



Prepping for Testing Opportunities

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Supreme Court PBM Case Rescheduled to Fall Term



A case before the U.S. Supreme Court to determine whether individual states have the ability to regulate PBMs has been moved to the fall because of the COVID-19 pandemic.

The Court announced in early April that *Rutledge v. PCMA* oral arguments will be heard during the Court's October term, meaning the case will likely be heard in October or November of this year. Oral arguments were originally scheduled for April 27.

At issue in the case is whether states can regulate how PBMs reimburse pharmacies covered by employer-sponsored health plans under the federal Employee Retirement Income Security Act of 1974, or ERISA.

The case is a result of a 2015 law passed by the state of Arkansas that implemented wide-ranging regulations on PBMs. The Pharmaceutical Care Management Association (PCMA), the lobbying arm of the PBM industry, filed a lawsuit against Arkansas challenging the legality of the state law. The 8th Circuit Court that ruled in favor PCMA, finding that ERISA overrides state law where PBM reimbursement and payments are concerned.

The ruling from the Supreme Court could have wide-ranging implications as a number of state legislatures have passed or are considering legislation to regulate PBMs. Lower courts have been split on the issue.

APCI will continue to update its members on the case as it moves forward.



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Our mission is to represent the economic and professional interests of independent pharmacies by providing leadership, vision and a collective voice for our members in the healthcare marketplace.

Expanding Opportunities for Choice Members

APCI and Pharmacy Profiles Partner to Foster the Expansion of Pharmacist-Delivered Patient Care Services

APCI is focused on expanding the opportunities for our Choice Network member pharmacies. To support this effort, APCI is excited to announce a new service just for our Choice Network member pharmacies – Pharmacy Profiles Credentials Verification Service.

Pharmacy Profiles [Credentials Verification Service](#) will help APCI and its Choice Member Pharmacies identify, track, and verify pharmacists who are qualified to provide advanced patient care services such as immunizations, diabetes management and point of care testing. This data is what prospective payers want to know! Streamlined credentials management will make it easier for APCI Choice Member Pharmacies to take advantage of expanding scope of practice opportunities. Access to this service is an exclusive benefit for APCI Choice Network Members.

“APCI is focused on expanding the opportunities for our Choice Network member pharmacies,” said APCI Manager of Clinical and Professional Affairs Jeff Church. “Access to this valuable information will help us to market the clinical services of our members to payors and others. It will also provide us ongoing, regularly updated and validated intelligence on the skill sets and qualifications of the pharmacists in our member pharmacies.”

“We are pleased to support APCI in enhancing the pharmacist’s role in providing patient care services,” said Pharmacy Profiles Managing Director Todd Dankmyer. “We offer the most comprehensive, continually updated and verified inventory of advanced credentials in the market. We are excited that APCI’s Choice Network will be able to utilize this information to differentiate the services

of its network and expand their pharmacies’ scope of professional practice.”

Your pharmacists will be able to regularly keep their advanced training and certificates up to date in the Pharmacy Profiles system. Pharmacy Profiles will be able to document and verify that information. As an owner/manager, you can run reports and leverage this data to differentiate and expand your patient care services. You can set your pharmacy apart from the competition in your area!

This service leverages data collected from various data sources, including NABP, ACPE, credentialing agencies, state boards of pharmacy, and the pharmacist. As part of the roll-out, pharmacists will claim their [Pharmacist Profiles](#), a free online tool where they can track and maintain their professional information.

Your participation is vital! We need your participation in order to make this new service a success and to expand clinical services opportunities for you!

ACTION STEPS:

APCI Choice Network Owner/Managers, please review your action list below (or visit the [APCI-Pharmacy Profiles landing page](#)).

Claim your Pharmacist Profile. If you are a pharmacist, please [claim your free Pharmacist Profile!](#)

**ACTION NEEDED:
Claim your Pharmacist Profile**

Confirm your Team Manager. Once you have claimed your Pharmacist Profile, Choice Network owner/managers should designate their “team manager” for their pharmacy or group of pharmacies by filling in the [Team Manager request form](#). As the owner/manager, you can be the “team manager” or you may designate someone else to serve this role.

Upload your pharmacist employees. Team managers will be sent instructions to upload their pharmacist employees so we can link them to your pharmacies.

Require your pharmacists to claim their Pharmacist Profiles. [Click here for materials](#) to share with your pharmacist staff. It is important that your employees have Pharmacist Profiles and keep them updated. If your pharmacist staff do not have Pharmacist Profiles, then you (and APCI) won’t have access to any data about them.

Review the action steps and get more information at our [APCI-Pharmacy Profiles landing page](#).

**Get started at
PharmacyProfiles.com/APCI**

Start Preparing Now for COVID-19 Testing Opportunities

APCI member pharmacies who want to consider offering COVID-19 testing for their patients should begin preparing now, according to the co-op's clinical expert.

The U.S. Department of Health and Human Services (HHS) announced on April 8 that pharmacists are authorized to order and administer tests for the virus during the pandemic. But there are steps that APCI members have to take before they begin offering tests, said Jeff Church, APCI's Manager of Clinical and Professional Affairs.

"Things are happening so fast with the pandemic, but clinical testing for COVID-19 is one of the many ways our members can serve their communities," Church said. "However, there are a few regulatory and operational measures that need to be in place before the first test is given."

First step is obtaining a CLIA waiver.

A CLIA waiver from the Centers for Medicare and Medicaid Services (CMS) is required for pharmacies to offer point-of-care testing, so step one for a pharmacy is to apply for a CLIA waiver. The CLIA application form, CMS 116, is available on the CMS website.

One aspect of the CLIA waiver is deciding which tests the pharmacy may want to administer, Church said. "Our advice is to go ahead and list any test you think you might administer at some point in time as we move forward," he said. "The CMS website has a report with every CLIA waived test available, including coding and other information. Use this site to get specific testing information to use in describing which test you will perform, ie: BD Veritor Influenza A/B."

Once completed, the form needs to be

returned to the state, and pharmacies should reach out to their state agency to determine how it should be returned, whether by mail, email, or fax. Once the state approves the waiver, the pharmacy is notified and pays a fee of \$150, which is required every two years.

Pharmacies who already have a CLIA waiver should also check with their state agency to have the COVID-19 test or any additional test they want to offer added to their waiver.

"The COVID-19 test wasn't an option when members got original approval for their CLIA waivers," Church said. "They need to reach out to their state agency to find out what they need to do to add the COVID-19 test to their CLIA waiver."

Step two is obtaining Medicare provider status for the pharmacy.

"CMS has said they will reimburse pharmacies for COVID-19 testing, so in order to be able to bill Medicare, each pharmacy has to be registered as a Medicare provider," Church said. "Since these are medical tests, the process for billing is totally separate from the PSAO pharmacy level."

Once the pharmacy submits a Medicare Part B application and is approved as a provider, CMS will issue the pharmacy a PTAN (Provider Transaction Access Number) which will allow Medicare to reimburse the pharmacy. Because of the pandemic, CMS is dismissing the standard application fee, and the timeframe for obtaining a PTAN has been drastically reduced. CMS is issuing numbers in seven days or fewer, when the process generally takes between 60 and 90 days to complete. This makes applying for provider status especially attractive for pharmacies right now.

"Any member who does not have a Medicare provider number, I would recommend doing it now because they're waiving the application fee - that's about \$600 they can save -- and they can get it a lot quicker," Church said.

When completing the Part B application, pharmacies can register as either a mass immunizer or as a pharmacy. Church said that the pharmacy status offers more opportunities.

"Our recommendation is to get provider status as a pharmacy," he said. "The mass immunizer status limits you to offering just flu and pneumonia vaccines. With the pharmacy status, members are able to bill for those two vaccines plus Hepatitis B and any other exposure vaccine that is deemed an emergency during an event. It also allows them to bill for the COVID-19 test."

A third step is ensuring that pharmacy is immunization certified.

"Of course, we feel like all APCI members should provide immunizations, but getting prepared now for the fall is huge," Church said. "We think there will be increased demand for flu vaccine and other vaccines in the fall, and when the COVID-19 vaccine comes out, there will be huge demand for it as well. As such, being a certified immunizer will be a valuable resource."

For pharmacies that do not currently have a certified immunizer on staff, Health Mart is now offering a virtual immunization certification for pharmacists which includes 20 hours of home study and a 30-minute virtual immunization injection technique assessment.

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Flu Vaccine Order Deadline Extended

The deadline to order flu vaccines from FFF and Seqirus has been extended until May 1 because of the COVID-19 pandemic.

APCI has an agreement with Seqirus to provide flu vaccine, either directly from the manufacturer or through FFF Enterprises, at contract pricing for all Seqirus products. These products are Flucelvax, Fluvad (senior vaccine) and Afluria.

FFF Enterprises also carries flu vaccine across all other manufacturers for all APCI member pharmacies including Sanofi Pasteur (Fluzone and Fluzone HD), GSK (Fluarix and Flulaval), and AstraZeneca (Flumist). This allows APCI members to shop all manufacturers in

order to get vaccine into pharmacies as quickly as possible in case of manufacturing issues.

APCI recommends ordering the right number of doses of the senior vaccine (Fluvad and Fluzone HD) for patients ages 65 and older. Both Fluvad and Fluzone HD will be quadrivalent this year.

Although APCI has contract pricing and delivery for Seqirus products, FFF's normal delivery schedule starts as early as August and continues through October. APCI members are able to select a date when they would like to receive the vaccine. Orders need to be placed by May 1 in order to confirm delivery dates.

Testing

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Once the regulatory steps are out of the way, putting COVID-19 testing into practice will also require preparation. One of the most important aspects is ensuring the safety of patients and the pharmacy staff conducting the tests.

"The stores need to follow CDC guidelines on protective equipment," Church said. "If they don't have the protective equipment, then they don't need to be actively giving the tests. I recommend following the CDC guidelines on how to protect their staff members as well as the priority for testing."

And of course, there is the matter of the tests themselves. Church said he has heard from several APCI members who have been approached by companies and individuals offering a range of tests. Unfortunately, the uncertainty brought about by the pandemic has also resulted in an increase of scammers and con artists who are looking to take advantage of the situation.

"Our members need to be extremely careful when dealing with anyone who contacts them out of the blue about

COVID-19 tests," Church said. "McKesson and PrescribeWellness are taking the lead on acquiring tests, and more information will be coming soon as far as the test they choose to offer and when it will be available.

"If a member does decide to look at a test from someone other than PW or McKesson, I would make sure that they vet any test that's brought to them," he added. "If a test comes from McKesson, McKesson will do that vetting for them. They're diligently trying to vet the right test that will provide accurate results, and they are working with HHS on that aspect."

Finally, a pharmacy will need to choose a medical billing system for Medicare Part B.

"Once they get their Medicare PTAN number, a pharmacy will have to choose a company for billing," Church said. "I recommend pharmacies pick one that will allow them to bill for a range of services, such as immunizations, Diabetes Education, and DME where applicable."

Two APCI approved vendors, Omnisys and Electronic Billing Services, Inc., can bill for COVID-19 testing, as well as other services. Both companies have also made COVID-19

resources available to pharmacies on their respective websites.

Health Mart University is offering information regarding CLIA waivers, Medicare Part B, and immunization certification on its website. APCI will also continue to update members on COVID-19 testing. For more information or questions, please contact the APCI Clinical and Professional Affairs department.

Below are several helpful links:

CMS 116 Form:

<https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/downloads/cms116.pdf>

Listing of CLIA-waived tests:

<https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfClia/analyteswaived.cfm>

CLIA State Agency Contacts:

<https://www.cms.gov/Regulations-and-Guidance/Legislation/CLIA/Downloads/CLIASA.pdf>

Listing of HHS-approved COVID-19 tests:

<https://www.fda.gov/medical-devices/emergency-situations-medical-devices/emergency-use-authorizations#covid19>

COVID-19 Audit Best Practices

During this uncertain time surrounding the COVID-19 pandemic CAPS, APCI's Audit Prevention Services Department wanted to take a moment and show our appreciation for all pharmacies and employees that are working day in and day out on the front line taking care of their patients. We know that this is a time of uncertainty and so we hope that the following information will be beneficial in assisting you to navigate through this time.

1) PBM Signature Log Requirements

During this time PBMs have adjusted their requirements for capturing patient signatures for proof of receipt of medication. We all know that it is common knowledge that each PBM has their own set of requirements for patient signature logs, and the requirements for COVID-19 signature logs are no different. Please contact your PSAO for additional information. If you are a current CAPS member, a chart of the PBM requirements can be found on the CAPS section of the APCI website.

****Please note:** where signature logs are required by law, there are no exceptions-please check your State Board of Pharmacy website for any additional signature log requirements**

2) Mailing/Delivery Requirements

Several PBMs have lifted or modified their restrictions on mailing/ delivery services during this time. The thing to remember during this time is if you mail/ship a prescription to a patient your pharmacy MUST be licensed in that state. Some Board

of Pharmacy websites have information regarding how to obtain a temporary license within their state to be able to mail/ship medications. Please contact your PSAO for additional information. If you are a current CAPS member, a chart of the PBM requirements can be found on the CAPS section of the APCI website.

3) Audit Suspensions/Cancelations

Due to COVID-19 and the ability of the pharmacy to take care of their patients in the best way possible several PBMs have decided to suspend or cancel audits. Some

PBMs have chosen to cancel both field/on-site and desktop audits, while others have chosen to suspend field/on-site audits, but still conduct desktop audits. Please contact your PSAO for additional information. If you are a current CAPS member, a chart of the PBM requirements can be found on the CAPS section of the APCI website.

***Please note:** Audit suspensions/ cancelations are not going to apply to Fraud, Waste and Abuse investigations/audits or audits required by state or federal law.

4) Overrides allowed by the PBMs (Refill Too Soon, Submission Clarification Codes)

Several PBMs have sent out communications regarding Refill Too Soon overrides or Submission Clarification Codes that they are allowing pharmacies

to use during this time to take care of their patients. Anytime an override code is used a notation should be either documented on the prescription hardcopy or in the pharmacy system. The notation should include a description of the reason for using the override, the specific override used, Date and Pharmacist initials. If making an electronic notation in the pharmacy system the same information needs to be recorded, along with an electronic date and timestamp, if possible.

5) DEA and Controlled Substances

The DEA has made some modifications to its rules and regulations regarding controlled substances, including some concerning Schedule II medications. For more details visit

the DEA's COVID-19 Information Page at <https://www.deadiversion.usdoj.gov/coronavirus.html>

6) Prescriptions for Chloroquine and Hydroxychloroquine

Due to the mention of the above medications in Presidential press conferences, pharmacies are seeing a rise in the amount of prescribers prescribing these medications for their patients for the prevention or treatment of COVID-19. However, at this time there is no research which provides reliable evidence that these medications are successful in the prevention or treatment of COVID-19 per the FDA website. Pharmacists should take into consideration that patients currently taking these medications for FDA approved indications could be affected. To distinguish



Comprehensive Audit Prevention Services, L.L.C.

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Audit Practices

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prescriptions being used to treat FDA approved indications from those being used for COVID-19, it would be best to contact the patient's prescriber's office to obtain the patient's diagnosis code or illness and document it on the prescription hardcopy along with the name of the representative from whom the information was received, date & Pharmacist initials.

7) Therapeutic Interchange

Some Pharmacy State Boards have published guidance related to a Pharmacists ability to substitute medications based on therapeutic interchange. Please remember to make notations on prescription hardcopies or electronic notations with date and timestamps within your pharmacy software containing details surrounding the substitution. For specific state detailed information, please visit your State Board of Pharmacy website.

Prescriber must be notified of any changes, reference your state for specific notification guidelines

8) State of Emergency Orders/Executive Orders

CAPS recommends creating a folder either on your computer or in your file cabinet to house any State of Emergency Orders or Executive Orders that your specific state may have issued. This will allow you quick access to an order if and when the claims processed during COVID-19 are audited. Please visit your State Board of Pharmacy website for copies of any orders that have been issued.

Several states have put into place orders that allow Pharmacists to provide emergency refill(s) on non-controlled medications. Although these orders are in place, CAPS recommends first reaching out to the prescribing physician in an attempt to obtain a refill authorization. If after several

attempts the prescriber has not responded to the refill request the Pharmacist may authorize refills, however the following steps should be adhered to for auditing purposes:

1. Print your specific state's order that gives the Pharmacist the authority to authorize emergency refills
2. Make note of the start and end dates of the order
3. Document any attempts made by the pharmacy to contact the prescriber to obtain refills
4. Create a prescription with all the required elements per your states rules and regulations
5. Document on the prescription hardcopy a statement that says this hardcopy was created per a State of Emergency Order, Executive Order or a statement that says Emergency Refill Prescription. If your State Order or Executive Order has a specific title or policy ID, CAPS recommends notating the specific order for quick reference for future use
6. Provide the patient with the emergency supply (reference your State/Executive Order for details as to a quantity, day supply or number of emergency refills that can be provided) and inform the patient or the patient's agent that the prescription drug is being provided without the practitioner's authorization and that authorization of the practitioner is required for future refills
7. Contact the prescriber, as soon as possible, to let them know that an emergency supply of the patient's medication was given. Make sure to provide them with the patient's name, date of birth, medication, and quantity so that they can put it in the patient's chart

*Some states may allow Pharmacists to

authorize refills for controlled substances, please check with your State Board of Pharmacy for more information*

Conclusion:

To prevent possible issues arising with future audits for claims related to COVID-19, CAPS cannot stress enough that notations on prescription hardcopies and electronic computer notations preferably with electronic date and timestamps describing when and why something was done will be most beneficial to your pharmacy. It provides you with a pedigree that will contain enough detail that a year from now you will be able to know the exact circumstances surrounding why something was done or why a prescription was filled a certain way.

Rx Open Activated for COVID-19



The Rx Open Pharmacy Locator has been activated to help patients, prescribers, and public health officials find open pharmacies and dialysis centers. Go to www.RxOpen.com and check your status. If your pharmacy's status is not accurate, contact Healthcare Ready by emailing your NCPDP number, switching company, and store information to contactus@healthcareready.org.



COVID-19 FINANCIAL UPDATE

Legislation Allocates Funds to Replenish Paycheck Protection Program

If you were unable to obtain needed loan funds eligible for forgiveness under the Paycheck Protection Program, fear not, you have a SECOND CHANCE.

The Cares Act that originally passed on March 27, 2020, established \$349 billion in funding for PPP loans (funds possibly eligible for forgiveness), however, those funds were dispersed in just two weeks. Consequently, many businesses' payrolls were left unfunded leaving their future in jeopardy.

Thus, Thursday, April 23, 2020, the Government passed the newest federal stimulus package aimed at providing financial relief for businesses and institutions hurt by the COVID-19 crisis. This legislation allocates \$320 billion to REPLENISH the SBA's Paycheck Protection Program (PPP).

ATTENTION: This additional funding of \$320 billion will likely go

even quicker than the first round (\$349 billion), as according to banks the pipeline is full of those who applied and missed out initially, as well as others who have since decided to apply and/or found a bank willing to accept their application.

Also, this stimulus package includes \$60 billion in additional funds for the SBA's Economic Injury Disaster Loan (EIDL) program.

If you need these funds you must act fast, contact your local lender, and apply ASAP!

This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, financial, legal or tax advice. If you have any legal or tax questions regarding this content or related issues, then you should consult with your professional legal or tax advisor.

SBA Issues New Guidance for PPP Program

On April 23, 2020, the SBA issued new guidance regarding the Paycheck Protection Program Loan (PPP), that we want to communicate to our members whose applications are in process as well as those who have already received funding.

This information is intended to provide suggestions for best practices to assist businesses in determining if it can properly certify its' necessity to receive PPP funds. Of course, your situation will be unique and you should ultimately consult your tax professional and legal counsel.

The April 23 SBA guidance strengthens some of the language regarding qualifications for a PPP Loan. Specifically, Question 31 of the FAQ in the guidance delineated below, highlights that **PPP applicants must certify that "current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant."**

This latest guidance has caused much anxiety amongst PPP applicants due to the vagueness and lack of guidelines to determine what is "necessary to support the ongoing operations." In an effort to

clarify this requirement, on Tuesday April 28, the U.S. Secretary of the Treasury, Steve Mnuchin, appeared in an interview on CNBC's "Squawk Box." During the interview, Mr. Mnuchin stated that the PPP was designed for small businesses and that the **SBA will be doing a full review of PPP loans over \$2 million before the loan is forgiven.** Giving the impression that businesses receiving PPP loans under \$2 million will not receive the same level of scrutiny and are the types of businesses the PPP was designed to help. That being said

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COVID-19 FINANCIAL UPDATE

PPP: How to Maximize Loan Forgiveness?

You Applied and Lender Loans You Funds Under the PPP, Now What?

As businesses begin to receive their loan proceeds under the Paycheck Protection Program (PPP), it is advantageous for them to immediately take steps to ensure they maximize potential forgiveness under the PPP loan provisions.

This newsletter is intended to provide suggestions for best practices to assist businesses in meeting the PPP forgiveness requirements and putting them in the best position to benefit from this program, helping to sustain themselves going forward. Of course, your situation will be unique and you should ultimately consult your tax professional and legal counsel.

Loan Forgiveness Info

SBA guidance currently indicates that up to 100% of the PPP loan principal and interest may be forgiven, but loan forgiveness is not a foregone conclusion.

The amount of PPP loan forgiveness may be up to the full principal amount of the loan and any accrued interest as long as the business:

1. Uses the loan proceeds exclusively for authorized purposes during the covered period (8-week period beginning on the date you receive your first disbursement from your lender); and
2. Maintains the headcount and salaries of employees as the same pre-COVID-19 level.

Authorized Uses for PPP Loan Proceeds Include:

If you spend the loan proceeds on four specific categories while maintaining the same level of employees your loan should be forgiven:

- **Payroll costs** – at least 75% of the PPP loan funds must be used for payroll costs;
- **Utilities** – for which services began before February 15, 2020;
- **Rent** – under lease agreements in force before February 15, 2020; and/or
- **Interest** – interest on mortgage payments and interest on any other debt obligations incurred before February 15, 2020. The underlying debt must be a “mortgage on real or personal property.” This would include debt on real property that is secured by a traditional mortgage lien as well as working capital lines of credit and other indebtedness where a UCC-1 is filed on the borrower’s personal property. This definition does not appear to include unsecured debt. **It is uncertain if interest expenses other than mortgage interest is forgivable.**
- Refinancing an SBA EIDL loan made between January 31, 2020 and April 3, 2020, more detail is needed from SBA guidance. Although, you can rollover EIDL proceeds into your PPP loan those rollover funds will not be forgivable.

Since 75% of PPP loan proceeds must be

used for Payroll Costs to maximize your loan forgiveness, NO MORE THAN 25% of your total loan funds should be used on NON-payroll related expenses covered by the Act (Rent, Mortgage and Utilities).

Eligible Payroll Costs Include:

Compensation to employees in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips);

Employee benefits, including payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement benefits;

Payment of state and local taxes assessed on compensation of employees; and

For an independent contractor or sole proprietor, wages, commissions, income, or net earnings from self-employment, or similar compensation.

Costs Not Eligible for Loan Forgiveness Include:

- The compensation of an individual employee in excess of an annual salary of \$100,000, prorated as necessary;
- Federal employment payroll taxes

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Forgiveness

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imposed or withheld between February 15, 2020 and June 30, 2020, including the employee's and employer's share of FICA (Federal Insurance Contributions Act);

- Any compensation of an employee whose principal place of residence is outside of the United States; and
- Employer paid qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act (Pub. L. 116-127).

Headcount Calculation

If a business reduces its Full-Time Employees ("FTE"), during the covered period, the forgiveness amount is reduced by a ratio defined as:

- The average number of FTEs during the covered period divided by the average number of FTEs during the base period.
- There are three different options to determine the base period, and borrowers can select the one most favorable:
- Using 2019 Information –the average number of FTEs per month from February 15, 2019, through June 30, 2019;
- Using 2020 Information –the average number of FTEs per month from January 1, 2020, to February 29, 2020; or
- Seasonal Businesses –the average number of FTEs per month from February 15, 2019, through June 30, 2019.

There are provisions within the Act that will help restore some or all of the loan forgiveness if displaced employees are rehired prior to June 30, 2020. Please consult your advisor for further clarification.

Wage Reduction Limitation

Under the CARES Act, reducing the salary of employees whose annual cash salary was less than \$100,000 in 2019 by more than 25% during the 8-week loan period will cause a dollar-for-dollar reduction in the amount of loan forgiveness for which the business would otherwise be eligible. The employee's reduced salary is compared to said employee's salary during the last completed quarter prior to the 8-week loan period.

Consequences of Unauthorized Use of Loan Proceeds

When filling out the PPP loan application, you made several certifications. Among these was that "the funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments."

Therefore, if you knowingly use your PPP loan funds for unauthorized purposes you may be asking for serious trouble. Some of the consequences include:

- Loan rendered ineligible for forgiveness;
- Conversion to a recourse liability (government may seek repayment of the loan from business' owners, shareholders, members and partners); and/or
- Civil and/or criminal fraud charges and other federally prosecutable offenses.

How to Apply for PPP Loan Forgiveness?

In order to obtain full or partial PPP loan forgiveness, you must submit a request and accompanying documentation to the lender servicing your loan. This needs to occur at the end of the 8-week period beginning with the date of your first PPP loan funds disbursement. If the 8-week period ends after June 30, 2020, check with your lender regarding document submission deadline.

Detailed Recordkeeping Will be Critical for Loan Forgiveness

Over the 8-week period, keep track of eligible expenses and their accompanying supporting documentation. Your request and detailed records should include a number of documents and other sources of evidence, such as:

- Confirmation of payroll costs (Payroll registers or ledgers);
- Health insurance invoices and payments;
- Payments into retirement accounts;
- Support for eligible rent expense;
- Support for eligible interest paid on debt obligations;
- Evidence of utilities paid including invoices;
- State and local payroll tax payments supported by tax returns, vouchers, or other documentary evidence;
- Maintain Employee Data, maintain a headcount of all full and part-time employees on payroll, (your payroll

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COVID-19 FINANCIAL UPDATE

Forgiveness

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processing company should be able to provide this information);

- Any additional documentation that may be requested by the lender in support of the above.

The lender must then make an application and send it to the SBA for forgiveness determination; and then make a decision within 60 days.

Best Practices for Maximizing Loan Forgiveness

- **Keep detailed records** of how the PPP loan proceeds are/were used to pay for eligible forgiveness expenditures. Keep all related documents and support to corroborate disbursement of such funds; and
- **Keep PPP Funds Separate**
 - Deposit all PPP proceeds in a separate bank account, do not mingle the funds with other assets and ensure that PPP loan proceeds are used only for expenditures that are eligible for forgiveness;

- For payroll funding ideally, employees making more than the \$100,000 salary threshold would receive two separate checks. One check with funds of PPP loan proceeds up to the employee's \$100,000 salary limit and the other check, funds out of a separate account not containing PPP loan proceeds, for the employee's salary in excess of \$100,000. Subject to further SBA guidance.

What if 100% of the Loan is Not Forgiven

This should be something you begin considering, immediately. If you do not qualify for full forgiveness, your loan payments will begin six months from the start of the loan for a term of two years with an annual interest rate of 1%.

The loan may be paid off with installments accruing interest over the remaining term of the loan or you may pay the balance, in full, without penalty.

Further SBA Guidance Required

So far, PPP regulations have focused on providing guidance on PPP loan eligibility and the application process. It is expected

that the SBA will soon provide more specific guidance on the forgiveness process such as:

- Required and/or relevant forms and documentation;
- Answer to several questions (e.g. FAQ and/or final guidance):
 - How are the forgiveness reductions for failure to maintain employee headcount and pay rates computed?

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The APCI Platinum Bundle



Bundle All Four Of These Services
For a Low Monthly Fee Of Only

\$425



COVID-19 FINANCIAL UPDATE

Guidance

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you must still “certify in good faith” that the loan request is “necessary.”

What level of “necessity” is needed to fulfill this certification?

Due to the lack of guidance, no one currently knows. Thus, the determination is likely going to come down to the business owners’ decision because they know their business’s needs best.

If you do not feel you meet this criterion, you have the opportunity to withdraw your application *OR repay the loan* by May 7, 2020 and the SBA will treat that repayment as being in good faith.

However, read the Important Information below before you make any decisions and, if necessary, consult with your counsel or advisor:

Question: Do businesses owned by large companies with adequate sources of liquidity to support the business’s ongoing operations qualify for a PPP loan?

Answer: In addition to reviewing applicable affiliation rules to determine eligibility, all borrowers must assess their economic need for a PPP loan under the standard established by the CARES Act and the PPP regulations at the time of the loan application. Although the CARES Act suspends the ordinary requirement that borrowers must be unable to obtain credit elsewhere (as defined in section 3(h) of the Small Business Act), **borrowers still must certify in good faith that their PPP**

loan request is necessary. Specifically, before submitting a PPP application, all borrowers should review carefully the required certification that “current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.”

Borrowers must make this certification in good faith, taking into account their current business activity and their **ability to access other sources of liquidity sufficient to support their ongoing operations in a manner that is not significantly detrimental to the business.** For example, it is unlikely that a public company with substantial market value and access to capital markets will be able to make the required certification in good faith, and such a company should be prepared to demonstrate to SBA, upon request, the basis for its certification.

Lenders may rely on a borrower’s certification regarding the necessity of the loan request. Any borrower that applied for a PPP loan prior to the issuance of this guidance and repays the loan in full by May 7, 2020 will be deemed by SBA to have made the required certification in good faith.” (<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>)

To be eligible for PPP Funds the guidance specifically mentioned:

- Applicants must determine if their “economic uncertainty makes this loan request necessary to support the ongoing operations of the applicant,” and
- “Taking into account their ability to access other sources of liquidity

sufficient to support their ongoing operations in a manner that is not significantly detrimental to the business “

WHAT? How is this determined?

Applicants must determine if their **“economic uncertainty makes this loan request necessary to support the ongoing operations of the applicant.”**

The guidance does not contain any quantitative metrics (such as, a specific percentage dropped in expected revenue, specific increase in expense or other objective criteria on which businesses can rely in making their certification).

Without any quantitative guideline’s businesses will need to make this determination in good faith and likely need to use evidence, such as, the businesses financial projections and any other documents or evidence showing reduced revenue and/or some other business financial hardship. Increased expense also creates hardship, i.e.: protective gear for staff, staff education, additional deliveries, curb side pickup, signage or any COVID communications, etc.

It is likely, only businesses that grossly abuse this program, such as, it’s revenues are increasing, there is no added costs or other economic difficulties and are having no problems paying employees during this pandemic, will have an issue with their eligibility for the funds and may want to consider returning the funds.

Further guidance is needed to determine

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what exactly is proper economic uncertainty to make the loan request necessary to support the ongoing operations.

Also, the phrase **“taking into account their ability to access other sources of liquidity sufficient to support their ongoing operations in a manner that is not significantly detrimental to the business,”** adds a lot of uncertainty.

This language appears to be very vague as well. Businesses will have to consider whether other sources of capital are available on terms or otherwise in a manner

that is not significantly detrimental to the business.

In making this determination, businesses will need to consider among other things, the following as relates to any other sources of capital:

- The likelihood of closing,
- The timing to closing relative to the applicant's cash needs,
- Repayment terms,
- The additional preferences it might create, and
- The dilutive effect upon existing owners.

Just another thing to consider.

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Preventing Losses Before They Happen Is Easier Than Recovering Them

It's an unfortunate fact: Store losses happen. A strong loss prevention effort on your part can help keep losses from occurring before they happen. **PRO's Loss Prevention Management Service** can help you and your store decrease your operating expenses and increase company profits.



For more information on PRO's Loss Prevention Management Service, contact **Bobby Little** at (800) 532-2724 / (205) 427-8098 or by email at bobbyl@apcinet.com

Member Anniversaries

We congratulate our members who are celebrating significant anniversaries as members of APCI!
Thank you for your continued membership!

20 Years

Bendall's Pharmacy
Tim Douthit
Decatur, AL

Coldwater Pharmacy
James A. May
Coldwater, MS

May's Pharmacy
James A. May
Senatobia, MS

10 Years

Drugs 4 Less Pharmacy
Amir Serri
Pompano Beach, FL

Delta Pharmacy & Medical Supply
Daniel Island
Willis Homer
Daniel Island, SC

Ellore Pharmacy
Willis High
Ellore, SC

Delta Pharmacy & Medical Supply
Charleston
Willis Homer
Charleston, SC

Delta Pharmacy, Inc. Moncks Corner
Homer (Jimbo) D. High, Jr.
Moncks Corner, SC

Eutawville Pharmacy
Willis High
Eutawville, SC

5 Years

Gulf Shore Apothecary GG #2
Alex Herwig
Naples, FL

Salhab Pharmacy
Abdel Salhab
Tampa, FL

Allcare Pharmacy 23-B
Percy Malone
Rogers, AR

Hubbard Young Pharmacy
Thomas Teasley
Clemson, SC

Reliance Pharmacy
Joseph Nguyen
Houston, TX

West Atlantic Pharmacy
Amira Melika
Delray Beach, FL

LaCour's Pharmacy
Gerard LaCour
Simmesport, LA

Village Drug Shop At Advantage
Christopher Thurmond
Athens, GA

America's Pharmacy
Elder Soria
Sarasota, FL

Spring Branch Pharmacy
Hinal Patel
Houston, TX

Courage Pharmacy
Vera O. Edebiri
Plano, TX

Kimmel-Chaplain Pharmacy
Julie Giacone
Benton, IL

Oakdale Drug Company
Steven Daniels
Oakdale, LA

NCPA Campaign Touts Independent Pharmacy

NCPA has launched a campaign to increase awareness of the role community pharmacies play in their communities as neighbors and as medication experts.

The grup has developed a series of 30-second ads that will run during the next 60 days. Titled "Your Neighbor," the ads were designed to reinforce that independent pharmacists are always there for you, are trusted medication experts who'll take the time to guide you to the best health outcome, know your name and treat you as a friend, and your neighbor who cares about the community.

The campaign is NCPA's first ever national campaign aimed at creating a recognizable brand for independent pharmacy. The campaign will reach millions of consumers with a targeted strategy featuring a series of 30-second videos and digital ad banners. NCPA will identify targeted consumer groups through their mobile devices and serve them content wherever they are, three to five times per week for the remainder of the year.

You can view the first ad on YouTube at <https://youtu.be/itsv215-Mq0>.

New Members

We bid a warm welcome to our newest APCI members!

Suwanee Pharmacy
Karl Simon
Suwanee, Ga.

Thompson's Pharmacy
Trey Thompson and Laura Thompson
Newnan, Ga.

Joyner Rx
Jack Tyler Joyner
Selmer, Tenn.

Life Pharmacy
Jonathan Kornvein
Columbia, Tenn.

Medilink Pharmacy
Radhika Patel and Yvonne Tran
New Port Richey, Fla.

Wellmed Pharmacy
Hari Chintapalli
Farmersville, Texas

Dameron Drug Store
David Dameron and Richard Dameron
Tabor City, N.C.

Village Rx
Thomas Heilman and Mary Smith
Old Hickory, Tenn.

Honea Path Pharmacy
Pankajkumar Ravani and Stavan Patel
Honea Path, S.C.

Eagle Pharmacy
Dustin Hays and Emily Hays
Holliday, Texas

Mike's Pharmacy
Steven Perkins and Mike Klepzig
Olive Branch, Miss.

Weber City Drug Center
Larry J. Snapp
Weber City, Va.

CYF Pharmacy
Centers for Youth and Families
Little Rock, Ark.

MCD Pharmacy
Daniele Dias and Cecilia Dias
Palm Beach Gardens, Fla.

Additional Pharmacies

We also welcome these APCI members who added additional pharmacies to their membership!

Buy Rite Drugs #15
Tracy Alligood
Ozark, Ala.

Medilink Pharmacy
Radhika Patel
Port Richey, Fla.

Live Well Pharmacy
Hari Chintapalli
Greenville, Texas

Evans Drugs Lockwood
Kevin McCullough
Lockwood, Mo.

Sonshine Pharmacy of Mantachie
Susan Willis
Mantachie, Miss.

Valley Drugs
Guy M. Phillips
Water Valley, Miss.

Exclusive Pre-Book Pricing & Terms For APCI Members



Terms That Help to Support Your Influenza Immunization Goals

PRE-BOOK YOUR INFLUENZA VACCINE BY **MAY 1, 2020** FOR THE 2020-2021 SEASON TO RECEIVE THE BELOW OFFER*



FIRM DOSE DISCOUNT

3% discount on orders placed by May 1, 2020



PROMPT PAY DISCOUNT

2% discount on orders paid within 60 days



RISK SHARING

25% return of each brand ordered and unused by the end of the season



2020-2021 INFLUENZA VACCINES DELIVERY EXPECTATIONS:

August 31, 2020

35%

September 30, 2020

75%

October 15, 2020

100%

NET PRICE/UNIT						
	65 years and older	4 years and older		6+ months	6-35 months	36+ months
	0.5 mL Pre-filled Syringe	0.5 mL Pre-filled Syringe	5 mL Multi-Dose Vial	5 mL Multi-Dose Vial	0.25 mL Pre-filled Syringe (Pediatric Dose)	0.5 mL Pre-filled Syringe
	\$405.02	\$167.52	\$157.53	Sold Out	\$146.20	Sold Out

*Inclusive of firm dose discount. Does not include Federal Excise Tax. Additional discount may apply.

COUNT ON THESE EASY ORDERING METHODS WHEN PURCHASING SEQIRUS PRODUCTS

Directly order, manage, and access your account online at flu.seqirus.com

Contact your Seqirus account manager



*Terms and conditions apply. See flu.seqirus.com for additional details.