2012 Annual Report – An Executive Summary
From the CEO

NCPA exists to be the voice of community pharmacy—small business owner health care providers caring for the people in their communities and neighborhoods. This report highlights our activities in 2012 and, while the coming year will continue to present no shortage of opportunities and challenges, community pharmacists will persevere just as we have before. We will continue to demonstrate our value and we will evolve as the circumstances around us change. All the while, NCPA is here with you as the megaphone for your voice.

NCPA CEO B. Douglas Hoey, Pharmacist, MBA

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NCPA Strategic Goals

**GOAL I.** Independent community pharmacies are recognized/valued as part of health care solutions

In 2012, NCPA repeatedly promoted the fact that community pharmacists were recognized again for being trustworthy and generating high customer satisfaction. The annual Gallup survey regarding professional honesty and ethics recognized pharmacists as the second-most-trusted profession in America. Americans’ level of confidence in pharmacists increased again this year and set a record high in the 30-year-old survey. In addition, independent community pharmacies received strong customer satisfaction ratings by patients participating in the J.D. Power and Associates 2012 National Pharmacy Survey as well as the Pharmacy Satisfaction poll sponsored by Boehringer Ingelheim Pharmaceuticals, Inc.

Beware of Phil My Pockets™

In 2012, NCPA introduced satirical PBM executive “Phil MyPockets” in three new videos as part of the Who Runs My Drug Plan campaign and website. The videos and website help educate health plan decision-makers and consumers about the value of their prescription drug plan...and the impact that PBMs have on that benefit.

The videos have been viewed 10,000+ times, collectively, and are accessible on NCPA’s You Tube channel.

NCPA took many steps to continue an aggressive outreach campaign to educate policymakers, payers, health care providers, stakeholders, the media and patients about the community pharmacists’ critical role. In 2012, NCPA was quoted or referenced 500+ times in newspapers and TV and countless times on blogs and other Internet sites. NCPA’s message has been covered in influential publications such as The Wall Street Journal, The New York Times, The Washington Post and Politico. We have posted 500 messages via the NCPA Facebook page and Twitter. In addition, NCPA took out paid advertisements in Politico, Roll Call, The Hill and other key media outlets.

**GOAL II.**

Public policy and legislation are favorable to the practice of Independent Community Pharmacy

**GOAL III.** Barriers to success in the practice of Independent Community Pharmacy are mitigated

Through its Advocacy Center NCPA represents our nation’s independent community pharmacists in Congress, the regulatory arena and in the state legislatures. Thanks to your support of NCPA member grassroots efforts, the NCPA Legal and Legislative Defense Fund (LDF), and the NCPA Political Action Committee (PAC) our work is made possible to find and advance solutions that are pro-patient, pro-pharmacy and pro-small business.

During the year, the Center’s progress included:

+ Strongly opposing the merger of pharmacy benefit manager (PBM)

**GOAL IV.** Members have skills, knowledge and resources to better serve patients and be successful

**GOAL V.** Members receive exclusive discounts and benefits
giants Express Scripts and Medco. After the FTC allowed the merger to proceed despite the concerns of 80 members of Congress, consumer groups and others, NCPA immediately turned to the courts. NCPA’s lawsuit opposing the merger is now before the U.S. District Court for the Western District of Pennsylvania. Our complaint alleges the merger’s harm to retail pharmacies and the impact on specialty drug dispensing.

+ NCPA opposed a one-sided proposed settlement to the landmark lawsuit that NCPA and others filed against Visa, MasterCard and several of the largest banks in the country alleging that the defendants engaged in anticompetitive practices and exorbitant interchange fees (or “swipe fees”). NCPA delivered to the court formal declarations from its CEO and more than 800 of its members, registering strong opposition to the proposed settlement. The litigation is pending in the U.S District Court for the Eastern District of New York.

+ NCPA generated new cosponsors for important legislation addressing MACs, audits and other PBM abuses and DME. These bills include: Medicare Pharmacy Transparency and Fair Audit Act (H.R. 4215); the Medicare Access to Diabetes Supplies Act (H.R. 1936); the Pharmacy Competition and Consumer Choice Act (H.R. 1971/S. 1058) and the Preserving our Hometown Independent Pharmacies Act (H.R. 1946).

+ At three congressional hearings, NCPA testified on behalf of all independent community pharmacists. NCPA also led congressional staff briefings on pharmacy issues, in conjunction with the bipartisan Community Pharmacy Caucus. In addition, NCPA members held 40+ pharmacy visits with members of Congress in 2012.

+ Medicare/Medicaid—NCPA convinced CMS to delay the NPI requirement until such time that all prescribers are required to have individual NPIs. As Medicaid continued to work on revised AMP-Based FULs for generics and a new National Average Drug Acquisition Costs (NADAC), NCPA worked constructively with officials to oppose below-acquisition-cost payments and to urge fair reimbursement for community pharmacies.

+ In light of the tragic meningitis outbreak, NCPA has worked constructively with FDA, Congress, states and the media to preserve access to traditional compounding while rooting out any entities manufacturing under the guise of compounding.

+ In the states, NCPA authored model state legislation on PBM transparency, PBM audit reform, MAC pricing transparency, anti-mandatory mail order and more. PBM audit reform legislation passed in 11 states: Alabama, California, Indiana, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, South Carolina, Utah and Vermont. Pennsylvania successfully passed legislation to prohibit the use of mandatory mail order.

Read more in the Center’s complementary Annual Report. During the new Congress and during President Obama’s second term, NCPA continues to advocate for your livelihood and your patients’ well-being.

GOAL IV.
Members have skills, knowledge and resources to better serve patients and be successful

In 2012, NCPA continued its vision of improving medication adherence (and health outcomes) through its Pharmacists Advancing Medication Adherence (PAMA) initiative. Currently, more than 500 pharmacies are providing coordinated refill services to more than 10,000 patients through NCPA’s Simplify My Meds™ program, and many stores are reporting enhanced business efficiencies and improved profitability as a result of the program. Additionally, we partnered with the American Association of Colleges of Pharmacy to identify and cultivate best practices in adherence teaching. And we continued to advocate the valuable impact of pharmacist-delivered adherence services through targeted outreach efforts to the U.S. Surgeon General’s office, the Centers for Medicare & Medicaid Services (CMS) and members of Congress.

The NCPA Front-End Overhaul member service program has provided over 3,000 NCPA members with targeted information on front-end merchandising, store floor plan and layout advice. Through the program’s webpage, tips, tweets and live educational programming, the F.E.O. has helped NCPA members compete more effectively with national chain drug stores.

The NCPA Dispose My Meds program reached a milestone with the collection of over 100,000 pounds of unused or expired non-narcotic medications from patients and communities since the initiative’s launch in 2010.

NCPA created a new Legal Resource Center that provides a centralized repository that members can access to learn from earlier key cases impacting pharmacy. When legal action is necessary, this legal library can increase precision, efficiency, and most of all, chances of success. It has more than 100 cases in its library and includes summaries of many issues affecting pharmacy such as large pharmaceutical settlements, antitrust challenges and many smaller day-to-day issues.

NCPA’s Long-Term Care Division. A new LTC website was launched with improved navigation and new resource materials, including online courses, Ask the Expert content, regulatory information and more. An LTC Business Summit was held during the Annual Convention. NCPA advocated for LTC pharmacy issues including short-cycle dispensing, audit and reimbursement issues and nurse-as-agent. In addition, an important cost-of-dispensing study for LTC closed-door pharmacies was initiated.
Education continues to be a cornerstone of NCPA. Continuing education opportunities are available online at Pharmacist e-Link and via America’s Pharmacist magazine. In 2012, NCPA members had access to hours of additional continuing education via NCPA meetings.

**EVENTS AND MEETINGS**

**NCPA Multiple Locations Pharmacy Conference**—Over 100 multi-store owners, single pharmacy owners and buying groups representing 10,000+ pharmacies met in Naples, FL to discuss current issues affecting store expansion.

**Annual Conference on National Legislation and Government Affairs**—More than 250 pharmacists gathered in the nation’s capital to meet their representatives and advocate for patient choice.

**2012 Annual Convention and Trade Exposition**—In San Diego, more than 3,000 attendees convened to achieve the event’s goals to Meet. Learn. Succeed.

**Diabetes Accreditation Standards-Practical Applications (DASPA)**—NCPA hosted two programs in 2012 in Rochester, NY and San Diego, drawing 65+ pharmacists. Many are in the process of completing accreditation to bill Medicare for DSME/T services.

**LTC Business Fundamentals program (formerly Community Aging, Assisted Living, and Long-Term Care (CAALLTC))** This program teaches pharmacists how to efficiently and profitably provide long-term care services to residents in a variety of settings. Three events were hosted with a total of 87 attendees.

In addition, NCPA’s Ownership Academy offers a “go-to” resource for NCPA members in all phases of community ownership with tools and events, including those below:

+ **NCPA bookstore** introduced “Opening a Pharmacy: A How-to Guide” in response to member demand. In less than a year, sales reached 114 guidebooks. NCPA also released an update to the Employee Policy and Procedure wizard providing a customizable template for their pharmacy’s (or pharmacies’) Employee Manual and Policies and Procedures.

+ **Pharmacy Ownership Workshop, sponsored by McKesson**, hosted in 2012 in Arlington, VA; Dallas, TX; and San Francisco with over 238 attendees

+ **Jumpstart Your Pharmacy Business: A Seminar for Owners**. Since launching in 2010, 70+ pharmacy owners have attended this seminar to advance their businesses

+ **PharmacyMatching.com**, a website to match potential buyers and sellers of independent pharmacies and those who may be seeking pharmacy employment. To date, more than 900 users have registered with the free site.

+ **NCPA Student Affairs** (including the Good Neighbor Pharmacy NCPA Pruitt-Schutte Student Business Plan Competition, which in 2012 drew entries from a record-high 40 schools and colleges of pharmacy and included first-time submissions from four schools and colleges of pharmacy.

NCPA uses a number of communication vehicles to provide information and resources to members, including America’s Pharmacist magazine, eNews Weekly, Executive Update, and Advocacy Alert newsletters.

**GOAL V.**

Members receive exclusive discounts and benefits

As a membership organization, NCPA is continually reaching out to offer programs and services that will enhance member value, such as members’ exclusive access to planning and marketing materials for the Simplify My Meds™ program, consults from Gabe Trahan for Front-End Overhaul, along with discounts on services for Dispose My Meds and Protect Your Pharmacy Now! programs.

Membership in NCPA continues to be robust. We are fortunate to work with a number of groups that support NCPA by committing to 100% membership participation from their members/customers. These groups include: Association of Northwest Pharmacies, CARE Pharmacies, GeriMed, Independent Pharmacy Buying Group, Keystone Pharmacy Purchasing Alliance, Louisiana Independent Pharmacies Association, Partners in Pharmacy Cooperative, Pharmacy Providers of Oklahoma, Inc., Quality Care, RxPlus and the Texas Academy of Independent Pharmacists.

NCPA corporate members include, but are not limited to, pharmaceutical companies, independent pharmacy organizations (IPOs), wholesalers and software vendors. Along with the IPOs, wholesalers and state associations continue to work closely with NCPA on co-marketing of our annual convention and membership. In addition, NCPA participates in a number of national and regional wholesaler and IPO conferences each year.