



Los Angeles County Department of Health Services

Policy & Procedure Detail

Policy & Procedure Title:		REVERSE DISTRIBUTOR PHARMACEUTICAL RETURNS	
Category:	300-399 Operation Policy	Policy No.:	329.014
Effective Date:	7/1/2014	Last Reissue/Revision Date:	
DHS Division/Unit of Origin:	Pharmacy Administration		
Departments Consulted: Pharmacy P&T Committee		Reviewed & Approved by: Pharmacy P&T Committee	
Department Head/Designee Approval:			
Distribution: DHS-wide	<input checked="" type="checkbox"/>	If not DHS-wide, other distribution:	

PURPOSE:

The purpose of this policy is to provide controls and delineate accountability over the return of outdated pharmaceuticals for credit.

POLICY:

Each pharmacy will ensure the correct pharmaceutical inventory is returned to the County contracted reverse distributor for credits and/or replacement pharmaceuticals.

DEFINITION(S):

- Reverse distributor – vendor authorized to collect outdated pharmaceuticals on behalf of a pharmacy location and work with the pharmaceutical manufacturer for complete or partial credit
- Wholesaler – vendor authorized to distribute pharmaceuticals to LA County pharmacies
- Product exchange – physical drug product is sent back to the pharmacy location to replenish inventory

PROCEDURE:

- I. Pharmaceuticals identified as eligible to be returned to manufacturer will be separated from the normal pharmaceutical inventory.
- II. The facility will schedule a pick up date and time with the County contracted reverse distributor. The reverse distributor will query the facility pharmacy for returnable product on at least a quarterly basis.

The mission of the Los Angeles County Department of Health Services is to ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.

- III. Prior to the reverse distributor arrival to the facility pharmacy for pharmaceutical returns, the facility pharmacy is to barcode scan all products pending return into the reverse distributor's online program. The reverse distributor's online program will generate a preliminary manifest with the pharmaceutical inventory to be returned. The facility pharmacy is to maintain the manifest to validate the estimate provided by the reverse distributor.
- IV. The facility pharmacy will receive a finalized manifest from the reverse distributor after the vendor has indexed the received product. The finalized manifest needs to be validated against the preliminary manifest for accuracy. Any discrepancies need to be remedied with the reverse distributor prior to approval of the manifest. A replacement manifest should be obtained after discrepancies are rectified.
- V. After approval, the finalized manifest for the pharmaceutical inventory returned to the reverse distributor must be signed by the Pharmacy Director or designee. The signed manifest must be kept on file for a period of 3 years and may be audited by the finance department or other appropriate agencies in the County.
- VI. Credits and/or replacement pharmaceutical products are returned to the facility pharmacies in one of the following ways: The return mechanism is dependent on the pharmaceutical vendor program:
 - a. Wholesaler pass-through credit
 - b. Pharmaceutical manufacturer or 3rd party entity direct checks
 - c. Exact product exchange
- VII. The facility pharmacy should track credits returned for products provided to the reverse distributor. Credits and/or replacement product will be returned to the County based on the pharmaceutical vendors' timelines. On a quarterly basis, the facility pharmacy will review reverse distributor reports to ensure credits and/or replacement products received are entered into the reverse distributor website. The status of pending credits and/or replacement product will be investigated with the reverse distributor.

REFERENCES/AUTHORITY:

- Website: <http://www.expworld.com/> (*login access credentials required*)
- County Agreement (H-705564) – EXP Pharmaceutical Services Corporation for Pharmaceutical Reverse Distribution Services

REVISION/REVIEW DATES: