



PRACTICE MANAGEMENT NOTES

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The benefits of in-office medication dispensing

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In-office medication dispensing is one of the fastest growing clinic-provided services. A well run dispensing program is easy for staff to use, provides a service that patients want, and provides the practice with ancillary revenue. Over 300 AAOMS practices are currently using the in-office dispensing program from Dispensing Solutions (DSI), one of the ASI Approved Programs.

Is it legal?

This is probably the most frequently asked question regarding the program. Forty-three states allow physicians/surgeons to dispense medications from their practice; one state, Utah, has banned in-office dispensing altogether. Six states—New York, New Jersey, Massachusetts, Montana, North Carolina and Texas—allow in-office dispensing, but with various restrictions such as distance from a retail pharmacy, special state permits, profit limits, etc. If you practice in one of these states, check with your attorney or the state board of pharmacy for specific restrictions.

Patient convenience

This is the primary factor that has led many OMS practices to provide in-office dispensing services. OMS patients frequently state that receiving their meds from the office and avoiding a trip to the pharmacy (and the associated 30-to-90 minute wait) is one of the most appreciated services offered. Since most post-op patients are still somewhat sedated, they have no desire to add an extra stop at the pharmacy for their meds.

Patient compliance

Of the more than 4 billion prescriptions filled each year, half are taken incorrectly... 33% of patients take all of their meds, 33% take some of their meds, and 33% don't take ANY of their meds. Yes, that's correct: 1/3 of all prescriptions are never even filled. For oral and maxillofacial surgeons, providing the medications at the point of care dramatically improves the odds that your patients will comply with your instructions for taking their medications. Greater compliance leads to fewer post-op complications and shorter recovery time.

A revenue source

AAOMS practices may generate more than \$30,000 annually from a well-run in-office dispensing program. The exact amount of ancillary revenue depends on patient load, selected formulary and the adopted usage of the program. See the Return on Investment (ROI) chart below:

Simple Return On Investment (ROI) Chart

# of Patients/Day	6	8	12	15
Rx's/patient	2	2	2	2
Patient's price/Rx	\$15	\$15	\$15	\$15
Surgeon's cost/Rx	\$6	\$6	\$6	\$6
Net profit/Rx	\$9	\$9	\$9	\$9
Workdays/month	18	18	18	18
Net revenue/month	\$1,944	\$2,592	\$3,888	\$4,860
Net revenue/year	\$23,328	\$31,104	\$46,656	\$58,320

These numbers are estimates. Actual figures will vary depending upon patient load, program compliance, etc.

In conclusion

In-office dispensing offers the opportunity to increase patient satisfaction, improve clinical outcomes, and generate additional revenue to your practice. In addition, a well run in-office dispensing program can help improve your office operations. For instance, the MGMA (Medical Group Management Association) estimates that each phone call to/from a pharmacy costs a practice approximately \$7.00. In-office dispensing will not only eliminate that cost but will provide additional revenue to help grow your business. For additional information about DSI's in-office dispensing program, please call Customer Service at 888/374-7378.

NOTE: It is important for a Web-based software system to be used for inventory management, thus ensuring timely product ordering, maintaining proper ordering/stocking quantities, and complying with states that enact electronic PDMP (Prescription Drug Monitoring Program) programs. ■

This is number 125 in a series of articles on practice management and marketing for oral and maxillofacial surgeons developed under the auspices of the Committee on Practice Management and Professional Allied Staff and AAOMS staff. *Practice Management Notes* from 2002 to present are available online at aaoms.org.

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