

Choosing a pharmacy model and a dispensing method

Jennie Smith | National Oncology Alliance, San Francisco, CA

Once your practice has decided to offer dispensing services, you'll need to determine the pharmacy model and dispensing method that suit you:

In-house pharmacy

This is a viable option for larger practices—typically those with six or more physicians. But an in-house pharmacy requires large amounts of space and involves overhead associated with hiring a licensed pharmacist and a pharmacy technician. An in-house pharmacy is regulated by state boards of pharmacy, but not all states allow physicians to own or be a part owner of a pharmacy, so you will need to carefully review your state's regulations.

Physician office dispensing

This solution provides a less costly alternative. A vendor supplies the medications to the practice, either in bulk or in pre-packaged units, as explained at right. In all states except for Texas, Massachusetts, Utah, and Montana, physicians may dispense medications under their medical license. Depending on the state, physician office dispensing may be regulated through either the board of pharmacy or medicine.

Specialty pharmacy

In this model, when a patient arrives for treatment and a medication is prescribed, the prescription is sent to a specialty pharmacy, which then fills the prescription and mails the drug to

the patient's home. Although specialty pharmacies provide many valuable services to oncology practices, this model is not suitable when medication is needed immediately. With a specialty pharmacy, patients must wait anywhere from a few days to a week to receive their medication.

Choosing a partner for office dispensing

If you decide to dispense medications yourself, the next decision is how to order medications:

Pre-packaged, unit-of-use containers

For many practices, the most manageable way to receive and dispense medications is through a vendor that provides them in pre-packaged, unit-of-use containers. With this method, your practice can provide medications accurately and quickly to patients who can take them home immediately. Vendors should be in compliance with all Federal and state licensing requirements as well as pedigree requirements for the repackaging and shipping of pharmaceuticals.

Bulk medication

In this scenario, medications are provided to the practice in bulk bottles, typically in quantities of 100, 500, or 1,000. This requires a staff member to count out the appropriate amount of pills for each patient. This method is more time-consuming and more labor-intensive than using pre-packaged medications, and the risk of errors is greater. If you choose to receive bulk medi-

cation, perhaps because of cost savings, you should consult with your liability carrier about the increased risk.

Ease of implementation

Practices should be able to easily implement a dispensing program without having to make a large investment in additional software or hardware. Ideally, the vendor should provide flexibility in terms of purchase quantities, contract terms, and the medications available within the vendor's formulary. For oncology practices, it's critical that the vendor can provide Schedule II controlled substances.

See the *Community Oncology* Web site at www.CommunityOncology.net/journal/0309.html for a table that compares some of the dispensing system vendors in the market today. Information on the table includes upfront costs, payment terms, number of third-party payers on each vendor's plan, return on investment, types of drugs available, whether electronic prescribing is available, etc.

You can also consult a toolkit prepared by the National Oncology Alliance, which contains practical information on in-office medication dispensing. The toolkit includes a risk/benefit analysis for oral dispensing, an analysis of Medicare's impact on oral dispensing and prescription drug coverage, and a return on an investment calculator. Go to www.noainc.com or call 866-466-2462.

Ms. Smith can be reached at jsmith@noainc.com.