

**BEFORE THE  
BOARD OF PHARMACY  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

Case No. 4223

**ADVANCED RX INC. DBA ALVARDO  
DISCOUNT PHARMACY**

1107 S. Alvarado St. #103  
Los Angeles, CA 90006

Original Permit No. PHY 49031  
Sterile Compounding License No. LSC 99599

Respondent.

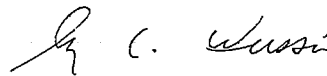
**DECISION AND ORDER**

The attached Stipulated Surrender of License and Order is hereby adopted by the Board of Pharmacy, Department of Consumer Affairs, as its Decision in this matter.

This decision shall become effective on July 28, 2014.

It is so ORDERED on July 23, 2014.

BOARD OF PHARMACY  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA



By

\_\_\_\_\_  
STAN C. WEISSER  
Board President

1 KAMALA D. HARRIS  
Attorney General of California  
2 GREGORY J. SALUTE  
Supervising Deputy Attorney General  
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*Attorneys for Complainant*

7  
8 **BEFORE THE**  
**BOARD OF PHARMACY**  
9 **DEPARTMENT OF CONSUMER AFFAIRS**  
**STATE OF CALIFORNIA**

10 In the Matter of the Accusation Against:  
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12 **ADVANCED RX INC. DBA ALVARADO**  
**DISCOUNT PHARMACY**  
13 **1107 S. Alvarado St. #103**  
**Los Angeles, CA**  
14 **Original Permit No. PHY 49031**  
**Sterile Compounding License No. LSC**  
15 **99599**  
16 Respondent.

Case No. 4223

**STIPULATED SURRENDER OF  
LICENSE AND ORDER**

17  
18 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-  
19 entitled proceedings that the following matters are true:

20 PARTIES

21 1. Virginia Herold (Complainant) is the Executive Officer of the Board of Pharmacy.  
22 She brought this action solely in her official capacity and is represented in this matter by Kamala  
23 D. Harris, Attorney General of the State of California, by M. Travis Peery, Deputy Attorney  
24 General.

25 2. Advanced RX Inc. dba Alvarado Discount Pharmacy is representing itself in this  
26 proceeding and has chosen not to exercise its right to be represented by counsel.

27 3. On or about April 11, 2008, the Board of Pharmacy issued Original Permit No. PHY  
28 49031 to Advanced RX Inc. dba Alvarado Discount Pharmacy (Respondent). The Original

1 Permit was in full force and effect at all times relevant to the charges brought in Accusation No.  
2 4223 and expired on April 1, 2014.

3 4. On or about May 12, 2010, the Board of Pharmacy issued Sterile Compounding  
4 License No. LSC 99599 to Advanced RX Inc. dba Alvarado Discount Pharmacy. The Sterile  
5 Compounding Permit was in full force and effect at all times relevant to the charges brought in  
6 Accusation No. 4223 and was Discontinued of Business effective January 1, 2013.

7 JURISDICTION

8 5. Accusation No. 4223 was filed before the Board of Pharmacy (Board), Department of  
9 Consumer Affairs, and is currently pending against Respondent. The Accusation and all other  
10 statutorily required documents were properly served on Respondent on March 20, 2014.  
11 Respondent timely filed its Notice of Defense contesting the Accusation. A copy of Accusation  
12 No. 4223 is attached as Exhibit A and incorporated by reference.

13 ADVISEMENT AND WAIVERS

14 6. Respondent has carefully read, and understands the charges and allegations in  
15 Accusation No. 4223. Respondent also has carefully read, and understands the effects of this  
16 Stipulated Surrender of License and Order.

17 7. Respondent is fully aware of its legal rights in this matter, including the right to a  
18 hearing on the charges and allegations in the Accusation; the right to be represented by counsel, at  
19 its own expense; the right to confront and cross-examine the witnesses against it; the right to  
20 present evidence and to testify on its own behalf; the right to the issuance of subpoenas to compel  
21 the attendance of witnesses and the production of documents; the right to reconsideration and  
22 court review of an adverse decision; and all other rights accorded by the California  
23 Administrative Procedure Act and other applicable laws.

24 8. Respondent voluntarily, knowingly, and intelligently waives and gives up each and  
25 every right set forth above.

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1 CULPABILITY

2 9. Respondent understands that the charges and allegations in Accusation No. 4223, if  
3 proven at a hearing, constitute cause for imposing discipline upon its Pharmacy License.

4 10. For the purpose of resolving the Accusation without the expense and uncertainty of  
5 further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual  
6 basis for the charges in the Accusation and that those charges constitute cause for discipline.  
7 Respondent hereby gives up its right to contest that cause for discipline exists based on those  
8 charges.

9 11. Respondent understands that by signing this stipulation it enables the Board to issue  
10 an order accepting the surrender of its Pharmacy License without further process.

11 CONTINGENCY

12 12. This stipulation shall be subject to approval by the Board of Pharmacy. Respondent  
13 understands and agrees that counsel for Complainant and the staff of the Board of Pharmacy may  
14 communicate directly with the Board regarding this stipulation and surrender, without notice to or  
15 participation by Respondent. By signing the stipulation, Respondent understands and agrees that  
16 it may not withdraw its agreement or seek to rescind the stipulation prior to the time the Board  
17 considers and acts upon it. If the Board fails to adopt this stipulation as its Decision and Order,  
18 the Stipulated Surrender and Disciplinary Order shall be of no force or effect, except for this  
19 paragraph, it shall be inadmissible in any legal action between the parties, and the Board shall not  
20 be disqualified from further action by having considered this matter.

21 13. The parties understand and agree that Portable Document Format (PDF) and facsimile  
22 copies of this Stipulated Surrender of License and Order, including PDF and facsimile signatures  
23 thereto, shall have the same force and effect as the originals.

24 14. This Stipulated Surrender of License and Order is intended by the parties to be an  
25 integrated writing representing the complete, final, and exclusive embodiment of their agreement.  
26 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,  
27 negotiations, and commitments (written or oral). This Stipulated Surrender of License and Order

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1 may not be altered, amended, modified, supplemented, or otherwise changed except by a writing  
2 executed by an authorized representative of each of the parties.

3 15. In consideration of the foregoing admissions and stipulations, the parties agree that  
4 the Board may, without further notice or formal proceeding, issue and enter the following Order:

5 **ORDER**

6 IT IS HEREBY ORDERED that Respondent Advanced RX Inc. dba Alvarado Discount  
7 Pharmacy surrenders Original Permit No. PHY 49031 as of the effective date of this decision.  
8 Respondent shall relinquish the premises wall license and renewal license to the Board within 10  
9 days of the effective date of this decision.

10 1. The surrender of respondent's license and the acceptance of the surrendered license by  
11 the board shall constitute the imposition of discipline against respondent. This decision  
12 constitutes a record of discipline and shall become a part of respondent's license history with the  
13 board.

14 2. Respondent shall, within ten (10) days of the effective date, arrange for the  
15 destruction of, the transfer to, sale of or storage in a facility licensed by the board of all controlled  
16 substances and dangerous drugs and devices. Respondent shall further provide written proof of  
17 such disposition and submit a completed Discontinuance of Business form according to board  
18 guidelines.

19 3. Respondent shall also, by the effective date of this decision, arrange for the  
20 continuation of care for ongoing patients of the pharmacy by, at minimum, providing a written  
21 notice to ongoing patients that specifies the anticipated closing date of the pharmacy and that  
22 identifies one or more area pharmacies capable of taking up the patients' care, and by cooperating  
23 as may be necessary in the transfer of records or prescriptions for ongoing patients. Within five  
24 days of its provision to the pharmacy's ongoing patients, Respondent shall provide a copy of the  
25 written notice to the board. For the purposes of this provision, "ongoing patients" means those  
26 patients for whom the pharmacy has on file a prescription with one or more refills outstanding, or  
27 for whom the pharmacy has filled a prescription within the preceding sixty (60) days.

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1 4. Respondent understands and agrees that if it ever files an application for a licensed  
2 premises or a petition for reinstatement in the State of California, the board shall treat it as a new  
3 application for licensure.

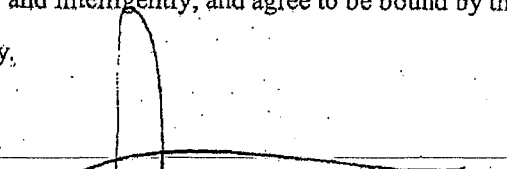
4 5. Respondent may not reapply for any license from the board for three (3) years from  
5 the effective date of this decision. Respondent stipulates that should it apply for any license from  
6 the board on or after the effective date of this decision, all allegations set forth in Accusation No.  
7 4223 shall be deemed to be true, correct and admitted by respondent when the board determines  
8 whether to grant or deny the application. Respondent shall satisfy all requirements applicable to  
9 that license as of the date the application is submitted to the board, Respondent is required to  
10 report this surrender as disciplinary action.

11 6. Respondent stipulates that should it apply for any license from the board on or after  
12 the effective date of this decision the investigation and prosecution costs in the amount of  
13 \$5,645.00 shall be paid to the board prior to issuance of the new license.

14 ACCEPTANCE

15 I have carefully read the Stipulated Surrender of License and Order. I understand the  
16 stipulation and the effect it will have on my Original Permit. I enter into this Stipulated Surrender  
17 of License and Order voluntarily, knowingly, and intelligently, and agree to be bound by the  
18 Decision and Order of the Board of Pharmacy.

19  
20 DATED: 5/21/14

21   
22 ADVANCED RX INC. DBA ALVARADO  
DISCOUNT PHARMACY  
Respondent

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ENDORSEMENT

The foregoing Stipulated Surrender of License and Order is hereby respectfully submitted for consideration by the Board of Pharmacy of the Department of Consumer Affairs.

Dated: 5-22-14

Respectfully submitted,

KAMALA D. HARRIS  
Attorney General of California  
GREGORY J. SALUTE  
Supervising Deputy Attorney General



M. TRAVIS PEERY  
Deputy Attorney General  
*Attorneys for Complainant*

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**Exhibit A**

**Accusation No. 4223**



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Attorney General of California  
2 GREGORY J. SALUTE  
Supervising Deputy Attorney General  
3 M. TRAVIS PEERY  
Deputy Attorney General  
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**Los Angeles, CA 90006**  
14 **Original Permit No. PHY 49031**  
**Sterile Compounding License No. LSC**  
15 **99599**

**A C C U S A T I O N**

16 Respondents.

17 Complainant alleges:

18 **PARTIES**

- 19 1. Virginia Herold (Complainant) brings this Accusation solely in her official capacity  
20 as the Executive Officer of the Board of Pharmacy, Department of Consumer Affairs.  
21 2. On or about April 11, 2008, the Board of Pharmacy issued Original Permit Number  
22 PHY 49031 to Advanced RX Inc. dba Alvarado Discount Pharmacy (Respondent). The Original  
23 Permit was in full force and effect at all times relevant to the charges brought herein and will  
24 expire on April 1, 2014, unless renewed.  
25 3. On or about May 12, 2010, the Board of Pharmacy issued Sterile Compounding  
26 Permit Number LSC 99599 to Advanced RX Inc. dba Alvarado Discount Pharmacy. The Sterile  
27  
28

1 Compounding Permit was in full force and effect at all times relevant to the charges brought  
2 herein and was Discontinued of Business effective January 1, 2013.

3 **JURISDICTION**

4 4. This Accusation is brought before the Board of Pharmacy (Board), Department of  
5 Consumer Affairs, under the authority of the following laws. All section references are to the  
6 Business and Professions Code (Code) unless otherwise indicated.

7 5. Section 4300.1 states:

8 "The expiration, cancellation, forfeiture, or suspension of a board-issued license by  
9 operation of law or by order or decision of the board or a court of law, the placement of a license  
10 on a retired status, or the voluntary surrender of a license by a licensee shall not deprive the board  
11 of jurisdiction to commence or proceed with any investigation of, or action or disciplinary  
12 proceeding against, the licensee or to render a decision suspending or revoking the license."

13 **STATUTORY PROVISIONS**

14 6. Section 4022 of the Code defines the term "dangerous drug" as "any drug . . . unsafe  
15 for self-use in humans or animals, and includes the following:

16 "(a) Any drug that bears the legend: 'Caution: federal law prohibits dispensing without  
17 prescription,' 'Rx only,' or words of similar import.

18 . . . .

19 "(c) Any other drug . . . that by federal or state law can be lawfully dispensed only on  
20 prescription or furnished pursuant to Section 4006."

21 7. Section 4040, subdivision (a) of the Code states:

22 "(a) 'Prescription' means an oral, written, or electronic transmission order that is both of the  
23 following:

24 (1) Given individually for the person or persons for whom ordered that includes all of the  
25 following:

26 (A) The name or names and address of the patient or patients.

27 (B) The name and quantity of the drug or device prescribed and the directions for use.

28 (C) The date of issue.

1 (D) Either rubber stamped, typed, or printed by hand or typeset, the name, address, and  
2 telephone number of the prescriber, his or her license classification, and his or her federal registry  
3 number, if a controlled substance is prescribed.

4 (E) A legible, clear notice of the condition or purpose for which the drug is being  
5 prescribed, if requested by the patient or patients.

6 (F) If in writing, signed by the prescriber issuing the order, or the certified nurse-midwife,  
7 nurse practitioner, physician assistant, or naturopathic doctor who issues a drug order pursuant to  
8 Section 2746.51, 2836.1, 3502.1, or 3640.5, respectively, or the pharmacist who issues a drug  
9 order pursuant to either Section 4052.1 or 4052.2.

10 (2) Issued by a physician, dentist, optometrist, podiatrist, veterinarian, or naturopathic  
11 doctor pursuant to Section 3640.7 or, if a drug order is issued pursuant to Section 2746.51,  
12 2836.1, 3502.1, or 3460.5, by a certified nurse-midwife, nurse practitioner, physician assistant, or  
13 naturopathic doctor licensed in this state, or pursuant to either Section 4052.1 or 4052.2 by a  
14 pharmacist licensed in this state.”

15 8. Section 4300 of the Code states:

16 (a) Every license issued may be suspended or revoked.

17 (b) The board shall discipline the holder of any license issued by the board, whose default  
18 has been entered or whose case has been heard by the board and found guilty, by any of the  
19 following methods:

20 (1) Suspending judgment.

21 (2) Placing him or her upon probation.

22 (3) Suspending his or her right to practice for a period not exceeding one year.

23 (4) Revoking his or her license.

24 (5) Taking any other action in relation to disciplining him or her as the board in its  
25 discretion may deem proper.

26 “ . . . .

27 (e) The proceedings under this article shall be conducted in accordance with Chapter 5  
28 (commencing with Section 11-500) of Part 1 of Division 3 of the Government Code, and the board

1 shall have all the powers granted therein. The action shall be final, except that the propriety of  
2 the action is subject to review by the superior court pursuant to Section 1094.5 of the Code of  
3 Civil Procedure.”

4 9. Section 4301 of the Code states:

5 “The board shall take action against any holder of a license who is guilty of unprofessional  
6 conduct or whose license has been procured by fraud or misrepresentation or issued by mistake.

7 Unprofessional conduct shall include, but is not limited to, any of the following:

8 " . . . .

9 "(f) The commission of any act involving moral turpitude, dishonesty, fraud, deceit, or  
10 corruption, whether the act is committed in the course of relations as a licensee or otherwise, and  
11 whether the act is a felony or misdemeanor or not.

12 "(g) Knowingly making or signing any certificate or other document that falsely represents  
13 the existence or nonexistence of a state of facts.

14 " . . . .

15 "(o) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the  
16 violation of or conspiring to violate any provision or term of this chapter or of the applicable  
17 federal and state laws and regulations governing pharmacy, including regulations established by  
18 the board or by any other state or federal regulatory agency.

19 "(p) Actions or conduct that would have warranted denial of a license.

20 **REASONABLE COSTS**

21 10. Section 125.3 of the Code provides, in pertinent part, that the Board may request the  
22 administrative law judge to direct a licentiate found to have committed a violation or violations of  
23 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and  
24 enforcement of the case.

25 **STATEMENT OF FACTS**

26 11. From on or about April 12, 2008, to February 14, 2009, Steve Sepanian was the  
27 Pharmacist-in-Charge (PIC) of Respondent Alvarado Discount Pharmacy.

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1           12. From on or about February 16, 2009 to July 15, 2009, Leslie Domeyer was the PIC of  
2 Respondent Alvarado Discount Pharmacy.

3           13. From on or about August 17, 2009 through the present, Minh Hoa Ma has been the  
4 PIC of Respondent Alvarado Discount Pharmacy.

5           14. On or about December 30, 2010, the Board received a written complaint from  
6 attorney Natalia Bautista alleging Respondent of fraudulently billing her client, the Laundry and  
7 Dry Cleaning Workers' Local No. 52 Health & Welfare Trust (Trust). Ms. Bautista stated in the  
8 complaint that the Trust was a party to an agreement with Express Scripts Inc. (ESI) pursuant to  
9 which ESI administers the prescription drug benefit plan on behalf of the Trust. According to the  
10 complaint, ESI conducted audits of Alvarado based on a suspiciously high rate of compounding  
11 by Respondent for the time period of May 2008 to March 2009. The ESI report addressed,  
12 among other things, the continuous use of Hyaluronic Acid Sodium Powder in compounds made  
13 by Respondent and stated that it appeared Respondent attempted to bill compounds which did not  
14 need to be compounded using Hyaluronic Acid to justify the amount of the claim billed.

15           15. A board inspector conducted an investigation of Respondent Alvarado Discount  
16 Pharmacy in which he reviewed Respondent's 'compounding ingredient worksheets' (provided  
17 by Respondent upon ESI's request for ingredients within compounds), scanned prescription  
18 images, and/or a compound calculation worksheet (an ESI generated spreadsheet). The board  
19 inspector then extracted information from the 'compound ingredient worksheet' such as the RX#,  
20 drug, and dispensed date on the claims involving the ingredient Hyaluronic Acid; then reviewed  
21 the compounding logs for the subsequent RX#, drug, and dispensed date to determine if they  
22 matched. Upon confirming a match, the board inspector retrieved the lot# recorded in the  
23 compounding logs in association with the RX# and drug. With the lot#, the inspector then  
24 reviewed the logged compounding formula worksheets for the compounded drug and  
25 corresponding lot #.

26           16. The board inspector's investigation revealed that the following 130 prescription  
27 claims submitted by Respondent to ESI listed Hyaluronic Acid as an ingredient in the compound  
28

1 when, based upon the logged compounding formula worksheets, Hyaluronic Acid was not an  
 2 ingredient utilized in the compounded drug:

Compounded Drug	RX #	Dispensed Date
Amlodipine 10mg / Benazepril 22mg capsules	26021	1/29/2009
	7236	6/28/2008
	9370	7/31/2008
	9499	8/1/2008
	9540	8/2/2008
	10808	8/22/2008
	12536	9/15/2008
Aspirin 81mg / Plavix 4.5mg capsules	14444	10/3/2008
	6936	6/23/2008
	13734	9/25/2008
	13843	9/26/2008
Aveeno Anti-Itch cream	24686	1/16/2009
	27605	2/10/2009
	28966	2/20/2009
	32232	3/20/2009
	34162	4/9/2009
	35364	4/20/2009
	35787	4/27/2009
	36352	5/1/2009
Azithromycin 250mg/15ml suspension	38244	5/18/2009
Belladonna Alkaloids / Phenobarbital / Ranitidine liquid	12441	9/13/2008
	16230	10/24/2008
	19826	11/26/2008
	20735	12/6/2008
	21606	12/13/2008
	24168	1/12/2009
	24269	1/13/2009
	28094	2/12/2009
	29055	2/21/2009
	31663	3/16/2009
	38357	5/19/2009
Benzoyl Peroxide / Clindamycin gel	11853	9/6/2008
	23130	1/2/2009
	37355	5/8/2009
Chromium Picolinate 200mcg / Creon-20 capsules	10473	8/19/2008
	14301	10/1/2008
	16409	10/25/2008
	18823	11/17/2008
	19889	11/26/2008
	34128	4/9/2009

		37985	5/14/2009
1	Daniel's Solution suspension	7270	6/28/2008
	Dibucaine / Triamcinolone cream	20819	12/6/2008
2	Diphenoxylate / Atropine / Ranitidine liquid	33123	3/31/2009
		37672	5/12/2009
3		38598	5/21/2009
		14269	10/1/2008
4	Guafensein / Cetirizine liquid	20036	11/29/2008
5	Nystatin / Zinc Oxide cream	24264	1/13/2009
	Phendimetrazine 35mg / Liothyronine	10472	8/19/2008
6	2.5mcg capsules	25200	1/21/2009
	Progesterone 5% cream	10444	8/18/2008
7		8967	7/25/2008
		9143	7/28/2008
8		9218	7/29/2008
		11835	9/6/2008
9		13017	9/19/2008
10		13384	9/22/2008
		13612	9/25/2008
11		20580	12/4/2008
		20643	12/4/2008
12		20962	12/8/2008
		21593	12/13/2008
13		24383	1/13/2009
		25291	1/22/2009
14		25986	1/28/2009
		26161	1/30/2009
15		26484	1/31/2009
		27631	2/10/2009
16		29903	2/27/2009
		31634	3/14/2009
17		33736	4/6/2009
		34206	4/10/2009
18		36197	4/29/2009
		36295	4/30/2009
19		38500	5/20/2009
20	Promethazine 1.15mg / Cetirizine 0.08mg / DM 2.76mg liquid	40270	6/9/2009
		16448	10/27/2008
21	Revitalizing Eye cream	33171	3/31/2009
		8828	7/22/2008
22		9421	7/31/2008
		10492	8/19/2008
23		11109	8/27/2008
		12348	9/12/2008
24		14235	10/1/2008
		15009	10/8/2008
25		15803	10/20/2008
		17153	11/3/2008
26		17896	11/10/2008
27	Sucralfate 500mg / Ranitidine 75mg capsules	19215	11/19/2008
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1		26685	2/2/2009
		26959	2/4/2009
2		30965	3/9/2009
		31080	3/9/2009
3		31161	3/10/2009
		37571	5/11/2009
4		38388	5/20/2009
		39457	6/1/2009
5		40286	6/9/2009
		17155	11/3/2008
6		20020	11/28/2008
		25493	1/24/2009
7		32853	3/26/2009
	Super Anti-Oxidant cream	33719	4/4/2009
8		8336	7/15/2008
		9628	8/4/2008
9		12688	9/16/2008
		14557	10/4/2008
10		15871	10/20/2008
		16384	10/25/2008
11		16984	11/1/2008
		20641	12/4/2008
12		21951	12/17/2008
		23840	1/8/2009
13		25260	1/22/2009
		26865	2/4/2009
14		28350	2/16/2009
		29647	2/25/2009
15		30249	3/3/2009
		30720	3/7/2009
16		30873	3/9/2009
		31383	3/12/2009
17		38093	5/16/2009
		38176	5/16/2009
18		38380	5/20/2009
	Tramadol 25mg / Dextromethorphan 10mg capsules		
19		19244	11/20/2008
		25608	1/26/2009
20	Vitamin D 600IU / Magnesium 200mg /ml liquid		
21	Ketoprofen / Cyclobenzaprine / Ketamine / Gabapentin / Ibuprofen / Hyaluronic Acid gel		
22		10958	8/25/2008
		12616	9/15/2008
23	Super Anti-Oxidant cream	12945	9/18/2008

**FIRST CAUSE FOR DISCIPLINE**

**(Dishonest Acts)**

17. Respondent Alvarado Discount Pharmacy is subject to disciplinary action under section 4301, subdivision (f) for committing acts of moral turpitude, dishonesty, fraud, deceit or corruption. Specifically, from about May 2008 to December 2009, Respondent fraudulently



1 submitted prescription claims to ESI on compounded medications with an ingredient (Hyaluronic  
2 Acid) which was not used in the compound. Approximately 130 prescriptions were furnished  
3 without the ingredient Hyaluronic Acid in the compound (as shown by the 'compounding formula  
4 worksheets') but fraudulently claimed (billed) as if the ingredient was included in the compound  
5 (as shown by the 'compounding ingredient worksheets' provided by Respondent when requested  
6 by ESI). Complainant refers to and incorporates all the allegations contained in paragraphs 11  
7 through 16 above, as though set forth fully.

8 **SECOND CAUSE FOR DISCIPLINE**

9 **(Knowingly Making a False Document)**

10 18. Respondent Alvarado Discount Pharmacy is subject to disciplinary action under  
11 section 4301, subdivision (g) for knowingly making or signing any certificate or other document  
12 that falsely represents the existence or non-existence of a state of facts. Specifically, from about  
13 May 2008 to December 2009, Respondent fraudulently submitted prescription claims to ESI on  
14 compounded medications with an ingredient (Hyaluronic Acid) which was not used in the  
15 compound. Approximately 130 prescriptions were furnished without the ingredient Hyaluronic  
16 Acid in the compound (as shown by the 'compounding formula worksheets') but fraudulently  
17 claimed (billed) as if the ingredient was included in the compound (as shown by the  
18 'compounding ingredient worksheets' provided by Respondent when requested by ESI).  
19 Complainant refers to and incorporates all the allegations contained in paragraphs 11 through 16  
20 above, as though set forth fully.

21 **DISCIPLINE CONSIDERATIONS**

22 19. To determine the degree of discipline, if any, to be imposed on Respondent Alvarado  
23 Discount Pharmacy, Complainant alleges that on or about September 27, 2010, in a prior action,  
24 the Board issued Citation Number C1 2009 42987 and ordered Respondent to pay a total of  
25 \$4,500.00 in fines. That Citation is now final and is incorporated by reference as if fully set forth.  
26 The fines were imposed for the following:

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1 a. Violation of California Code of Regulations, title 16, section 1761, subdivision (a),  
2 which prohibits pharmacists from compounding or dispensing any prescription which contains  
3 any significant error or omission.

4 b. Violation of Code section 4040, subdivisions (a)(1)(B), pursuant to California Code  
5 of Regulations, title 16, section 1717, subdivision (c), in conjunction with Code section 4071,  
6 which requires promptly upon receipt of an orally transmitted prescription, that the pharmacist  
7 reduce it to writing, initial it, and identify it as an orally transmitted prescription. All orally  
8 transmitted prescriptions shall be received and transcribed (with the name and quantity of the  
9 drug prescribed and directions for use) by a pharmacist prior to compounding, filling, dispensing,  
10 or furnishing. The furnisher shall determine the person who transmitted the prescription is  
11 authorized to do so and record the name of the authorized agent who transmitted the order.

12 c. Violation of Code section 4052.2, subdivision (a)(4), which requires that initiation or  
13 adjustment of the drug regimen of a patient be pursuant to a specific written order or  
14 authorization made by the individual patient's treating prescriber in accordance with the policies,  
15 procedures, or protocols of the physician.

16 d. Violation of Code section 4342, subdivision (a), which prohibits the sale of  
17 pharmaceutical preparations and drugs that do not conform to the standard and tests as to quality  
18 and strength.

19 e. Violation of California Code of Regulations, title 16, section 1714, subdivision (g),  
20 which requires the pharmacy maintain a readily accessible restroom.

21 **PRAYER**

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

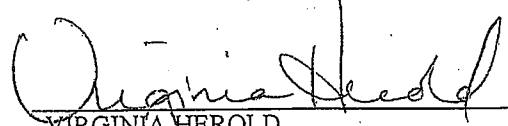
24 1. Revoking or suspending Original Permit Number PHY 49031, issued to Advanced  
25 RX Inc. dba Alvarado Discount Pharmacy;

26 2. Ordering Advanced RX Inc. dba Alvarado Discount Pharmacy to pay the Board of  
27 Pharmacy the reasonable costs of the investigation and enforcement of this case, pursuant to Code  
28 section 125.3; and

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

DATED: 2/18/14



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

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