

Ancillary Services in Ophthalmic Practices: Pharmaceutical Dispensing

Changes in the regulatory and reimbursement environments underlie the trend.

BY MITCHELL A. JACKSON, MD

With the gloom of declining Medicare reimbursements, increased pressure to convert to electronic health records (EHRs) in a timely manner, growing overhead expenditures, and smaller returns on laser vision correction and premium IOL technology, ophthalmologists in private practice are looking for alternative and/or ancillary services to provide to their patients.

Common strategies include optical dispensaries, audiology/hearing services, sports vision technology, laser cataract technology, and cosmetic services such as Botox (onabotulinumtoxinA; Allergan, Inc.), Latisse (bimatoprost ophthalmic solution 0.03%; Allergan, Inc.), and facial fillers. The advantages are obvious, but some of the disadvantages of these strategies include increased overhead in terms of staff and products, the need for additional educational training, and even a requirement for more office space. The new rage in ancillary services in the ophthalmic world is pharmaceutical dispensing.

PHARMACEUTICAL DISPENSING REACHES OPHTHALMOLOGY

In-office dispensing is already successful in areas such as dermatology, workers' compensation, cardiology, orthopedics, obstetrics/gynecology, and family/internal medicine. Ophthalmology is the last medical specialty to enter this arena. The rapid switch to EHRs, as mandated by the federal government, and the increased migration of branded products being substituted for generic eye drops have bolstered this trend. EHRs reflect the natural extension from e-prescribing to dispensing all in one place. As a result,

unwanted generic substitutions will be eliminated.

EyeScripts Dispensing is a leader in providing point-of-care dispensing designed specifically for ophthalmologists. It allows practitioners to offer a high level of care to their patients right in the office. Many practices are using the dispensing option, because it is easy to implement and cost-effective, it provides a simple-yet-profitable revenue stream, and offers ophthalmologists a way to differentiate their practices.

HOW DOES IT WORK?

What is ophthalmic dispensing, and how does EyeScripts Dispensing fit into a practice? It provides a state-of-the-art system to help improve the quality of health care while increasing the practice's revenue and reducing the cost of patients' care. Ophthalmologists prescribe medication and offer samples to patients every day without getting paid for this service; practitioners either write the prescription or call it in to the patient's pharmacy. Using a simple web-based system, in less than 1 minute, a staff member can instead dispense prepackaged ocular medications right in the practice with reliable processing of third-party insurance claims. The average profit to the practice is approximately \$5 to \$10 per medication.

In-office dispensing improves care, compliance, safety (because the patient will actually get the exact drug prescribed), and convenience, while adding revenue to the practice's bottom line. Patients can receive their medications at the point of service, avoiding the need to visit the pharmacy. This improves their compliance

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with treatment, as it is well known that up to 36% of prescriptions are never filled once the patient leaves the office. This enhanced adherence to treatment translates to improved outcomes and less liability for the ophthalmologist. EyeScripts Dispensing's parent company, A-S Medications Solutions, is licensed by the FDA, the Drug Enforcement Agency, and the National Board of Pharmacy. All eye medications are pedigreed (verified by the manufacturer with a full paper trail) and have tamper-proof seals with barcodes confirming that the correct medication is being dispensed.

In-house dispensing reduces staff time and overhead by eliminating numerous phone calls to insurance companies and return phone calls/faxes to pharmacies for formulary issues and attempted illegal generic substitutions.

HOW IS IT SET UP IN THE PRACTICE?

The office setup is simple, requiring a laptop or desktop computer, laser printer, and barcode scanner. EyeScripts Dispensing handles all of the credentialing with insurance payers, adjudicates all insurance claims for the practice, and provides round-the-clock customer service. To get started, the practice provides to the company the necessary licenses, as outlined in a checklist. The regulations and guidelines are fairly standard across the United States with a few variations among individual states.

The inventory would typically cost a physician anywhere from \$25,000 to \$50,000. This system, however, supplies the inventory for free for the first 60 days. Then, the practice is charged for inventory, but that cost is offset by reimbursements from a third-party payer. As long as the medications are dispensed continually from the office, the practice remains cash-flow positive. In other dispensing scenarios, the practice must pay for the entire inventory upfront on day 1 before any dispensing has even begun, so it is always trying to play catch up. An existing staff member can dispense about 250 medications every day. EyeScripts Dispensing provides a complete web-based, turn-key system that, in my experience, only takes a few minutes to master.

The time has come for ophthalmologists to integrate in-office medication dispensing so that patients have their medications in hand before leaving the practice. ■

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