remains high. In a climate where it is harder than ever to access narcotics and where demand remains high, it's not surprising to see a continuing and growing problem with burglaries and robberies. – Mike Warren, Risk Manager



Christopher provides some insight into a key opportunity to protect against these threats.



In 2015, there were 916 pharmacy robberies, a 25% increase since the CDC declared an epidemic in 2010. According to the DEA the estimated impact of internal drug diversion and abuse costs \$72.5 billion a year. Research indicates 12 - 16% of all healthcare workers may have or had an addiction to prescription drugs at some point in their career.

Whether to prevent theft or diversion, addressing this epidemic starts with securing access.

Under current regulation, Title 21 CFR 1301.75, controlled substances shall be stored in a securely locked, substantially constructed cabinet. A simple key locked wooden cabinet does not protect practitioners from internal drug diversion or an armed robbery. If something goes wrong, the DEA's

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substantial requirements checklist outlines the factors they will use to evaluate a practitioner's security system, which can still be found non compliant.

While the initiatives that have been implemented since 2010 to curb access are important, accessibility remains the number one contributing factor to abuse of prescription drugs. Pharmacists and Doctors who carry controlled substances should first secure them in a steel pharmacy or narcotics safe. Time delay features incorporated into safe design provide additional advantages by deterring robberies and providing an audit control access system to prevent diversion.



Installing a safe is a key step to addressing America's opioid crisis and protecting practitioners. Adding enhancements like a time delayed entry safe and audit trail access system makes

accessibility tougher and can potentially save billions of dollars and countless lives.

In addition to greater security, a purpose built pharmacy safe with an electronic access control system allows the pharmacist to check the mode the safe is in (delay, ready, administration, alarm, audit, etc.) at any time. The safe is now a functional part of their operating business, not just

a locked box. It also prevents inadvertently leaving a safe open, inviting criminal activity.

For additional information about safe technology and time delay safes, contact: **Christopher von Zwehl, Rx Security Specialist/ SVP, Scripps Safe, Inc. 1-844-4SAFE-RX (472-3379), or visit [www.4saferx.com](http://www.4saferx.com).**

## Dispensing Errors – the How and Why

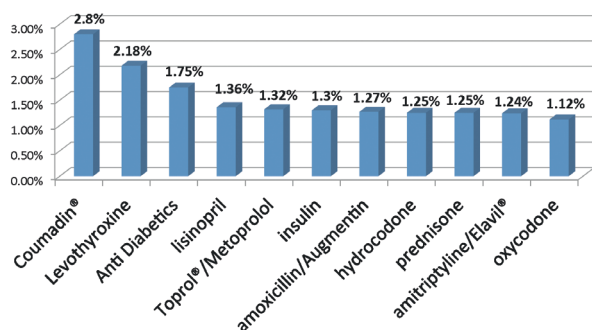
Don R. McGuire Jr., R.Ph., J.D. | General Counsel, Sr. Vice President Risk Management & Compliance

A recent edition of *Pharmacy Today* magazine contained an article that talked about pharmacists getting the right drug at the right dose to the right patient at the right time. The article was discussing pharmacogenetics and not dispensing errors. However, the article did remind me how critical it is to deliver the proper medication to the patient.

The Pharmacists Mutual Claims Study highlights drugs that are commonly involved in claims. The claims result from dispensing the wrong drug, the wrong strength, or dispensing a prescription with incorrect directions. Many of the drugs commonly involved in these claims are not surprising. Both hydrocodone and oxycodone are on the list at numbers eight and eleven, respectively. What is revealing is the reason that drugs are on the list beyond the fact that they are widely dispensed. Hydrocodone and oxycodone are available in a number of different strengths and combinations. This presents challenges in the dispensing process to make sure that the correct product is dispensed.

The number one drug involved in claims is warfarin. A closer look at warfarin errors reveals that incorrect directions are

**Pharmacists Mutual Claims Study 2016  
Drugs Delivered in Mechanical Claims 1996-2015**



seldom the error involved. Almost two-thirds of the time, it is dispensing the wrong strength. Levothyroxine, at number two, is similar with strength errors accounting for over two-thirds of its claims. Considering the number of strengths of these two products available, these results are not surprising.

Toprol® comes in at number five in the study. It is commonly dispensed in place of Topamax® (and vice versa). Here, about two-thirds of the errors are dispensing the wrong drug. It is easy to see how that could happen. Claims involving oral

hypoglycemic drugs (primarily glyburide) is in third place on the list. These claims also involve the patient receiving the wrong drug. But here, it is a whopping 90% of the errors!

Our last example is prednisone, which comes in at number nine. Prednisone claims are spread almost equally among wrong drug, wrong strength, and wrong directions categories. Again, this is not surprising given the variability of dose and duration for different patients and conditions.

The key to a successful risk management program is data. Knowing where dispensing errors occur is helpful. Knowing why they occur is much more useful. Performing a root cause analysis allows you to better understand not only the how and where, but the why. Knowing the why allows you to implement a risk management program that is both efficient and targeted. Increased accuracy should follow as the data shows you where changes are needed.



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## Rx Filling Technology Frees You Up for Value-Based Care

Garry Zage, R.Ph., President, Kirby Lester

We asked Garry Zage, R.Ph. and President of Kirby Lester, to provide his To-Do List for pharmacies that are currently transitioning to, or need to transition to value-based care, especially when it comes to using technology to make a successful evolution.

I'd start by saying we are in a very positive transition for the pharmacy profession. Pharmacies need to be providers of care, not just providers of goods. We must understand how to provide value-based care in professional services as well as the requirements of dispensing and operations.

As graduation projections for primary care physicians continue to decline, accessibility to timely and quality healthcare will be challenged. That's the good news for pharmacy. I would examine the entire set of new services that could be provided in a retail pharmacy. I would also recommend further developing professional relationships in their community to become part of their local healthcare system. The real challenge, however, is this: How does an independent pharmacy provide these new value-based offerings while still running a profitable business, keeping costs as low as possible, and still fulfilling the core function of filling prescriptions safely and efficiently?

Navigate the changes. Position your business for continued success by challenging your basic business operations. Utilize basic counting technologies to reduce your "time to fill" and to assure the accuracy of your count and what is being dispensed.

1. Reduce your labor costs with technology. As the NCPA 2015 Digest attests, about 14,000 independent pharmacies currently utilize a counting device or robotic filling technology. So there are approximately 7,000 or more independents underutilizing or not utilizing filling technology. The pharmacies with robots are still manually counting half the time because their robot only automates 40-60% of all orders. With 90-day prescription filling rising, counting technology is critical in reducing labor. Studies have shown an average of 15 seconds of labor savings versus manual counting of a 90-count prescription.
2. Increase your dispensing accuracy. Studies have shown an average of 95% accuracy when prescriptions are counted manually. Using even basic counting technology will address these accuracy errors and assist in your inventory controls.
3. Scan Verification to provide enhanced measures for accuracy. Kirby Lester's own 2015 study on the impact of using scan-verification during technician filling showed that technology prevents at least three serious errors per week: wrong drug, wrong strength or wrong quantity.

As a case in point: a Kirby Lester KLI Plus ensures the technician verifies he or she has the right medication and strength in hand, counts the exact quantity for that script, and keeps a record for years. Any pharmacy — regardless of size, available space, and daily Rx volume — could immediately put this technology to use.

Bottom line: Be as efficient and accurate in your core business to transition to expanding your value-based care initiatives.

Once you have developed complete confidence in your process, focus on the creation of a set of professional services that you may offer at your pharmacy. Identify your new revenue streams, your portfolio of value-based care service offerings, and analyze what strategies you wish to employ that will continue the growth of your business. Focus on quality of care and patient-centric services to further cement your position as part of the local healthcare team.

Garry Zage, R.Ph. is President of Kirby Lester, a division of Capsa Solutions, LLC, based in Lake Forest, IL. Garry is past President of the Illinois Council of Health-System Pharmacists and former board member with the Directors of the Illinois Pharmacists Association. Zage is currently a member of the National Advisory Board of the University of Illinois College of Pharmacy.

For additional information about this article or Kirby Lester, please contact Michael Stotz, Senior Marketing Manager at [mstotz@kirbylester.com](mailto:mstotz@kirbylester.com) or 847.984.0320, or visit [www.kirbylester.com](http://www.kirbylester.com).



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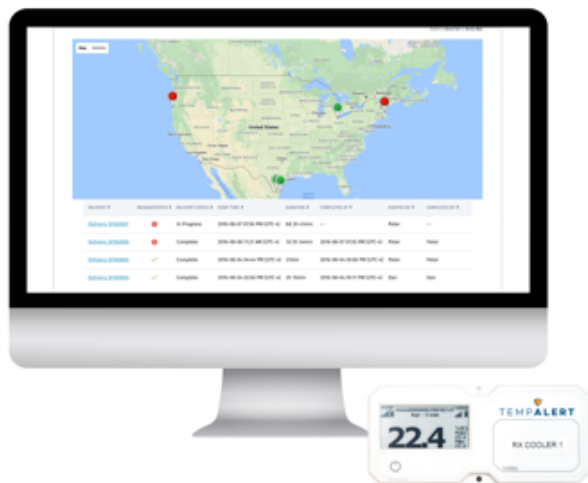


# High Cost Medications and the Importance of Temperature Monitoring

Patty Kumbera, RPh, TempAlert

Pharmacies are the go-to source for life saving medications in the United States. Vaccines, insulin for diabetes, expensive multiple sclerosis medications, and many other pharmaceuticals and biologics require refrigeration or freezing to preserve their safety and effectiveness. The cost of these drugs can be significant, particularly newly released preparations and medications that treat rare diseases and disorders. Modern pharmaceutical refrigerators and freezers are employed to help ensure drugs they store are maintained at specified temperatures. Despite the diligence of pharmacists and pharmacy store personnel, a significant number of doses are subjected to out-of-specification temperatures, often for prolonged periods.

Pharmacies rely on insurance to help protect them from losses due to unforeseen problems such as a pharmacy refrigerator or freezer failure or a loss of electrical power. There are two factors pharmacies may not fully incorporate into their daily operations. First, managers and pharmacists may not be aware when temperature sensitive medications are exposed to out-of-specification temperatures. Second, the short-term increased inventory of high-value medications may exceed the insurance coverage limit by a significant amount.



**One way to help minimize losses is to equip pharmacy refrigerators or freezers with automatic temperature monitoring equipment capable of sending out alert or alarm messages when temperatures exceed safe limits. Care must be taken when selecting such devices since many rely on store computer or Wi-Fi networks that can fail when electrical power is interrupted resulting in no alarm being sent. Cellular devices are one solution, smart cloud-based data collection and reporting is another.**

Studies have also found that a significant number of pharmacy refrigerators and freezers are not operating properly and expose temperature sensitive medications to temperatures above or below recommended values. While there may be no apparent loss, the safety and efficacy of compromised medications is of concern, particularly in an increasingly litigious society. Pharmacy operators and insurers will need to examine the risks together to help determine whether or not their retail outlets are protected in these circumstances.

A wealth of new medications that allow patients to be treated at home for diseases or conditions that previously required a doctor's office visit have benefited both patients and pharmacies. Several of these costly drugs, such as anti-rejection drugs, chemotherapy medications, and biologics, increase inventory values at the retail outlet. A small number of these preparations may be needed at any given time but they are becoming more common with an aging population and advances in treating diseases and conditions that were previously unavailable. The increased storage of these costly inventories may also exceed insurance coverage limits, in some cases by a significant amount. Reports of pharmacies losing over \$100,000 of refrigerated medications have been frequently discussed among industry professionals.

Pharmacy operators and pharmacists should review the performance of their prescription refrigerators and freezers for stability and reliability, and use continuous temperature monitoring to help ensure medications are maintained within proper temperature ranges. Additionally, assessing the value of medications in pharmacy refrigerators or freezers on a daily, weekly, monthly, and seasonal basis can help capture the actual value and potential exposure of any particular retail store over the course of a year. The combination of automatic temperature monitoring and accurate inventory values will help provide a complete picture of the status and potential risk of loss.

Patty Kumbera is a registered pharmacist and head of pharmacy solutions for TempAlert. TempAlert provides temperature monitoring solutions for 1 in 4 US pharmacies. For additional information about TempAlert, visit <http://www.tempalert.com>.

## A Shocking Experience

Jen Aultman, Risk Management Consultant

Unless the power goes out; one thing we seldom think about (and take for granted most) is our electrical power. When the power goes out and the cause is unknown our first trip may likely be to the breaker/electrical box. For those who need a refresher, breaker boxes contain electrical switches that protect power circuits from current damage such as an overload or a short circuit. Breaker boxes interrupt current when the delay detects a fault, helping prevent fires. When a breaker is tripped, outlets wired to it lose power.



Accessing the electrical panels needs to be easy. Blocking electrical panels is a violation of Occupations Safety and Health Administration (OSHA) and National Fire Protection Act (NFPA) regulations. Another OSHA requirement is a "dead front." A dead front prevents the live parts of the panel from being exposed to the person operating the electrical panel.

If your building was built between 1960 and 1990, service was changed from a fuse to breaker panel, or you aren't aware of the panel's manufacturer, please check it as soon as you finish this article. You can determine the brand and type by looking on the outside of the panel door. If it says "Stab-Lok" in orange or orange and black printing on the inside of the box, you will want to have it replaced. The Stab-Lok panels have been proven in some cases to provide continuous electricity to the panel with a short circuit. The continuous power causes intense heat and in some cases fire. An investigation showed Federal Pacific was obtaining UL labels through deceptive and improper practices. Simply put, these panels were not being inspected. Jesse Aronstein, an engineer and researcher of the Stab-Lok panels for more than 20 years, estimates these panels may have caused 2,000 fires.

Aside from the Federal Pacific Stab-Lok concern, several things can indicate the electrical wiring in your building should be checked by a licensed electrician:

- Lights that dim and flicker.
- Funny odors from appliances or your breaker panel, or sparks of any kind.
- Hot outlets or switch plates, frequently tripped breakers, or buzzing. These are indications of improper movement of power through a building and could cause a fire or other injury.
- Overuse of extension cords. Wiring in the walls is undisturbed but extension cords add points where wires can be kinked or pinched and short out.

After checking your electric panel for brand, make sure the various switches are correctly labeled. If they are not, take time to properly label them so you can quickly identify which breaker to switch if an appliance is sparking or has started on fire. These double checks can increase the safety of building occupants, employees, and customers.

Are you open for business?  
Should we come to work today?  
Can my business bounce back?



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## Your Risk Management Newsletter – In this Issue – The Stats on Dispensing Errors

# Pharmacists Mutual Scholarship

*Kristen Jones, PharmD | Pharmacy Risk Management Consultant*

Pharmacists Mutual has offered scholarships to pharmacy students for decades. In 2016, as a company we awarded twenty scholarships of \$2,500 to pharmacy students across the country entering their third or fourth professional year of school. These students plan to practice in independent or small chain community pharmacies or serve an underserved geographic or cultural community. As a member of the scholarship committee, I look forward to hearing from pharmacy students from around the country. Reading about these students' experiences, hopes, dreams, hardships and passion for pharmacy gives me a renewed sense of passion for my own pharmacy career.

As the landscape of pharmacy continues to change and move toward more patient interaction and even provider status, the opportunity for pharmacists in independent practice seems limitless. Students aspire to work in and own pharmacies that provide diabetes services, compounding, medication therapy management, and some business plans even combine pharmacies with health food and fitness services. The lure of large sums of money from chain pharmacies is being replaced by the desire for patient interaction, autonomy and broadened services.

The Pharmacists Mutual Claims Study, which includes 26 years of claims information, shows 84.6% of medication claims are associated with dispensing errors. Patient interactions can help prevent these errors simply by verifying disease states, other medications and medication allergies. The common theme in the scholarship essays among applicants who have intern experience is the increased ability to interact with patients in independent pharmacy in comparison to large chains. Additionally, services provided by many independent pharmacies such as adherence packaging, blood pressure checks, and medication therapy management services provide access to patients who are experiencing the challenges of navigating an increasingly difficult healthcare environment.

As pharmacy continues to change, Pharmacists Mutual continues to support the growth and future of the pharmacy community. I am excited to see what the 2017 award year brings us in terms of students' hopes and aspirations for pharmacy. The application period is changing for 2017, so watch for information about the PhMIC scholarship at [www.phmic.com](http://www.phmic.com) starting in October 2016.

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