**Product Warehousing (Procurement and Supply)**

**Section:** Pharmacy Operations

**Compliance:** URAC Specialty Pharmacy 2.1

**URAC Standards:** PHARM-OP 4, 7, 8, 11

**ACHC Standards:** DRX7-9A DRX 11-F

**Policy ID:** 7.21

**Approved by:**

**POLICY**

<insert practice name> assures that medications provided to patients are available and safe for dispensing.

**PROCEDURE**

1. **Product Warehousing and Inventory Control**
2. <insert practice name> will make sure that all medications are stored in conditions that ensure that their integrity is not compromised.
3. Medications in inventory will be rotated based on expiration date to ensure products that expire or are damaged do not get shipped to customers. All expired or damaged items will be placed in a designated area away from active inventory **[PHARM-OP 7 (b)]**
4. All inventory will be reviewed at least every six months. Items with expiration dates prior to the next six-month review will be clearly tagged with expiration brightly colored short dated sticker to minimize the risk of dispensing after expiration. **[PHARM-OP 7 (b)]**
5. Prescription and OTC medications will only be purchased from licensed wholesalers who have the capability to produce product pedigrees upon request. <insert practice name> is in compliance with the drug supply chain security act **[PHARM OP 8(a)]**
6. <insert practice name> reviews notices from wholesalers, manufacturers and news sources and promptly acts upon information regarding counterfeit drugs. <insert practice name> reviews on-hand inventory in such cases to identify potentially counterfeit products. <insert practice name> provides training to staff members on how to identify signs of counterfeit drugs. These signs include unanticipated side effects and changes in packaging, labeling, color, taste, and pill shape. <insert practice name> uses the National Association of Board of Pharmacies for materials to train employees. (<http://www.nabp.net/programs/consumer-protection/buying-medicine-online/counterfeit-drugs>) When a staff member identifies counterfeit drugs or suspicious drugs they are to immediately notify the Pharmacist in Charge and the product is to be removed from inventory while it is investigated. <insert practice name> removes suspicious products from inventory and returns to wholesaler, manufacturer or destroys. [**PHARM-OP 8 (b)] [PHARM-OP 11 (a, d, f)]**
7. Medications will be stored on individual shelf space assigned to each specific product
8. The staff will add products in order of expiration dates, otherwise known as rotating stock. **[PHARM-OP 8 (c-i, c-ii)]**
9. Orders are created daily from below par inventory items. Daily orders are applied to inventory file to maintain perpetual inventory quantities. Totals in perpetual inventory are audited and corrected if need be at regular intervals. **[PHARM-OP 8 (c-i, ii)]**
10. The staff will use pharmacy operating system to maintain an electronic perpetual inventory of all controlled substances. In addition, pharmacists will maintain a perpetual inventory of Schedule 2 controlled substances at all times. **[PHARM-OP 8 (c-i, ii)] [PHARM-OP 4 (b)]**
11. On occasions when we are “out of stock” or short of an ordered item, staff will notify the patient if this situation will delay their order, causing the patient to miss a dose of medication. If the patient will miss a dose, staff will work with prescriber, patient, and if necessary, alternate pharmacies to obtain medication or assist in that act so as not to disrupt drug therapy. **[PHARM-OP 8 (d)]**
12. **Product Shipping**
13. The staff will ensure that safe and unexpired medications are properly issued to customers
14. The staff will generate dispensing reports to see if patients affected by manufacturer recalls need to be contacted for replacement medication.
15. **Returns**
16. When returning product to a manufacturer, <insert practice name> staff will place products in a designated container along with the manufacturer's return authorization number
17. Dispensed medications cannot be returned to the pharmacy for credit or refund. State law prohibits the re-dispensing of prescription medications. Medication can be returned to the pharmacy for appropriate destruction. **[PHARM-OP 8 (c-i, ii)]**
18. Damaged products will be properly discarded

**IV. Disposal of Unacceptable Drugs**

1. The pharmacist in charge notifies and provides direction to staff members on how to handle the removal or disposal of medications that have been discontinued, expired, damaged, contaminated, unacceptable and/or determined to be counterfeit if different that the current process which is placing medications that have been discontinued, expired, damaged, contaminated, unacceptable and/or determined to be counterfeit on the Quarantined Drug Shelve. These medications are removed from inventory by the Pharmacy Manager or this task is designated to a staff member. Once removed from inventory, <insert practice name> uses Reverse Distributors to dispose of expired medications. Medications damaged upon receipt from wholesaler or manufacturer will be returned directly to the source for credit. Other unacceptable medications are placed in a hazardous waste container provided by Stericycle which also picks up the hazardous waste containers **[PHARM-OP – 11 (b, f)]**

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