AHCS
Automated HealthCare Solutions
2901 SW 149th Avenue, Suite 400
Miramar, FL 33027

Updated
LATE

March 17, 2011

The Honorable Rosalyn H. Baker
Chair, Senate Committee on Commerce & Consumer Protection

The Honorable Brian T. Taniguchi
Vice Chair, Senate Committee on Commerce & Consumer Protection

Re: HB 1243 – Relating to Drug Repackaging and Compound Medication

Dear Chairwoman Baker, Vice Chairman Taniguchi and Distinguished Committee Members:

I am testifying on behalf of Automated HealthCare Solutions ("AHCS"), a leading healthcare technology company serving physicians and injured workers in thirty states. We are the chief provider of technology enabled, point-of-care drug dispensing solutions for physicians serving workers' compensation patients. As part of our service, we purchase workers' compensation prescription claims from physicians and subsequently bill to insurance carriers.

In August of 2010, AHCS began purchasing workers' compensation claims from physicians in Hawaii. One particular insurance carrier, HEMIC, has been the only insurance carrier that has yet to reimburse us a dollar on the outstanding claims they owe. Ironically, HEMIC also happens to be the carrier with the highest billings out of all the insurance carriers that we have billed in Hawaii. On the second page of this letter, you will find a complete list of all carriers we billed (in an amount greater than $5,000) in 2010 and what has been collected to date.

There is pending regulation (HB1243) that would slash reimbursement on the treatment-dose-sized medications that physicians dispense to their injured workers at point of care. Based on both written and oral testimonials provided by HEMIC, we believe they are among the chief advocates of these bills. We find it perplexing why HEMIC is advocating reductions in the prescription reimbursement fee schedule when they had no prescription medication costs in 2010 as far as we can tell. Moreover, according to HEMIC's annual report [1], they have over $250 million in cash and cash equivalents on their balance sheet.

It is only fair that any bill contemplating a reduction in fee schedule also mandate prompt-pay from the insurance carriers.

Regards,

Sean Duffy
Chief Operating Officer
Automated HealthCare Solutions

1. Hawaii Employers' Mutual Insurance Company, Inc. Annual Statement For the Year Ended December 31, 2009 (PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION)

AHCS
Automated HealthCare Solutions
2901 SW 149th Avenue, Suite 400
Miramar, FL 33027

2010 AHCS Hawaii Claims Report (as of 3/15/2011)

#	Carrier	Billed	Collected	%
1	HEMIC	$108,314	$0	0%
2	C&C OF HONOLULU-DHR-ISWC	$94,145	$63,963	68%
3	USDOL-OWCP	$85,216	$73,461	86%
4	JOHN MULLEN	$82,321	$52,271	63%
5	GALLAGHER BASSETT	$65,157	$50,920	78%
6	SEABRIGHT INS	$64,162	$26,091	41%
7	FIRST INSURANCE CO	$57,204	$48,558	85%
8	STATE OF HAWAII DEPT OF ED	$53,953	$27,947	52%
9	BRANDVOLD & ASSOCIATES	$53,329	$21,192	40%
10	AMERICAN PACIFIC INS CO	$51,744	$28,372	55%
11	ISLAND INS	$51,157	$28,450	56%
12	FIREMANS FUND	$46,519	$39,252	84%
13	STATE OF HAWAII	$45,949	$4,722	10%
14	SPECIALTY RISK SERVICES	$29,747	$24,411	82%
15	TRAVELERS	$26,984	$17,557	65%
16	LIBERTY MUTUAL	$21,795	$12,618	58%
17	AIMS INSURANCE	$20,042	$10,190	51%
18	HARTFORD INSURANCE	$17,271	$2,566	15%
19	ACE/ESIS	$15,904	$12,857	81%
20	LIBERTY MUTUAL INS GROUP	$15,421	$12,377	80%
21	SEDGWICK CMS HAWAII	$14,883	$8,582	58%
22	DTRIC INSURANCE	$13,335	$10,669	80%
23	FAIRMONT SPECIALTY GROUP	$12,624	$9,881	78%
24	CRAWFORD & COMPANY	$12,139	$7,817	64%
25	FRANK GATES	$11,177	$9,460	85%
26	CCS HOLDINGS-FL	$10,246	$8,634	84%
27	SEDGWICK CMS-HAWAII	$9,526	$5,525	58%
28	HAWAIIAN ELECTRIC	$9,060	$4,481	49%
29	STATE FARM INS-W/C CLAIMS	$8,281	$6,544	79%
30	QUEENS MEDICAL CENTER W/C Depart	$7,914	$7,693	97%
31	KAPIOLANI HAWAII HEALTH	$6,443	$5,637	88%
32	AIG CLAMIS SERVICES	$5,639	$4,946	88%
33	MARRIOTT CLAIMS SERVICES	$5,357	$4,831	90%
34	SEDGWICK CMS	$5,244	$4,569	87%
35	MARRIOT CLAIMS SERVICES-CHICAGO	$5,227	$4,547	87%

1. Hawaii Employers' Mutual Insurance Company, Inc. Annual Statement For the Year Ended December 31, 2009 (PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION)

Physician Dispensing & Generic Utilization

March 2011

Generic Utilization – Comparable Analysis

Generic fill rates for dispensing physicians[1] far exceed those of major PBMs, generating savings for workers' compensation Payors through reduced medical benefit costs

	Generic Fill Rate Q1 2011
HI Dispensing Physician Network[1]	**89.5%**
Express Scripts	69.6%
CVS Caremark	68.3% [2]
Medco Health Solutions	67.7%
Catalyst Health	67.4%

- Physician network drives generic fill rates better than major PBMs
  - Lower priced generics reduce the medical cost of workers' compensation benefits
- Generic medications offer significant benefits for dispensing physicians
  - Lower inventory costs

(1) Hawaii physician dispensing network.

(2) Represents fill rate through PBM services segment .

Brand vs. Generic: A Closer Look

An analysis of the 10 most commonly prescribed workers' compensation generic medications shows that the average savings of using a generic instead of the equivalent brand med even when using manufacturer's AWP is over $175 per bottle

#	Generic Medication	Repackaged AWP[(1)]	Brand Equivalent	Manufacturer's AWP	Savings per Med
1	Carisoprodol 350mg #60	$200.98	Skelaxin 800mg #60	$271.63	$70.65
2	Cyclobenzaprine HCl 10Mg #60	$87.07	Amrix 30mg ER	$306.00	$218.93
3	Hydrocodone/APAP 5-325Mg #60	$63.29	Ultram ER 300mg #60	$676.12	$612.83
4	Meloxicam 15mg #30	$165.11	Celebrex 200mg #60	$289.77	$124.66
5	Meloxicam 7.5mg #60	$222.64	Celebrex 200mg #60	$289.77	$67.13
6	Omeprazole Dr 20Mg #30	$134.41	Nexium 40mg #30	$206.76	$72.35
7	Oxycodone APAP 5/325mg #60	$120.33	Percocet 5-325mg #60	$251.70	$131.37
8	Tizanidine HCl 4 Mg #60	$125.21	Zanaflex 4mg	$149.64	$24.43
9	Tramadol HCl 50Mg #60	$86.39	Ultram ER 200mg #30	$484.58	$398.19
10	Zolpidem Tartrate 10mg #30	$152.69	Ambien CR 12.5mg #30	$204.05	$51.36
	Source: Redbook 20110316			**Average**	**177.19**

(1) Average of top ten largest repackagers.

PCI Property Casualty Insurers Association of America
Shaping the Future of American Insurance
1415 L Street, Suite 670, Sacramento, CA 95814 Telephone 916-449-1370 Fascimile 916-449-1378 www.pciaa.net

LATE

LATE TESTIMONY

To: The Honorable Rosalyn H. Baker, Chair
Senate Committee on Commerce and Consumer Protection

From: Mark Sektnan, Vice President

Re: **HB 1243 HD 2 - Relating to repackaged drugs and compound medications**
PCI Position: Support

Date: Thursday, March 17, 2011
10 a.m.; Conference Room 229

Aloha Chair Baker and Committee Members,

The Property Casualty Insurers Association of America (PCI) supports HB 1243 HD2 which would limit markups of repackaged prescription drugs and compound medications to what is currently authorized for retail pharmacies under state law.

This bill would treat such drugs in the same manner as other drugs and keep the cost of such drugs more affordable for workers' compensation care. Recent workers compensation cost data has shown an alarming increase in medical costs and much of this cost is driven by pharmacy costs, in particular the increasing use of repackaged and compound drugs. Often times these drugs are "created" or packaged for the sole purpose of moving the prescription off of the pharmacy fee schedule. Hawaii already has one of the most generous workers' compensation fee schedules in the nation to reflect the unique challenges faced in Hawaii. **HB 1243 HD2 would close this loophole by limiting the markups for these types of drugs.**

Compound medications are often paired with topical and transdermal creams that have not been approved by the FDA which poses a safety risk to injured workers. Since compound medications are a combination of other medications, these medications present unique billing issues and many insurers have seen instances where the bill for a compounded drugs is several times more expensive than the comparable oral, FDA-approved, commercially available oral dosage.

We note that the intent of this legislation is not to abolish the use of compound or repackaged medications but to merely place some guidelines around their use. In some cases, these types of medications may be appropriate. These drugs, however, should be treated in the same manner as other drugs. Medical necessity should drive the desire to prescribe a medication, not a higher reimbursement rate. This bill an important step not only for controlling an unnecessary cost to the workers' compensation system, but also to ensure that injured workers are protected and the practice does not generate inappropriate fees. **This bill in no way takes away from a physicians' ability to dispense medication. It keeps the cost of compound and repackaged drugs from escalating beyond what's allowed by the state's Workers' Compensation Fee Schedule, which is 100% of the original average price plus a 40% markup.**

Thank you again for the opportunity to present testimony in strong support of HB 1243 HD2. PCI respectfully requests your support for this bill.

HEMIC

Hawaii Employers' Mutual Insurance Company, Inc.

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LATE

Hearing Date/Time: March 17, 2011 (10:00 AM)

The Honorable Rosalyn Baker, Chair
The Honorable Brian Taniguchi, Vice Chair
Senate Commerce and Consumer Protection Committee
STATE CAPITOL
Conference Room 229
415 South Beretania Street
Honolulu, Hawaii

By Web: www.capitol.hawaii.gov/emailtestimony

Re: **H.B. 1243, HD2 – Relating to the Repackaged Drug and Compound Medications Bill**

Dear Chair Baker, Vice Chair Taniguchi, and Members of the Commerce and Consumer Protection Committee:

I am Paul Naso, General Counsel of the Hawaii Employers' Mutual Insurance Company, Inc. ("HEMIC"). I am here today on behalf of HEMIC to testify in strong support of H.B.1243, HD2.

I. UNDERSTANDING THE REPACKAGING PROBLEM

"Repackaging" is the practice of breaking a bottle of a large quantity of drugs down to several bottles of smaller quantities. These medications are identified by a number called an NDC (National Drug Code) number.

In 1972, congress enacted the Federal Drug Listing Act. The Federal Drug Listing Act required all registered drug establishments to provide the Food and Drug Administration (FDA) with a current list of all drugs manufactured, prepared, propagated, compounded, or processed by it for commercial distribution.

The significance of this Act was its broad classification of the term "Manufacturer" to include non-manufacturers including repackagers. While this may have been appropriate within the scope and intended purpose of the Drug Listing Act, it has caused the problem that we are facing today.

Because of the FDA's "manufacturing" classification, a repackager (who, again, does not actually manufacture the drugs) has the ability to re-label an existing product with the repackager's own National Drug Code number identifying them as the manufacturer for the product delivered in the bottle. More important, because of its manufacturing classification and right to create a new NDC number, *re-packagers can establish a new wholesale price for the same product*.

So what does that mean? That means if an original manufacturer produces a pill and sets a price (Average Wholesale Price) at, say, $.50 per pill, the repackager can simply relabel bottles of the same pill with a new NDC number and can and has set a new Average Wholesale Price. We have seen instances in Hawaii where a repackager has unreasonably and unjustifiably increased the per pill prices by 1627%. (See Attachment "A")

Now, if the State in setting the fee schedules simply made a distinction between the original manufacturer's AWP and the repackager's AWP, it could address the repackaging problem.

Unfortunately, in its present version, Hawaii law does not make that distinction and speaks generally as to the drug reimbursement rate at the AWP + 40%, and therein lies the problem. Under the present statutory scheme, repackagers can create their own prices without justification and have used this ability to massively increase profits for the sale of drugs under Hawaii's workers' compensation fee schedule. In states where the repackaging problem was not addressed quickly, repackaged drugs became a major profit center for those involved in selling the repackaged drugs. In Hawaii, repackagers are only now gaining a foothold, after having been shut down in California, Arizona, and Mississippi, among other states.

H.B. 1243, HD2 simply makes it clear that the original manufacturer's average wholesale price (AWP) must be used as the basis when calculating reimbursements for drugs under Hawaii's workers' compensation fee schedule (i.e., 100% of the original manufacturer's AWP plus 40% profit).

To illustrate the problem H.B. 1243, HD 2 addresses , we have attached a comparison chart (complete with invoices) that contrasts the original manufacturer's AWP plus 40% profit to prices resulting from repackaging of prescription drugs. (See Attachment "B").

II. THE COMPOUND MEDICATION ISSUE

As with repackaging, physicians often contract with a company that specializes in producing compound medication in large quantities and provides a supply of these compounded medications for the physician to dispense out of their office setting.

We note that although compounded medications are generally a more sophisticated version of repackaging, some compound medications may be medically necessary. That being said, compounded medications present a challenge in how they are reported and identified for billing purposes.

Unlike repackaged drug manufacturers who create a unique National Drug Code (NDC), compound medications do not have unique NDCs, as they are the combination of several drug products - each with its own NDC.

So when billing them to a payer, compounds are often identified with a "dummy" NDC of all 9s, (99999-9999-99) with an abbreviated description of the combination of products used in the production of the compound medication.

Since there is no assigned NDC and thus no Average Wholesale Price reported to a pricing source, if a state's workers' compensation fee schedule statutes or administrative rules are not clear in defining compound medications, compounding pharmacies can exploit this ambiguity to their advantage by unreasonably and unjustifiably marking up the costs of such medications.

III. H.B. 1243, HD2 IS A COST CONTAINMENT MEASURE

By helping to contain unreasonable and unjustifiable increases in prescription drug costs H.B. 1243, HD2 is a cost containment measure.

The unregulated practice of marking up repackaged prescription drugs affects everyone. It doesn't just affect insurance companies; it unreasonably and unjustifiably drives up the cost of prescription drugs for all self-insured entities, including the State of Hawaii, all of the counties in the state, and self-insured companies such as Marriott and Safeway. Ultimately, failing to contain the costs of repacked drugs and compound medications will have a significant effect on employers as their lost cost ratios rise, raising premiums as well.

Furthermore, a recent study by the National Council on Compensation Insurance, ("NCCI") Inc. confirms that passing HB 1243, HD2 would provide cost containment of at least 2.3 million dollars to the work comp system based on best available data from service years 2007 and 2008. With the increase of repackaged drug suppliers and compound drug suppliers in Hawaii since 2007, it is reasonable to believe that service years 2009 and 2010 data will prove significantly higher cost containment achieved by passing HB 1243.

IV. REPACKAGED DRUGS/COMPOUND MEDICATIONS IS A NATIONWIDE PROBLEM

As noted above, the problem that this legislation seeks to address is a problem facing many states. Several states, such as California, Arizona, and Mississippi, have already refined their statutes and administrative rules to demarcate the difference between original manufacturers and repackagers, clearly defined compound medications, and ultimately contained the unreasonable and unjustifiable increase in prescription drug costs caused by repackaged drugs and compound medications.

The experience in other states has also shown that when a state government closes the repackaging loophole, repackaging firms resort to compound medications to unreasonably inflate drug costs and their profit margins. Therefore, H.B. 1243, HD2 seeks to address both practices at the same time.

V. LET'S PREVENT TRUTH DECAY

The testimony above describes what this bill is about. During previous testimony before committees in the House and Senate, certain opponents have attempted to create a smokescreen by raising issues unrelated to this bill and attacking HEMIC directly with false and misleading charges. They have also attempted to characterize this bill as a "HEMIC" bill in an effort to further confuse legislators. To clarify matters, please consider the following points:

1. THIS IS NOT A HEMIC BILL

This bill is supported by a broad coalition of government and business entities, including self insureds and insurers (such as HEMIC, which supports this bill pursuant to its statutory mandate), all of whom support the concept of fairness and restricting unreasonable and unjustifiable increases in prescription drug costs.

2. THIS BILL IS NOT ABOUT THE OVERALL COMPENSATION OF DOCTORS WITHIN THE WORKERS' COMPENSATION SYSTEM

At the previous hearing on H.B. 1243, HD2, opponents of the bill argued that it will severely impact the ability of doctors to earn their living. H.B. 1243, HD2, however, deals strictly with containing the unreasonable and unjustifiable increase in the cost of prescription drugs caused by repackaged drugs and compound medications. It does not deal at all with doctors' compensation under the workers' compensation system issues.

In any case, it should be noted that the DLIR is required by law to update the Hawaii Workers' Compensation Supplemental Fee Schedule for physician reimbursement at least every three years or annually, as required. So remedies are already in place.

As to the alleged severe impact on workers' compensation physicians continuing to work in Hawaii, abusive repackaging and compound medication re-pricing practices to create a new profit center is done by only a small group of Hawaii physicians at this point in time.

Finally, if you consider the logic behind the argument, it appears the opposition is saying that because they are unhappy with the current compensation rates for their services within the workers' compensation system, we should support the continued abuse and price gouging in the prescription drug area.

3. THIS BILL DOES NOT IMPACT PHYSICIAN DISPENSING

This bill is not about physician dispensing. We only raise the issue because it was a problem in the California repacking battle because the repackaging practice had developed to a much greater degree and had become a major profit center for California workers' compensation physicians. Because of that, the cost-containment effort in California included doing away with the entire practice of physician dispensing.

That is not the case here in Hawaii. Although the repackagers have established a beachhead, they have not yet fully established their business model in the islands.

Therefore, **H.B. 1243, HD2 does not alter, revise or in any way impact the practice of physician dispensing of prescription drugs.** In fact, HEMIC supports physician dispensing. We believe it is a good practice which benefits the treatment of injured workers.

We note that most workers' compensation doctors dispense medications that are not repackaged and getting reimbursed at AWP plus 40% profit.

There is plenty of room in Hawaii's generous prescription drug fee schedule to allow physicians to make a fair profit on the medications they disperse. But distorting the fee schedule as described earlier is simply an abuse; an abuse that this legislation will effectively curtail.

4. THIS BILL DOES NOT "PRICE OUT" PHYSICIANS

Opponents have argued that the effect of this bill is to "price out" the small physician in favor of the "Longs Drugs and Costco." Specifically, they claim that the retail pharmacy has better buying power to negotiate lower acquisition costs due to large volume purchases of product over a small-scale dispenser.

However, the basic premise of this argument-that the dispensing physician is negotiating directly with the manufacturer for their product-is false. There is a middleman.

The small-scale dispenser actually purchases their drugs from a drug re-packager who purchases large quantities of product from the manufacturer and is able to leverage their volume for discounts similar to those of Longs/Costco, and those discounts are passed on (at least partially) to the dispensing physicians.

It has also been claimed that physician dispensaries are limited in the market they serve, i.e. workers compensation and No Fault patients. However, the reality is that physician dispensaries can service all market segments (e.g., commercial, group health, Medicare and Medicaid). However, **they chose not to, because they are required to comply with contractual and reimbursement terms of the payers in these more "traditional" markets.**

5. THIS BILL WILL NOT AFFECT A WORKERS RIGHT, OR ACCESS TO, MEDICAL TREATMENT FOR THEIR INJURIES.

Opponents of this bill have claimed that H.B.1243, HD2 will hinder injured workers' access to prescription drugs. They have also claimed that workers will somehow have to pay more for prescription drugs.

This is simply not true, as there is **no co-pay in workers' compensation.**

H.B.1243, HD2 is about preventing price gouging in the prescription drug arena. It deals exclusively with reimbursement and does not affect, in any way, an injured worker's right or access to medical treatment for his or her injuries.

6. HEMIC TIMELY PAYS BILLS THAT COMPLY WITH HAWAII LAW

Some opponents to H.B. 1243, HD2 have claimed that providers are forced to carry costs because insurers (such as HEMIC) do not pay their bills in a timely fashion.

HEMIC, like other insurance companies, timely pays bills that have been submitted in accordance with Hawaii law. (See, Attachment "C")

When billings for prescriptive drugs fail to include the accompanying average wholesale price with the national drug code number, or when billers fail to certify on their bills or charges that such charges are in accordance with relevant Hawaii law, Hawaii law does not permit such bills to be paid.

7. HEMIC'S ASSETS

HEMIC's assets are irrelevant to this bill, but an opponent to this bill has tossed out a wildly inaccurate figure in an apparent attempt to muddy the discussion. Please be advised that HEMIC does not have assets anywhere near the amount alleged by the opponent.

As one of many companies who value transparency, HEMIC provides its annual financial statements on its website at Hemic.com for anyone who might be interested.

8. HEMIC DOES NOT RETAIN 65% OF EVERY DOLLAR IT RECEIVES

Also irrelevant to this bill, but apparently raised to muddy the waters, an opponent of this bill has alleged that HEMIC was retaining 65 cents of every dollar it received, implying that this was HEMIC's profit. That is not the case.

Unlike government, HEMIC cannot have unfunded liabilities. Claims may have to be paid out for years, and HEMIC must have the reserves today to make those future payments. It is likely that the above-mentioned person is not considering all claim costs and other operational expenses. Insurance companies are required to record as expense not only the amounts paid for claims but

also must record reserves for the anticipated total cost of that claim and the related expenses to adjust the claim.

CONCLUSION

The purpose of H.B. 1243 HD1 is to mitigate unreasonable increases in the cost of prescription drugs, including repackaged prescription drugs and compound medications in Hawaii's workers' compensation insurance system by providing reasonable restrictions on markups similar to those currently authorized for retail pharmacies under state law.

We respectfully request that you support and pass H.B. 1243, HD2.

Sincerely,

Paul Naso

Paul Naso, General Counsel
Hawaii Employers' Mutual Insurance Company, Inc.

PN:rm

Attachment - A

AWP Comparisons

Drug	QTY	Re-Packaged AWP	Common Retail Pharmacy AWP	% of Mark Up
ACETAMI/CODE 300/30MG	60	$35.78	$17.83	100.7%
ACETAMI/CODE 300/60MG	60	$69.19	$56.20	23.1%
ACETAMINPHEN/CODE 300/30MG	30	$17.89	$8.91	100.7%
ALPRAZOLAM .5MG	30	$49.02	$25.33	93.5%
CELEBREX 200MG	30	$166.16	$132.92	25.0%
DIAZEPAM 5MG	30	$102.70	$5.94	1627.9%
DOCUSATE SODIUM 100MG	30	$39.14	$5.94	558.5%
ETODOLAC 50MG	30	$51.18	$45.04	13.6%
FLUOXETINE HCL 10MG	30	$185.55	$74.13	150.3%
FLUOXETINE HCL 20MG	30	$190.32	$80.04	137.8%
GABAPENTIN 300MG	30	$57.98	$39.89	45.4%
GABAPENTIN 300MG	120	$231.99	$159.55	45.4%
GABAPENTIN 600MG	30	$98.63	$75.60	30.5%
GABAPENTIN 600MG	60	$220.29	$151.20	45.7%
GABAPENTIN 600MG	120	$440.59	$302.40	45.7%
HYDRO/APAP 10/650MG	30	$52.31	$15.96	227.8%
HYDRO/APAP 10/650MG	60	$104.62	$31.92	227.8%
HYDRO/APAP 5/500MG	30	$34.49	$12.56	174.7%
HYDRO/APAP 5/500MG	60	$68.97	$25.11	174.7%
HYDROC/APAP 5/500MG	120	$137.94	$50.22	174.7%
HYDROC/APAP 7.5/500MG	30	$43.11	$15.45	179.1%
HYDROC/APAP 7.5/500MG	60	$86.22	$30.90	179.1%
HYDROCODONE/APAP 7.5/750MG	30	$38.54	$10.67	261.4%
IBUPROFEN 400MG	30	$8.84	$5.15	71.6%
IBUPROFEN 400MG	60	$17.67	$10.30	71.5%
IBUPROFEN 800MG	90	$39.33	$27.43	43.4%
LUNESTA 2MG	30	$251.10	$200.88	25.0%
LUNESTA 3MG	30	$251.10	$200.88	25.0%
MELOXICAM 15MG	30	$205.84	$145.35	41.6%
MELOXICAM 7.5MG	30	$134.62	$94.94	41.8%
METHOCARBAMOL 500MG	30	$22.23	$15.24	45.9%
NAPROXEN 500MG	30	$65.94	$33.78	95.2%
NAPROXEN 500MG	60	$131.88	$67.56	95.2%
PROMETHAZINE 25MG	30	$16.81	$14.43	16.5%
RANITIDINE 150MG	60	$244.96	$88.80	175.9%
TIZANIDINE 4ML	30	$65.22	$41.75	56.2%
TRAMADOL 50MG	60	$93.27	$50.03	86.4%
TRAMADOL 50MG	120	$186.54	$100.06	86.4%
TRAZODONE HCL 50MG	30	$64.13	$13.24	384.3%
TRIAZOLAM .25MG	30	$56.40	$20.25	178.6%
ZOLPIDEM 10MG	30	$167.01	$137.22	21.7%

Original Manufacture's AWP + 40% vs. Workstar invoices to HEMIC

Product	National Drug Code ("NDC")	Metric Qty	DEA Class	Original Mfgr's AWP*	Original Mfgr's AWP+40%	Workstar Actual Billings	Percent Increase
Cyclobenzaprine HCl 10mg (Flexeril)	66336-0581-60	60	Rx	$68.97	**$96.56**	**$191.39**	**198.21%**
Hydrocodone/Apap 10-650mg (Lorcet)	66336-0406-60	60	C-III	$83.67	**$117.14**	**$167.39**	**142.90%**
Methylprednisolone 4mg (Medrol Dose Pack)	55045-1259-09	21	Rx	$18.74	**$26.24**	**$50.69**	**193.21%**
Naproxen 500mg (Naprosyn)	66336-0815-60	60	Rx	$80.25	**$112.35**	**$211.01**	**187.81%**
Ranitidine HCl 150mg (Zantac)	66336-0009-60	60	Rx	$97.52	**$136.53**	**$391.94**	**287.08%**
Tramadol HCl 50mg (Ultram)	66336-0915-60	60	Rx	$50.29	**$70.41**	**$149.23**	**211.96%**
Average							**203.53%**

* "Original Mfgr's AWP" provided by Dr. McCaffrey in correspondence dated February 23, 2011.

Attachment - B

Date: 12/10/2010 Time: 9:54 AM To: CONFIDENTIAL # 18887913589

HEMIC
PO BOX 3376
HONOLULU, HI 96801

1500

HEALTH INSURANCE CLAIM FORM

APPROVED BY NATIONAL UNIFORM CLAIM COMMITTEE 08/05

PICA

1. MEDICARE (Medicare #) / MEDICAID (Medicaid #) / TRICARE CHAMPUS (Sponsor's SSN) / CHAMPVA (Member ID#) / GROUP HEALTH PLAN (SSN or ID) / FECA BLK LUNG (SSN) / OTHER (ID)	1a. INSURED'S I.D. NUMBER (For Program in Item 1)
2. PATIENT'S NAME (Last Name, First Name, Middle Initial)	3. PATIENT'S BIRTH DATE / SEX M / F
5. PATIENT'S ADDRESS (No., Street)	6. PATIENT RELATIONSHIP TO INSURED: Self / Spouse / Child / Other
CITY / STATE HI	8. PATIENT STATUS: Single / Married / Other; Employed / Full-Time Student / Part-Time Student
ZIP CODE / TELEPHONE (Include Area Code)	
9. OTHER INSURED'S NAME (Last Name, First Name, Middle Initial)	10. IS PATIENT'S CONDITION RELATED TO:
11. OTHER INSURED'S POLICY OR GROUP NUMBER	a. EMPLOYMENT? (Current or Previous) YES / NO
a. OTHER INSURED'S DATE OF BIRTH MM DD YY / SEX M / F	b. AUTO ACCIDENT? YES / NO / PLACE (State)
b. EMPLOYER'S NAME OR SCHOOL NAME	c. OTHER ACCIDENT? YES / NO
c. INSURANCE PLAN NAME OR PROGRAM NAME	10d. RESERVED FOR LOCAL USE

1a. INSURED'S I.D. NUMBER (For Program in Item 1)	
4. INSURED'S NAME (Last Name, First Name, Middle Initial)	
7. INSURED'S ADDRESS (No., Street)	
CITY / STATE	
ZIP CODE / TELEPHONE (Include Area Code) (808) 6825803	
11. INSURED'S POLICY GROUP OR FECA NUMBER	
a. INSURED'S DATE OF BIRTH MM DD YY / SEX M / F	
b. EMPLOYER'S NAME OR SCHOOL NAME	
c. INSURANCE PLAN NAME OR PROGRAM NAME	
d. IS THERE ANOTHER HEALTH BENEFIT PLAN? YES / NO If yes, return to and complete item 9 a-d.	

12. PATIENT'S OR AUTHORIZED PERSON'S SIGNATURE. I authorize the release of any medical or other information necessary to process this claim. I also request payment of government benefits either to myself or to the party who accepts assignment below.
SIGNED: SIGNATURE ON FILE DATE: 11/6/2010

13. INSURED'S OR AUTHORIZED PERSON'S SIGNATURE. I authorize payment of medical benefits to the undersigned physician or supplier for services described below.
SIGNED: SIGNATURE ON FILE

READ BACK OF FORM BEFORE COMPLETING & SIGNING THIS FORM.

14. DATE OF CURRENT: ILLNESS (First symptom) OR INJURY (Accident) OR PREGNANCY(LMP) MM DD YY	15. IF PATIENT HAS HAD SAME OR SIMILAR ILLNESS, GIVE FIRST DATE MM DD YY
16. DATES PATIENT UNABLE TO WORK IN CURRENT OCCUPATION MM DD YY FROM / TO	
17. NAME OF REFERRING PROVIDER OR OTHER SOURCE: Carl Hodel, MD	17a. / 17b. NPI MD2688
18. HOSPITALIZATION DATES RELATED TO CURRENT SERVICES MM DD YY FROM / TO	
19 RESERVED FOR LOCAL USE	20. OUTSIDE LAB? YES / NO $ CHARGES
21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY (Relate Items 1, 2, 3 or 4 to Item 24E by Line) 1. 924 00	22. MEDICAID RESUBMISSION CODE / ORIGINAL REF. NO.
2. / 3. / 4.	23. PRIOR AUTHORIZATION NUMBER

24. A. DATE(S) OF SERVICE From MM DD YY To MM DD YY	B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	MODIFIER	E. DIAGNOSIS POINTER	F. $ CHARGES	G. DAYS OR UNITS	H. EPSDT Family Plan	I. ID. QUAL	J. RENDERING PROVIDER ID. #
CYCLOBENZAPRINE 10MG #60 66336058160 11 5 10 11 5 10	11		J8499		1	191	39	60	NPI	MD2688
Sertraline 50mg #30 55045356601 11 5 10 11 5 10	11		J8499		1	176	27	30	NPI	MD2688
									NPI	
									NPI	
									NPI	
Dispensing Fee 11 5 10 11 5 10	11		99070			0	00		NPI	MD2688

25. FEDERAL TAX I.D. NUMBER / SSN EIN: 201901452	26. PATIENT'S ACCOUNT NO.: 286376	27. ACCEPT ASSIGNMENT? (For govt. claims, see back) YES / NO	28. TOTAL CHARGE: $367 66	29. AMOUNT PAID: $0 00 / 30. BALANCE DUE: 367 66

31. SIGNATURE OF PHYSICIAN OR SUPPLIER INCLUDING DEGREES OR CREDENTIALS (I certify that the statements on the reverse apply to this bill and are made a part thereof.)
Carl Hodel, MD
MD2688 11/5/2010
SIGNED / DATE

32. SERVICE FACILITY LOCATION INFORMATION
WOHIR00-Workstar Occupational Health &
91-2135 Fort Weaver Rd.
Ewa Beach, HI 96706
a. / b.

33. BILLING PROVIDER INFO & PH # (954) 8742112
Prescription Partners, LLC
Post Office Box 166363
Miami, FL 33116-6363
a. 1205973047 b. MD2688

12/10/2010 08:18 AM

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APPROVED OMB-0938-0999 FORM CMS-1500 (08/05)

HEMIC
PO BOX 3376
HONOLULU, HI 96801

1500

HEALTH INSURANCE CLAIM FORM

APPROVED BY NATIONAL UNIFORM CLAIM COMMITTEE 08/05

PICA

1. MEDICARE [ ] (Medicare #) MEDICAID [ ] (Medicaid #) TRICARE CHAMPUS [ ] (Sponsor's SSN) CHAMPVA [ ] (Member ID#) GROUP HEALTH PLAN [ ] (SSN or ID) FECA BLK LUNG [ ] (SSN) OTHER [X] (ID)

1a. INSURED'S I.D. NUMBER (For Program in Item 1): [redacted] TB

2. PATIENT'S NAME (Last Name, First Name, Middle Initial): [redacted]

3. PATIENT'S BIRTH DATE [redacted] SEX M [ ] F [X]

4. INSURED'S NAME (Last Name, First Name, Middle Initial): [redacted] S

5. PATIENT'S ADDRESS (No., Street): [redacted]

6. PATIENT RELATIONSHIP TO INSURED: Self [X] Spouse [ ] Child [ ] Other [ ]

7. INSURED'S ADDRESS (No., Street): [redacted]

CITY [redacted] STATE

8. PATIENT STATUS: Single [ ] Married [ ] Other [X]

CITY [redacted] STATE HI

ZIP CODE [redacted] TELEPHONE (Include Area Code) [redacted]

Employed [X] Full-Time Student [ ] Part-Time Student [ ]

ZIP CODE [redacted] TELEPHONE (Include Area Code) * [redacted]

9. OTHER INSURED'S NAME (Last Name, First Name, Middle Initial)

10. IS PATIENT'S CONDITION RELATED TO:

11. INSURED'S POLICY GROUP OR FECA NUMBER

a. OTHER INSURED'S POLICY OR GROUP NUMBER [redacted]

a. EMPLOYMENT? (Current or Previous) YES [X] NO [ ]

a. INSURED'S DATE OF BIRTH MM DD YY SEX M [ ] F [ ]

b. OTHER INSURED'S DATE OF BIRTH MM DD YY SEX M [ ] F [ ]

b. AUTO ACCIDENT? YES [ ] NO [X] PLACE (State)

b. EMPLOYER'S NAME OR SCHOOL NAME [redacted]

c. EMPLOYER'S NAME OR SCHOOL NAME [redacted]

c. OTHER ACCIDENT? YES [ ] NO [X]

c. INSURANCE PLAN NAME OR PROGRAM NAME

d. INSURANCE PLAN NAME OR PROGRAM NAME

10d. RESERVED FOR LOCAL USE

d. IS THERE ANOTHER HEALTH BENEFIT PLAN? YES [ ] NO [X] If yes, return to and complete item 9 a-d.

READ BACK OF FORM BEFORE COMPLETING & SIGNING THIS FORM.

12. PATIENT'S OR AUTHORIZED PERSON'S SIGNATURE. I authorize the release of any medical or other information necessary to process this claim. I also request payment of government benefits either to myself or to the party who accepts assignment below.

SIGNED SIGNATURE ON FILE DATE 11/13/2010

13. INSURED'S OR AUTHORIZED PERSON'S SIGNATURE I authorize payment of medical benefits to the undersigned physician or supplier for services described below.

SIGNED SIGNATURE ON FILE

14. DATE OF CURRENT: ILLNESS (First symptom) OR INJURY (Accident) OR PREGNANCY(LMP) MM DD YY [redacted] 2009

15. IF PATIENT HAS HAD SAME OR SIMILAR ILLNESS, GIVE FIRST DATE MM DD YY

16. DATES PATIENT UNABLE TO WORK IN CURRENT OCCUPATION MM DD YY FROM TO

17. NAME OF REFERRING PROVIDER OR OTHER SOURCE Scott McCaffrey MD

17a. [redacted] T. BOHLER

17b. NPI MD-5473

18. HOSPITALIZATION DATES RELATED TO CURRENT SERVICES MM DD YY TO MM DD YY

19. RESERVED FOR LOCAL USE DEC 16 2010

20. OUTSIDE LAB? NO [ ] $ CHARGES

21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY (Relate Items 1, 2, 3 or 4 to Item 24E by Line)

1. 847.2 3. 4.

22. MEDICAID RESUBMISSION CODE ORIGINAL REF. NO.

23. PRIOR AUTHORIZATION NUMBER

24. A. DATE(S) OF SERVICE From MM DD YY	To MM DD YY	B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	MODIFIER	E. DIAGNOSIS POINTER	F. $ CHARGES	G. DAYS OR UNITS	H. EPSDT Family Plan	I. ID. QUAL	J. RENDERING PROVIDER ID. #
Hydrocodone/APAP 10-650mg #60				66336040660							
11 12 10	11 12 10	11		J8499		1	334 78	120		NPI	MD-5473
										NPI	
										NPI	
										NPI	
										NPI	
										NPI	
Dispensing Fee							0 00			NPI	MD-5473
11 12 10	11 12 10	11		99070		1					

25. FEDERAL TAX I.D. NUMBER 201901452 SSN [ ] EIN [X]

26. PATIENT'S ACCOUNT NO. 288972

27. ACCEPT ASSIGNMENT? (For govt. claims, see back) YES [X] NO [ ]

28. TOTAL CHARGE 334 78

29. AMOUNT PAID 60 00

30. BALANCE DUE 334 78

31. SIGNATURE OF PHYSICIAN OR SUPPLIER INCLUDING DEGREES OR CREDENTIALS (I certify that the statements on the reverse apply to this bill and are made a part thereof.)

Scott McCaffrey MD

MD-5473 SIGNED 11/12/2010 DATE

32. SERVICE FACILITY LOCATION INFORMATION

WOHR00-Workstar-Occupational Health &...
91-2135 Fort Weaver Rd.
Ewa Beach, HI 96706

33. BILLING PROVIDER INFO & PH # (954) 8742112

Prescription Partners, LLC
Post Office Box 166363
Miami, FL 33116-6363

a. 1205973047 b. MD-5473

NUCC Instruction Manual available at: www.nucc.org

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APPROVED OMB-0938-0999 FORM CMS-1500 (08/05)

HEMIC
PO BOX 3376
HONOLULU, HI 96801

1500

HEALTH INSURANCE CLAIM FORM

APPROVED BY NATIONAL UNIFORM CLAIM COMMITTEE 08/05

PICA

1. MEDICARE (Medicare #) | MEDICAID (Medicaid #) | TRICARE CHAMPUS (Sponsor's SSN) | CHAMPVA (Member ID#) | GROUP HEALTH PLAN (SSN or ID) | FECA BLK LUNG (SSN) | OTHER (ID) [X]

1a. INSURED'S I.D. NUMBER (For Program in Item 1)

2. PATIENT'S NAME (Last Name, First Name, Middle Initial)

3. PATIENT'S BIRTH DATE | SEX M [ ] F [X]

4. INSURED'S NAME (Last Name, First Name, Middle Initial)

5. PATIENT'S ADDRESS (No., Street)

6. PATIENT RELATIONSHIP TO INSURED: Self [X] Spouse [ ] Child [ ] Other [ ]

7. INSURED'S ADDRESS (No., Street)

CITY | STATE HI

8. PATIENT STATUS: Single [ ] Married [ ] Other [X]; Employed [X] Full-Time Student [ ] Part-Time Student [ ]

CITY | STATE

ZIP CODE | TELEPHONE (Include Area Code)

ZIP CODE | TELEPHONE (Include Area Code)

9. OTHER INSURED'S NAME (Last Name, First Name, Middle Initial)

10. IS PATIENT'S CONDITION RELATED TO:

11. INSURED'S POLICY GROUP OR FECA NUMBER

a. OTHER INSURED'S POLICY OR GROUP NUMBER

a. EMPLOYMENT? (Current or Previous) [X] YES [ ] NO

a. INSURED'S DATE OF BIRTH MM DD YY | SEX M [ ] F [ ]

b. OTHER INSURED'S DATE OF BIRTH MM DD YY | SEX M [ ] F [ ]

b. AUTO ACCIDENT? [ ] YES [X] NO | PLACE (State)

b. EMPLOYER'S NAME OR SCHOOL NAME

c. EMPLOYER'S NAME OR SCHOOL NAME

c. OTHER ACCIDENT? [ ] YES [X] NO

c. INSURANCE PLAN NAME OR PROGRAM NAME

d. INSURANCE PLAN NAME OR PROGRAM NAME

10d. RESERVED FOR LOCAL USE

d. IS THERE ANOTHER HEALTH BENEFIT PLAN? [ ] YES [X] NO If yes, return to and complete item 9 a-d.

READ BACK OF FORM BEFORE COMPLETING & SIGNING THIS FORM.

12. PATIENT'S OR AUTHORIZED PERSON'S SIGNATURE. I authorize the release of any medical or other information necessary to process this claim. I also request payment of government benefits either to myself or to the party who accepts assignment below.

SIGNED SIGNATURE ON FILE DATE 1/20/2011

13. INSURED'S OR AUTHORIZED PERSON'S SIGNATURE I authorize payment of medical benefits to the undersigned physician or supplier for services described below.

SIGNED SIGNATURE ON FILE

14. DATE OF CURRENT: MM DD YY | ILLNESS (First symptom) OR INJURY (Accident) OR PREGNANCY(LMP)

15. IF PATIENT HAS HAD SAME OR SIMILAR ILLNESS. GIVE FIRST DATE MM DD YY

16. DATES PATIENT UNABLE TO WORK IN CURRENT OCCUPATION MM DD YY FROM TO

17. NAME OF REFERRING PROVIDER OR OTHER SOURCE: Scott McCaffrey MD

17b. NPI MD-5473

18. HOSPITALIZATION DATES RELATED TO CURRENT SERVICES MM DD YY FROM TO

18. RESERVED FOR LOCAL USE

19. OUTSIDE LAB? [ ] YES [ ] NO | $ CHARGES

20. MEDICAID RESUBMISSION CODE | ORIGINAL REF. NO.

21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY (Relate Items 1, 2, 3 or 4 to Item 24E by Line)

1. 718 91 | 3. | 5. | 6. | 7. | 8. | 9. | 10. | 11. | 12.

22. PRIOR AUTHORIZATION NUMBER

24. A. DATE(S) OF SERVICE From MM DD YY	To MM DD YY	B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	MODIFIER	E. DIAGNOSIS POINTER	F. $ CHARGES	G. DAYS OR UNITS	H. EPSDT Family Plan	I. ID. QUAL	J. RENDERING PROVIDER ID. #
Methylprednisolone Amp 2 ML	1 19 11	1 19 11	11	J8499		1	50	69	21		NPI MD-5473
Dressing Tray	1 19 11	1 19 11	11	99070		1	0	00			NPI MD-5473
											NPI
											NPI
											NPI
											NPI

25. FEDERAL TAX I.D. NUMBER: 201901452 | SSN | EIN [X]

26. PATIENT'S ACCOUNT NO.: 313424

27. ACCEPT ASSIGNMENT? (For govt. claims, see back) [X] YES [ ] NO

28. TOTAL CHARGE: $50 69

29. AMOUNT PAID: $0 00

30. BALANCE DUE: $50 69

31. SIGNATURE OF PHYSICIAN OR SUPPLIER INCLUDING DEGREES OR CREDENTIALS (I certify that the statements on the reverse apply to this bill and are made a part thereof.)
Scott McCaffrey MD
MD-5473 1/19/2011
SIGNED DATE

32. SERVICE FACILITY LOCATION INFORMATION
WOHIR00-Workstar Occupational Health &
91-2135 Fort Weaver Rd.
Ewa Beach, HI 96706
a. NPI | b. 240545

33. BILLING PROVIDER INFO & PH # (954) 874-2112
Prescription Partners, LLC
Post Office Box 166363
Miami, FL 33116-6363
a. 1205973047 MD-5473

PLEASE PRINT OR TYPE

HEMIC
PO BOX 3376
HONOLULU, HI 96801

1500

HEALTH INSURANCE CLAIM FORM

APPROVED BY NATIONAL UNIFORM CLAIM COMMITTEE 08/05

PICA

1. MEDICARE (Medicare #) | MEDICAID (Medicaid #) | TRICARE CHAMPUS (Sponsor's SSN) | CHAMPVA (Member ID#) | GROUP HEALTH PLAN (SSN or ID) | FECA BLK LUNG (SSN) | OTHER (ID) [X]

1a. INSURED'S I.D. NUMBER (For Program in Item 1)

2. PATIENT'S NAME (Last Name, First Name, Middle Initial)

3. PATIENT'S BIRTH DATE SEX M [ ] F [X]

4. INSURED'S NAME (Last Name, First Name, Middle Initial)

5. PATIENT'S ADDRESS (No., Street)

6. PATIENT RELATIONSHIP TO INSURED: Self [X] Spouse [ ] Child [ ] Other [ ]

7. INSURED'S ADDRESS (No., Street)

CITY | STATE

8. PATIENT STATUS: Single [ ] Married [ ] Other [X]; Employed [X] Full-Time Student [ ] Part-Time Student [ ]

CITY | STATE

ZIP CODE | TELEPHONE (Include Area Code)

ZIP CODE | TELEPHONE (Include Area Code)

9. OTHER INSURED'S NAME (Last Name, First Name, Middle Initial)

10. IS PATIENT'S CONDITION RELATED TO:

11. INSURED'S POLICY GROUP OR FECA NUMBER

a. OTHER INSURED'S POLICY OR GROUP NUMBER

a. EMPLOYMENT? (Current or Previous) YES [X] NO [ ]

a. INSURED'S DATE OF BIRTH MM DD YY SEX M [ ] F [ ]

b. OTHER INSURED'S DATE OF BIRTH MM DD YY SEX M [ ] F [ ]

b. AUTO ACCIDENT? YES [ ] NO [X] PLACE (State)

b. EMPLOYER'S NAME OR SCHOOL NAME

c. EMPLOYER'S NAME OR SCHOOL NAME

c. OTHER ACCIDENT? YES [ ] NO [X]

c. INSURANCE PLAN NAME OR PROGRAM NAME

d. INSURANCE PLAN NAME OR PROGRAM NAME

10d. RESERVED FOR LOCAL USE

d. IS THERE ANOTHER HEALTH BENEFIT PLAN? YES [ ] NO [X] If yes, return to and complete item 9 a-d.

READ BACK OF FORM BEFORE COMPLETING & SIGNING THIS FORM.

12. PATIENT'S OR AUTHORIZED PERSON'S SIGNATURE. I authorize the release of any medical or other information necessary to process this claim. I also request payment of government benefits either to myself or to the party who accepts assignment below.

SIGNED SIGNATURE ON FILE DATE 10/11/2010

12. INSURED'S OR AUTHORIZED PERSON'S SIGNATURE I authorize payment of medical benefits to the undersigned physician or supplier for services described below.

SIGNED SIGNATURE ON FILE

14. DATE OF CURRENT: ILLNESS (First symptom) OR INJURY (Accident) OR PREGNANCY(LMP) MM DD YY 2010

16. IF PATIENT HAS HAD SAME OR SIMILAR ILLNESS, GIVE FIRST DATE MM DD YY

18. DATES PATIENT UNABLE TO WORK IN CURRENT OCCUPATION MM DD YY FROM TO

17. NAME OF REFERRING PROVIDER OR OTHER SOURCE Scott McCaffrey MD

17a.

17b. NPI MD-5473

19. RESERVED FOR LOCAL USE

15. HOSPITALIZATION DATES RELATED TO CURRENT SERVICES MM DD YY FROM TO

20. OUTSIDE LAB? YES [ ] NO [ ] $ CHARGES

22. MEDICAID RESUBMISSION CODE ARAKI ORIGINAL REF. NO.

21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY (Relate Items 1, 2, 3 or 4 to Item 24E by Line)

1. 845.00

23. PRIOR AUTHORIZATION NUMBER DEC 20 2010

24. A. DATE(S) OF SERVICE From MM DD YY	To MM DD YY	B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	MODIFIER	E. DIAGNOSIS POINTER	F. $ CHARGES	G. DAYS OR UNITS	H. EPSDT Family Plan	I. ID. QUAL.	J. RENDERING PROVIDER ID. #
RANITIDINE 150 MG 60 TABS 8 5 10	8 5 10	11		J8499	66336000960	1	391 94	60		NPI	MD-5473
NAPROXEN 500MG #60 TAB 8 5 10	8 5 10	11		J8499	66336081560	1	211 01	60		NPI	MD-5473
Hydrocodone/APAP 5-500mg #60 8 5 10	8 5 10	11		J8499	66336044260	1	110 35	60		NPI	MD-5473
										NPI	
										NPI	
Dispensing Fee 8 5 10	8 5 10	11		99070		1	12 54			NPI	MD-5473

25. FEDERAL TAX I.D. NUMBER SSN [ ] EIN [X] 201901452

26. PATIENT'S ACCOUNT NO. 251807

27. ACCEPT ASSIGNMENT? (For govt. claims, see back) YES [X] NO [ ]

28. TOTAL CHARGE $725 84

29. AMOUNT PAID $0 00

30. BALANCE DUE $725 84

31. SIGNATURE OF PHYSICIAN OR SUPPLIER INCLUDING DEGREES OR CREDENTIALS (I certify that the statements on the reverse apply to this bill and are made a part thereof.)

Scott McCaffrey MD

MD-5473 8/5/2010

SIGNED DATE

32. SERVICE FACILITY LOCATION INFORMATION

WOHIR00-Workstar Occupational Health &
91-2135 Fort Weaver Rd.
Ewa Beach, HI 96706

a. b.

33. BILLING PROVIDER INFO & PH # (954) 8742112

Prescription Partners, LLC
Post Office Box 166363
Miami, FL 33116-6363

a. 1205973047 b. MD-5473

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APPROVED OMB-0938-0999 FORM CMS-1500 (08/05)

HEMIC
PO BOX 3376
HONOLULU, HI 96801

1500

HEALTH INSURANCE CLAIM FORM

APPROVED BY NATIONAL UNIFORM CLAIM COMMITTEE 08/05

PICA PICA

1. MEDICARE (Medicare #) [ ] MEDICAID (Medicaid #) [ ] TRICARE CHAMPUS (Sponsor's SSN) [ ] CHAMPVA (Member ID#) [ ] GROUP HEALTH PLAN (SSN or ID) [ ] FECA BLK LUNG (SSN) [ ] OTHER (ID) [X]

1a. INSURED'S I.D. NUMBER (For Program in Item 1): [redacted] CM

2. PATIENT'S NAME (Last Name, First Name, Middle Initial): [redacted]

3. PATIENT'S BIRTH DATE MM DD YY: [redacted] 1980 SEX M [ ] F [X]

4. INSURED'S NAME (Last Name, First Name, Middle Initial): [redacted]

5. PATIENT'S ADDRESS (No., Street): [redacted]
CITY: [redacted] STATE: [redacted]
ZIP CODE: [redacted] TELEPHONE (Include Area Code): [redacted]60

6. PATIENT RELATIONSHIP TO INSURED: Self [X] Spouse [ ] Child [ ] Other [ ]

7. INSURED'S ADDRESS (No., Street): [redacted] ST
CITY: [redacted] STATE: [redacted]
ZIP CODE: [redacted] TELEPHONE (Include Area Code): [redacted]

8. PATIENT STATUS: Single [ ] Married [ ] Other [X]
Employed [X] Full-Time Student [ ] Part-Time Student [ ]

9. OTHER INSURED'S NAME (Last Name, First Name, Middle Initial):

a. OTHER INSURED'S POLICY OR GROUP NUMBER: [redacted]66

b. OTHER INSURED'S DATE OF BIRTH MM DD YY SEX M [ ] F [ ]

c. EMPLOYER'S NAME OR SCHOOL NAME: [redacted]

d. INSURANCE PLAN NAME OR PROGRAM NAME

10. IS PATIENT'S CONDITION RELATED TO:
a. EMPLOYMENT? (Current or Previous) [X] YES [ ] NO
b. AUTO ACCIDENT? [ ] YES [X] NO PLACE (State)
c. OTHER ACCIDENT? [ ] YES [X] NO

10d. RESERVED FOR LOCAL USE

11. INSURED'S POLICY GROUP OR FECA NUMBER

a. INSURED'S DATE OF BIRTH MM DD YY SEX M [ ] F [ ]

b. EMPLOYER'S NAME OR SCHOOL NAME: [redacted]F

c. INSURANCE PLAN NAME OR PROGRAM NAME

d. IS THERE ANOTHER HEALTH BENEFIT PLAN? [ ] YES [X] NO If yes, return to and complete item 9 a-d.

READ BACK OF FORM BEFORE COMPLETING & SIGNING THIS FORM.

12. PATIENT'S OR AUTHORIZED PERSON'S SIGNATURE. I authorize the release of any medical or other information necessary to process this claim. I also request payment of government benefits either to myself or to the party who accepts assignment below.

SIGNED SIGNATURE ON FILE DATE 12/14/2010

13. INSURED'S OR AUTHORIZED PERSON'S SIGNATURE I authorize payment of medical benefits to the undersigned physician or supplier for services described below.

SIGNED SIGNATURE ON FILE

14. DATE OF CURRENT: ILLNESS (First symptom) OR INJURY (Accident) OR PREGNANCY(LMP): 6 1 [illegible] 2008

15. IF PATIENT HAS HAD SAME OR SIMILAR ILLNESS, GIVE FIRST DATE MM DD YY

16. DATES PATIENT UNABLE TO WORK IN CURRENT OCCUPATION MM DD YY FROM TO

17. NAME OF REFERRING PROVIDER OR OTHER SOURCE: Scott McCaffrey MD

17a.
17b. NPI MD-5473

18. HOSPITALIZATION DATES RELATED TO CURRENT SERVICES MM DD YY FROM TO

19. RESERVED FOR LOCAL USE

20. OUTSIDE LAB? [ ] YES [ ] NO $ CHARGES

21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY (Relate Items 1, 2, 3 or 4 to Item 24E by Line)
1. 840 9
2.
3.
4.

22. MEDICAID RESUBMISSION CODE ORIGINAL REF. NO.

23. PRIOR AUTHORIZATION NUMBER

24. A. DATE(S) OF SERVICE From MM	DD	YY	To MM	DD	YY	B. PLACE OF SERVICE	C. EMG	D. CPT/HCPCS	MODIFIER	E. DIAGNOSIS POINTER	F. $ CHARGES		G. DAYS OR UNITS	H. EPSDT Family Plan	I. ID. QUAL	J. RENDERING PROVIDER ID. #
Tramadol HCL 50mg #60 [illegible]609560															NPI	MD-5473
12	13	10	12	13	10	11		J8499		1	596	92	240			
Hydrocodone and Acetaminophen 10/650mg #60 66336040060															NPI	MD-5473
12	13	10	12	13	10	11		J8499		1	167	39	60			
Hydrocodone and Acetaminophen 10/650mg #30 49999027730															NPI	MD-5473
12	13	10	12	13	10	11		J8499		1	76	50	30			
Dispensing Fee															NPI	MD-5473
12	13	10	12	13	10	11		99070		1	0	00				

C. MEDEIROS
DEC 28 2010

25. FEDERAL TAX I.D. NUMBER: 201901452 SSN [ ] EIN [X]

26. PATIENT'S ACCOUNT NO.: 300282

27. ACCEPT ASSIGNMENT? (For govt. claims, see back) [X] YES [ ] NO

28. TOTAL CHARGE: $840 81

29. AMOUNT PAID: $0 00

30. BALANCE DUE: 840 81

31. SIGNATURE OF PHYSICIAN OR SUPPLIER INCLUDING DEGREES OR CREDENTIALS (I certify that the statements on the reverse apply to this bill and are made a part thereof.)
Scott McCaffrey MD
MD-5475
SIGNED DATE 12/13/2010

32. SERVICE FACILITY LOCATION INFORMATION
WOHIR00-Workstar Occupational Health &
91-2135 Fort Weaver Rd.
Ewa-Beach, HI 96706
a. NPI b.

33. BILLING PROVIDER INFO & PH # (954) 8742112
Prescription Partners, LLC
Post Office Box 166363
Miami, FL 33116-6363
a. 1205973047 b. MD-5473

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attending physicians, the x-rays or copies of good quality shall be made available to the new attending physician at no charge. Refusal of a health care provider to provide the x-rays upon request at any time shall result in nonpayment of the fee or credit to the employer's account for the radiological study.

(f) Fees shall include both the technical and professional components. In the absence of any prior agreement between a radiologist and a hospital or other facility furnishing technical radiology services, the professional component shall be thirty-five per cent of the scheduled radiology fee. The technical (-TC) and professional (-26) components may be billed separately using the appropriate modifiers as indicated by Medicare. Billings for x-rays are not reimbursable without a report of the findings.

(g) Radiotherapy includes the use of x-ray and other high energy modalities (betatron, linear accelerator, etc.), radium cobalt, and other radioactive substances. Fees for therapy include follow-up care, and concomitant office visits, but not concomitant surgical, radiological, or laboratory procedures. [Eff 1/1/96; am 1/1/97] (Auth: HRS §§386-26, 386-72) (Imp: HRS §§386-21, 386-26, 386-94)

§12-15-55 Drugs, supplies, and materials. (a) Charges for prescribed drugs, supplies, or materials for the use of the injured employee shall be separately listed and certified by the provider, or a duly authorized representative, that such charges for drugs, supplies, or materials were required and prescribed for the industrial injury.

(b) Dietary supplements such as minerals and vitamins shall not be reimbursable unless a specific compensable dietary deficiency has been clinically established in the injured employee as a result of the industrial injury.

(c) Payment for prescriptive drugs will be made at the average wholesale price listed in the Red Book plus forty per cent when sold by a physician, hospital, pharmacy, or provider of service other than a physician. Billings for prescriptive drugs must include the national drug code number listed in the current Red Book followed by the average wholesale price listed at time of purchase by the provider of service. Approved generics shall be substituted for brand name pharmaceuticals unless the prescribing physician certifies no substitution is permitted because the injured employee's condition will not tolerate a generic preparation.

(d) Payment for supplies, which includes shipping charges, shall not exceed cost plus forty percent Providers are allowed to seek reimbursement for the applicable Hawaii general excise tax.

(e) Charges for orthotic, prosthetic, and durable medical equipment include fees for adjusting and fitting services and shall not exceed one hundred ten per cent of fees allowed by Medicare's fee schedule for durable medical equipment applicable to Hawaii. Beginning January 1, 2005 and each calendar year thereafter, the Medicare Fee Schedule in effect as of January 1 of that year shall be the effective fee schedule for that calendar year. [Eff 1/1/96; am 12/17/01; am 12/13/04; am 2/28/11] (Auth: HRS §§386-26, 386-72) (Imp: HRS §§386-21, 386-26)

§§12-15-56 to 12-15-79 (Reserved)

Attachment - C

for services rendered. [Eff 1/1/96; am 11/22/97; am 12/17/01; am 12/13/04] (Auth: HRS §§386-26, 386-27, 386-72) (Imp: HRS §§386-21, 386-26, 386-27, 386-96)

§§12-15-81 to 12-15-84 (Reserved)

§12-15-85 Rules for allowable fees for medical, surgical, and hospital services and supplies. (a) Under no circumstances shall a provider of service directly charge the injured employee for treatments relating to the industrial injury.

(b) When all the required care for a case reasonably falls within the range of qualifications of one physician, no other physician may claim a fee, except for consultation service or for surgical assistance. For groups of physicians or hospitals with satellite clinics, when service is rendered by a group member of the same specialty, the group shall submit bills as though one physician had cared for the patient.

(c) Medical, surgical, or hospital care of an unusual type or unlisted fee may occur which represents a type of service over and beyond listed procedures. Appropriate fees may be allowed, subject to the employer's approval prior to the service being provided and after submission of a report to the employer containing at least the following information:

(1) Diagnosis (post-operative);
(2) Size, location, and number of lesions or procedures where appropriate;
(3) Major surgical procedure and supplementary procedures;
(4) Estimated follow-up period.

(d) Medical conditions which are pre-existing or not resulting from the injury or occupational disease shall not be compensable. Palliative temporary treatment of unrelated conditions shall be allowed, provided these conditions directly retard, prevent, or endanger the surgical care or recovery from the compensable injury or illness. This treatment will cease as soon as it no longer exerts influence on the compensable condition. This shall be adequately explained in the physician's regular report.

(e) Certain of the listed procedures are commonly carried out as an integral part of a total service and, as such, do not warrant a separate charge. When such a procedure is carried out as a separate procedure, not immediately related to other services, the indicated fee is applicable.

(f) Minimal dressings, counseling incidental to treatment, etc., are covered by the office visit fee. Necessary drugs, supplies, and materials provided by the provider of service may be charged separately in accordance with section 12-15-55.

(g) Fees, including office visits and rating examinations, shall not be paid for more than one visit per day by the same provider of service regardless of the number of industrial injuries or conditions treated.

(h) Each provider of service shall certify on the bill or charges that such

charges are in accordance with chapter 386, HRS, and any related rules.

(l) Repeated failure to comply with chapter 386, HRS, and any related rules shall be a reasonable basis for an employer to refuse to pay or withhold payment for services rendered. The employer shall make payment within sixty calendar days of compliance with chapter 386, HRS, and related rules. [Eff 1/1/96] (Auth: HRS §§386-21, 386-72) (Imp: HRS §386-21)

§§12-15-86 to 12-15-89 (Reserved)

§12-15-90 Workers' compensation medical fee schedule. (a) Charges for medical services shall not exceed one hundred ten per cent of participating fees prescribed in the Medicare Resource Based Relative Value Scale System fee schedule (Medicare Fee Schedule) applicable to Hawaii or listed in exhibit A, located at the end of this chapter and made a part of this chapter, entitled "Workers' Compensation Supplemental Medical Fee Schedule", dated January 1, 2011. The Medicare Fee Schedule in effect on January 1, 1995 shall be applicable through June 30, 1996. Beginning July 1, 1996 and each calendar year thereafter, the Medicare Fee Schedule in effect as of January 1 of that year shall be the effective fee schedule for that calendar year.

(b) If maximum allowable fees for medical services are listed in both the Medicare Fee Schedule and the Workers' Compensation Supplemental Medical Fee Schedule, dated January 1, 2011, located at the end of this chapter as exhibit A, charges shall not exceed the maximum allowable fees allowed under the Workers' Compensation Supplemental Medical Fee Schedule, dated January 1, 2011, located at the end of this chapter as exhibit A.

(c) If the charges are not listed in the Medicare Fee Schedule or in the Workers' Compensation Supplemental Medical Fee Schedule, dated January 1, 2011, located at the end of this chapter as exhibit A, the provider of service shall charge a fee not to exceed the lowest fee received by the provider of service for the same service rendered to private patients. Upon request by the director or the employer, a provider of service shall submit a statement to the requesting party, itemizing the lowest fee received for the same health care, services, and supplies furnished to any private patient during the one-year period preceding the date of a particular charge. Requests shall be submitted in writing within twenty calendar days of receipt of a questionable charge. The provider of service shall reply in writing within thirty-one calendar days of receipt of the request. Failure to comply with the request of the employer or the director shall be reason for the employer or the director to deny payment.

(d) Fees listed in the Medicare Fee Schedule shall be subject to the current Medicare Fee Schedule bundling and global rules if not specifically addressed in these rules. The Health Care Financing Administration Common Procedure Coding System (HCPCS) alphabet codes adopted by Medicare will not be allowed, except for injections and durable medical equipment, unless specifically adopted by the director. The director may defer to a fee listed in the Medicare HCPCS Fee Schedule when a fee is not listed in the Workers' Compensation Supplemental Medical Fee Schedule, Exhibit A.

(e) Providers of service will be allowed to add the applicable Hawaii general