

LOUISIANA BOARD OF WHOLESALE DRUG DISTRIBUTORS

Board Meeting

MINUTES

June 19, 2012

AGENDA ITEM 1 - Call to Order

The meeting was called to order by Robert Broadus, Chairman, at approximately 9:45 am. The meeting was held in Baton Rouge, Louisiana at the Administrative Office of the Board located at 12091 Bricksome 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, and Kenneth Dugas. Michael Davis was absent. 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 guests in attendance: Mr. Chad Gielen from Louisiana Wholesale Drugs; and Mr. Wade Shows, Attorney (arrived at approximately 1:15 pm).

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

- 1) Mr. Crates requested to add an item - PDFUA, Track and Trace, Pedigree and Licensing.

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

AGENDA ITEM 4 - Disciplinary/ Enforcement Matters

a. Disciplinary Actions

i. Administrative Hearing

- 1) Docket No. 2011011 - LakeviewLA Inc., Jefferson Parish LA, Louisiana license no. 4598; Ms. Cangelosi requested a continuance for the administrative hearing scheduled. **Motion was made by Mr. Paul to continue the administrative hearing to the next board meeting scheduled for September 18, 2012, seconded by Mr. Brooks and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: Mr. Gremillion.**

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

- 1) Docket No. 2012003 - NOLA Medical Wholesale LLC, New Orleans LA, Louisiana license no. 4596; violation(s) - LAC 46:XCI.311.A - establishing and maintaining perpetual inventories and records of all transactions regarding the receipt and distribution or other disposition of drugs or devices; records shall include: 1) source of the drugs or devices, the name and principal address of the seller or transferor, and the address of the facility or physical location from which the drugs or devices were shipped; 2) the identity and quantity of the drugs or devices received and distributed or disposed of; and 3) the dates of receipt and distribution of the drugs or devices; \$1,000 fine and \$250 administrative costs. **Motion was made by Mr. Crates to approve and 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, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: Mr. Gremillion.**
- 2) Docket No. 2012004 - Zimmer Solutions, Harahan LA, Louisiana license no. 4600; violation(s) - LAC 46:XCI.311.A and D - establishing and maintaining perpetual inventories and records of all transactions regarding the receipt and distribution or other disposition of drugs or devices - records to include: 1) source of the drugs or devices, the name and principal address of the seller or transferor, and the address of the facility or physical location from which the drugs or devices were shipped; 2) the identity and quantity of the drugs or devices received and distributed or disposed of; and 3) the dates of receipt and distribution of the drugs or devices; and maintaining copies of current licenses for customers who are authorized by law or regulation to procure or possess drugs or devices for all customers that are shipped or sold drugs or devices; \$2,000 fine and \$250 administrative costs. **Motion was made by Mr. Crates to approve and 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, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: Mr. Gremillion.**
- 3) Docket No. 2012005 - Access Medical Supplies Inc., Houma LA, Louisiana license no. 4359; violation(s) - LAC 46:XCI.311.F - purchasing or receiving drugs or devices from other than wholesale drug distributors licensed by the Board to ship or sell in or into Louisiana; and shall notify the Board of any wholesalers not licensed by this Board shipping in or into Louisiana or selling or offering to sell in or into Louisiana; \$500 fine and \$250

administrative costs. **Motion was made by Mr. Dugas to approve and 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, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: Mr. Gremillion.**

b. Enforcement Action

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

- 1) Docket No. 2012EA1002 - Medical Products Inc., Ripley MS; violation(s) - La. R.S. 37:3474.2.A(1) - engaging in wholesale drug distribution in Louisiana without being licensed to do so; \$1,000 fine and \$250 administrative costs; will cease and desist wholesale drug distribution in Louisiana until licensed to do so. **Motion was made by Mr. Paul to approve and 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, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: Mr. Gremillion.**
- 2) Docket No. 2012EA1003 - Madisonville Compounding dba The Compounding Corner, Madisonville LA; violation(s) - La. R.S. 37:3474.2.A(1) - engaging in wholesale drug distribution in Louisiana without being licensed to do so; \$1,000 fine and \$250 administrative costs; was issued Louisiana license 4634. **Motion was made by Mr. Dugas to approve and 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, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: Mr. Gremillion.**

AGENDA ITEM 5 - Approval of Meeting Minutes

The minutes of the March 13, 2012 Board meeting were presented. Amendments were noted. **Motion was made by Mr. Crates to dispense with full reading of the minutes and to accept and approve the minutes with amendments noted, seconded by Mr. Gremillion, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: None.**

AGENDA ITEM 6 - Financial Matters

a. Financial Statements

Financial information was presented for March, April, and May 2012. Review of presented information and general discussion was held. No formal action was taken on this matter.

b. Budget Review

Mr. Liggi presented proposed adjustments to the current fiscal year (2012 – July 1, 2011 through June 30, 2012) budget. General discussion was held. **Motion was made by Mr. Brooks to approve the amendments presented for the FY2012 budget, seconded by Mr. Crates, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: None.**

c. Professional Service Contracts

i. Annual Financial Review – ICPA

Mr. Liggi presented a copy of the contract that had been executed between the Louisiana Legislative Auditor and Mr. Michael Glover for the performance by Mr. Glover of the annual financial reviews for the Board’s fiscal years 2012, 2013, and 2014. **Motion was made by Mr. Gremillion to accept the contract, seconded by Mr. Dugas, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: None.**

ii. Accounting Services

Mr. Liggi presented a copy of the contract executed between the Board and Ms. Ouida Nugent to provide accounting services such as monthly review of financial document and reconciliation of the Board’s accounting records for the period of July 1, 2012 through June 30, 2014. **Motion was made by Mr. Paul to approve the contract as presented, seconded by Mr. Brooks, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: None.**

iii. Inspection Services

Mr. Liggi presented a copy of the proposed contract between the Board and Mr. James Downey to provide inspection services of wholesale drug distribution facilities located within Louisiana. **Motion was made by Mr. Gremillion to approve the contract as presented, seconded by Mr. Paul, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: None.**

d. Annual Attestation (Financial Review) – Fiscal Year 2012

Mr. Liggi presented a copy of the attestation questionnaire for attestation engagement of government for review and approval. General discussion was held. **Motion was made by Mr. Crates to approve the questionnaire as presented for the annual financial review for fiscal year 2012, seconded by Mr. Gremillion, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: None.**

Ms. Cangelosi reminded the Board that pursuant to legislative requirements, Board members are required to take one hour of ethics training each year.

AGENDA ITEM 7 - Licensing Matters

a. New License Issued

A list of approximately 145 new licenses as issued by the Board office on behalf of the Board since the March 13, 2012 Board meeting was available for review. General discussion was held. No formal action was taken on this matter.

General discussion was held regarding license information provided on the Board's website and expansion of the process during annual facility inspections. No formal action was taken on these matters.

Mr. Liggio informed the Board of a meeting he had with a representative of the Board of Pharmacy regarding the Board of Pharmacy's new regulations for licensing and regulating DME providers. Also a previous meeting he had with a representative of DHH, OPH, Sanitarian Services, Food and Drug Unit regarding general licensing matters. The Board instructed Mr. Liggio to work with the Board of Pharmacy and Food and Drug Unit with regards to overlapping inspection requirements for licensed facilities.

AGENDA ITEM 8 - Old Business

a. Committee Report - Qualifications for Designated Responsible Party

Mr. Liggio presented proposed qualifications for the applicant/ licensee designated responsible party. General discussion was held. The matter was deferred to a later date.

[The Board took a lunch break at approximately 12:15 pm after agenda item 8.a. The Board returned to regular session at approximately 12:50 pm continuing with agenda item 8.b.]

b. Report - Physical Therapy Regulations

Mr. Liggio and Ms. Cangelosi presented a copy of the letter sent by Ms. Cangelosi to the Physical Therapy Board as instructed by the Board at the March 13, 2012 board meeting. Also presented was a copy of the response letter from the Physical Therapy Board and Mr. Liggio's contact with the Board of Medical Examiners. General discussion was held. Item was deferred to the next Board meeting.

[Mr. Wade Shows, Attorney, entered the meeting at approximately 1:15 pm after agenda item 8.a]

Mr. Liggio introduced Mr. Wade Shows, Attorney. General discussion was held regarding the proposed hiring of Mr. Shows to review the Board's current statutes and regulations and assist the Board in making changes via amendments to the statutes and/or regulations. **Motion was made by Mr. Brooks that the Board enter into a**

contract with Mr. Shows to provide legal services for a duration of 12 months at the standard state rate not to exceed \$30,000, seconded by Mr. Gremillion, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: None.

[Mr. Shows left the meeting at approximately 1:45 pm.]

AGENDA ITEM 9 - Statutes and Rules

a. Rule Promulgation Update

Ms. Barbier presented an update of promulgation of revisions to LAC 46:XCI.801 - Fees, 313 - Policy and Procedures, and 1001 - Order of Quarantine. General discussion was held. No formal action was taken on this issued.

AGENDA ITEM 10 - General Matters

a. Policies and Procedures

Ms. Barbier explained that the Office of State Travel requires separate policies and procedures be adopted by the Board for each credit card program.

i. Travel Cards

Mr. Liggio presented the previous policy and procedure for the travel and purchasing card programs approved by the Board. The policy and procedure has been amended for the travel card program only. **Motion was made by Mr. Paul to approve the amended policy and procedure for the travel card program as presented, seconded by Mr. Dugas, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: None.**

ii. Purchasing Card

Mr. Liggio presented the previous policy and procedure for the travel and purchasing card programs approved by the Board. The policy and procedure has been amended for the purchasing card program only. **Motion was made by Mr. Brooks to approve the amended policy and procedure for the purchasing card program as presented, seconded by Mr. Gremillion, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: None.**

iii. Duties of Senior Inspector

Mr. Liggio presented a proposed policy for the creation of the position of Senior Inspector listing the duties to be performed by the Senior Inspector. General discussion was held and amendments made to the policy. **Motion was made by Mr. Gremillion to create the position of Senior Inspector and to adopt the policy listing the duties of the senior inspector as amended, seconded by Mr. Crates, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion,**

and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: None.

1) Proposed Salary Range

Mr. Liggi presented a proposed salary range for the new position of Senior Inspector. General discussion was held. **Motion was made by Mr. Crates to approve the salary range for the position of senior inspector as presented, seconded by Mr. Dugas, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: None.**

[The Board continued with agenda item 11 after agenda item 10.a.iii.1.]

- b. Employee - Annual Merit Reviews and Pay Raises.
This item was not discussed.

AGENDA ITEM 11 - Additional Agenda Items *(added per Agenda Item 3)*

1) Mr. Crates presented information regarding PDFUA, electronic track and trace with regards to federal requirements for pedigree and licensing. General discussion was held. No formal action was taken on this matter.

AGENDA ITEM 12 - Board Matters

a. Board Officers

The current officers of the Board were noted. **Motion was made by Mr. Dugas to ratify current officers to remain in current positions for another year, seconded by Mr. Gremillion, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: None.**

b. Confirmation of Next Board Meeting Date

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

[Mr. Gielen left the meeting at approximately 2:10 pm.]

Motion was made by Mr. Gremillion for the Board to enter into executive session for discussion of employee pay raises, seconded by Mr. Paul, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: None.

Motion was made by Mr. Crates for the Board to enter back into regular session, seconded by Mr. Gremillion, and passed by voice vote - FOR: Mr. Broadus,

Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: None.

1) Merit and Salary Review – John Liggiio

Motion was made by Mr. Crates that the Board award Mr. Liggiio a 2% raise to his salary effective July 1, 2012, seconded by Mr. Paul, and passed by voice vote – FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Davis; RECUSED: None.

AGENDA ITEM 13 - Adjournment

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

The meeting adjourned at approximately 2:50 pm.



Randall Brooks
Board Secretary/Treasurer



John Liggiio
Executive Director

Approved and accepted by the full Board -

Date: September 18, 2012