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8 **BEFORE THE**
BOARD OF PHARMACY
9 **DEPARTMENT OF CONSUMER AFFAIRS**
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. 5814

12 **QUALI-CARE HEALTH CORPORATION**
DBA CENTURYWOOD MEDICAL
13 **PHARMACY; KHANH HORNE, President,**
100 shareholder, Secretary and
14 Treasurer/Chief Financial Officer (from
July 2, 2008 to November 17, 2015)
15 **ANNIE CHACKO, PHARMACIST-IN-**
16 **CHARGE (from May 16, 2012 to November**
17 **17, 2015)**
3737 E. Martin Luther King Jr. Blvd., #101
Lynwood, CA 90262-3513
Original Pharmacy Permit No. PHY 49113

A C C U S A T I O N

18 **KHANH M. HORNE**
19 **PO Box 368**
Montrose, CA 91021
20 **Original Pharmacy Technician Registration**
21 **No. TCH 27505**

22 and

23 **ANNIE CHACKO**
8100 E. Carnation Way
24 **Anaheim, CA 92808**
Original Pharmacist License No. RPH 67019

25 Respondents.
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1 Complainant alleges:

2 **PARTIES**

3 1. Virginia Herold (“Complainant”) brings this Accusation solely in her official capacity
4 as the Executive Officer of the Board of Pharmacy (“Board”), Department of Consumer Affairs.

5 **Quali-Care Health Corporation dba Centurywood Medical Pharmacy, Khanh Horne**

6 **Original Pharmacy Permit**

7 2. On or about July 2, 2008, the Board issued Original Pharmacy Permit Number PHY
8 49113 to Quali-Care Health Corporation dba Centurywood Medical Pharmacy, with Khanh Horne
9 as President, 100% shareholder, Secretary and Treasurer/Chief Financial Officer (“Respondent
10 Centurywood Pharmacy”). The Pharmacy Permit expired on October 21, 2015 and was cancelled
11 on November 17, 2015.

12 **Khanh M. Horne**

13 **Original Pharmacy Technician Registration**

14 3. On or about October 23, 1998, the Board issued Original Pharmacy Technician
15 Registration Number TCH 27505 to Khanh M. Horne (“Respondent Horne”). The Original
16 Pharmacy Technician Registration was in full force and effect at all times relevant herein and will
17 expire on January 31, 2018, unless renewed.

18 **Annie Chacko**

19 **Original Pharmacist License**

20 4. On or about March 26, 2012, the Board issued Original Pharmacist License Number
21 RPH 67019 to Annie Chacko (“Respondent Chacko”). The Original Pharmacist License was in
22 full force and effect at all times relevant herein and will expire on October 31, 2017, unless
23 renewed.

24 **JURISDICTION**

25 5. This Accusation is brought before the Board, Department of Consumer Affairs, under
26 the authority of the following laws. All section references are to the Business and Professions
27 Code unless otherwise indicated.

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1 written, typewritten, or printed form at the registered location. An inventory taken by use of an
2 oral recording device must be promptly transcribed. Controlled substances shall be deemed to be
3 "on hand" if they are in the possession of or under the control of the registrant, including
4 substances returned by a customer, ordered by a customer but not yet invoiced, stored in a
5 warehouse on behalf of the registrant, and substances in the possession of employees of the
6 registrant and intended for distribution as complimentary samples. A separate inventory shall be
7 made for each registered location and each independent activity registered, except as provided in
8 paragraph (e)(4) of this section. In the event controlled substances in the possession or under the
9 control of the registrant are stored at a location for which he/she is not registered, the substances
10 shall be included in the inventory of the registered location to which they are subject to control or
11 to which the person possessing the substance is responsible. The inventory may be taken either as
12 of opening of business or as of the close of business on the inventory date and it shall be indicated
13 on the inventory.

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15 "(c) Biennial inventory date. After the initial inventory is taken, the registrant shall take a
16 new inventory of all stocks of controlled substances on hand at least every two years. The
17 biennial inventory may be taken on any date which is within two years of the previous biennial
18 inventory date."

19 COST RECOVERY

20 12. Section 125.3 of the Code provides, in pertinent part, that the Board may request the
21 administrative law judge to direct a licentiate found to have committed a violation or violations of
22 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and
23 enforcement of the case, with failure of the licentiate to comply subjecting the license to not being
24 renewed or reinstated. If a case settles, recovery of investigation and enforcement costs may be
25 included in a stipulated settlement.

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1 **FIRST CAUSE FOR DISCIPLINE**

2 (Inventory Requirements)

3 13. Respondents Centurywood Pharmacy and Chacko are subject to disciplinary action
4 under California Code of Regulations, title 16, section 1304.11, subdivision (a) in that
5 Respondents failed to inventory a complete and accurate record of all controlled substances on
6 hand on the date the inventory is taken and failed to maintain in written, type written, or printed
7 form at the register location. The circumstances are as follows:

8 14. On or about August 7, 2015, a Board Inspector conducted an inspection of
9 Centurywood Medical Pharmacy. The inspection revealed that Respondents failed to conduct a
10 Schedule II Biennial Inventory and the Schedule III-V Biennial Inventory, dated July 25, 2013,
11 was not signed, did not indicate if the inventory was taken at the opening or closing of business.

12 **SECOND CAUSE FOR DISCIPLINE**

13 (Inventory Requirements)

14 15. Respondents Centurywood Pharmacy and Chacko are subject to disciplinary action
15 under California Code of Regulations, title 16, section 1304.11, subdivision (c) in that
16 Respondents failed to take a new inventory of all stocks of controlled substances on hand at least
17 every two years. The circumstances are as follows:

18 16. On or about August 7, 2015, a Board Inspector conducted an inspection of
19 Centurywood Medical Pharmacy. The inspection revealed that Respondents exceeded the
20 requirement of having a new Biennial Inventory taken within two years of the previous biennial
21 inventory date.

22 **THIRD CAUSE FOR DISCIPLINE**

23 (Fraudulent Activity)

24 17. Respondents Centurywood Pharmacy, Chacko and Horne are subject to disciplinary
25 action under Code section 4301, subdivision (f) in that Respondents committed an act involving
26 moral turpitude, dishonesty, fraud, deceit, or corruption. The circumstances are as follows:

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1 18. On or about August 7, 2015, a Board Inspector conducted an inspection of
2 Centurywood Medical Pharmacy. The inspection revealed that Respondents retained numerous
3 'return to stock' prescription bottles that had not had their third party (insurance) billing charges
4 reversed in the pharmacy computer system for medication not dispensed. A total of seven (7) out
5 twelve (12) 'return to stock' bottles pulled from the pharmacy active stock were found to have un-
6 reversed charges where the pharmacy would have received reimbursement for medication not
7 dispensed to the intended patients.

8 **OTHER MATTERS**

9 19. Pursuant to Code section 4307, if discipline is imposed on Original Pharmacy Permit
10 Number PHY 49113 issued to Quali-Care Health Corporation dba Centurywood Medical
11 Pharmacy, with Khanh Horne as President, 100% shareholder, Secretary and Treasurer/Chief
12 Financial Officer have been an officer and had knowledge of or knowingly participated in any
13 conduct for which the licensee was disciplined shall be prohibited from serving as a manager,
14 administrator, owner, member, officer, director, associate, or partner of a licensee for five years if
15 Original Pharmacy Permit Number PHY 49113 is placed on probation or until Original Pharmacy
16 Permit Number PHY 49113 is reinstated if it is revoked.

17 20. Pursuant to Code section 4307, if discipline is imposed on Original Pharmacy Permit
18 Number PHY 49113 issued to Quali-Care Health Corporation dba Centurywood Medical
19 Pharmacy, with Khanh Horne as President, 100% shareholder, Secretary and Treasurer/Chief
20 Financial Officer have been an officer and had knowledge of or knowingly participated in any
21 conduct for which the licensee was disciplined, Khanh Horne shall be prohibited from serving as
22 a manager, administrator, owner, member, officer, director, associate, or partner of a licensee for
23 five years if Original Pharmacy Permit Number PHY 49113 is placed on probation or until
24 Original Pharmacy Permit Number PHY 49113 is reinstated if it is revoked.

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1 PRAYER

2 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
3 and that following the hearing, the Board of Pharmacy issue a decision:

4 1. Revoking or suspending Pharmacy Permit Number PHY 49113, issued to Quali-Care
5 Health Corporation dba Centurywood Medical Pharmacy, with Khanh Horne as President, 100%
6 shareholder, Secretary and Treasurer/Chief Financial Officer;

7 2. Revoking or suspending Original Pharmacist License Number RPH 67019, issued to
8 Annie Chacko;

9 3. Revoking or suspending Original Pharmacy Technician Registration Number TCH
10 27505, issued to Khanh M. Horne;

11 4. Prohibiting Quali-Care Health Corporation dba Centurywood Medical Pharmacy,
12 with Khanh Horne as President, 100% shareholder, Secretary and Treasurer/Chief Financial
13 Officer from serving as a manager, administrator, owner, member, officer, director, associate, or
14 partner of a licensee for five years if Original Pharmacy Permit Number PHY 49113 is placed on
15 probation or until Original Pharmacy Permit Number PHY 49113 is reinstated if Original
16 Pharmacy Permit Number PHY 49113 issued to Quali-Care Health Corporation dba Centurywood
17 Medical Pharmacy is revoked;

18 5. Prohibiting Khanh Horne from serving as a manager, administrator, owner, member,
19 officer, director, associate, or partner of a licensee for five years if Original Pharmacy Permit
20 Number PHY 49113 is placed on probation or until Original Pharmacy Permit Number PHY
21 49113 is reinstated if Original Pharmacy Permit Number PHY 49113 issued to Quali-Care Health
22 Corporation dba Centurywood Medical Pharmacy is revoked;

23 6. Ordering Quali-Care Health Corporation dba Centurywood Medical Pharmacy, Annie
24 Chacko and Khanh M. Horne, to pay the Board of Pharmacy the reasonable costs of the
25 investigation and enforcement of this case, pursuant to Business and Professions Code section
26 125.3; and

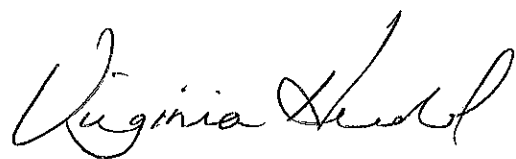
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7. Taking such other and further action as deemed necessary and proper.

DATED: 3/13/17



VIRGINIA HEROLD
Executive Officer
Board of Pharmacy
Department of Consumer Affairs
State of California
Complainant

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