

Mail-Order Prescription Dispensing Process

The following discussion provides a description of the activities that take place to prepare a prescription for delivery, from the moment it arrives at one of our mail-order pharmacies to the time it is packaged and ready for shipping.

Prescription Preparation

The processing of a patient's prescription begins with the receipt of an order at one of our mail-order pharmacies. These prescriptions may be received either by mail, IVRU, Internet, or faxed by a physician to Medco. In addition, Medco's Customer Service Representatives can accept refill requests from patients.

Order Entry: Every order received is entered into our mainframe system using sophisticated system applications, as outlined in the steps below.

1. Administrative Entry

As the first step of entering a new prescription order or a request for a refill, an Order Entry Associate enters and verifies the non-clinical aspects of the order, such as member name, shipping address, and payment information. A variety of quality checks are performed to help ensure no errors are introduced at this step, such as zip code validations and comparisons of patient last name versus member last name. In the event that the Order Entry Associate is unable to verify any of this data, the prescription is referred to an administrative unit in the pharmacy and an outbound call will be made to the member to confirm the information. The order process for prescriptions received through the Internet or by IVRU bypasses steps one and two and commences at step four below.

2. Administrative Protocol Review

As a part of this step, the Order Entry Associate will also submit the prescription order through our on-line real time claims processing system, TelePAID[®], to verify eligibility. If eligibility cannot be determined, the prescription order will be sent to the appropriate administrative verification area within Medco for further research. The Order Entry Associate will also verify that there are no outstanding balances on the account that exceed that standard floor limit as established by the client.

3. Clinical Data Entry and Review

At this step, a pharmacy technician or registered pharmacist enters the clinical components of each original prescription in the order, including medication, strength, and dosing directions. Again, quality checks are performed to detect and prevent errors in the prescription data. The pharmacist or technician, using a split screen application, is presented with a variety of tools to help ensure the prescription is entered accurately, including easy access to prior medication history for the selected patient

and a series of prompts carefully engineered to present the pharmacist or technician with decisions to prevent potential misinterpretations from occurring. For example, we have extensive checks for medication names which are very similar in spelling or pronunciation. The system also employs the use of a database of dosing directions for numerous medications from which the pharmacist can choose when entering the prescription order.

Once entry of these key prescription data elements is completed, the registered pharmacist performs a complete review of the order, comparing the entered prescription data on the screen against the original prescription order, to ensure all prescription data was accurately interpreted and recorded.

4. Clinical Protocol Review

During this step, the prescription is processed against Medco's clinical and plan rules databases to identify any potential issues that may jeopardize the health of the patient, as well as for opportunities to optimize savings for **COMPANY**. This review includes edits to address items such as: maximum daily dosage, drug/drug interactions, drug coverage and days supply versus plan design.

If the prescription is identified as requiring further review, it is routed to the appropriate clinical verification department within Medco. These areas include Drug Utilization Review and Doctor Call as described in greater detail below. If a protocol edit is invoked, the prescription order undergoes the appropriate clinical and/or administrative reviews, continuing this process until all protocols have been resolved.

Drug Utilization Review (DUR): If our clinical systems reveal a potential conflict between the prescription and the patient's profile, the order is routed to our DUR area for further review by a pharmacist, who will review the patient's medical profile and medication history. When clinically appropriate, our staff will contact the physician to resolve any questions about the appropriateness of the drug for that patient.

Additionally, before the prescription can be approved for dispensing, our clinical systems also enforce the following misuse and abuse rules that specifically address controlled substances in our mail-order pharmacies: controlled substance verification and controlled substance refill.

Doctor Calls: Should clarification and/or verification of a prescription order be necessary, the prescription will be presented to the Doctor Call area, where a pharmacist contacts the prescribing physician via phone or fax. Contact attempts, as well as outcomes, are logged in our mainframe system for visibility to our customer service representatives (CSRs). By recording these contacts in our system, CSRs are provided with the necessary information required to respond to patient inquiries or escalate them to a customer service pharmacist, when appropriate.



5. **Benefit Management: Prior Authorization and Therapeutic Interchange**

There are instances in which a prescription order may be further managed to optimize savings for clients while ensuring that the patient receives the most appropriate drug at the right cost. These include prior authorization and therapeutic intervention.

Prior Authorization: If the prescription violates a rule for coverage, i.e., requires Prior Authorization, a message "Prior auth required" is displayed on the pharmacist's terminal and the claim is rejected for electronic adjudication. Prescriptions requiring prior authorization are referred to the Medco Coverage Review Unit, which contacts the physician directly.

Therapeutic Interchange: If an order is identified for therapeutic interchange, Medco pharmacists contact physicians by telephone (or fax) regarding clinically eligible mail-order prescriptions to discuss and communicate the preferred formulary medication. Calls (or faxes) are made to physicians from pharmacists during prescription processing and clinical review. Patients receive an explanatory letter in those instances when the physician approves an interchange to a preferred drug.

6. **Order Review**

Once all protocols have been reviewed and successfully resolved by the appropriate personnel, the prescription preparation process is completed.

In the event the protocol processing and ensuing resolution(s) result in changes to the prescription information, a registered pharmacist will once again review the order as a final step prior to transmitting the prescription to our dispensing pharmacies. It is important to note that the final Order Review is a critical step because it establishes a clear, audited trail of accountability for the prescription data in our mainframe system. The registered pharmacist who completes this step is recorded in our system as the pharmacist of record. When the order is locked into the system, it is routed to the appropriate Medco dispensing pharmacy.

All new prescription orders are scanned into a prescription archival system.

Prescription Dispensing

Dispensing Process

Once an order is scheduled for dispensing, prescription orders that can be dispensed through automation are automatically routed to one of Medco's automated dispensing facilities. The following technology is used to guide prescription orders through automated pharmacy:

- Command Control Center – computer-based monitoring for each step in the dispensing process helps detect and prevent the possibility of a dispensing error and forecast bottlenecks in dispensing.
- Pharmacy Automation Controller – patented, robotic filling technology expedites the processing and dispensing of member prescriptions as they travel through the pharmacy.
- Bar-coded prescription labels – pre-printed, bar-coded prescription labels help ensure the accuracy of the medication and must match the original prescription order before being manifested for shipping.
- Electronic identification tags – tags on each bottle carrier tray (which hold up to 24 vials of medications) receive a radio transmitted frequency from the Pharmacy Automation Controller in Medco's Las Vegas, Nevada facility. A combination of barcode technology and proxima sensors are used to track the location of bottle carrier trays in Medco's Willingboro, New Jersey facility.

When an order is received electronically from the Pharmacy Automation Controller, the prescription label is automatically printed, applied to the plastic medication bottle and placed into a carrier. The bar-coded label and the placement of the bottle in an electronically tagged or sensed carrier are used to determine the exact location of an order within the pharmacy. These technologies ensure that the right medication is placed in the right bottle, for the right patient.

In Las Vegas, each carrier is equipped with an electronic identification tag that transmits a radio frequency. Strategically placed tag readers read this tag so that the carrier is properly located and verified by the Pharmacy Automation Controller. In Willingboro, the carrier trays utilize barcode technology and proxima sensors to transmit information to the Pharmacy Automation Controller. The carrier is directed through the different areas needed to fill the prescription by an intelligent conveyor system.



As the plastic medication bottle passes under medication dispensers on its path through the automated drug dispensing system, only one automated dispenser fills tablets or capsules into the bottle. The bottle's location within the carrier corresponds to an automated dispensing cell location, where the prescribed quantity of the correct tablets or capsules is filled into the appropriate vial when the bottle's position on the carrier aligns directly beneath the appropriate automated tablet or capsule dispenser. Because each carrier has multiple rows of bottles whose location is controlled by Pharmacy Automation Controller, multiple bottles can be processed simultaneously. The bottles are then automatically capped.

When the prescription order is filled and capped, it is routed to the appropriate area of the pharmacy for packaging and shipping. Prescription orders are packaged with the appropriate patient literature regarding the specific prescription in an order. In the instance that a member places an order with more than one prescription, these prescriptions are packaged and shipped together. As the final quality check, each item in the order is scanned using the barcode label to ensure the order is complete and that only the appropriate contents are included.

Manual Dispensing

Prescription orders that cannot be dispensed through automated dispensing are dispensed manually. Even in our manual dispensing process, technology assists us in ensuring a quality product. The filling process utilizes bar coding technology to ensure that the patient receives the correct medication. The bar coded tote is scanned. The technician then scans the bar code on the product, labels the products and completes processing of the order by scanning the bar coded label. The order is then routed to checking. A registered pharmacist checks the order for accuracy and a bar code is scanned to indicate in the system the order is checked. The order is routed to the manual packing station. The pharmacy support technician scans the bar coded tote and scans the bar coded label. Prescription orders are packaged with the appropriate patient literature. In the instance that a member places an order with more than one prescription, these prescriptions are packaged and shipped together whenever possible. As the final quality check, each item in the order is scanned using the bar coded label to ensure the order is complete and that only the appropriate contents are included.

Automated Label and Packaging System

Our automated dispensing pharmacy in Willingboro, New Jersey also incorporates sophisticated technology used for the automated processing of medications that come in cartons such as ointments, creams, eye drops, and inhalers. The Automated Labeling and Packaging System, commonly referred to as ALPS, significantly improves the speed of delivery and accuracy of dispensing by utilizing barcode technology of these particular medications to patients. Medco currently employs five ALPS production units within our Willingboro, New Jersey mail-order pharmacy. Continued modification of this technology resulted in the implementation of a second generation of ALPS production units that are now able to dispense four times as many prescriptions as the first two units that were originally installed in our Willingboro pharmacy.

Positive Control

Within the Quality Prescription Management Processing platform, we introduced Positive Control capabilities from Medco's Pharmacy Command Center, allowing us to track prescription orders throughout every step. Positive Control is specifically designed to address two critical order fulfillment success factors: tracking and visibility. As a prescription travels through our systems, we log key events into our mainframe systems. These events in turn are passed into our on-line eService Delivery (eSD) system, which is used by our Customer Service personnel to identify the status of a prescription order.



Mailing

Once the prescription order has been packaged with the appropriate communication information it is ready for shipping. Medco uses the U.S. Postal Service (USPS) for approximately 90% of all prescription medications mailed. The USPS combination of price and service creates the best value in most routine situations. Medco takes advantage of discounts and creative use of services to control shipping costs while assuring the transit time is minimized.

Medco's Expedited Mail Drop Ship Programs are utilized on the majority of all outgoing prescription orders. These programs require Medco to sort and bundle packages by zip code; the bundled packages are then sent overnight to the local destination Postal Processing and Distribution Center. The USPS will then open the bundle and distribute the individual packages to the final addresses. Expedited Drop Ship is the most cost-effective shipping method, while maintaining acceptable service levels.

Dependent upon circumstances, locations, clientele, and the nature of the shipments, Medco utilizes UPS or DHL (i.e., expedited shipping, delivery of all Schedule II controlled drugs, shipments over two pounds.)

Quality Enhancements

Biometric Security

Consistent with our focus on advancing the quality of service we provide to members and vigorously protecting patient privacy and confidentiality, we also employ biometric security within a number of our mail-order pharmacies. Biometric security is a process by which employees are required to register their fingerprints into a security system before they can gain access to our electronic database containing patient-specific information. Whether at logon or when returning to a computer workstation after a screen saver activates, employees are required to successfully pass validation of their fingerprint(s) before gaining access to any patient records.

Once a pharmacist has completed review of the prescription order, performing all of the appropriate clinical edits and checks, a pharmacist is required to lock the prescription into the system. This locking of the prescription information, when coupled with our biometric security system creates a secure record of the prescription and the authorizing pharmacist. Therefore, the pharmacist who submits the prescription for dispensing is accountable for the prescription and Medco is able to maintain an audit trail of the prescription order.

Color Imaging

Color imaging is used in a number of our mail-order pharmacies. Within the facilities that employ color imaging technology, every incoming prescription is scanned using high-speed color scanning imaging. Consistent with our quality standards and testing the latest cutting-edge technology, we employ color imaging technology so as to preserve visibility to all markings made on the original prescription form. The advanced imaging technology helps in detecting fraud and complying with state legislation. For instance, color imaging technology makes state-specific colored water marks visible. In addition, this technology allows authorized pharmacists to view prescription orders regardless of location making it easier to respond to member inquiries and concerns. This technology is currently being used a number of our processing and clinical review pharmacies. We will continue to roll this technology out to other pharmacies on our network in stages.