

# LOUISIANA BOARD OF WHOLESALE DRUG DISTRIBUTORS

## Board Meeting

### MINUTES

May 5, 2011

#### AGENDA ITEM 1 - Call to Order

The meeting was called to order by Robert Broadus, Chairman, at approximately 9:20 am. The meeting was held in Baton Rouge, Louisiana at the Administrative Office of the Board located at 12046 Justice Avenue, Suite C, Baton Rouge, Louisiana.

#### AGENDA ITEM 2 - Roll Call

It was noted by Mr. Broadus that those members in attendance were Mr. Broadus, William Crates, Hersh Paul, Wayne Gremillion, Michael Davis, and Kenneth Dugas. Randall Brooks was absent. Also present from the Board's administrative office were John Liggio, Kimberly Barbier, and George Lovecchio. 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 11.b]*

1. Mr. Liggio - Report on Select Health Services case.
2. Mr. Liggio - Overview of New Licensees.

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

#### AGENDA ITEM 4 - Disciplinary Matters

##### a. Enforcement Actions

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

- i. Docket No. 2011EA1001 for Kentec Medical Inc., Irvin, CA; violation - La. R.S. 37:3474.2(a)(1), engaging in wholesale drug distribution in Louisiana without being licensed; applied for and received licensure, Louisiana license no. 6918; agreed to and paid a fine in the amount of \$1,000 fine and \$250 administrative fee. **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. Paul, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Brooks; RECUSED: Mr. Gremillion.**

#### AGENDA ITEM 5 - Approval of Meeting Minutes

##### a. March 15, 2011

The minutes of the March 15, 2011 Board meeting were presented. **Motion was made by Mr. Paul 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. Paul, Mr. Gremillion, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Brooks; RECUSED: None.**

Mr. Liggio presented a request made by the Board at the March 15, 2011 Board meeting regarding lists of adulterated and diverted drug. Mr. Liggio explained that he had contacted some federal agencies and could not find any list of specific drugs that have been found to be adulterated or were involved in diversion. General discussion was held. No formal action was taken on this matter.

General discussion was held regarding pedigree, RFP, voluntary serialization, and Prescription Monitoring Plans. No formal action was taken on any of these matters.

#### AGENDA ITEM 6 - Financial Matters

##### a. Financial Statements

Financial information was presented for March 2011. Mr. Liggio presented financial information for April 2011 along with update and proposed amendments for the budget for fiscal year 2011. General discussion was held.

Mr. Liggio presented discussion regarding the cooperation that he and Mr. Lovecchio have had from in-state licensees with regards to reporting unlicensed vendors. Mr. Broadus suggested sending some sort of written commendation to these licensees acknowledging their help. Mr. Davis suggested this commendation be in general to all licensees and printed in the Board's licensee newsletter.

Mr. Liggio presented proposal for moving the Board's administrative office. He explained that the current offices occupied by the Board office at 12046 Justice Avenue, Suite B are becoming cramped. The file room/copy room can not accommodate another badly needed file cabinet, and the inspector still utilizes, for the past five years, space in the conference room for his work area which can be inconvenient when the conference room is need otherwise, and contributes to the conference room being confining when filled with up to a dozen individuals during Board meetings (not including any guest in attendance). The proposed new office building at 12091 Bricksome Avenue, Suite A & B is near the current offices (same vicinity) the Board currently occupies. The proposed office building has more square footage - including eight offices, two restrooms, 2 kitchenettes, lobby, reception, a large conference room - ample parking, room for expansion and future growth and storage. General discussion was held. Mr. Broadus requested comparison to other properties available. The proposed office is comparable with other office space available in the area. *[The Board Members had visited the proposed new office building before the Board meeting was called to order.]*

Mr. Liggio presented information regarding move costs, a proposal to hire a part-time assistant/clerk to work no more than 20 hours per week and a contracted part-time inspector. Mr. Dugas inquired about future costs to the Board and license fees collected. The amendments to the fiscal year 2011 budget were again reviewed. General discussion was held.

Mr. Liggio presented discussion regarding classification of licenses issued by the Board. Currently, the Board issues only one license for wholesale drug distribution. Wholesale drug distribution includes sales and distribution of legend drugs, legend devices, and medical gases. A licensee whom only sales and distributes medical gases has the authority, with the present license issued, to sale and distribute legend drugs and devices - as long as they follow all regulations with regards to legend drugs and legend devices. In the future, the Board may consider specific classification of licenses. No formal action was taken on this matter.

**Motion was made by Mr. Dugas that upon producing file documentation of the comparisons verbally discussed, to approve the termination of the current office lease for 12046 Justice Avenue, Suite C and to authorize the leasing of and move of the Board's administrative office to the proposed office building located at 12091 Bricksome Avenue, Baton Rouge, LA, seconded by Mr. Gremillion, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Paul, Mr. Gremillion, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Brooks; RECUSED: None.**

**Motion was made by Mr. Paul to approve the fiscal year 2011 budget amendments as presented by Mr. Liggio, seconded by Mr. Crates, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Paul, Mr. Gremillion, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Brooks; RECUSED: None.**

- b. Budget - Fiscal Year 2011, Update and Amendments  
This agenda item was discussed with agenda item 6.a.
- c. Office Space  
This agenda item was discussed with agenda item 6.a.

*[Agenda item 7 was deferred to later in the meeting. The Board continued with agenda item 8.]*

*[The Board returned to agenda item 7 after agenda item 11.c.]*

AGENDA ITEM 7 - Board Matters

- a. Election of Officers

The current officers of the Board are Mr. Robert Broadus - Chairman, Mr. William Crates - Vice Chairman, Mr. Randall Brooks - Secretary-Treasurer, and Mr. Wayne Gremillion - Compliance Officer. **Motion was made by Mr. Dugas to ratify the**

**current officers for another term, seconded by Mr. Davis, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Paul, Mr. Gremillion, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Brooks; RECUSED: None.**

*[Agenda item 8 was discussed after agenda item 6.c.]*

#### AGENDA ITEM 8 - Personnel Matters

##### a. Annual Reviews

General discussion was held with regards to the suspension of merit increases for employees implemented by the Department of Civil Service and by the Governor in executive order BJ11-06. The Board decided to suspend annual reviews for Board employees for fiscal year 2011 and suspend merit increases to Board employees for fiscal year 2012.

#### AGENDA ITEM 9 - Licensing Issues

##### a. New Licenses Issued

A list of approximately 65 new licenses as issued by the Board office on behalf of the Board since the March 15, 2011 Board meeting was available for review. No formal action was taken on this matter.

Mr. Liggio presented discussion regarding a few new licensees located in Louisiana that he and Mr. Lovecchio have found to be unknowledgeable of the industry and about their own business activities. The Board office plans to visit these licensees through more frequent inspections and monitor their progress.

#### AGENDA ITEM 10 - Statutes and Rules

##### a. Rule Promulgation Update

###### i. Section 105 (June 2010 Amendments)

Mr. Liggio presented a promulgation tracking report for rule amendments to LAC 46:XCI.105.A.1 (June 2010) - General Provisions, Exemptions, which were completed with the final rule publication in March 2011. No formal action was taken on this matter.

#### AGENDA ITEM 11 - General

##### a. Website Update

Mr. Liggio presented discussion regarding the Board's Website. The current web host company has discontinued support of *FrontPage* website program which the Board office uses to update the website. The design of the website is not formatted compatible with the new website program utilized by the host, therefore, the Board office has contact a website developer to re-design the website; a new web host company will also be utilized. No formal action was taken on this matter.

##### b. Additional Agenda Items (*added per Agenda Item 3*)

###### 1. Report on Select Health Services Case

Mr. Liggio presented information including a recent Ruling handed down in the case brought forth by Select Health Services. General discussion was held. No formal action was taken in this matter.

2. Overview of New Licensees

This item was discussed with agenda item 9.

Mr. Liggio presented discussion regarding a Louisiana pharmacy that had been contacted by a Louisiana wholesale drug distributor licensee located in Mississippi who was soliciting the purchase of drugs from the pharmacy. General discussion was held. Mr. Liggio was instructed to contact the licensee and inform them that it is unlawful for a pharmacy to sell drugs to a wholesaler/ distributor without the pharmacy being licensed as a wholesale distributor.

c. Confirmation of Next Board Meeting

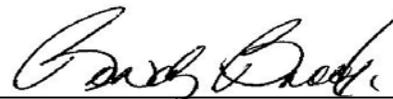
The board meeting scheduled for June 15, 2011 was cancelled. The next meeting date is tentatively set for Thursday, September 15, 2011.

*[Agenda item 7 was discussed after agenda item 11.c.]*

AGENDA ITEM 12 - Adjournment

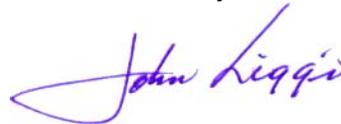
There being no further business before the Board, **motion was made by Mr. Gremillion to adjourn the meeting, seconded by Mr. Crates, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Paul, Mr. Gremillion, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Brooks; RECUSED: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

The meeting adjourned at approximately 11:00 am.



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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: September 15, 2011