

# LOUISIANA BOARD OF WHOLESALE DRUG DISTRIBUTORS

## Board Meeting MINUTES December 15, 2011

### AGENDA ITEM 1 - Call to Order

The meeting was called to order by Robert Broadus, Chairman, at approximately 9:30 am. The meeting was held in Baton Rouge, Louisiana at the Administrative Office of the Board located at 12091 Justice Avenue, Suite B, Baton Rouge, Louisiana.

### AGENDA ITEM 2 - Roll Call

It was noted by Mr. Broadus that those members in attendance were Mr. Broadus, William Crates, Randall Brooks, Hershal Paul, Wayne Gremillion, Michael Davis, and Kenneth Dugas. Also present from the Board's administrative office were John Liggio, Kimberly Barbier, and George Lovecchio; and Ms. Celia Cangelosi, the Board's general counsel. The Board members in attendance constituted a quorum. There were no guests in attendance.

### AGENDA ITEM 3 - Call for Additional Agenda Items [*for discussion in Agenda Item 10*]

1. Mr. Liggio - Physical Therapists as Authorized Recipients
2. Mr. Brooks - Employee Compensation in Executive Session
3. Mr. Liggio - Renewal Issues

**Motion was made by Mr. Gremillion to add the presented items to the agenda for discussion under agenda item 10, seconded by Mr. Paul, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: None; RECUSED: None.**

### AGENDA ITEM 4 - Disciplinary Matters

#### a. Disciplinary Actions

i. Consent Agreements - Mr. Gremillion, Compliance Officer, presented consent agreement for review and approval as follows:

- 1) Docket No. 2011009 - Medecor Pharma LLC, Baton Rouge LA, Louisiana license no. 4293; violation(s) - Louisiana Administrative Code 46:XCI.311.D - maintaining copies of current licenses for customers who are authorized by law or regulation to procure or possess drugs or devices; \$1,000 fine and \$250 administrative costs. **Motion was made by Mr. Davis to approve and accept the consent agreement as executed and presented, seconded by Mr. Crates and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: None; RECUSED: Mr. Gremillion.**

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AGENDA ITEM 5 – Approval of Meeting Minutes

The minutes of the September 15, 2011 Board meeting were presented. **Motion was made by Mr. Dugas to dispense with full reading of the minutes and to accept and approve the minutes as presented, seconded by Mr. Gremillion, and passed by voice vote – FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: None; RECUSED: None.**

AGENDA ITEM 6 – Financial Matters

a. Financial Statements

Financial information was presented for September, October, and November 2011. Review of presented information and general discussion was held. No formal action was taken on this matter.

b. Budget – Proposed Fiscal Year 2013

Mr. Liggio presented a proposed budget for fiscal year 2013 (7/1/2012 – 6/30/2013). Review of material and general discussion was held. **Motion was made by Mr. Davis to approve the budget for fiscal year 2013 as presented for submission to the appropriate state agencies, seconded by Mr. Crates, and passed by voice vote – FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, and Mr. Davis; AGAINST: Mr. Dugas; ABSTAINED: None; ABSENT: None; RECUSED: None.**

AGENDA ITEM 7 – Licensing Matters

a. New License Issued

A list of approximately 88 new licenses as issued by the Board office on behalf of the Board since the September 15, 2011 Board meeting was available for review. No formal action was taken on this matter.

General discussion was held regarding medical gas distribution versus manufacturing; Mr. Crates presented general information regarding federal inspectors considering the verification of customers licenses of a facility where they are inspecting to help towards the discovery of adulterated/ counterfeit drugs and/or pedigrees; general discussion of supply chain. No formal action was taken on these matters.

AGENDA ITEM 8 – General

a. Inspection Procedure

Mr. Liggio introduced with regards to inspection for in-state license applicant facilities that the inspector will request evidence of the alarm system and a copy of the applicant's policy and procedures for review prior to scheduling the physical inspection of the applicant facility; office personnel is most often awaiting such items after not being available when the physical inspection is performed; the Board office will be charging additional inspection fee for each additional inspection performed for issuance of the new license.

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Mr. Liggio presented a situation where inspection of a current licensee (interval or annual inspection) has continually found the facility closed and the inspector is unable to contact the licensee representative via telephone or email to schedule an inspection; La. R.S. 37:3470 allows inspection during normal business hours – whose normal business hours or what is normal business hours; Board office should send a letter to licensee certified mail – if no response or not deliverable or not accepted – charges should be filed.

During an initial license inspection when discussing business plan with applicant facility representative, inspector has found the representative has no experience and/or general knowledge in wholesale drug distribution. Board office has received verbal information from another state license agency that the home state license for a current Louisiana licensee will be revoked or not renewed by the home state. No formal action was taken on these issues.

*[Agenda item 9.a was discussed during agenda item 8.a.]* Mr. Liggio presented general discussion regarding requirement of surety bonds; the exemption of publicly traded companies from providing surety bonds and having background checks. The Board requested a committee consisting of Mr. Crates and Mr. Brooks along with Mr. Liggio and Ms. Cangelosi look into the laws and regulations of other state wholesale drug distributor licensing agencies with regards to licensing qualifications and compare them to the Board's for possible amendments to the Board's current qualifications. The committee is to report to the Board at the next board meeting.

*[Agenda item 10.a was discussed after agenda item 8.a.]* Mr. Liggio and Ms. Cangelosi presented a letter from Kean/Miller LLP, Attorneys at Law, sent to the Board through the Board's general counsel, Ms. Cangelosi, in which they request that the Board confirm to their client, Patterson Medical Supply, Inc., if recently finalized rule promulgation by the Louisiana Physical Therapy Board (LAC 45:LIV.Chapters 1-5) is appropriate and sufficient for their client (a licensed wholesale drug distributor) to sell legend drugs and devices to licensed physical therapy (PT) providers as authorized recipients. General discussion was held. The Board instructed Ms. Cangelosi to review the Louisiana state statutes for physical therapy and the new PT regulations and report back to the Board at the next board meeting.

General discussion was held regarding procedures to revoke a license. No formal action was taken on this matter.

*[Returned to agenda item 8.a. for additional topic.]* Mr. Lovechio presented the topic of facility security, specifically LAC 46:XCI.309.A.2. Board had previously addressed facilities where inspections have found warehouse doors open with no personnel in line of site; Board had recommended in the licensee newsletter manned day gates for these situations. General discussion was held. No formal action was taken regarding this matter.

AGENDA ITEM 9 – Statutes and Rules

- a. Surety Bonds [*Agenda item 9.a was discussed during agenda item 8.a.*]
- b. Background Checks – Agenda item 9.b. was withdrawn by Mr. Liggio; not presented or discussed.

c. License Fees

Mr. Liggio and Mr. Crates presented information regarding licensing fees in other states. It was noted that the Board averages the fifth lowest license fee amount of the approximately 48 states studied. The Board has charged the same fee amount for licensure since the start of operations in 1992. Mr. Liggio proposed the future need to contract a part-time inspector, eventually to become a full-time inspector, and the need for at least part-time administration help in the office. General discussion was held. **Motion was made by Mr. Davis to start promulgation to amend LAC 46:XCI.801 to increase fees charged by the Board: initial license fee to \$400, license renewal fee to \$300; and license reinstatement fee for licenses suspended, revoked, or expired to \$300, seconded by Mr. Brooks, and passed by voice vote – FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: None; RECUSED: None.**

AGENDA ITEM 10 – Additional Agenda Items (*added per Agenda Item 3*)

- a. Physical Therapists as Authorized Recipients [*Agenda item 10.a was discussed during agenda item 8.a.*]

[*Agenda item 10.b was presented after agenda item 11.*]

b. Employee Compensation

**Motion was made by Mr. Gremillion that the Board enter into executive session for discussion of employee compensation, seconded by Mr. Crates, and passed by voice vote – FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: None; RECUSED: None.** Those persons in attendance during executive session were Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, Mr. Davis, and Mr. Dugas.

**Motion was made by Mr. Crates to close executive session and enter into regular session of the Board meeting, seconded by Mr. Paul, and passed by voice vote – FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: None; RECUSED: None.**

**Motion was made by Mr. Crates to ratify the decision of the Board to authorize Mr. Liggio to reward the Board office staff with an increase at his discretion based on**

merit to the base salaries of the office staff for increased work loads related to licensing, inspections, document management, and the recent relocation of the Board's administrative office; upon the Board's review, the Board rewards Mr. Liggio a three percent (3%) increase to his base salary; all effective January 1, 2012, seconded by Mr. Gremillion, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: None; RECUSED: None.

c. Renewal Issues [Agenda item 10.c. was discussed during agenda item 8.a.]

[Agenda item 11 was presented before agenda item 10.b.]

AGENDA ITEM 11 - Schedule Board Meeting Dates for 2012

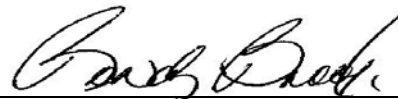
Mr. Broadus requested Ms. Barbier email proposed dates in 2012 to all Board members and Ms. Cangelosi to check their calendars and respond with their schedule.

[Board continued with agenda item 10.b.]

AGENDA ITEM 13 - Adjournment

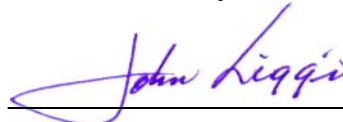
There being no further business before the Board, **motion was made by Mr. Davis to adjourn the meeting, seconded by Mr. Dugas, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: None; RECUSED: None.**

The meeting adjourned at approximately 1:45 pm.



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**Randall Brooks**  
Board Secretary/Treasurer



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**John Liggio**  
Executive Director

Approved and accepted by the full Board -

Date: March 13, 2012