

# A dispensing pharmacy: is it right for your community practice?

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As the number of oral cancer therapy approvals continues to rise in the United States, many oncologists must now consider new and creative ways to capitalize on the movement from infusion to oral chemotherapy agents. The solution may be an in-house dispensing pharmacy program. Not only can the practice benefit from the increasing revenues of adding an in-house pharmacy, a dispensary also offers a more seamless and efficient way to deliver improved quality of care to patients. **See [www.CommunityOncology.net/journal/0309.html](http://www.CommunityOncology.net/journal/0309.html) for the "Community Experience" of one practice that has opened an in-house pharmacy.**

Physicians have been accustomed to maintaining total care for patients within the practice setting. They see the patient in the exam room, come up with a treatment plan, and have a small lab service for various types of therapies. Many have imaging services and radiation, and they infuse medication on site.

However, when a medication is moved to oral therapy, there is a potential for loss of continuity and quality of care for the patient who leaves that practice and goes to a pharmacy to get the medication. The pharmacy may not have access to the records of the physician, lab data, or even a diagnosis on the prescription. Even though the pharmacist is charged with educating the patient about the medication, he or she may not know how the physician intended on using it.

## The new drug delivery

Currently, there are about 400 drugs in the oncology pipeline; a growing percentage of them are oral therapies. According to James C. Chingos, MD, CPE, president of the Association of Community Cancer Centers, "Over time, cancer therapies will be slowly 'shifted' out of the classic infusion center."<sup>1</sup> This shift lends itself not only to a new means of delivering patient care, but also refocuses attention on the way in which chemotherapy agents are dispensed. The oncology community faces the promise and challenge of how these therapies will be reimbursed and how practitioners will ensure patient adherence to the new treatment regimens.

There are many links in the typical chain of medication delivery—manufacturers, insurance companies, employers, pharmacy benefits managers, physicians, and the corner drug store. While this changing of hands puts the continuum of care at risk, it also puts physicians back in the center of oral drug dispensing,

just as they are with infusion therapy. The only visible change to this new model is the improvement in service to the patient.

## Setting up a dispensing service

The typical oncology practice of the past essentially dealt with just the major medical side of insurance for office visits, e-encoding, lab services, imaging services, and infusion therapy. However, if there is a pharmacy in the practice, practitioners can pick up the other half of the insurance that is provided through pharmacy benefits. Oncologists who have a licensed in-house pharmacy apply for the same pharmacy benefit plans as any other independent or chain pharmacy would do in their community. As a general rule, physicians can legally dispense oncology drugs in all but four states—

### KEY POINTS

With the increase in oral cancer treatments, some community practices are now considering adding in-house dispensing pharmacies.

Increased revenues and more seamless delivery of care are the two major benefits.

In addition to oral chemotherapy, a practice pharmacy can also dispense supportive care drugs, offering patients "one-stop shopping."

A companion piece on page 606 compares different pharmacy models and dispensing methods.

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Massachusetts, Montana, Texas, and Utah. A few major plans do not recognize oncology dispensing.

A practice that is considering providing a dispensing service should make sure its legal counsel has reviewed the plan and that it complies with the various laws and regulations, including state pharmacy rules, board of medicine policies and restrictions, and insurance plan rules. Dispensing programs also must be consistent with Federal fraud and abuse laws, including the Stark regulations that govern physician referrals for certain designated health services when the physician has a financial relationship with the entity receiving the referral.

For all intents and purposes, an in-house pharmacy is no different from a traditional pharmacy. Many of the drugs offered are the same, in this case, oral chemotherapies and supportive care drugs. Record keeping is the same, as is the requirement to educate patients. Before treatment, most practices provide some type of educational materials for their patients on prescribed infusion drug products. The same is required for the dispensing of oral medications. Whether you plan to prescribe oral chemotherapy as a dispensing physician or you intend to hire a pharmacist and apply for a pharmacy license, you must provide information on the indications and contraindications,

side effects, and drug interactions—all those things that a patient must be advised of.

What it comes to payment, there are differences between reimbursement to a practice and to a pharmacy. Medical practices provide the services first, create a superbill, and submit the claim after the patient leaves. In traditional pharmacies, the patient billing information is keyed into the computer, which stores the prescription information and transmits the claim in real time. The claim comes back and, if approved, cues the pharmacist to print the label so the product can be dispensed. In the pharmacy world, you get paid first before you actually fill the prescription for the patient. From an operational standpoint, that's a small adjustment for practices.

### Making it work

A pharmacy program is not like the "Field of Dreams" where "if we build it, they will come." If you open an in-house pharmacy, everyone—from the physicians to the nursing staff, pharmacist, pharmacy technicians, and billers—must understand that **this new business within the practice must be "marketed"** to patients as convenient "one-stop" shopping. Each time a physician writes a prescription, the patient should also receive a brochure that tells him or her about the in-house pharmacy and the opportunity to fill the prescription on site. Patients have the right to buy their medication wherever they want, but they should be made aware of your service.

In a few years, practices providing a dispensing service will likely have the ability to maintain all those data on the patients' medical records—either paper or electronic medical record—combined with their pharmacy records. This will enable healthcare providers to better monitor patients. Those with more complex cancer cases will benefit when workups and refilling prescriptions can all be done under the same roof. By streamlining care in this way, we should expect to see an

## Sizing up the pros and cons

There are a number of things to consider when deciding whether to include a dispensing pharmacy in your practice:

### Benefits

- You can offer a continuity of specialized services to patients.
- The overall treatment process remains within the practice; the same technician who prepared and infused the patient's chemotherapy is now dispensing the new oral drug.
- In-house counseling to the patient is an added service that enhances the "trust factor."
- Some medications and treatments that insurance plans would not have paid for before are now available because the prescription is being billed through the pharmacy benefit and paid for by managed care.
- Your practice's revenue is enhanced.

### Challenges

- Your in-house pharmacy needs to stock specialized items including antibiotics, diabetic medications, antidepressants, and analgesics.
- You have to ensure that you are complying with the relevant rules and regulations.
- You need to understand that just because you are under a major medical plan, you do not necessarily also fall under its pharmacy plan. To participate in all the pharmacy benefits, you need to undergo re-credentialing.
- Insurance plans are based on the location of the facility and not the individual practitioners with their own provider numbers. It's the address that has the provider number.

improvement in the quality of care and patient adherence to regimens.

### Reference

1. Association of Community Cancer Centers ([www.accc-cancer.org](http://www.accc-cancer.org), Oncology Issues Vol. 21, No 3, May/June 2006.

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### Resources

Here are just a few of the organizations profiled on our Web site at [www.CommunityOncology.net/journal/0309.html](http://www.CommunityOncology.net/journal/0309.html) that can assist practices wishing to dispense medications:

#### Physicians Total Care

- [www.physiciantotalcare.com](http://www.physiciantotalcare.com)
- 800-759-3650

#### International Oncology Network

- [www.iononline.com](http://www.iononline.com)
- 410-843-3830

#### National Oncology Alliance

- [www.noainc.com](http://www.noainc.com)
- 866-466-2462