

# LOUISIANA BOARD OF WHOLESALE DRUG DISTRIBUTORS

## Board Meeting

### MINUTES

March 16, 2010

#### AGENDA ITEM 1 - Call to Order

The meeting was called to order by Robert Broadus, Chairman, at approximately 9:00 am. The meeting was held in Baton Rouge, Louisiana at the administrative office of the Board located at 12046 Justice Avenue, Suite C.

#### AGENDA ITEM 2 - Roll Call

It was noted by Ms. Barbier that those members in attendance were Robert Broadus, William Crates, Randall Brooks, Wayne Gremillion, Hersh Paul, Michael Davis, and Kenneth Dugas; also present were John Liggio, Kimberly Barbier, and George Lovecchio. Celia Cangelosi, Attorney, was not in attendance. The Board members in attendance constituted a quorum. There were no guests in attendance.

*[Mr. Broadus moved to Agenda Item 4.]*

#### AGENDA ITEM 4 - Call for Additional Agenda Items *[for discussion in Agenda Item 11b]*

1. Mr. Liggio - "FOB" (Freight On Board) Issue
2. Mr. Liggio - Quarantine of Product from Unlicensed Vendors
3. Mr. Liggio - Common Ownership

**Motion was made by Mr. Brooks to add the presented items to the agenda for discussion in Agenda Item 11.b, seconded by Mr. Gremillion, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Gremillion, Mr. Paul, Mr. Davis and Mr. Dugas; AGAISNT: None; ABSTAINED: None; ABSENT: None.**

*[The Board continued with Agenda Item 2.a]*

#### AGENDA ITEM 2.a - Terms

Mr. Liggio informed the Board that Mr. Davis' current term on the Board (completion of Mr. Andy Milligan's original term) will expire on April 27, 2010 and Mr. Gremillion's current term will expire on August 23, 2010. The Board instructed that the wholesale association be contacted about submitting Mr. Davis for a new term and that PhRMA be contacted to submit Mr. Gremillion for another term.

General discussion was held regarding term limits. Mr. Brooks noted that new legislation was past the last session setting term limits. Mr. Liggio noted his

understanding that it may have been for some specific boards or commissions and this Board was not one of them. The Board office will check on this issue.

AGENDA ITEM 2.b – Board Meetings

Mr. Liggio noted that the past few Board meetings had been a little rushed through due to some members not being able to attend for a full day causing several agenda items to be skipped or deferred because not enough time for full discussion. Mr. Liggio proposed the Board consider having six instead of four Board meetings per year (a meeting every other month). Shortening the time between meetings would shorten the number of items needing to be discussed and reviewed by the Board members. General discussion was held. The Board decided to remain at four Board meetings per year (quarterly – as presently held). Meetings will begin at 9:00 am and close no later than 5:00 pm. All members should be prepared to remain until all business is fully completed or through 5:00 pm (which ever comes first).

AGENDA ITEM 3a – Disciplinary Matters/ Consent Agreements

Mr. Gremillion, Compliance Officer, presented consent agreements for review and approval as follows:

- i. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2010002 for Coastal Welding Supply of Louisiana, Inc., Sulphur LA, License No. 4135; violation of Louisiana Administrative Code 46:XCI.313 in relation to failure to have available and provide a complete written policies and procedures. **Motion was made by Mr. Davis to 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: Mr. Gremillion; ABSENT: None.**

AGENDA ITEM 3.b – Enforcement Actions/ Consent Agreements

Mr. Gremillion, Compliance Officer, presented consent agreements for review and approval as follows:

- i. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2009EA1035 for C's Discount Pharmacy (West Esplanade), Metairie LA; violation - wholesale distribution of legend drugs/devices in Louisiana without a license; agreed to cease and desist distributing into Louisiana; will not apply for licensure – had ceased wholesale distribution from this location. **Motion was made by Mr. Brooks to accept the consent agreement as executed and presented, seconded by Mr. Davis and passed by voice vote – FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Davis, and Mr. Dugas; AGAINST: None; ABSTAINED: Mr. Gremillion; ABSENT: None.**
- ii. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2009EA1036 for C's Discount Pharmacy (Veterans Boulevard), Metairie LA;

- violation - wholesale distribution of legend drugs/devices in Louisiana without a license; Louisiana license application submitted, licensure pending. **Motion was made by Mr. Davis to 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: Mr. Gremillion; ABSENT: None.**
- iii. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2010EA1004 for Adroit Medical Systems, Loudon TN; violation - wholesale distribution of legend drugs/devices in Louisiana without a license; Louisiana license 6532 issued February 15, 2010. **Motion was made by Mr. Crates to accept the consent agreement as executed and presented, seconded by Mr. Brooks and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Davis, and Mr. Dugas; AGAINST: None; ABSTAINED: Mr. Gremillion; ABSENT: None.**
- iv. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2010EA1007 for International MedSurg Connection, Inc., Woodridge IL; violation - wholesale distribution of legend drugs/devices in Louisiana without a license; Louisiana license 6524 issued February 22, 2010. **Motion was made by Mr. Davis to accept the consent agreement as executed and presented, seconded by Mr. Dugas and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Davis, and Mr. Dugas; AGAINST: None; ABSTAINED: Mr. Gremillion; ABSENT: None.**
- v. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2010EA1006 for Alliance 3PL Corp, Woodridge IL; violation - wholesale distribution of legend drugs/devices in Louisiana without a license; Louisiana license 6549 issued February 22, 2010. **Motion was made by Mr. Brooks to 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: Mr. Gremillion; ABSENT: None.**
- vi. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2010EA1008 for Ranfac Corporation, Avon MA; violation - wholesale distribution of legend drugs/devices in Louisiana without a license; Louisiana license 6517 issued January 27, 2010. **Motion was made by Mr. Crates to accept the consent agreement as executed and presented, seconded by Mr. Davis and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Davis, and Mr. Dugas; AGAINST: None; ABSTAINED: Mr. Gremillion; ABSENT: None.**
- vii. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2010EA1009 for Stryker SPR - Puerto Rico Main (licensed as Stryker Puerto Rico Ltd), Arroyo PR; violation - wholesale distribution of legend drugs/devices in Louisiana without a license; Louisiana license 6550 issued

February 23, 2010. **Motion was made by Mr. Paul to 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: Mr. Gremillion; ABSENT: None.**

- viii. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2010EA1010 for SunMed LLC, Largo FL; violation - wholesale distribution of legend drugs/devices in Louisiana without a license; Louisiana license 6536 issued February 10, 2010. Mr. Crates voices an objection to negotiation for a reduced fine. **Motion was made by Mr. Brooks to accept the consent agreement as executed and presented, seconded by Mr. Paul and passed by voice vote - FOR: Mr. Broadus, Mr. Brooks, Mr. Paul, Mr. Davis, and Mr. Dugas; AGAINST: Mr. Crates; ABSTAINED: Mr. Gremillion; ABSENT: None.**

General discussion was held regarding the compliance officer's negotiations on enforcement action cases. The Board emphasized that the compliance officer should do as much investigation and verifying of information provided by the respondent as possible before negotiating changes to proposed consent agreements and fines. No formal action was taken.

- ix. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2010EA1012 for BIMECO Group, Peachtree City GA; violation - wholesale distribution of legend drugs/devices in Louisiana without a license; Louisiana license 6525 issued February 2, 2010. **Motion was made by Mr. Dugas to accept the consent agreement as executed and presented, seconded by Mr. Brooks and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Davis, and Mr. Dugas; AGAINST: None; ABSTAINED: Mr. Gremillion; ABSENT: None.**
- x. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2010EA1015 for Stryker Endoscopy, San Jose CA; violation - wholesale distribution of legend drugs/devices in Louisiana without a license; Louisiana license 6554 issued March 2, 2010. **Motion was made by Mr. Davis to 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: Mr. Gremillion; ABSENT: None.**

Mr. Gremillion proposed the addition of two more disciplinary action cases - Docket no. 2010001 and 2010003 - and one enforcement action case - Docket no. 2010EA1003 - to the agenda for presentation and review. **Motion was made by Mr. Crates to added three disciplinary/ enforcement cases to the agenda, seconded by Mr. Brooks and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr.**

**Davis, and Mr. Dugas; AGAINST: None; ABSTAINED: Mr. Gremillion; ABSENT: None.**

1. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2010001 for Owens & Minor Distribution dba Owens & Minor, St. Rose LA, License No. 4218; entered a no contest plea to a charge of violating Louisiana Administrative Code 46:XCI.311 in relation to purchasing and receiving product from a supplier not licensed by this Board. **Motion was made by Mr. Crates to accept the consent agreement as executed and presented, seconded by Mr. Brooks and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Davis, and Mr. Dugas; AGAINST: None; ABSTAINED: Mr. Gremillion; ABSENT: None.**
2. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2010003 for Vision International Inc. dba Innovative Medical Technologies, Shreveport LA, License No. 4553; violation of Louisiana Revised Statute 37:3478.A in relation to participating or engaging in wholesale drug distribution from a new location prior to issuance of a license at the location. **Motion was made by Mr. Davis to 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: Mr. Gremillion; ABSENT: None.**
3. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2010EA1003 for CSL Behring LLC, King of Prussia PA; violation - wholesale distribution of legend drugs/devices in Louisiana without a license; Louisiana license 6562 issued March 11, 2010. **Motion was made by Mr. Davis to accept the consent agreement as executed and presented, seconded by Mr. Paul and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Davis, and Mr. Dugas; AGAINST: None; ABSTAINED: Mr. Gremillion; ABSENT: None.**

*[Agenda item 4 was discussed after Agenda item 2.]*

*Mr. Broadus excused himself from the chair and turned the meeting over to Mr. Crates. Mr. Broad exited the meeting at approximately 10:25 am. Mr. Crates called for a five minute break. Upon returning to regular session, Mr. Crates presided over the remainder of the meeting.*

#### AGENDA ITEM 5 - Approval of Meeting Minutes/ December 15, 2009

The minutes of the December 15, 2009 Board meeting were presented. **Motion was made by Mr. Gremillion to dispense with full reading of the minutes and to accept the minutes as presented, seconded by Mr. Paul, and passed by voice vote - FOR: Mr. Crates, Mr. Brooks, Mr. Gremillion, Mr. Paul, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Broadus.**

AGENDA ITEM 6.a – Financial Matters/ Financial Statements

Financial information was presented for December 2009, January and February 2010. General discussion was held. Mr. Brooks questioned purchase of certificates with any excess monies in the Board's accounts. No formal action was taken. Mr. Brooks commented that he had heard the state may be considering the appropriation of excess monies from Boards. The Board asked that Mr. Brooks look into this matter further and report to the full Board at the next meeting.

AGENDA ITEM 7.a – Professional Contracts/ Accounting Services

Mr. Liggio presented a new contract between the Board and Ms. Ouida Nugent, Nugent Accounting Services for accounting services for a two-year period from July 1, 2010 through June 30, 2012 (continuing her services – current contract expiring 06/30/2010). **Motion was made by Mr. Gremillion to approve the contract between the Board and Ouida Nugent, Nugent Accounting Services as presented, seconded by Mr. Brooks, and passed by voice vote – FOR: Mr. Crates, Mr. Brooks, Mr. Gremillion, Mr. Paul, Mr. Davis and Mr. Dugas; AGAISNT: None; ABSTAINED: None; ABSENT: Mr. Broadus.**

AGENDA ITEM 8.a – Licensing Issues/ New Licenses Issued

A list of approximately 126 new licenses as issued by the Board office on behalf of the Board since the December 15, 2009 Board meeting was available for review. No formal action on this item was taken.

AGENDA ITEM 9 – Declaratory Statement

Mr. Liggio presented a letter received from the Compressed Gas Association (CGA) and the Gases and Welding Distributors Association (GAWDA) in which they question information provided in the Board's licensee newsletter regarding Mechanical Contractors/plumbers with a Medical Gas Installer or Medical Gas/Vacuum Systems Verifier license issued by the State Plumbing Board of Louisiana not having authority to procure and possess legend medical gases including medical grade nitrogen. General discussion was held. No formal action was taken. The Board instructed Mr. Liggio to collaborate with Ms. Cangelosi to draft and send a response letter of the Board's stand on the issue.

AGENDA ITEM 10.a – Statutes and Rules/ Rule Promulgation Update

Mr. Liggio presented copies of the Rule (final) publications for changes promulgated in LAC 46:XCI.105, 301 and 311 and new rule 901 published in the February 20, 2010 *Louisiana Register*. Mr. Liggio also presented a promulgation tracking report for the rule amendments currently in promulgation for LAC 46:XCI.303. General discussion was held. No formal action on this item was taken.

AGENDA ITEM 10.b – Statutes and Rules/ Proposed Rule Amendments

Mr. Liggio presented proposed changes and additions to LAC 46:XCI.105 and 301. General discussion was held. **Motion was made by Mr. Gremillion to approve the changes proposed for LAC 46:XCI.105 for promulgation, seconded by Mr. Paul, and passed by voice vote - FOR: Mr. Crates, Mr. Brooks, Mr. Gremillion, Mr. Paul, Mr. Davis and Mr. Dugas; AGAISNT: None; ABSTAINED: None; ABSENT: Mr. Broadus.** The Board deferred the proposed additions to LAC 46:XCI.301 back to the committee assembled at the December 15, 2009 meeting for review and presentation to the full Board at the next Board meeting.

AGENDA ITEM 10.c – Statutes and Rules/ Proposed Board Office Policy  
Deferred to next Board Meeting.

AGENDA ITEM 11.a – General/ Deferred Items (December 15, 2009 Board Meeting)

i. Difference Between Business and Mailing Address – Licensure Requirements

General discussion was held. **Motion was made by Mr. Gremillion to approve the proposed changes to the application form for immediate use, seconded by Mr. Davis, and passed by voice vote - FOR: Mr. Crates, Mr. Brooks, Mr. Gremillion, Mr. Paul, Mr. Davis and Mr. Dugas; AGAISNT: None; ABSTAINED: None; ABSENT: Mr. Broadus.**

ii. Retail Pharmacy Warehouses

**Motion was made by Mr. Brooks to grant a continuance to the committee for further work on the issue of retail pharmacy warehouses (deferred to the next board meeting), seconded by Mr. Paul, and passed by voice vote - FOR: Mr. Crates, Mr. Brooks, Mr. Gremillion, Mr. Paul, Mr. Davis and Mr. Dugas; AGAISNT: None; ABSTAINED: None; ABSENT: Mr. Broadus.**

AGENDA ITEM 11.b – General/ Additional Agenda Items (*added per Agenda Item 4*)

1. (Item 4#1) “FOB” (Freight On Board) Issue

Mr. Liggio presented the issue of FOB or freight on board interpretation. General discussion was held; need for a rule or policy. The issue was deferred to the next Board meeting. The issue is to be further reviewed by the committee assembled at the December 15, 2009 board meeting for presentation to the full Board at the next meeting.

2. (Item 4#2) Quarantine of Product from Unlicensed Vendors

Mr. Liggio presented the issue of in-state licensees receiving product from an unlicensed vendor quarantining the product (not placing it into stock until the vendor is licensed); also in-state licenses that self report unlicensed vendors. General discussion was held. No formal action was taken on this item.

3. (Item 4#3) Common Ownership

This item was discussed with agenda item 10.b.i. No formal action was taken.

AGENDA ITEM 11.c – Confirmation of Next Board Meeting Date

The next Board meeting is tentatively set for Tuesday, June 15, 2010 from 9:00 am to 4:00 pm.

AGENDA ITEM 12 – Executive Session

No items for discussion.

Mr. Liggio noted some issues for discussion at upcoming meetings: budget adjustments; digital copies versus paper files; contracting a part-time inspector; computerizing the inspection form.

AGENDA ITEM 13 – Adjournment

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

The meeting adjourned at approximately 12:20 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: June 15, 2010