



Technology to serve and protect

10401 Linn Station Road  
Suite 200

Louisville, KY 40223

1-866-APPRISS

[www.appriss.com](http://www.appriss.com)

***An Enterprise Wide Electronic Solution to  
Pseudoephedrine Log Compliance  
for National Pharmacy Chains***



6/19/2006

## Contents

---

<b>Introduction &amp; Overview</b>	<b>2</b>
<b>Solution Overview</b>	<b>3</b>
<b>Kentucky Pilot Program</b>	<b>4</b>
<b>Pilot Results</b>	<b>5</b>

## Introduction & Overview

By 2001, the illegal use of over the counter products containing pseudoephedrine (PSE) became recognized as a significant contributing factor in the proliferation of low cost clandestine Meth labs. Those responsible for this crime are able to “cook” the drug with minimal room, equipment or knowledge.

In reaction to this national crisis, more than forty states, beginning with Oklahoma, have now passed laws that restrict the sale of over the counter drugs containing PSE. The most common versions of these laws restrict the sale of PSE to locations with a pharmacist on site. The laws typically require:

- A pharmacist on site to sell the products
- Maintaining the products behind the counter in a secure location
- Purchaser must present a government issued photo ID as proof of age and identity
- Purchaser must be 18 years old

These laws set restrictions on the purchase of medicines containing PSE (typically between 7-9 grams per 30 day period as well as a limit of 3 boxes per transaction).

Purchasers are required to sign a manual log containing their name, date of birth, address and other identifying information along with a description of their purchase. It should be noted that each state has minor variations in their laws regarding what a user must provide to obtain the drugs, and what quantity they are allowed to purchase.

The new Federal Combat Meth Act does not contain pre-emptive language. This means that all federal, state, and local laws regulating the purchase of PSE remain in effect. The DEA’s position is that in areas of conflict, the most stringent law should be enforced.

It is these differences between local, state and Federal legislation that create a compliance challenge for pharmacies operating throughout the country. This compliance challenge is particularly

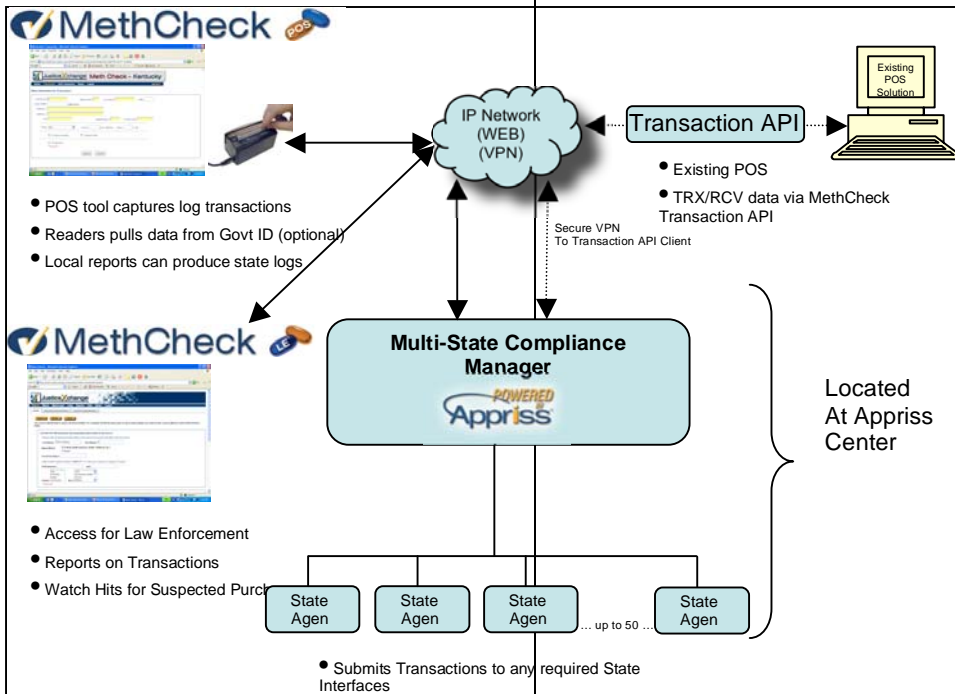
difficult for chain drug stores that operate across multiple jurisdictions.

## Solution Overview

The MethCheck solution replaces manual logbooks with a single nationwide electronic database. The solution provides **real-time access to this database for law enforcement** and **solves the compliance challenges facing the pharmacies**. MethCheck has been

environment and receive various responses based on the transaction. This API allows for real-time, or batch, submission of transactions to the national MethCheck database.

- MethCheck POS Portal** - The MethCheck POS Portal is a fully functional web based point of sale portal for recording purchase transactions. The transaction portal is a thin-client application that requires only a current web browser to access. The portal has the capability of collecting purchaser information and recording the purchase transaction in real-



designed to meet the needs of both the pharmacies and the law enforcement agencies that need the product. This is the only solution that will actually meet the legislative intent of each state.

MethCheck has five primary components:

- MethCheck Transaction Application Program Interface (API)** – The MethCheck Transaction API allows pharmacy chains with an existing point of sale (POS) application to submit purchase transactions to the MethCheck

time by interacting directly with the national MethCheck database. The portal also allows each store to locally print a date range based transaction log, compliant for their state, which could be provided to a law enforcement agency. The MethCheck POS portal can also support the use of an optional 2D Bar Code reader for automatically reading a government issued photo ID to collect purchaser data. This reader requires an open USB port on each machine.

- MethCheck LE Portal** – MethCheck LE is the law enforcement interface module of MethCheck. This web based application

provides extensive reporting on purchase patterns. Law enforcement is able to run queries based on single person's purchases, a store's transactions, or roll up summary reports by store, county, or state. MethCheck LE also allows law enforcement agencies to subscribe watches on specific user transactions for immediate notification when a transaction appears in the MethCheck data environment.

- **Multi-State Compliance Manager -** The MethCheck Multi-State Compliance Manager (MSCM) identifies the source of each transaction and routes it to the appropriate state agent. At the same time the MSCM updates the national MethCheck repository located at Appriss. The MSCM also manages the communication of results from the transaction after it has been evaluated by each state agent against the state repository and the national repository. These results will be reported back to the MethCheck POS or the service that transmitted the record via the transaction API.
- **MethCheck State Agent** – Each state requires a MethCheck State Agent. These agents are responsible for data exchange with the state host system that manages the state repository (for states that maintain an electronic repository), as well as the purchase restriction limits that are applicable for the state. After the state agent submits the record it will respond to the MSCM with an appropriate result code containing a transaction ID. Appriss manages the development, support, and monitoring of each state agent to ensure that the pharmacy data is submitted in compliance with state requirements.

The MethCheck solution stores all point of sale transactions from the participating

pharmacies in real-time. Records will be retained in accordance with each state's legislative mandates. This program gives law enforcement the tools to break the backbone of a shopper who moves from store to store (or even state to state) to avoid suspicion, more commonly known as "smurfing". MethCheck offers Law Enforcement a more efficient surveillance tool resulting in a significant contribution to the health and safety of the community. MethCheck provides pharmacies a single solution for maintaining compliance with all state and Federal reporting mandates.

## Kentucky Pilot Program

In November of 2005, the Kentucky Office of Drug Control and Prevention (KODCP) implemented the nation's first electronic PSE log using MethCheck in Laurel County Kentucky. The largest city in Laurel County is London, and there are approximately 15 pharmacies in this county that were recruited to participate in the pilot program. The pilot project has been administered in cooperation with a multi-jurisdictional drug task force known as Operation Unite. This unit operates in Laurel and 29 other Eastern Kentucky Counties.

The following pharmacies are participating in the pilot program in Laurel County:

- CVS
- Kmart
- Kroger
- Plaza Drugs
- Parkway Drugs
- Rite Aid
- Thompsons (4 stores)
- ValuRite
- Wal-Mart (2 stores)
- Windham Drugs

Each pharmacy provided a PC with Internet access. Each PC had an available USB port for the 2D Barcode reader. Appriss provided each pharmacy with a kit containing a USB 2D Barcode ID reader. The pharmacies using the MethCheck POS portal have the following features:

- Secured login for the pharmacist staff. The login identifies the pharmacy as a part of the user setup.
- Automatically populates the name, date of birth, and address information without the chance for data entry errors. If data is not able to be read automatically the pharmacist staff is able to enter the missing fields.
- Validates the driver license to help detect identity theft – validation includes quarterly updates to state 2D barcode parameter changes
- The MethCheck POS software validates the ID to ensure it is not fraudulent or altered in any way. If the identification is invalid, a warning is displayed on the MethCheck screen.

In real-time each transaction is transmitted to the MethCheck Compliance Manager which ensures that only data allowed by KY SB 63 (i.e. transaction date, name, date of birth, address, quantity (in grams and boxes) and name of drug purchased) will be processed into the National MethCheck database. This Oracle database contains transactions as well as the state specific business limits regarding legal restrictions on the purchase.

The business limits in the national database will include the maximum amount an individual can purchase during a 30 day window, the number of packages that can be purchased in a single transaction, the age of the purchaser, etc... The business rules can also include buying patterns defined by state law enforcement such as, number of purchases in a single day from different locations, etc...

MethCheck law enforcement reports have been implemented to ensure easy monitoring for all pharmacy locations. The reports will show purchases that exceed state limits and purchases with

suspicious flags. Law enforcement can also subscribe to be alerted in real time as business rules are exceeded.

## Pilot Results

The results of the pilot program are impressive. The pharmacies that are participating found the MethCheck Portal to be far quicker, simpler, and more accurate than the manual logs they were maintaining prior to the pilot. Within 3 weeks of the pilot beginning, Operation Unite busted the first Methamphetamine lab using the data from the MethCheck system. Within 120 days 8 more labs were busted. These are likely the first Meth labs in the nation to be busted based on data from some form of pseudoephedrine logs. The pilot continues to operate and is continuing to prove itself as a powerful tool for eliminating the ability of these criminals to operate in the community.