Processes to support successful performance of an in-office dispensing pharmacy

Streamlining Pharmacy Processes

Operational Processes

- Determine the process after the Rx is written by asking the following:
  - Who will check insurance?
  - Who will create labels?
  - Who will fill prescriptions?
  - Who will verify prescriptions?
  - How will refills be handled?
  - How will questions be handled?
  - Who will collect the payment?
  - Will there be separate accounting for the pharmacy?
- Meet frequently with physicians, clinical, and financial staff to identify best practices and ways to enhance operational processes.

Financial Processes

- Develop processes for collecting reimbursement from payers.
- Develop processes for collecting co-payments or co-insurance from patients. Consider processes that best support the variety of current methods used, such as credit card system, clearinghouse, and cash payments.
- Understand inventory and carrying costs.
- Create a separate account for the retail pharmacy to easily tell if it is profitable.

Best Practices

- Have the Chief Financial Officer regularly check unpaid accounts to identify individuals or processes that are creating problems.
- Initially develop capabilities for one or two sites and start with a few drugs at a time to minimize losses where in-office dispensing proves unprofitable.
- Make sure all patients meet with a financial counselor to explore all options for financial assistance so patients can pay for Rx’s at the time they are dispensed.
- If you have multiple sites, make sure financial systems are secure to eliminate potential theft.
- Keep logs to make sure no prescriptions are dispensed without payment.

We hope you find this resource informative. We encourage you to work with your Janssen Biotech Area Business Specialist for additional support needs.

Please visit Janssenaccessone.com for other resources that may support your practice needs.

References: Data on file.

Betsy Gross, Lilies and Carp — Artwork from The Creative Center, a non-profit organization dedicated to bringing creative arts to people living with and beyond cancer and other chronic illnesses.
Practice Considerations for In-Office Dispensing

At Janssen Biotech, Inc., we understand the unique challenges of running a practice today in an ever-changing healthcare environment. To support your efforts, we are providing this overview of considerations for establishing an in-office dispensing pharmacy.

The content highlights considerations based on regional oncology trends, setup and implementation requirements, financial analysis, and oncology case studies to help urology practices consider potential management options.

**Steps and questions your practice should consider when determining whether to develop an in-office dispensing pharmacy**

**Opportunity**

- **State Allowance**
  - Determine if your state allows physician dispensing.
  - Determine if your state allows practice-owned or practice-operated pharmacies.
  - Determine what licensure is required for your preferred staffing model. License examples include pharmacy license, physician dispensing license, or a business license.

- **Practice Financials**
  - Collect data on how many prescriptions the practice writes per month. E-prescribing data may be a useful tool to help with this process.
  - Understand how many prescriptions generate a sufficient margin to justify the investment to ensure business model viability.
  - Determine if payer mandates require a prescription be sent to a specialty pharmacy.
    - If the prescription is sent to the specialty pharmacy, understanding whether this occurs upon the first prescription or after a specific number of refills may be helpful.
    - Also, consider this information based on the practice’s current and evolving payer affiliations.
  - Develop a pro forma income statement based on these estimates to determine potential success of the business model.

- **Practice Resources**
  - Determine if the practice has enough space for a pharmacy.
  - Determine if the practice manager has enough time to develop capabilities and streamlined processes to generate profits and support patient needs.
  - Determine if you are sufficiently staffed to operate a pharmacy and its related services.
    - Identify how many additional full-time staff members will need to be hired.
    - Determine what type of additional staff members will be needed. Consider whether a business-minded pharmacist, pharmacy technician, billing specialist or other specialist will best meet the practice’s needs.

- **Practice Engagement**
  - Talk with the physicians and decide if they want to develop in-office dispensing capabilities.
  - Ensure that a physician champion is behind program.
  - Develop incentives for other physicians to send prescriptions to the in-house pharmacy.

**Considering needs and requirements prior to implementation**

**Pharmacy Facility and Dispensing Considerations**

- **Inventory**
  - Determine if you will carry all products or a limited selection of high-volume or high-margin products. This determination should be based upon the results of the practice’s pro forma income statement and patient mix.
  - If you intend to dispense limited distribution products, make sure the pharmacy and practice meet the network’s requirement.

- **State Pharmacy Requirements**
  - Seek legal counsel from an experienced healthcare attorney in your state to identify state-specific rules and regulations for in-office dispensing.
  - Determine your state’s regulations around facility size requirements.
  - Determine your state’s regulations to understand pharmacy counter requirements and other facility requirements, such as a sink or refrigerator.
  - Determine your state’s regulations around security requirements. This may include both physical and electronic security specification as well as who will have access to the pharmacy.

- **Multiple Sites**
  - Decide how many of your sites will have a pharmacy.
    - Determine if a delivery system needs to be developed to send prescriptions to other locations.
    - This may include a hub-and-spoke model or other types.
    - If your practice has sites in multiple states, determine requirements around dispensing and delivering across state lines in all affected states.

- **Pharmacy Design**
  - Determine where the pharmacy will be located.
  - Determine how much space the pharmacy will take up within your practice.

**Pharmacy Implementation**

- **Reimbursement**
  - Determine if your state has ‘any willing provider’ legislation.
  - Determine the process of using co-pay cards or foundation support.
  - Negotiate with payers for dispensing contracts, either individually or through Group Purchasing Organization (GPO) bundled contracts.
  - Apply for URAC or related accreditation if required or to support your business needs.

- **Vendors**
  - Review IT systems vendors and product features to determine the ideal system for your needs.
  - Consider selecting a pharmacy management system that is capable of verifying coverage and e-prescribing.
  - Consider exploring ‘turn-key’ solutions offered by GPOs.
  - Review potential GPO vendors and specialty distributors for supplying pharmacy inventory.

- **Resources and Supplies**
  - Coordinate phones, facsimile machines, copiers, computers, and other vital business equipment.
  - Develop marketing materials and office signs to promote in-office pharmacy offering.
  - Order appropriate vials, labels, and other pharmacy-specific resources to meet the need of the practice and patient mix.
  - Set up pharmacy counter top.
  - Ensure the pharmacy has other operational resources, such as a lock box, shelving, storage, and refrigerator. Other items may also be needed based on your specific needs or state-requirements.