

Physician Dispensing a Key in Reducing Billions to US Healthcare Costs

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In a recent article in USA Today¹, both Caremark and Express Scripts® indicated that “Missed Meds” may be costing over \$250 billion a year. While the points in the article are related to mail-out pharmacies and improved medication compliance, there are much better adherence rates when the medication is received from the clinic or physician’s office. As we look at ways to reduce the overwhelming healthcare debt facing the United States, physician dispensing is one big piece of the puzzle that can help reduce this unnecessary cost.

Physician dispensing has been around for hundreds of years; with new FDA regulations enacted about 30 years ago the practice is now growing rapidly in the United States. According to industry experts, it is estimated that approximately 10% of practicing physicians offered point-of-care dispensing at the beginning of 2010, and that the industry will grow by approximately 25% by 2015.²

In a 2007 study, 75% of patients surveyed said they would elect to have their prescription filled in their doctor’s office instead of a pharmacy if given the choice. Eighty-four percent of respondents said such a service would be more convenient, and 62% said it would help them better manage their health.³

Why Point-of-Care Dispensing is Right for Your Patients

Studies have shown that up to 30% of patients never get their prescriptions filled. When patients leave the physician's office with medication in hand, compliance rates dramatically increase.⁴ Besides travel time, wait times at many pharmacies can be hours at times. This is especially meaningful for patients who are suffering acute sickness or pain, or are dealing with young children or the elderly.² Patient compliance with their medications is improved significantly with physician dispensing. Patients appreciate receiving medications in the physician's office to avoid a trip to the pharmacy and waiting for their prescription to be filled.

In addition to the added convenience, physicians consult with the patient as they receive their medication. Doctors can have an open discussion with their patients about such points as taking the medications on time, completing the regimen as directed, and verbally warning them of interactions that may occur with any other medications they may be taking. Compliance with drug therapy is 60% to 70% better when medications are delivered at the point of care than when patients are handed a written prescription.⁴ Because most patient data is kept in electronic format with readily available dispensing software, physicians are able to easily monitor the process and progress.

Why Point-of-Care Dispensing is Right for Your Practice

Patients overwhelmingly appreciate the ability to fill their prescriptions where they receive their care, thus generating instant, positive patient satisfaction. Yet less than 10% of physicians are dispensing medications to their patients, or are even aware that they are missing an opportunity to profit from this win-win model.

Let's look at the profitability benefits for the clinic. Physicians write prescriptions daily for their patients, but are not generating any revenue for the clinic from those prescriptions; the pharmacy and the drug representative are benefiting financially. On average, a profit to the practice can be approximately \$8-\$10 per prescription with on-site dispensing. With a physician treating an average of 100 patients per week, and writing one prescription per patient, this averages to a potential annual profit of approximately \$50,000 or more each year. Physicians that treat workers compensation cases can generate hundreds of thousands of dollars per year dispensing medications.

Physicians also have to spend a lot of time everyday dealing with pharmacy issues and attending to pharmacy call backs. Moreover, each callback costs \$5-\$7 per call and roughly \$30,000 a year. These costs and time losses can be avoided with physician dispensing.⁵

Conclusion

The practice of physician dispensing is gaining momentum because of its inherent advantages to both patients and physicians.⁵ More and more physicians are adopting additional ancillary services to enhance both patient satisfaction and practice profitability.² By adding physician dispensing to your practice model, your clinic will heighten its customer service, expedite the recovery process for the patient, and becoming even more convenient care, all while generating additional profits and increasing revenue.

References:

¹ *Missed meds waste over \$250B a year.* By Kelly Kennedy. USA TODAY. May 27, 2011

² *Is Point-of-Care Dispensing Right for Your Practice?* A White Paper by Mark Dayton, MBA Manager, MGIS Health eOffice Physician Dispensing Program. Sponsored by MGIS. February 2011.

³ *Patient Attitudes toward Point-of-Care Medication Dispensing in a Primary Care Office Setting.* July 19-22, 2007 by Opinion Research Corporation

⁴ *The History of Physician Dispensing Physician Prescribing Legislation.* By William Shell, M.D. Complete Claims Processing, Inc. <http://www.ccpicentral.com/history-of-physician-dispensing.php>.

⁵ *Benefits Of Physician Dispensing.* By Michael Jeresaty. November 4, 2010. <http://www.sooperarticles.com/health-fitness-articles/benefits-physician-dispensing-197121.html>.