

Message

From: Lovejoy, David [david.lovejoy@walgreens.com]
Sent: 10/7/2012 5:39:58 PM
To: Crawford, Kermit [kermit.crawford@walgreens.com]
CC: Hansen, Suzanne [suzanne.hansen@walgreens.com]
Subject: DEA Update
Attachments: DEA Board condensed.docx

Kermit, Attached update. I added the specific information on the Top 100 report you requested, and removed the details at the end of what the cross functional team has been accomplishing. LJ

PLAINTIFFS TRIAL
EXHIBIT
P-25734_00001

DEA Board Briefing Document

Recent History

In September the DEA suspended the controlled substance license of the Jupiter distribution center. CII orders for Florida and Georgia stores (~1079 stores) were immediately routed to Cardinal and all Puerto Rico CII orders are sent to Blanco/Amerisource Bergen. Plan in development to migrate GA CII to Perrysburg. DCs are conducting periodic mini-DEA like self audits on a more frequent basis, CII facilities are doing them monthly

Cardinal

38 stores remain unable to obtain CII's from Cardinal pending data and remediation plan review. We have submitted the steps our pharmacists take to verify legitimacy of a prescription operationally at store level as well as line limits and inventory trends. We are awaiting Cardinal's decision.

Good Faith Dispensing

The Good Faith Dispensing policy and procedures has been updated. In November a new computer-based training module will be assigned to all pharmacists and technicians describing the Good Faith Dispensing policy and prescription validation procedures in detail. This will be tracked for completion.

Operational Tasks for Risk Mitigation

Each month the Store Index report is updated for all stores and a Top 100 store report, for stores that exceed the thresholds based on our criteria is distributed to Senior Management in Pharmacy Operations, Pharmacy Services, Loss Prevention and Legal. Currently, this report is not physically distributed beyond this group given its level of detail, but instead the Executive Pharmacy Directors and Divisional Loss Prevention Directors talk to their market leadership about stores in their areas from the Top 100 and what additional measures can or are being taken to further address.

Additional indexing efforts are underway &/or have been completed to enhance the system to include more than just Oxycodone, and the 6 weighted metrics (overall Oxy unit volume, recent trend % change, % Oxy15/30 to total Oxy, % Oxy to total script count, % controls to total, & % Oxy paid by cash + PSC). This now includes trending data, Alprazolam, Carisoprodol and Hydrocodone , top risk Prescribers , Patients, and Pharmacists

Implementation of a DUR enhancement . The DUR is designed to alert pharmacists when a patient has been prescribed "cocktail" combinations.

Suspicious Order Monitoring Automation

In August the dashboard was enhanced (v4.0) to allow corporate teams to search for suspicious orders by drug, market, district and store as well as track and report on any order sent to the WAG DCs or to a vendor. In December (v5.0) a new version will be released to allow for individual ceilings of specific drugs specified by store. Orders will be blocked from/by the DC. This enhancement will also allow for threshold warnings to flag stores in advance of creating suspicious orders and allowing for temporary/permanent overrides to be dependent upon business rules, or if needed for an unforeseen event, ie, a natural disaster.

Additional Steps Underway

Interviews for a Director of Pharmaceutical Integrity are taking place. This team will be responsible to recommend, develop, & implement procedures and techniques which will identify and minimize loss of Company assets and ensure the safety, compliance and security of the ordering and dispensing of controlled substances. They will work with agencies to develop and maintain interactive and robust working relationships to drive industry leading solutions to pharmaceutical diversion. These agencies include government, law enforcement, and industry organizations (e.g., DEA, FDA, State Boards of Pharmacy, National Retail Federation, Retail Industry Leaders Association, National Association of Drug Diversion Investigators).

In the interim a cross functional team meets for recommendations, & to drive next steps.