



***Internal Audit***

***Taylor Health and  
Wellness Center - Pharmacy***

***October 17, 2014***

**Office of Internal Audit**



**Missouri State**  
U N I V E R S I T Y

**DATE:** October 17, 2014

**TO:** Dr. Frederick D. Muegge, Director of Health and Wellness  
Randy Bass, Pharmacist

**FROM:** Donna Christian, Director of Internal Audit and Compliance  
Jane Dewberry, Senior Internal Auditor

**CC:** Dr. Denita Sisco, Vice President for Student Affairs  
Steve Foucart, Chief Financial Officer  
Clifton M. Smart III, University President

**RE: INTERNAL AUDIT: TAYLOR HEALTH AND WELLNESS CENTER – PHARMACY**

**BACKGROUND**

The Taylor Health and Wellness Center Pharmacy operates within the Taylor Health and Wellness Center Clinic and fills over 50,000 prescriptions annually for University students, employees, retirees, and their families. Registered pharmacists fill prescriptions written by either Taylor Clinic physicians or outside providers. The pharmacy accepts most major health insurance prescription cards. Additionally, Taylor Pharmacy provides valuable pharmaceutical training to many student workers every year. A variety of over-the-counter products are also available for sale in Taylor Pharmacy. During the year ended June 30, 2014 Taylor Pharmacy generated over \$2.7 million in gross revenue.

In an effort to reduce prescription drug costs incurred by the University's self-funded prescription benefit plan (prescription plan), University management approved to increase prescription benefits for employees who filled their prescriptions at Taylor Pharmacy. Beginning January 1, 2011, a prescription filled at Taylor Pharmacy is covered at the 80 percent rate with a 20 percent employee copay while prescriptions filled at off-campus pharmacies continue to be covered at 70 percent with a 30 percent employee copay. Management believed that the cost of an incentive of a 10 percent lower copay for employees would be off-set by the savings realized by the prescription plan for the lower drug prices at Taylor Pharmacy. Additionally, the profit on those drug sales would be retained on campus to help fund operations at Taylor Pharmacy. This audit of Taylor Pharmacy also includes an analysis of the financial impact of this decision on Taylor Pharmacy and the University's prescription plan.

The University's prescription plan is administered by MedTrak Services, LLC. A significant portion of the data used throughout this report was provided by MedTrak.

**OBJECTIVE AND SCOPE**

The objective of this audit was to review procedures and controls in place at Taylor Pharmacy, analyze various financial and statistical data for Taylor Pharmacy for periods from July 1, 2009 through June 30, 2014, and to determine the financial impact of the prescription benefit change on Taylor Pharmacy and the University's prescription plan.

Prescription data obtained from MedTrak for calendar years 2010 (base year before benefit change), 2011 (first year of benefit change), 2012, and 2013 was relied upon to reach some of the conclusions presented in this report.

**SUMMARY**

Increasing the prescription benefit coverage for University employees from 70 percent to 80 percent for prescriptions filled at Taylor Pharmacy has resulted in significant savings for University employees, increased profits for Taylor Pharmacy and lower prescription drug costs for the University's insurance plan. Considering the positive financial impact associated with the prescription benefit change, the University should consider increasing promotional efforts to further encourage employees to utilize Taylor Pharmacy to fill their prescriptions.

The audit also made recommendations related to monitoring the rising cost of specialty drugs, analyzing pharmacy financial statements, performing reconciliations, documenting inventory adjustments, tracking taxable sales, and ensuring compliance within various areas of the pharmacy.

We wish to thank management and staff of the Taylor Health and Wellness Center for their assistance during this audit.



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Donna K. Christian, CPA, CGFM,  
Director of Internal Audit and Compliance



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Jane Dewberry, Senior Internal Auditor  
Fieldwork Completion Date: September 26, 2014

# OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

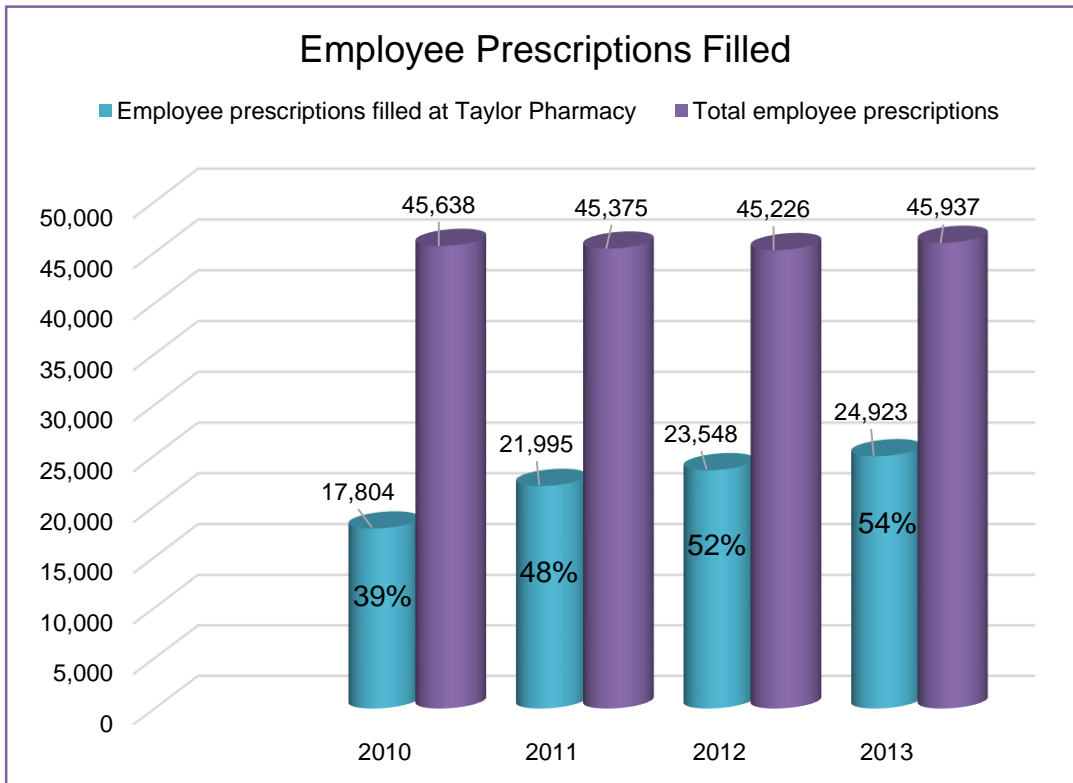
## 1. Effect of Pharmacy Benefit Change

Beginning January 1, 2011, the University increased basic prescription drug coverage for employees from 70 percent to 80 percent for those prescriptions filled on campus at the Taylor Health and Wellness Center Pharmacy. Since this change, prescriptions filled at Taylor Pharmacy have increased significantly resulting in increased pharmacy revenue. Also, the University's prescription plan and University employees have realized a benefit from the lower drug costs at Taylor Pharmacy. A combination of the additional pharmacy revenue and the savings resulting from lower drug costs have covered the additional 10 percent benefit costs the University's prescription plan has incurred.

Overall it is estimated that the change in prescription benefit coverage saved the University an estimated **\$230,000** in total over the three years since the benefit change (2011, 2012 and 2013). Additionally, University employees using Taylor Pharmacy have saved an estimated **\$510,000** during these same three years. Internal Audit offers the following analysis based upon detailed prescription data obtained from the University's benefit administrator, MedTrak.

- **More prescriptions filled at Taylor Pharmacy:**

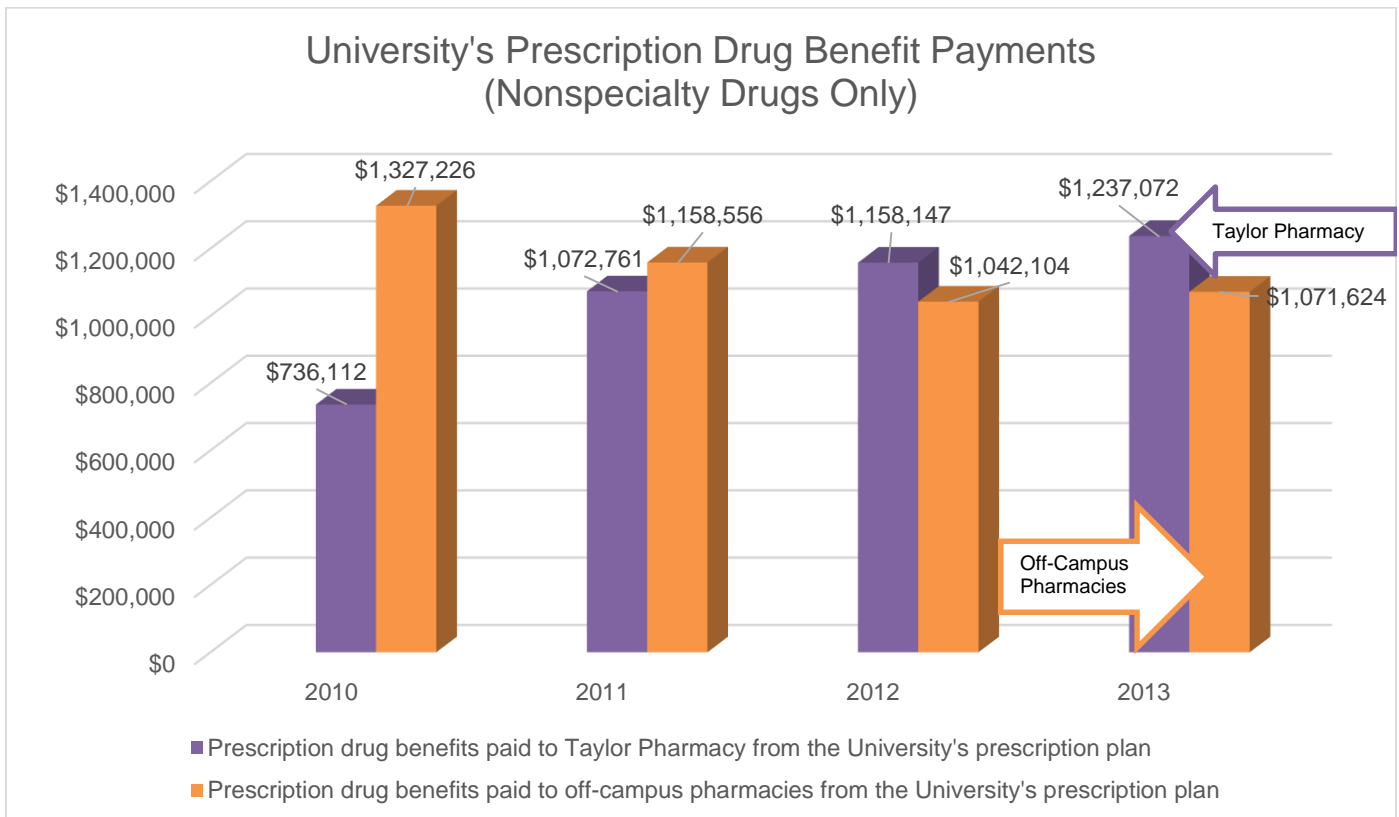
The number of employee prescriptions filled at Taylor Pharmacy has increased by 40 percent. As noted in the chart below the number of employee prescriptions filled at Taylor Pharmacy increased from 17,804 in 2010 to 24,923 during 2013, a 40 percent increase. Total employee prescriptions held fairly constant from 45,638 in 2010 to 45,937 in 2013, as a result, it appears that the increase in prescriptions filled at Taylor Pharmacy may be directly related to the change in employee benefits. During 2010 (prior to the benefit change) only 39 percent of all employee prescriptions were filled at Taylor Pharmacy; however this percentage has increased to over 54 percent in 2013.



- **More revenue for Taylor Pharmacy:**

The increase in the number of prescriptions filled has resulted in more revenue for Taylor Pharmacy. Prescription drug benefit payments made to Taylor Pharmacy from the University's prescription plan nearly doubled from \$781,673 in 2010 to \$1,405,613 in 2013. This increase equates to a total of nearly \$1.5 million of increased sales to Taylor over this 3 year period (2011, 2012, and 2013). Based upon the average gross profit percentage of 18 percent over the price paid for the drugs, the \$1.5 million in new revenue resulted in approximately **\$270,000** more in gross profit. While the pharmacy has utilized some of these profits to increase staff size to accommodate the increased number of prescriptions and to upgrade and improve their computer system, the Taylor Pharmacy staff should be commended for holding operating costs fairly stable during this increase in workload. As a result, these funds (paid from the University's prescription plan) have been utilized on campus to benefit Taylor Pharmacy rather than off-campus pharmacies.

Non-specialty drugs provided the largest increase in revenue for Taylor Pharmacy. Prior to the benefit change, off-campus pharmacies received more benefit payments from the University's prescription plan for non-specialty drugs; however in 2012 that changed. As shown in the chart below, Taylor Pharmacy now receives more benefit payments for non-specialty drugs than off-campus pharmacies. Taylor Pharmacy's portion of the non-specialty drug benefits increased from about \$736,000 in 2010 to over \$1.2 million in 2013 while off-campus pharmacies showed a drop from \$1.3 million in 2010 to just over \$1 million in 2013.



- **Lower drug prices at Taylor Pharmacy:**

According to drug prices provided by MedTrak, the average price of non-specialty drugs at Taylor were in most instances lower than the prices charged by off-campus pharmacies.

MedTrak provided Internal Audit with a detailed listing of each prescription filled and paid by the plan for 2010 through 2013. We compared the average price of each prescription drug at off-campus pharmacies to the average price at Taylor Pharmacy. We had detailed pricing data for both Taylor Pharmacy and at least one off-campus pharmacy for approximately 82 percent of the non-specialty drugs filled and paid by the University's prescription plan. For the remaining 18 percent of the prescriptions filled and paid by the plan there was no comparable data because the drugs were only filled by one pharmacy (either Taylor or an off-campus pharmacy). As a result, we based our analysis on the 82 percent of prescriptions with comparable data. This comparison identified that most drugs are priced less at Taylor Pharmacy and result in savings to the University's prescription plan and to the employee.

For example, the calculations below show how the University's prescription plan and the employees saved an estimated total of \$5,179 in 2013 on the common allergy nasal spray, Fluticasone (Flonase).

Example savings calculation at Taylor Pharmacy for Fluticasone (Flonase)		
2013 Fluticasone average price per bottle at off-campus pharmacies:	\$	27.07
2013 Fluticasone average price per bottle at Taylor Pharmacy:	-	19.42
2013 Savings per bottle by using Taylor Pharmacy:	\$	7.65
Number of Fluticasone bottles filled at Taylor Pharmacy during 2013:	X	677
Total estimated savings on Fluticasone for plan and employees during 2013:	\$	5,179.00

Overall, based upon prescription pricing data provided by MedTrak, Taylor Pharmacy has saved the University's prescription plan an estimated **\$340,000** over the three years (2011, 2012, and 2013) since the benefit change, and University employees have realized a savings of approximately **\$130,000** by purchasing their prescriptions at Taylor Pharmacy during this same period.

- **Increased benefit costs resulting from the plan change:**

The 10 percent increase in employee benefit coverage (from 70 percent to 80 percent) cost the University approximately **\$380,000** in total over the three year period (2011, 2012 and 2013). The additional 10 percent coverage is paid on both new and existing employee prescriptions filled at Taylor Pharmacy. According to detailed prescription data from MedTrak, prescription sales totaling approximately \$3.8 million at Taylor Pharmacy during 2011, 2012 and 2013 were paid at the 80 percent rate rather than the 70 percent rate. As a result, there was an additional cost of approximately \$380,000 (10% x \$3.8 million) to the University's prescription plan. (Note: Some employee prescriptions filled at Taylor Pharmacy were paid at 50% or 100% depending on the drug type and if the employee had met the maximum out of pocket costs specified by the plan.)

- **Overall Summary:**

In summary, it appears that the change in the University's prescription benefit plan has resulted in a net estimated savings of **\$230,000** to the University during the three years (2011, 2012 and 2013). Additionally, we calculated the savings to the University employees to be approximately **\$510,000** during this same time period. Calculations are as follows:

**Total Estimated Savings to the University during 2011, 2012 and 2013:**

Estimated additional gross profit to Taylor Pharmacy	\$	270,000
Estimated savings to the University's prescription plan resulting from lower drug prices at Taylor Pharmacy		340,000
Estimated cost to the plan by 10% increase in coverage		<u>-380,000</u>
Estimated total savings to the University for the three years (2011, 2012 and 2013)	\$	<u><u>230,000</u></u>

**Total Estimated Savings to University Employees during 2011, 2012 and 2013:**

Estimated savings for 10% increase in coverage	\$	380,000
Estimated savings resulting from lower drug prices at Taylor Pharmacy		<u>130,000</u>
Estimated total savings to University employees for the three years (2011, 2012, and 2013)	\$	<u><u>510,000</u></u>

The decision to increase employee coverage by 10 percent for prescriptions filled by Taylor Pharmacy has resulted in a win, win situation for the University and the employees. While most prescription drug benefit plans are decreasing employee coverage, the University was able to increase coverage while saving money and keeping prescription drug profits on campus.

**Recommendation:**

None

## **2. Promoting Taylor Pharmacy**

As reported above, filling prescriptions at Taylor Pharmacy saves money for the employee and the University. Although more employees are now utilizing Taylor Pharmacy, the University, Taylor Health and Wellness Center and Taylor Pharmacy should consider increasing communication with employees on the benefits of using Taylor Pharmacy to encourage more employees to utilize this benefit. Taylor Pharmacy should consider working with various University Departments to communicate this benefit to employees. Communication could be targeted in the monthly Faculty and Staff Wellness emails, during new employee orientation, by adding signage to faculty and staff areas of University buildings, and through other direct communication with employees.

**Recommendation:**

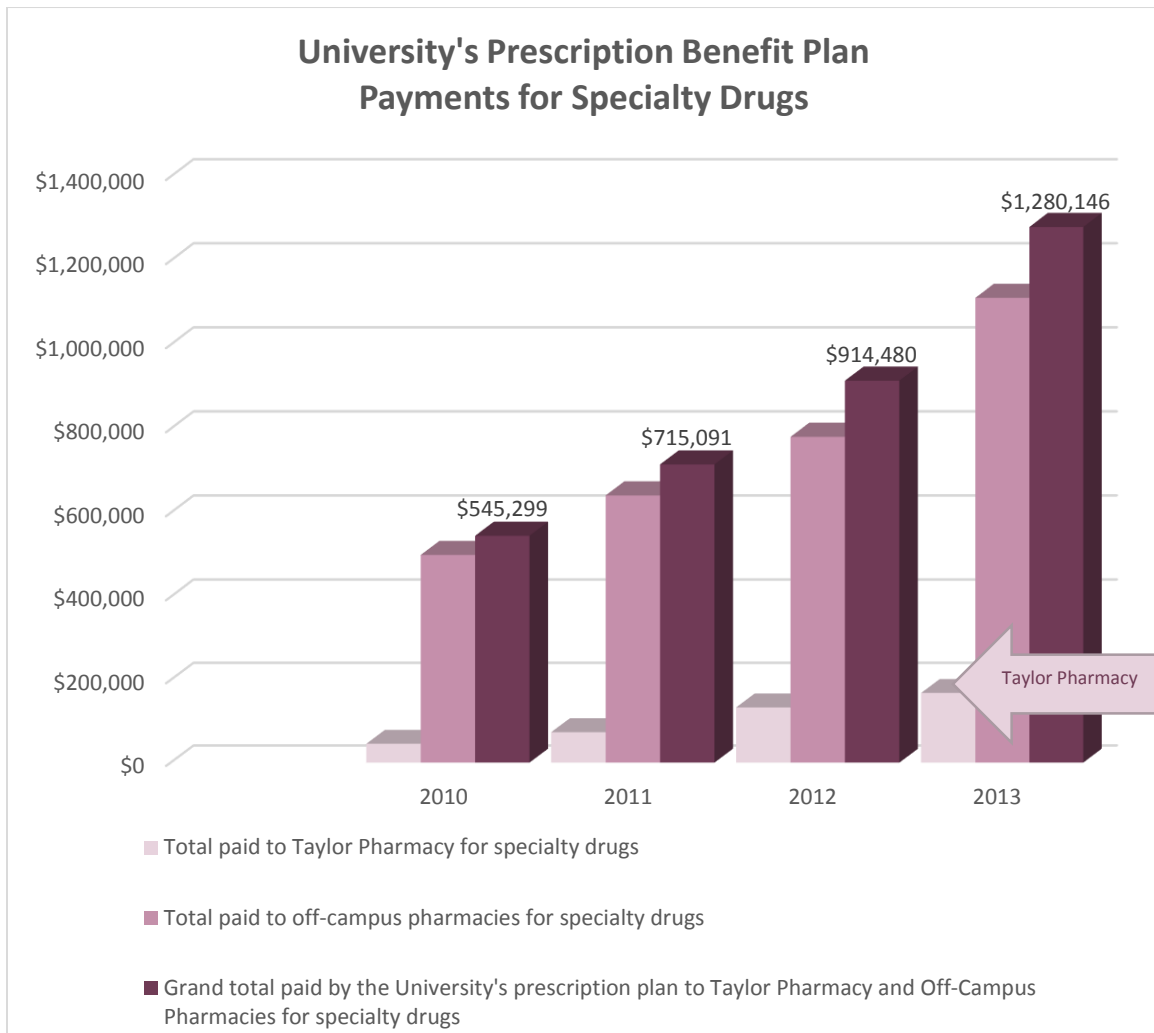
In conjunction with other University departments, increase communication with employees on the benefits of having prescriptions filled on campus at Taylor Pharmacy.

**Management Responses:**

*Taylor Pharmacy is also a major cost savings for our students. We will work to grow this win/win benefit for our students, employees and the university.*

**3. Specialty Drug Costs Increasing**

The amount paid by the University's self-insurance plan for the cost of specialty drugs has more than doubled since 2010. In 2010 the plan paid approximately \$545,000 for 499 specialty drug prescriptions compared to approximately \$1.28 million for 529 specialty drug prescriptions in 2013. Additionally, most specialty drugs are not filled at Taylor Pharmacy. See chart below:



Specialty drugs are generally defined as high-cost prescription drugs that treat complex conditions and require special handling and administration. In 2010, 21 percent of the University's total prescription benefit payments were to pay for specialty drugs (\$545,299 of \$2.6 million). In 2013 that percentage increased to 36 percent (\$1.28 million of \$3.58 million). Most of these specialty drug prescriptions are filled by specialty pharmacies and not Taylor Pharmacy. While some specialty drugs cannot be obtained by Taylor Pharmacy, several of these specialty drugs are available at Taylor Pharmacy. According to MedTrak, employees who need a specialty drug are referred to a



specialty pharmacy (typically mail order pharmacy) or Taylor Pharmacy. We compared specialty drug costs paid by the plan to cost information obtained from Taylor Pharmacy and noted several specialty drugs where the cost paid by Taylor is less than the amount paid to the specialty pharmacy.

Since the cost of specialty drugs has increased significantly, the University should consider ways to better monitor and control specialty drug costs. We would recommend Taylor Pharmacy, the University's Insurance Committee, and MedTrak meet periodically to ensure specialty drug prescriptions are filled at the most economical location, including Taylor Pharmacy.

**Recommendation:**

In order to take advantage of the University's in-house medical professionals, we would encourage Taylor Pharmacy, the University's Human Resources Office, the University's Insurance Committee, and MedTrak to periodically meet and review prescription data to ensure specialty drug prescriptions are filled at the most economical location, including Taylor Pharmacy.

**Management Responses:**

*Taylor acknowledges that these emerging, patented, agents used to treat cancer, hepatitis, rheumatologic, and inherited metabolic disorders are generally less expensively sourced through MedTrak. We will continue to assist the university with our understanding of these agents, their use and pricing, and the occasion where we are able to buy/sell these drugs less expensively for the benefit of our plan and insureds.*

#### **4. Separate Accounting for Taylor Pharmacy**

A profit/loss analysis is not separately prepared for Taylor Pharmacy. Currently all pharmacy labor expense is included with Taylor Health and Wellness Clinic labor expenses making it difficult to prepare a profit/loss statement for the pharmacy from the University's Banner accounting system. Some other pharmacy related expenses are also combined with clinic expenses. For example, the cost of medications and vaccines ordered by the pharmacy but used by the Clinic are included in the pharmacy's costs of goods sold and not charged to the clinic in the University's Banner accounting system. While the pharmacy tracked these costs separately in their ProPharm software system, there was not an entry made on University records to transfer the expense to the Clinic.

To properly monitor Taylor Pharmacy's financial activity, expenses directly associated with the pharmacy should be separately classified in the University's Banner accounting system and separate profit/loss statements should be prepared. During our audit we separately classified pharmacy related expenses to prepare the financial statements included at the end of this report.

**Recommendation:**

Separately classify pharmacy related expenses from Clinic expenses in the University's Banner accounting system and prepare profit/loss statements for the pharmacy.

**Management Responses:**

*This separation has already commenced this past summer. It will be ongoing under the direction of the Associate Director of Taylor Health for business operations and information services. A team will be necessary to facilitate the interchange among the software and systems. This team will include Taylor administration and pharmacy personnel, university computer support, Financial Service's Banner experts, software input from our pharmacy and clinic software, and advice from internal audit regarding targeted outcomes.*

#### **5. Reconciliations**

A. Reconciliations need to be performed between prescription revenue posted to the University's Banner accounting system and prescription revenue posted to the pharmacy's ProPharm software. When we compared prescription revenue per these two systems for the years ended June 30, 2011, 2012, and 2013 we noted

**\$101,096 more** in revenue recorded in Banner than in ProPharm. Some of this difference was caused from over-the-counter pharmacy revenue being classified as prescription revenue in Banner. This misclassification was not identified because reconciliations were not performed. Further, this misclassification may have affected the amount of sales taxes collected and paid on the over-the-counter sales. (See No.7.)

- B. Insurance payments received are not compared to insurance claims filed. The pharmacy's ProPharm software tracks all insurance claims filed and due to the pharmacy, approximately \$2 million annually. Insurance payments received must be manually posted to ProPharm for each prescription in order to keep the software data current on which insurance payments are still due to the pharmacy. This process is very time consuming and was discontinued on July 1, 2013. However, this reconciliation is necessary to ensure all insurance claims are properly paid to the University, to provide data to calculate the receivable amount included on the University's financial statement, and to provide the segregation of duties that helps to ensure all insurance checks received in the mail are properly transmitted to the Bursar's Office for deposit.

Pharmacy personnel indicated they have considered using a third party service to perform this comparison electronically. To ensure all insurance claims filed by the pharmacy are properly received, this comparison should be performed either manually or electronically.

#### **Recommendations:**

- A. Reconcile prescription revenue posted to the University's Banner accounting system to prescription revenue posted to the pharmacy's ProPharm software.
- B. Compare insurance claims filed to insurance payments received. Obtaining a system to perform this comparison electronically is strongly encouraged.

#### **Management Responses:**

- A. *Under the direction of the Associate Director of Taylor Health for business operations and information services, a similar team approach will target this reconciliation of prescription revenue. A new position is being developed of Pharmacy Coordinator which will allow our lead Senior Pharmacy Technician to assume increasing responsibilities in these daily pharmacy business operations.*
- B. *An established subcontractor has been identified that works with our current pharmacy software to perform this service, electronically, monthly for ~ \$1,400 per year. We will confirm with the subcontractor's record for digital security and HIPAA privacy and if satisfactory findings, will then engage this subcontractor for this purpose.*

## **6. Inventory Procedures**

- A. Adjustments made to pharmacy inventory amounts in the ProPharm software system are not always adequately explained. Reasons for adjustments in inventory could result from drugs reaching their expiration date, drugs that are dropped on the floor or spilled, or employee theft. While ProPharm tracks all changes in inventory balances, the current report produced by the system does not separate adjustments from normal inventory increases and decreases caused by receiving drugs and filling prescriptions. The system's reports just show increases and decreases in inventory without an explanation for the change.

The Pharmacist discussed this issue with the software programmers and they explained that they could create a report that would add a field where an explanation or explanation code could be added. To ensure all adjustments to inventory are proper, explanations should be input into the system each time an increase or decrease in inventory is recorded, and a report for each type of change, such as expired drugs, etc., should be generated and reviewed. The pharmacy purchased approximately \$2.3 million in drugs during fiscal year 2014, and inventory at June 30, 2014 was valued at approximately \$315,000.

- B. The Pharmacy Tech is commended for identifying a process that will increase the revenue the pharmacy receives on unused medication.

Rather than searching manually for expired drugs and returning them for a partial refund, the Pharmacy Tech determined that the software system could identify drugs purchased for inventory during the last three months, but not used to fill a prescription. Unopened medication can be returned to the pharmacy's wholesaler for full credit as long as it is not less than six months from the expiration date. This often happens when someone fills a new prescription and the pharmacy orders enough to have on hand for the following refill, then the medicine does not work for the patient and the prescription is not refilled. By identifying these unused and unopened medications that are sitting on the shelf, the pharmacy can return the unopened medications to the wholesaler for a 100% credit of the purchase price. It is estimated that this could save the pharmacy approximately \$20,000 to \$30,000 annually. The Pharmacy Tech contacted the pharmacy software programmers who created a report which will be utilized by the pharmacy to implement this new process.

**Recommendations:**

- A. Ask the software programmers to create a report that identifies adjustments and the explanation for those adjustments.
- B. We commend the Pharmacy Tech for her idea to track unused, unopened drugs. We recommend the pharmacy implement the cost savings plan suggested by the Pharmacy Tech which will allow unused, unopened drugs to be identified in a timely manner so they can be returned for full credit.

**Management Response:**

- A. *We will ask our ProPharm software vendor to provide a cost estimate for a reliable report to identify adjustments to the Taylor pharmacy stock and which will explain clearly the proper reason for each adjustment, such as outdated, discarded, etc.*
- B. *This process improvement has now been implemented at Taylor and has also been adopted around the country by our ProPharm software vendor. Our Pharmacy Tech has been accepted as a finalist in the MSU My Ideas 2014 competition for this improvement.*

**7. Sales Tax**

In August 2013, the pharmacy began tracking the sales of over-the-counter drugstore items through the pharmacy software system. However, these over-the-counter sales were being uploaded by the clinic's software as non-taxable prescription drug revenue instead of taxable sales. As a result, no sales tax had been paid on over-the-counter sales made between May 21, 2013 and February 28, 2014 when discovered during the audit. A pharmacy software report was prepared identifying **\$43,188** gross over-the-counter sales (including tax) for this time period. Imputed tax due to the Missouri Department of Revenue is approximately **\$3,050**.

In addition to over-the-counter items, certain prescription items, such as diabetes test strips and supplies, are not exempt from Missouri sales tax. The pharmacy software system prepares a monthly sales report of the taxable prescription items which is sent to Financial Services so that the proper amount of tax can be remitted on those items. Currently, this sales report has been expanded to include the over-the-counter items mentioned above; however, it is recommended that the system also be corrected to record the over-the-counter items in the "Sales Taxable" account in the University's accounting system.

**Recommendations:**

Provide Financial Services Department with the report that has been prepared identifying taxable over-the-counter sales for which no sales tax has yet been remitted and ensure taxable sales are properly classified. Approximately **\$3,050** is owed to the Missouri Department of Revenue.

**Management Response:**

*Taylor Associate Director has been providing this as a monthly report to the accountant in Financial Services, since February, 2014. He will continue to do so each month. The Associate Director will calculate a taxable OTC sales report for the gap period and provide this to Financial Services. He will complete this by October 10, 2014.*

**8. Compliance Measures**

- A. With the increasing amount of customer traffic in the lobby of Taylor Pharmacy, staff and student workers should be reminded of the need to take additional precautions to ensure compliance with the Health Insurance Portability and Accountability Act (HIPAA). While we observed the pharmacy staff to be very professional in performing their duties, the increased business has made it challenging for pharmacy staff to conduct patient counseling or communicate privately with the patient within the pharmacy area. Additionally, Taylor Health and Wellness Center management should take this opportunity to review the pharmacy's policies and procedures regarding other requirements of the HIPAA such as physical and technical safeguards.
- B. Missouri Pharmacy Practice guidelines require pharmacies to maintain adequate security to deter theft of drugs by personnel or the public. The pharmacy has locking devices and alarm systems that are used outside of normal business hours; however there are several areas where additional security measures could be taken during business hours. For example, the door between the waiting area and the pharmacy work area should be kept locked during business hours, and panic alarms installed at various locations within the pharmacy would provide an efficient means for summoning help during an intrusion and are a critical element of enhanced employee safety and security. Additionally, a written security plan would be helpful to train and provide information to employees.
- C. The ProPharm pharmacy management system provides individual passwords for each employee using the system. We noted times when employees would issue drugs to customers under the same password as the person previously using the terminal/register. For security purposes, proper passwords should always be used.
- D. The Delegation of Contracting Authority Memorandum does not delegate anyone at Taylor Pharmacy or Taylor Clinic the authority to make commitments of University resources beyond the \$3,000 level. Yet, during 2013 the Pharmacist and/or the Medical Director approved the purchase of over \$2 million in drugs and equipment and signed numerous contracts with insurance companies to obtain reimbursement of prescription costs. Since these are normal activities for a pharmacy, consideration should be given to delegating either the Pharmacist and/or the Medical Director the authority to make these approvals, or these purchases and signed agreements should be performed at the proper level of authority within the University.

**Recommendations:**

- A. Review policies and procedures to ensure compliance with the HIPAA.
- B. Ensure doors leading into the pharmacy are kept locked during business hours, consider adding a panic button to the alarm services already in place at the pharmacy, and develop a written security plan to be followed in the case of an attempted robbery.
- C. Employees should always use their own passwords when using ProPharm.
- D. Review the purchasing needs and contracting activity of Taylor Pharmacy to determine the proper approving authority.

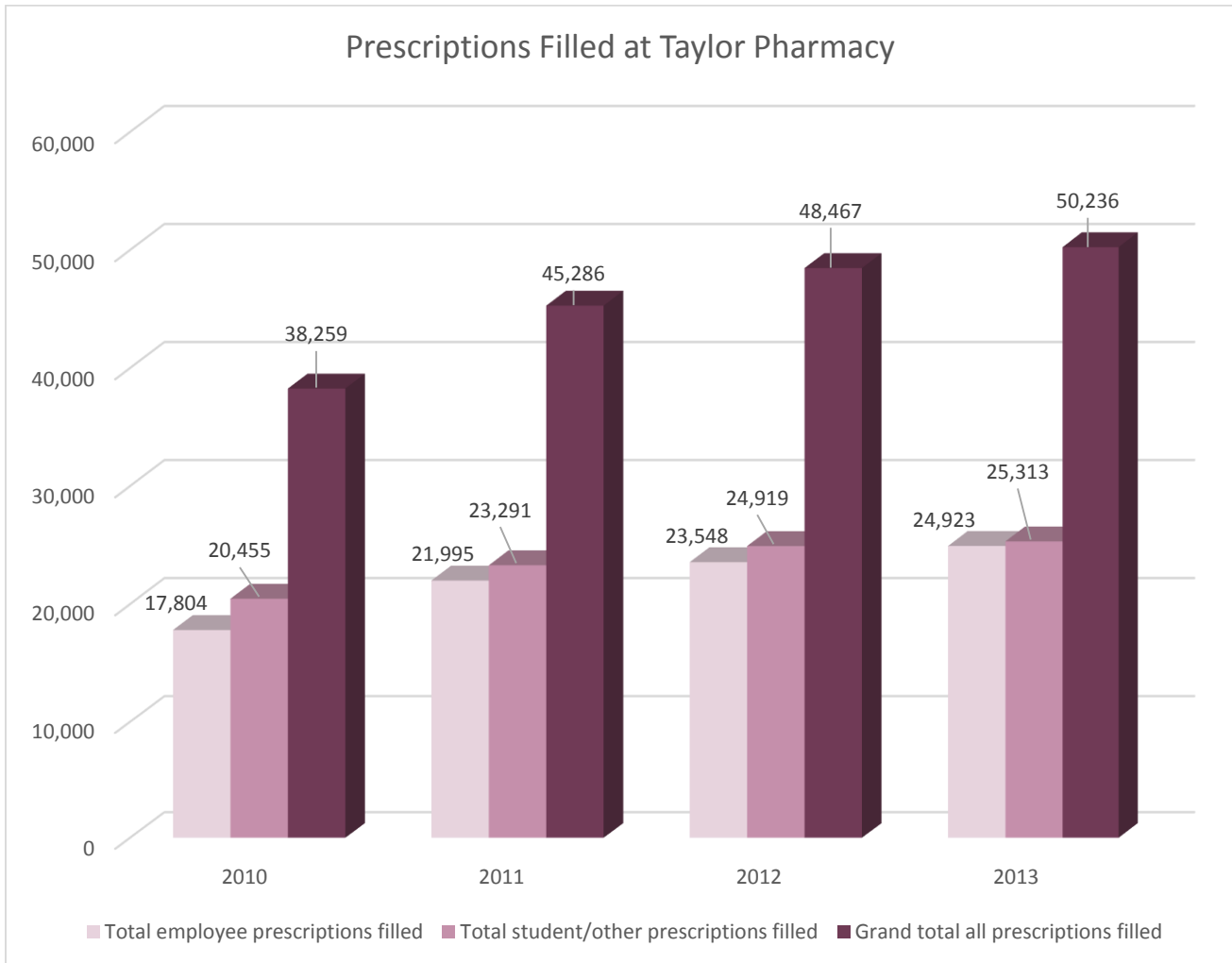
**Management Responses:**

- A. *Taylor is fully HIPAA compliant without any cited violations. We recognize and agree with our student leaders, the Vice President of Student Affairs and MSU administration that Taylor has challenging physical space limitations as it experiences phenomenal customer growth.*

- B. The Pharmacist, the Senior Pharmacy Tech, and the Clinic Director will meet in October, 2014 and regularly to review policies to ensure continued HIPAA compliance. We will also meet with MSU Security officials to enhance physical safety measures for the Taylor pharmacy including a written plan in case of an attempted robbery.*
- C. The Pharmacist and Pharmacy Tech will meet with their staff to review this policy and to develop an audit, at least quarterly for compliance. They will share this audit report with the Taylor Unit Electronic Security officer, and copy the Clinic Director.*
- D. The Vice President of Student Affairs plans to reintroduce a proposed correction for this process to Administrative Council this fall.*

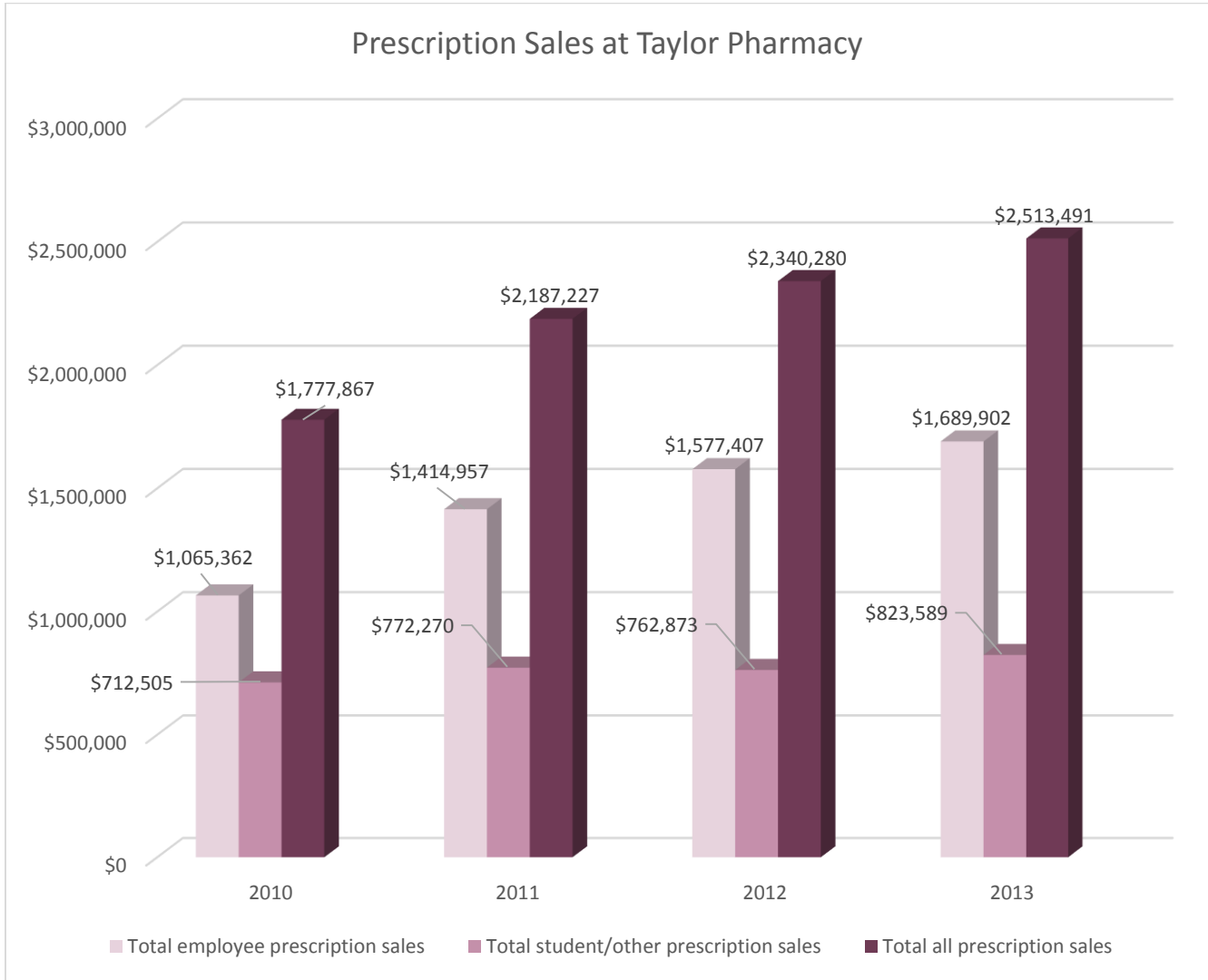
## Appendix

The following appendix presents various statistical and financial data for Taylor Pharmacy.



Information included in the graph above was obtained from the Pharmacy's PharmPro system and from MedTrak Services, LLC. Amounts are presented on a calendar year basis.

### Prescription Sales at Taylor Pharmacy



Information included in the graph above was obtained from the Pharmacy's PharmPro system and from MedTrak Services, LLC. Amounts are presented on a calendar year basis.

**Prescription Drugs Paid by the University's  
Prescription Benefit Plan**

	Non- Specialty		Specialty Drugs		All		Grand Total All Pharmacies
	Taylor Pharmacy	Off-Campus Pharmacies	Taylor Pharmacy	Off-Campus Pharmacies	Taylor Pharmacy	Off-Campus Pharmacies	
<b>2010</b> (Base Year before Benefit Change)							
Number of Prescriptions Filled:	17,729	27,410	75	424	17,804	27,834	45,638
Total Prescriptions Sales:	\$1,012,469	\$1,742,058	\$ 52,893	\$ 540,344	\$1,065,362	\$2,282,402	\$3,347,764
Amount Paid by Plan:	\$ 736,112	\$1,327,226	\$ 45,561	\$ 499,738	\$ 781,673	\$1,826,964	\$2,608,637
<b>2011</b> (First Year of Benefit Change)							
Number of Prescriptions Filled:	21,921	22,999	74	381	21,995	23,380	45,375
Total Prescriptions Sales:	\$1,332,394	\$1,509,614	\$ 82,563	\$ 679,147	\$1,414,957	\$2,188,761	\$3,603,718
Amount Paid by Plan:	\$1,072,761	\$1,158,556	\$ 73,683	\$ 641,408	\$1,146,445	\$1,799,964	\$2,946,408
<b>2012</b>							
Number of Prescriptions Filled:	23,463	21,272	85	406	23,548	21,678	45,226
Total Prescriptions Sales:	\$1,430,994	\$1,353,222	\$ 146,413	\$ 819,860	\$1,577,407	\$2,173,082	\$3,750,489
Amount Paid by Plan:	\$1,158,147	\$1,042,104	\$ 133,601	\$ 780,879	\$1,291,747	\$1,822,984	\$3,114,731
<b>2013</b>							
Number of Prescriptions Filled:	24,859	20,549	64	465	24,923	21,014	45,937
Total Prescriptions Sales:	\$1,512,249	\$1,371,382	\$ 177,653	\$1,163,528	\$1,689,902	\$2,534,910	\$4,224,812
Amount Paid by Plan:	\$1,237,072	\$1,071,624	\$ 168,541	\$1,111,605	\$1,405,613	\$2,183,229	\$3,588,842

Data included in this chart was provided by MedTrak Services, LLC, and presented on a calendar year basis.



**Taylor Pharmacy**  
**Statement of Income and Expenses**

Fiscal Years Ending June 30,

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Pharmacy Income</b>	\$ 2,745,652	2,447,791	2,344,451	2,005,179	1,796,724
<b>Less Material for Resale</b>	2,344,879	2,051,864	1,932,470	1,601,148	1,513,201
<b>Gross Profit</b>	<b>\$ 400,773</b>	<b>395,927</b>	<b>411,981</b>	<b>404,031</b>	<b>283,523</b>
<b>Pharmacy labor</b>	339,463	324,429	290,403	263,336	264,652
<b>Other operating expenses</b>	11,323	17,518	5,916	29,157	7,366
<b>Total Expenses</b>	<b>\$ 350,786</b>	<b>341,947</b>	<b>296,319</b>	<b>292,493</b>	<b>272,018</b>
<b>Net Pharmacy Profit</b>	<b>\$ 49,987</b>	<b>53,980</b>	<b>115,662</b>	<b>111,538</b>	<b>11,505</b>

Financial data obtained from the University's Banner accounting system and presented on a fiscal year basis.