About the National Council for Prescription Drug Programs (NCPDP)

NCPDP brings diverse stakeholders together to advance information technology solutions that improve patient care while establishing a more cost-effective healthcare system. As an ANSI-accredited standards organization, we create and promote standards for electronic healthcare transactions through a consensus-building process.

For more than 30 years, NCPDP has led a transformation in the pharmacy services sector. Our collaborative, consensus-building process has produced efficiencies that save more than $30 billion annually. Our standards have been named in federal legislation, including the Health Insurance Portability and Accountability Act (HIPAA), the Medicare Modernization Act (MMA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act. Today, the impact of our work is being felt throughout the broader healthcare community as we collaborate with other industry organizations to achieve interoperability and its clinical and economic benefits.

The work of NCPDP is accomplished through the commitment and dedication of our members, who bring high-level knowledge and expertise to the forum. Leaders in their respective areas, NCPDP’s more than 1,600 members include payers, providers, prescribers, pharmacists, pharmacy benefit managers, consultants, pharmaceutical manufacturers, database management organizations, information management professionals, and technology vendors. They meet regularly – colleagues and competitors alike – in 12 active work groups and more than 65 task groups to solve problems and develop new business solutions considerate of all stakeholder perspectives.

Information on NCPDP’s work groups and task groups is available at www.ncpdp.org/standards.aspx and www.ncpdp.org/resources.aspx. Task groups are open for participation by non-members as well as members of NCPDP.

NCPDP offers its members resources, including educational opportunities and database services, to better manage their businesses.
# NCPDP Annual Report 2010

## Transforming the Healthcare System by Collaborating on Business Solutions

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From the President

THIS HAS BEEN A TIME OF REFLECTION FOR ME, as 2010 marked the start of my 30th year with the National Council for Prescription Drug Programs (NCPDP). Over the years, I have seen NCPDP quietly lead a transformation in pharmacy. We achieved it through the dedication and volunteerism of our members, representing every stakeholder group in the industry. Working behind the scenes, through consensus, we created many solutions for the secure and successful electronic exchange of healthcare information in pharmacy.

But our work is not done. The transformation of pharmacy was only the beginning.

Over the past year, NCPDP has emerged to take a far more prominent, visible role. As all of healthcare must now engage the challenges of modernization, our experience, our success, and our model of collaborative standards development positions us as leaders.

Recent legislation and regulations mandating $19 billion in federal incentives for meaningful use of electronic health records is mobilizing providers to embrace technology for real-time transactions and exchange of clinical information. The connectivity that NCPDP and the pharmacy industry pioneered will extend to the rest of healthcare, and we are a guiding force in the coming transformation.

In July 2010, the Department of Health and Human Services named the NCPDP SCRIPT Standard a core requirement for meaningful use. In September 2010, the National Committee on Vital and Health Statistics (NCVHS) recommended that NCPDP be named as an operating rules entity for retail pharmacy, HIPAA-named eligibility transactions. We are playing a leadership role in other national organizations working to advance health information technology standards, interoperability and meaningful use. Our collaboration with the Center for Health Transformation (CHT) is helping us to increase our reach and visibility in healthcare reform.

NCPDP continues to reach out to all healthcare stakeholder groups to invite collaboration and participation in NCPDP’s proven forum for creating healthcare business solutions. Our invitation is being accepted. We experienced record attendance at our 2010 annual conference and recent work group meetings. We also recently topped 1,600 members and expanded our Scottsdale headquarters, doubling our office space and significantly expanding meeting facilities for focus groups and other industry meetings. In spite of a weak U.S. economy, NCPDP’s financial position continues to be strong.

We see NCPDP standards and other business solutions taking center stage as a means to achieve interoperability, improving the efficiency and quality of healthcare in our nation. The many ways in which NCPDP impacts the quality and cost of healthcare will become increasingly visible. This annual report highlights some of our contributions over the past year.

If you are not already a member, I invite you to learn more about NCPDP through this annual report and www.ncpdp.org, and consider the value of engaging with us in collaborative problem solving.

As NCPDP members, be proud of the fine work you have done over the past year. Read this annual report and share it with others.

Thank you,

Lee Ann Stember
President, NCPDP
NCPDP HAS MUCH TO BE PROUD OF FOR 2010. We continued to help the industry transition to our Telecommunication Standard Version D.0, required by 2012 for HIPAA transactions. Adoption of our SCRIPT Standard continued to increase, with more than 200,000 office-based prescribers using the standard in 2010. We created solutions to improve medication therapy management services, simplify implementation of Risk Evaluation and Mitigation Strategies, increase the benefit of the 340B discount, and help the Medicare coverage gap discount program run smoothly. I invite you to read about these and other NCPDP contributions highlighted in this report.

I also want to share our progress on several efforts we have undertaken to help ensure the continued member commitment and industry collaboration essential to NCPDP’s success. These are initiatives I put forth when I became board chair in May of 2010.

First and foremost, I challenged our board and staff to define and implement ways to enhance the value of NCPDP membership. When they are fully engaged, NCPDP members reap multiple benefits for themselves and their organizations, while creating innovative solutions for the industry. During 2010, we expanded our Buddy Program to help new members access NCPDP resources, connect with members who have similar business interests, and get involved in relevant work groups. We also began developing mini-courses on the role of work groups and task groups, our consensus and standards approval processes, and how to participate fully and prepare for leadership roles in NCPDP.

Our Membership and Leadership Development Committee interviewed members from many different stakeholder groups to better understand the value they and their organizations realize from involvement with NCPDP. What we learned will help us strengthen the value proposition for existing members and engage new ones.

In another initiative, we licensed a premier legislative and regulatory tracking tool to alert our work groups to state and national activity. This early warning system gives them an opportunity to provide timely and valuable industry input to policy makers. The impact of government on our industry is increasing exponentially and, although NCPDP is not a lobbying organization, we are assuming a more active role in shaping policy. As an added benefit to our members, we invite them to subscribe individually to NCPDP’s RxRecon™ tracking product for real-time monitoring of pharmacy-related legislative and regulatory activity that can impact their businesses.

Building partnerships with member organizations and industry professional associations is another priority. In 2010, we initiated or strengthened relationships with organizations for state legislators, standards development organizations, long term care providers and pharmacies, pharmaceutical manufacturers, community pharmacists, and workers’ compensation professionals.

We also have taken steps toward the creation of a great relationship with CAQH CORE, an organization dedicated to simplification of administrative burdens for the medical industry. Working together, we are exploring ways where the pharmacy and medical segments can work together toward the best interests of the healthcare consumer. Collectively, we face significant challenges in healthcare and we must continue to work together to forge solutions.

I am impressed with what we have achieved over this past year. I am more impressed with how the achievements of this organization position us to lead healthcare forward. Congratulations to all who have contributed – and continue to contribute – knowledge and expertise.

Thank you,

Dale A. Chamberlain
Chair, NCPDP Board of Trustees
The National Committee on Vital and Health Statistics recommends that NCPDP be formally named as an operating rules entity for retail pharmacy-related eligibility transactions.

NCPDP purchases second building at its Scottsdale, Arizona headquarters, doubling the size of its facilities to accommodate growth and provide more space for bringing stakeholders together in focus groups and other forums to identify industry challenges.

Department of Health and Human Services names NCPDP’s SCRIPT Standard for ePrescribing a core requirement for achieving meaningful use of electronic health records.
**Transforming the Healthcare System One Standard at a Time**

**Expanding Meaningful Use, Interoperability**

NCPDP is playing a key role in expanding meaningful use (MU) of electronic health records (EHRs) and achieving interoperability to improve patient care and health outcomes. In July 2010, the U.S. Department of Health and Human Services (HHS) named the NCPDP SCRIPT Standard for ePrescribing a core requirement for MU. Providers seeking to qualify for a share of $19 billion in federal incentives for demonstrating meaningful use of EHRs must use ePrescribing powered by the SCRIPT Standard. The incentives, effective in January 2011, will continue to accelerate adoption of the standard over the next four years.

Use of the SCRIPT Standard has been increasing over the past several years. In 2010, more than 200,000 office-based prescribers used the standard in ePrescribing, up from 74,000 in 2008 and 156,000 in 2009, according to Surescripts. The SCRIPT Standard allows for quick, accurate communication of information that enables prescribers and pharmacists to make informed decisions with the patient while reducing the potential for medication error. Most electronic prescriptions are currently powered by NCPDP SCRIPT Standard Version 8.1; however, in 2010, the Centers for Medicare and Medicaid Services (CMS), based on industry requests, named the NCPDP SCRIPT Version 10.6 as the new national ePrescribing standard.

Since first publishing the SCRIPT Standard in 1997, NCPDP has updated it annually based on business needs identified by the industry. After the Drug Enforcement Administration (DEA) published a rule in 2010 permitting ePrescribing of controlled substances, NCPDP updated both SCRIPT Standard 8.1 and SCRIPT Standard 10.6 to support electronic exchanges of controlled substance prescriptions. Guidance also has been given in the SCRIPT Implementation Recommendations Version 1.6 document.

NCPDP also modified the SCRIPT Standard, as well as the Telecommunication Standard and Formulary and Benefit Standard, to support RxNorm as a primary or alternate nomenclature for electronic exchange of drug information when the specificity of National Drug Codes (NDC) is not needed. Federal MU regulations name RxNorm as a valid code set for ePrescribing and electronic health records. Use of this standardized nomenclature in appropriate situations is expected to improve patient safety and administrative efficiency.

In another effort to foster interoperability, NCPDP formally requested to be named an operating rules entity for HIPAA-related transactions. The Patient Protection and Affordable Care Act (PPACA) signed into law in 2010 calls for HHS to adopt operating rules for electronic exchange of information not defined by a standard or its implementation specification. In September 2010, NCVHS recommended to HHS that NCPDP be named an operating rules entity for retail pharmacy-related eligibility transactions.

As other phases of the adoption of operating rules entities occurs, NCPDP will be involved as appropriate. The operating rules recommendation is a powerful validation of the success of NCPDP’s model for collaboration and consensus, as well as the positive impact the organization has had on improving efficiencies, safety and the quality of patient care for more than three decades.

**Helping the Coverage Gap Discount Run Smoothly**

Through its industry-wide collaboration and consensus-building processes, NCPDP has been helping to ensure the Medicare coverage gap discount program runs smoothly for patients, pharmacies and providers. The discount program, effective January 1, 2011, makes manufacturer discounts available to Medicare beneficiaries receiving applicable covered Part D drugs while in the coverage gap. Part D sponsors must provide the discounts for applicable drugs in the coverage gap at point-of-sale (POS).

NCPDP’s Financial Information Reporting Task Group created guidance and examples for
standardized exchange of this information in claims processing. The task group’s extensive document may become implementation guidance for processing coverage gap discount claims. In addition, the NCPDP Work Group on Manufacturer Rebates submitted recommendations to CMS that, if implemented, would greatly assist manufacturers in processing payments in a timely manner. NCPDP’s recommendations address payment processing and a process to resolve billing disputes between manufacturers and prescription drug plans.

**Simplifying REMS to Maximize Patient Benefit**

NCPDP created a technical solution to help resolve pharmacy workflow issues associated with the processing of Risk Evaluation and Mitigation Strategies (REMS). The Food and Drug Administration (FDA) requires REMS for certain medications to manage safety concerns and help ensure that benefits outweigh risks. These programs can be challenging for both pharmaceutical manufacturers and pharmacists. While the manufacturer is responsible for submitting the REMS and ensuring it is implemented, a large burden of implementation falls on the pharmacist.

In 2010, NCPDP released a newly developed reference guide to using NCPDP’s ANSI-accredited Telecommunication Standard for REMS implementation. The reference guide details how retail/community or other outpatient pharmacies can use the existing industry standard to support registration verification, clinical appropriateness editing, counseling documentation, or dispensing activity reporting requirements for products using REMS that require “elements to assure safe use.” NCPDP’s solution helps ensure compliance, manage physician engagement, benefits and workflow, and maximize patient access and effectiveness. Three task groups continue to work toward electronic solutions to REMS challenges.

**Improving MTM Communications, Service Documentation**

NCPDP’s Medication Therapy Management (MTM) Communications Task Group is working with pharmacy organizations and industry experts to develop foundational standards for electronic communication between insurers and providers about MTM. An estimated one-third to one-half of patients in the U.S. do not take medications as prescribed, resulting in poor health outcomes and as much as $290 billion annually in increased medical costs, according to a 2009 study by the New England Healthcare Institute. Although high-touch, pharmacist-coordinated MTM programs have proven to improve health status and decrease costs, there are challenges to widespread adoption of MTM in the commercially insured population. Hurdles include the lack of infrastructure to document MTM services and insufficient data to support return on investment.

There is a need for common definitions and data for health plan communication to the pharmacy to request MTM, as well as pharmacist documentation of MTM services to the payer. NCPDP’s MTM Communications Task Group identified 10 separate transactions that could be standardized to support accurate communication, documentation, pharmacist reimbursement for professional services, and measurement of the value of MTM for all stakeholders. The task group has standardized two of those transactions. The MTM Service Request and Response Transaction – which enables insurers and other entities to electronically request that pharmacies, providers, pharmacists, or other entities provide MTM services – has been approved by the American National Standards Institute (ANSI). Another transaction to facilitate communication and transmission of MTM service documentation is being balloted for approval.

**Accelerating Rebate Payments to the States**

NCPDP launched an education initiative in 2010 to communicate to state Medicaid agencies the increased efficiency and cost savings possible through the use of the NCPDP Manufacturer Rebate Standard. Electronic processes, supported by the Manufacturer Rebate Standard, accelerate rebate payments to the states, minimize the number of disputed claims, reduce processing costs to all parties, and permit more patients to be better served by the rebate system.

The value of this standard to the states increased significantly with passage of healthcare reform legislation in 2010.
Under PPACA, prescriptions dispensed to beneficiaries enrolled in Medicaid managed care organizations and reported to the states are subject to the same manufacturer rebates paid on other Medicaid utilization. NCPDP’s Work Group on Manufacturer Rebates published a white paper presenting the business case for state Medicaid program adoption of the Manufacturer Rebate Standard.

Supporting Industry Transition to Telecommunication D.0

Healthcare organizations industry wide must adopt the NCPDP Telecommunication Standard Version D.0 as part of the Health Insurance Portability and Accountability Act (HIPAA) transaction sets to become effective January 1, 2012. The Telecommunication Standard, first developed by NCPDP in 1988, is the foundational standard for interoperability in pharmacy. The newest version enables users to improve coordination of benefits and Medicare Part D claims processing requirements, access to pharmacy eligibility information, identification of patient’s financial responsibility, benefit stages and coverage gaps on secondary claims, billing of multiple ingredients for claims processing for compounded drugs, and reporting of controlled substances in over-the-counter medicine.

Some organizations are already exchanging Telecommunication D.0 claims. Others are in the testing phase. NCPDP is working to support pharmacies and pharmacy benefit management companies (PBMs) through implementation. Throughout 2010 and continuing into 2011, the Telecommunication FAQ Task Group and the Coordination of Benefits Task Group have answered questions about situations encountered by the industry during the analysis process. The task groups publish a frequently changing FAQ document available at www.ncpdp.org and hosts conference calls open to all entities implementing the standard.

Increasing the Benefit of the 340B Discount

The work of NCPDP’s 340B Task Group is helping trading partners identify and report eligible claims to maximize the benefit of the federal 340B drug discount program. The program provides eligible safety-net providers substantial savings on outpatient drugs, enabling them to make medications and services more accessible to vulnerable populations. PPACA expanded the program, extending participation to new types of provider entities. It is likely the number of 340B eligible claims will increase, as well as the number of community pharmacies contracted to dispense prescriptions for 340B eligible providers.

The 340B Task Group modified NCPDP’s existing Telecommunication Standard Version D.6 to give contracted pharmacies a way to report 340B claims both prospectively and retrospectively to processors. A value was added to the submission clarification code for pharmacists to indicate if a prescription is filled from inventory priced under 340B, if they know the prescription is eligible prior to dispensing. Eligibility criteria are complex and the pharmacy often does not know prior to filling a prescription whether or not it will be filled utilizing 340B inventory. Therefore, the task group devised a way for pharmacies to submit to a processor an indicator of 340B status subsequent to providing service.
Helping Shape Policy through Valued Industry Input

NCPDP’s leadership in healthcare continues to manifest in our relationships with government agencies. Through our consensus building with diverse stakeholders, we provide valued pharmacy industry input and recommendations to agencies as they develop regulations that shape the healthcare delivery system. It is common to see industry input brought forward by NCPDP reflected in Final Rule making.

NCPDP members provide input in this way to the Department of Health and Human Services (HHS), Centers for Medicare and Medicaid Services (CMS), Food and Drug Administration (FDA), Drug Enforcement Administration (DEA), Office of the National Coordinator for Health Information Technology (ONC), National Committee on Vital and Health Statistics (NCVHS), National Institute of Standards and Technology (NIST), and Veterans Health Administration (VHA).

Representatives from some of these agencies are members of NCPDP and actively involved in our standards development process through their participation in work groups and task groups. The unique needs of these agencies are part of the discussion.

Examples of NCPDP leadership and collaboration with agencies in 2010:

» NCPDP provided an extensive document to CMS with industry guidance on how the Medicare coverage gap discount program may work in claims processing. The document, which includes assumptions and examples, could become the basis for implementation guidelines.

» Industry recommendations from NCPDP were considered in the DEA’s rulemaking process for electronic prescribing of controlled substances. Solutions for ambulatory and long term care put forth by NCPDP are reflected in the Final rule.

» NCPDP’s recommendation to NCVHS to include long term care in the ePrescribing regulation requiring use of the NCPDP SCRIPT Standard is with HHS for new rulemaking. The exemption of long term care from the current ePrescribing regulation opens the door to concerns of proprietary standards.

» NCPDP’s Work Group on Product Identification regularly offered suggestions to the FDA on ways to improve access and usability of the agency’s Structured Product Label and Electronic Drug Listings. The work group also has been working with the FDA to ensure that the Unique Device Identifier (UDI) can work in commercial practices.

» NCPDP worked with NIST representatives to provide timely, concise, MU test criteria for ePrescribing. NCPDP continues to help with questions that arise.

» National Library of Medicine (NLM) participation with NCPDP on RxNorm was valuable in building collaboration with drug database companies and helping the industry answer questions on use of the RxNorm standardized vocabulary in pharmacy processes.

» With assistance from the VHA, NCPDP used a model-driven framework to develop a new Specialized Standard for MTM functions and enhancements to the ePrescribing SCRIPT Standard. This laid the foundation for developing new functionality, as well as moving existing NCPDP standards into the new model framework.
Leadership and Collaboration with Industry Organizations

NCPDP has long been a leader in fostering coordination and collaboration among diverse organizations working to improve healthcare delivery. NCPDP continued to expand that role in 2010, contributing the expertise we have cultivated over the past 35 years. We also continued to bring members of stakeholder segments together and work with professional associations to identify the potential for collaborative problem solving.

Advancing HIT Standards, Pharmacy Role in MU

John Klimek, R.Ph., senior vice president of industry information technology, served for a second year on the HIT Standards Committee of the Office of the National Coordinator for Health Information Technology (ONC). In his role there, he continues to advocate for more involvement of pharmacy in the financial piece of meaningful use.

Klimek also served as the 2010 chair of the Standards Charter Organization (SCO), a formal collaboration of standards development organizations that he helped establish in 2009. In 2010, the SCO met with the ONC to discuss the role of standards development organizations in the overall effort to achieve interoperability. The ONC, legislatively mandated by the HITECH Act, is charged with building an interoperable, private and secure national HIT infrastructure and supporting the widespread meaningful use of health IT.

In her appointed SDO leadership role, Lee Ann Stember served her 13th year on the board of the Designated Standards Maintenance Organization (DSMO), responsible for processing requests to adopt new HIPAA standards or modify adopted standards.

NCPDP became an associate member of the Pharmacy e-Health Information Technology Collaborative, focused on improving patient care quality and outcomes by integrating pharmacists’ patient care services into the national electronic health record infrastructure. Steve Mullenix, R.Ph., NCPDP senior vice president of communications and industry relations, is our member representative in the group. He has actively participated in work group activities leading to the creation of a Pharmacist Roadmap for HIT.

Establishing NCPDP as a Resource to State Policy Makers

A key initiative in 2010 was to build more recognition of NCPDP as a resource to state policy makers. To that end, Phillip Scott, senior vice president of business development, reached out to the National Conference of State Legislatures (NCSL). Several NCPDP work group co-chairs met with NCSL to share information about NCPDP and how we are addressing issues of concern to the states.

Identifying Stakeholder Challenges, Inviting Collaboration

NCPDP periodically hosts industry meetings and focus groups with stakeholder segments
to identify shared business problems and the potential for collaborative problem solving. Early in 2010, Phillip Scott organized a Short Cycle Dispensing Discussion Panel for pharmacies, health plans, pharmacy benefit managers, vendors and suppliers affected by pending legislation intended to reduce waste and costs in long term care settings. More than 250 stakeholders attended to explore how to effectively implement the proposed short cycle dispensing requirement. NCPDP and the American Society of Consultant Pharmacists (ASCP) subsequently co-sponsored a second industry meeting. Together with the Academy of Managed Care Pharmacy (AMCP), they then followed up with audio conferences to review and provide comments on the CMS proposed rule. In the discussion, NCPDP’s Work Group on Long Term and Post Acute Care shared its analysis of various billing options for short cycle prescription claims, identifying strengths and weaknesses of each option from both payer and provider perspectives.

In October 2010, Scott invited representatives from the pharmaceutical manufacturing segment to participate in a Manufacturers and Pharmacy Focus Group to help identify actions NCPDP could take to understand and develop the manufacturer’s role in supporting the ePrescribing process. Representatives of the Pharmaceutical Research and Manufacturers of America (PhRMA), the Generic Pharmaceutical Association (GPhA), and multiple manufacturing companies participated in this industry forum. Concerns with REMS and serialization became the primary focus of discussion resulting in the formation of two new NCPDP task groups to address these issues. Over the past several years, NCPDP has hosted numerous focus groups, resulting in new work groups or task groups, which continue to work toward industry solutions.

**Partnering with Professional Associations to Increase Involvement**

NCPDP continually seeks to engage underrepresented stakeholders in work groups and task groups to ensure their perspectives are considered when designing standards and other business solutions that will impact their organizations. One such stakeholder group is community pharmacists. Their involvement in NCPDP is valuable, but they often are unable to take time away from their stores to participate. Steve Mullenix has been collaborating with the leadership of the National Community Pharmacists Association (NCPA) and the American Pharmacists Association (APhA) to find ways to overcome obstacles and increase community pharmacist representation in NCPDP.

Mullenix has also been working through the American Association of Colleges of Pharmacy (AAACP) as well as individual colleges to educate future pharmacy professionals about the work of NCPDP and encourage their involvement. He mentors students, advises on curricula and serves as a resource to deans, sharing information on decisions being made today that will shape how the practice of pharmacy is performed in the future.
Broadening Our Reach, Increasing Engagement

THE NCPDP BOARD OF TRUSTEES Strategic Planning Committee annually establishes and tracks progress on goals and objectives designed to guide the future of the organization. In 2010, multiple objectives focused on refining the systems and communications strategies needed to 1.) increase visibility of NCPDP’s highly successful model for solving healthcare challenges, 2.) broaden our reach in the healthcare industry, and 3.) continue to engage the full range of stakeholders in creating business solutions to improve healthcare. The following is a snapshot of how those objectives have been achieved.

INITIATIVE: Strategy to Leverage White Paper
Develop a plan to leverage the NCPDP white paper, *Pharmacy: A Prescription for Improving the Healthcare System*, to increase awareness of NCPDP’s success in collaborating with diverse stakeholders to transform healthcare. Reframe content of the white paper to communicate NCPDP’s impact on current reform efforts.

**ACHIEVEMENT**
- Developed and implemented white paper marketing plan with multiple strategies and communication channels.
- Developed editorial content to illustrate NCPDP solutions to current reform challenges. Industry publications and press releases have featured NCPDP solutions for Meaningful Use, REMS, MTM, Medicare coverage gap discount program, Medicaid manufacturer rebates, billing unit standard.
- Expanded distribution of white paper with key stakeholder groups.

**VALUE**
- Cements message platform to support NCPDP brand and promotion of thought leadership within healthcare industry.
- Helps open communication with stakeholder groups who share common interests with NCPDP, but are not currently engaged with us.
- Helps identify potential new members.
- Increases visibility of NCPDP’s impact on many aspects of healthcare delivery.

INITIATIVE: Comprehensive Communication Plan
Develop NCPDP marketing communication plan focused on improving internal (member) and external communications.

**ACHIEVEMENT**
- Developed comprehensive NCPDP marketing communications plan for Board of Trustees review in January 2011. Plan includes internal and external strategies for reaching targeted market segments through multiple channels, with expected outcomes.
- Began implementation of the plan.

**VALUE**
- Positions NCPDP as a leader in healthcare reform, focusing on issues we are tackling to improve efficiency, safety and quality.
- Provides a roadmap for multi-channel communication outreach to expand NCPDP’s influence, engage more stakeholders in collaborating on HIT solutions, and increase adoption of NCPDP standards.
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<th>INITIATIVE: Value Proposition Statements</th>
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<td><strong>Develop research-based value proposition statements for use in marketing, member recruitment and retention.</strong></td>
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<tr>
<td><strong>ACHIEVEMENT</strong></td>
<td><strong>VALUE</strong></td>
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<tr>
<td>» Membership and Leadership Development Committee interviewed NCPDP members from diverse stakeholder segments about the value they and their organizations realize from engaging with NCPDP.</td>
<td>» Provides validated messaging for member retention and recruitment, and other efforts to increase participation in NCPDP forums.</td>
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<td>» Verbatim responses compiled for each membership category.</td>
<td>» Suggests potential testimonials for marketing purposes.</td>
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<td>» Composite value statement developed to incorporate in NCPDP's marketing communications plan.</td>
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<th>INITIATIVE: Membership Reporting and Retention</th>
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<td><strong>Provide improved quarterly reporting of membership activity, goals, and outcome of retention and recruiting efforts.</strong></td>
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<tr>
<td><strong>ACHIEVEMENT</strong></td>
<td><strong>VALUE</strong></td>
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<tr>
<td>» Refined membership trending reports.</td>
<td>» Supports a more targeted approach to retention and recruitment.</td>
</tr>
<tr>
<td>» Developed quarterly analysis of trends in each membership category, together with recommendations for retention and recruitment.</td>
<td>» Helps balance representation from various stakeholder groups.</td>
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<th>INITIATIVE: Legislative Tracking and Alert Program</th>
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<td><strong>Implement a state and federal legislation tracking and alert program for NCPDP, with a revenue model for individual member access.</strong></td>
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<tr>
<td><strong>ACHIEVEMENT</strong></td>
<td><strong>VALUE</strong></td>
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<td>» Licensed State Net reporting software and database services to track state and national legislative and regulatory activity to alert NCPDP work groups to relevant activity.</td>
<td>» Timely access to reliable information on government activity enables NCPDP to respond quickly to new developments and fully engage in policy initiatives focused on healthcare electronic data exchange.</td>
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<td>» Launched RxReconn™, a new product giving individual members access to NCPDP’s real-time database powered by State Net for an annual subscription fee of $2,000.</td>
<td>» RxReconn offers members a low-cost, high-quality option for tracking proposals that can impact their businesses.</td>
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<td></td>
<td>» RxReconn provides a recruiting tool and revenue stream.</td>
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Educating Stakeholders to Advance Innovation

NCPDP CONTINUES TO PROVIDE educational programming on HIT solutions that help our members better manage their business operations and stay at the forefront of new developments. We are committed to educating the industry about the value of NCPDP standards and the benefits of participating in our consensus-building process.

Annual Conference Draws Record Attendance

The NCPDP 2010 Annual Technology and Business Conference, May 2-6, in Phoenix, Arizona broke attendance records for the second consecutive year. More than 700 industry stakeholders participated in the event, including pharmacy benefit managers, retail and independent pharmacies, health plans, software vendors, pharmaceutical manufacturers, wholesale distributors, and management organizations.

The conference spotlighted the American Recovery and Reinvestment Act (ARRA) of 2009, Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009, and NCPDP’s proven track record of advancing healthcare information technology (HIT) to tackle the industry’s most challenging issues. With the changing dynamics of healthcare reform and an industry focused on achieving meaningful use of EHRs, NCPDP’s ability to unite stakeholders to promote open discussion and collaboration has become more critical.

The conference offered attendees ACPE-accredited sessions on pertinent topics, including new medication measures from the National Quality Forum, leveraging the Internet to improve public health, and patient care documentation standards for MTM. Another highlight was an industry roundtable with leaders and visionaries from the HIT community discussing ePrescribing, EHRs, the National Health Information Network, and the impact of reform.

Educational Summits Explore New Solutions, Challenges

Two educational summits provided leading-edge information about health information exchange and the impacts of the new economy on pharmacy and healthcare. “Health Information Exchange (HIE) and Pharmacy,” the February summit held in Austin, Texas, covered current HIE initiatives at the state and regional levels, and the evolving role of pharmacists in improving care delivery and health outcomes. As the role of pharmacists evolves, data sharing through health information exchange and improved coordination among care providers will enhance quality.

A second summit, “The New Economy and Its Impact on Healthcare, Pharmacy and the Patient” was held in November in Portland, Oregon. Industry experts explored the reality of the new economy from the patient’s perspective, changes ahead for the pharmacy industry, comparative clinical effectiveness research to help in surviving the new economy, new economy impacts on payers and providers, and a look at business approaches that incorporate new technologies and tools available to the industry and consumers.

Webinars Enhance Knowledge of NCPDP Standards

NCPDP’s 2010 webinars focused on educating stakeholders about the implementation and benefits of NCPDP standards, including:

» Billing Unit Standard
» SCRIPT Standard
» Telecommunication Standard Version D.0 and payer sheets
» Manufacturer Rebate Standard
» Coordination of Benefits
» XML, Modeling approach
» Medicaid Subrogation with an overview of the HIPAA-mandated standard and the role it plays in pharmacy claims processing and reconciliation
» Implementation and Adoption of RxNorm
» Use of the National Cancer Institute (NCI) Thesaurus and Enterprise Vocabulary Services in NCPDP Standards (Hosted by NCI)
Recognizing Members for Leadership, Service

NCPDP OWES ITS SUCCESS to the continued leadership and involvement of its members. They volunteer time and energy in work groups, task groups, committees and the Board of Trustees as the search continues for business and industry solutions through health information technology. In 2010, many members were recognized through awards programs.

**Lifetime Membership Award**

Benjamin D. Ward, Sr.
Charles D. Pulido, R.Ph.
Edward D. Spearbeck, R.Ph.

NCPDP acknowledged its founding leadership with the Lifetime Membership Award. Cornerstone members Benjamin D. Ward, Sr., Charles D. Pulido, R.Ph., and Edward D. Spearbeck, R.Ph., were honored with lifetime awards for their vision, passion and contributions that sparked the transformation of the pharmacy industry. In praising their accomplishments, NCPDP President, Lee Ann Stember said, “We attribute our success to the vision and passion our founders brought to NCPDP, the diversity of our membership and the time, expertise and selflessness of our members who come together to do what’s right for the industry.”

**TIME Award**

Dan Hardin, R.Ph., MBA,
SXC Health Solutions

Dan Hardin of SXC Health Solutions received The Individual Member Excellence (TIME) Award for unselfish devotion to meeting the goals and objectives of the organization. Considered a consummate ambassador for NCPDP, Hardin devoted many hours, days and years contributing to the organization’s growth and industry recognition. The TIME Award recipient is chosen by a vote of the Board of Trustees, and presented by President Lee Ann Stember at the black tie President’s Dinner at the annual conference.

**Rising Star Award**

Robert E. Franz, R.Ph.,
Medco Health Solutions, Inc.

Robert E. Franz, R.Ph., of Medco Health Solutions, Inc., was the 2010 recipient of the Rising Star Award. The award recognizes the immediate impact and activity of a new member who has been involved with the organization for less than three years. From his first meeting, Franz was lauded for his contributions in work groups and task groups. After only one year as a member, he was elected to serve as co-chair of WG10 Professional Pharmacy Services.

**Annette Gabel,**
Medco Health Solutions, Inc.

The Benjamin D. Ward Distinguished Member Award recognizes outstanding achievement and exemplary leadership. It is also notable because of the contributions and service of a member who exemplifies the passion and vision of NCPDP’s founder. Annette Gabel of Medco Health Solutions, Inc. was the 2010 recipient of the award. She was acknowledged for her leadership on the Board of Trustees, numerous committees, task groups and her dedication to improve pharmacy standards.
Committee, Work Group MVP Awards

The Most Valuable Participant (MVP) Award highlights members of the organization who have contributed an extraordinary amount of time and effort to a work group or committee that results in the group accomplishing its goals. In May 2010, MVP awards were presented to these deserving recipients:

**WG1 Telecommunication**
- Mike Day, DayTech Corporation
- Annette Gabel, Medco Health Solutions, Inc.
- Sharon Gruttadauria, CVS Caremark
- Patrick Harris, RelayHealth
- Monique Irgens, Argus Health Systems, Inc.
- Tracey McCutcheon, Centers for Medicare and Medicaid Services
- Melanie Merlino, CVS Caremark
- Cookie Orescanin, MedImpact

**WG2 Product Identification**
- Bill Langlois, Primus Pharmaceuticals, Inc.
- Randy Levin, MD, FDA
- Deborah Simmons, Elsevier/Gold Standard

**WG3 Standard Identifiers**
- Wayne Karp, R.Ph., Pharmacy Industry Consultants, LLC
- Lynette Klingeman, Medco Health Solutions, Inc.

**WG7 Manufacturer Rebates**
- Jeffrey Albright, Merck & Co., Inc.
- Terri Bernacchi, IHS, a Unit of IMS
- Garth Black, SXC Health Solutions, Inc.
- Lesline Brothers, Johnson & Johnson
- Darwin Roseman, GlaxoSmithKline

**WG9 Government Programs**
- Joseph Gregar, ScriptPro
- Sharon Gruttadauria, CVS Caremark
- John Lynch, III, Eaton Apothecary
- Gary Reiss, SUNRx, LLC

**WG11 ePrescribing and Related Transactions**
- Steve Franko, CVS Caremark
- John Kilbourne, National Library of Medicine
- Nathan Lake, American HealthTech, Inc.
- Jeff Mays, Epocrates
- Terri Meredith, Cerner Multum
- Shelly Renkvish-Abo, AmerisourceBergen Corporation
- Scott Robertson, Kaiser Permanente
- Miranda Rochol, Walgreen Co.

**WG14 Long Term and Post Acute Care**
- Monique Irgens, Argus Health Systems, Inc.

**WG16 Property Casualty/Workers’ Compensation**
- Kim Diehl, StoneRiver Pharmacy Solutions

**WG17 Pharmaceutical Pedigree and Traceability**
- Italo Pennella, Otsuka America Pharmaceutical, Inc.
- Cassandra Perkins, Ferring Pharmaceuticals, Inc.

**WG45 External Standards Assessment, Harmonization and Implementation Guidance**
- Todd Davis, Rite Aid Corporation
- Annette Gabel, Medco Health Solutions, Inc.
- Amy Harvey, Rite Aid Corporation

**MC Maintenance and Control**
- Dale Chamberlain, Gateway Pharmacy Consulting, LLC
- Sean Muir, JKM Software
- Galen Mulrooney, JP Systems Inc.
- Roger Pinsonneault, RelayHealth
- Scott Robertson, Kaiser Permanente
- Laura Topor, Granada Health

**Annual Conference Committee**
- Michele Davidson, Walgreen Co.
- Laura Topor, Granada Health

**Awards Committee**
- Charlie Oltman, Target Corporation

**Educational Programs Committee**
- Terri Bernacchi, IHS, a Unit of IMS
- Annette Gabel, Medco Health Solutions, Inc.
- Louise Gustafson, ACS, A Xerox Company
- Scott Robertson, Kaiser Permanente

**Membership and Leadership Development Committee**
- Michele Babcock, RxEssential Consulting, Inc.
- Katherine Egenolf, Bristol-Myers Squibb Company
- Gregory Kaupp, Gregory S. Kaupp
- Marge Simos, JenKare, LLC
- Steve Treff, ProCare Rx

**NCPDP SNIP Committee**
- Michele Davidson, Walgreen Co.
- Sharon Gruttadauria, CVS Caremark
- Charlie Oltman, Target Corporation
- Cookie Orescanin, MedImpact
- Damon Tressler, CVS Caremark

**Strategic Planning Committee**
- Terri Bernacchi, IHS, a Unit of IMS
- John Hill, Argus Health Systems, Inc.
- Kathleen Shoemaker, Lilly USA, LLC
The Board of Trustees oversees all Council activities and has final authority over all Council industry standardization development activities and the application of those standards for candidacy as American National Standards (ANS). The Board sets the strategic direction of the organization and is charged with the fiduciary responsibilities associated with operating the Council. The Board also appoints various standing and ad-hoc committees, such as Executive Committee and the Standardization Committee.

The following Board members serve from May 2010 to May 2011.

**James P. Andrews, R.Ph.**  
Cypress Care, Inc.  
Vice Chair, Strategic Planning Committee

**Bob Beckley**  
LDM Group

**Thomas R. Bizzaro, R.Ph.**  
First DataBank

**Dale A. Chamberlain**  
Gateway Pharmacy Consulting, LLC  
Chair, Board of Trustees

**Michele V. Davidson, R.Ph.**  
Walgreen Co.  
Chair, Awards Committee  
Chair, Educational Programs Committee

**Annette Gabel**  
Medco Health Solutions, Inc.  
Vice Chair, Board of Trustees  
Chair, Annual Conference Committee

**Alan K. Gardner, MBA**  
RxResults, LLC  
Chair, Membership and Leadership Development Committee
Recognizing Members for Leadership, Service

John Lavin, MBA, MPH
CVS Caremark
Chair, Finance Committee

Perry Lewis
McKesson AccessHealth
Chair, Strategic Planning Committee

Frank McKinney
Frank McKinney Group, LLC
Chair, Nominating Committee

Nancy J. Nemes
CatalystRx

Scott M. Robertson, Pharm.D.
Kaiser Permanente
Vice Chair, Educational Programs Committee

Thomas J. (TJ) Sheehan, MBA
IMS Health
Immediate Past Chair, Board of Trustees

Laura Topor
Granada Health
Chair, Bylaws Committee
Vice Chair, Membership and Leadership Development Committee

Darren K. Townzen, R.Ph., MBA
Wal-Mart Stores
Co-Chair, Standardization Committee

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Standardization Committee
Rusty Keith, Surescripts
Lee Ann C. Stember, NCPDP
Darren K. Townzen, R.Ph., MBA, Wal-Mart Stores
Margaret Weiker, Hewlett-Packard Company
Standardization Committee monitor the Council’s development and continuous maintenance of all corporation standards, documents, and specifications, which are or are intended to become industry standards and American National Standards (ANS). The Standardization Committee establishes technical work groups, assigns technical work group names, issues a technical work group letter-number designation, authorizes and supervises election of technical work group co-chairs as required, defines the scope of work for technical work group activities, and coordinates tracking.

MC Maintenance and Control
Mark Elliott, ME Healthcare Systems Consulting
John Lynch, III, Eaton Apothecary
Nancy J. Nemes, CatalystRx
MC Maintenance and Control monitors and maintains the development of NCPDP standards, implementation guides and reference documents, promotes consistent business and technical administration, makes recommendations to the Standardization Co-Chairs on development procedures, due process compliance, as well as ethical and legal matters. MC provides a forum for updates of work group activities, resolution of inter-Work Group issues and discussion of legislative, regulatory, policy, and court decisions which may affect the pharmacy industry.

WG1 Telecommunication
Charlie Oltman, MBA, Target Corporation
Roger Pinsonneault, R.Ph., RelayHealth
Damon R. Tressler, CVS Caremark
Work Group 1 Telecommunication develops and maintains standards and guidelines to accommodate the collection, transmission, and processing of electronic pharmacy claim information, i.e. administering and certifying eligibility, prior authorization, and prescribing drug benefits for traditional, managed care, and government programs; billing; payment or denial of compensation with explanations, and concurrent drug use review.

WG2 Product Identification
Anne Johnston, R.Ph., Medco Health Solutions
Kay Morgan, Elsevier/Gold Standard, Inc.
Julie Suko, Pharm.D., First DataBank
Work Group 2 Product Identification deals with issues relating to the identification of drugs and health-related products within NCPDP’s stated mission. Identification consists of how the product is billed (billing units, quantity designations), product identification systems, and any type of descriptive data which serves to uniquely identify a product with the intent to establish standards for product identification such that there is no ambiguity in distinguishing one product from another.

WG3 Standard Identifiers
Katherine Finley, Argus Health Systems, Inc.
Debra J. Green, Express Scripts, Inc.
Tania Knutson-Palica, CVS Caremark
Work Group 3 Standard Identifiers develops, educates, and promotes the adoption of standard identifiers for pharmaceutical data transactions, healthcare providers, and benefit delivery systems, i.e. identification cards.

WG7 Manufacturer Rebates
Dan Hardin, R.Ph., MBA, SXC Health Solutions, Inc.
Robert S. Matsuk, HighPoint Solutions
Work Group 7 Manufacturer Rebates develops, monitors, and maintains standards for the electronic exchange of prescription-based rebate data between manufacturers and data providers, and/or trading partners. Additionally, the work group will facilitate the implementation and education of the rebate standard and process.

WG9 Government Programs
Amy Harvey, Rite Aid Corporation
Gregory Kaupp, Gregory S. Kaupp
Donna M. Power, Argus Health Systems, Inc.
Work Group 9 Government Programs, in conjunction with Work Group 1 Telecommunication, guides and advises federal- and state-funded pharmacy programs and their agents on standards implementation, supports data processing initiatives, and provides design alternatives for standards, which support government requirements.
WG10 Professional Pharmacy Services
Robert E. Franz, R.Ph., Medco Health Solutions
Scott M. Robertson, Pharm.D., Kaiser Permanente
Work Group 10 Professional Pharmacy Services assists in the development and maintenance of standards to support electronic documentation and transmission of data for professional pharmacy services.

WG11 ePrescribing and Related Transactions
Michele V. Davidson, R.Ph., Walgreen Co.
Tim McNeil, Surescripts
Laura Topor, Granada Health
Work Group 11 ePrescribing and Related Transactions develops standardized messages for prescribers, pharmacists, payers and/or other interested parties to exchange information.

WG14 Long Term and Post Acute Care (LTPAC)
Mara N. Mitchel, PMP, PharMerica
Gary J. Schoettmer, R.Ph., RNA Health Information Systems
Daniel Staniec, R.Ph., MBA, CVS Caremark
Work Group 14 Long Term Care, in conjunction with the other Work Groups, guides and advises payers, processors, and providers of the long term care industry and institutional pharmacy programs and their agents on standards implementation and supports data processing initiatives.

WG16 Property and Casualty/Workers’ Compensation
James P. Andrews, R.Ph., Cypress Care, Inc.
Kevin C. Tribout, MA, PMSI
Work Group 16 Property and Casualty/Workers’ Compensation will ascertain, monitor and analyze regulatory requirements to develop correlating fields to be supported in the Telecommunication Standard format; evaluate, and maintain a Property and Casualty/Workers’ Compensation standard paper claim form; proactively promote and educate pharmacy industry stakeholders and regulatory policy makers on the form and format standards found in Property and Casualty/Workers’ Compensation (including but not limited to uniform billing, state reporting policies and the overall delivery of pharmacy services/care).

WG17 Pharmaceutical Pedigree and Traceability
Steve Drucker, Merck
Lynda Schulman, CVS Caremark
Geoffrey Strickler, On-Line Transaction Consultants
Work Group 17 Pharmaceutical Pedigree and Traceability provides a forum for the stakeholders in the pharmaceutical supply chain for evaluation of the implications and costs related to the implementation of pedigree and track-and-trace technologies. To identify best practices and standards, the work group provides guidelines and develops educational materials for the stakeholders.

WG45 External Standards Assessment, Harmonization and Implementation Guidance
Joseph M. Gregar, ScriptPro
Mary J. Lynam, Argus Health Systems, Inc.
Work Group 45 External Standards Assessment, Harmonization and Implementation Guidance reviews, assesses and works to continually monitor the development of standards by other Standards Development Organizations (SDOs) that may impact the pharmacy industry. WG45 communicates SDO developments and recommends actions needed by this or other NCPDP work groups. These include, but are not limited to, the X12N Implementation Guides and the Health Level Seven (HL7) Standards. Work Group 45 External Standards Assessment, Harmonization and Implementation Guidance develops and maintains guidelines for the pharmacy industry to accommodate pharmacy implementation of the Health Insurance Portability and Accountability Act (HIPAA) mandated electronic data interchange (EDI) transactions not developed by NCPDP as determined by the membership. To this end, the work group will collaborate with other SDOs to provide the pharmacy perspective and represent the industry needs in the development of standards and guidelines.

Specific work group goals are available at www.ncpdp.org/wg_overview.aspx
NCPDP Staff

Executive
Lee Ann Stember, President
John Klimek, R.Ph., Senior Vice President, Industry Information Technology
Phillip D. Scott, Senior Vice President, Business Development
Steve Mullenix, R.Ph., Senior Vice President, Communications and Industry Relations
Joanne Longie, Vice President, Operations
Lynne Gilbertson, Vice President, Standards Development
Janys Kalenda, Executive Assistant

Marketing Communications/Member Services/Meeting Planning
Maggie Bruce, Director, Marketing Communications
Beth Fagan, CMP, Senior Manager, Meeting Planning and Membership Services
Jenny Powers, Manager, Membership Services
Meredith Button, Assistant Manager, Meeting Planning
Jeannine Deese, Meeting and Membership Services Coordinator
Jim McIntyre, Marketing Coordinator
Matthew G. Roy, Communications Coordinator

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Sue Thompson, Advisor, Standards Development
Teresa Strickland, Technical Advisor, Standards Development

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Jeff Williamson, Sales Analyst, Database Services
Allison Bates, Pharmacy Database Services Associate
Becky Listiak, Pharmacy Database Services Associate
Cindy Perez, Pharmacy Database Services Associate
Jolene Morgan, Pharmacy Database Services Associate
Renee Lomavaya, Pharmacy Database Services Associate