

Dispensary Business Management: The 10 Numbers You Need To Know

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Dispensary Business Management: The Numbers You Need To Know

- A Reflective learning session; What you already know [or have access to] and what we think you need to know [or have access to]
- You can't carry all the numbers around inside your head, but you ***should*** know the headline figures
- And for the more obscure numbers, you need to be able to find them quickly and accurately
- [And ALL members of the Practice Management Team should have access and understanding! Especially the GP Partners – after all, this is their business!]

Dispensary Business Management: The Numbers You Need To Know

- I will ask a series of questions, and you need to be thinking if you know the answer or if you could find it easily if needed
- You can score yourself a point for each number you know or can find quickly [and accurately!]
- You need to be thinking where you would find the source information...
- And importantly **WHY** you would need these numbers
- [Don't worry we will tell you what the information source is and why we think you need to know it]

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POSITIVITY

- You may know all the answers
- You may think this is a bit TOO easy
- BUT it highlights the key things to be considering as part of a Dispensary Business Manager's job role
- [Pat yourself on the back if you know all the answers!]

If you don't know some of the answers you know where to come to for more training!

Question Number One:
Do You Know How Many Items You Dispense Per Month?
[A Rough figure is Acceptable]

Where would you find this information [source]?

Your PCSE Statement [England] LHB [Wales]

Why are your dispensed item numbers so important?

Dispensing fees are the backbone of your profitability

Falling item numbers indicate loss of patients

Item numbers gives you a very quick rough guide to
GROSS profitability

Question Number Two:
Do You Know Your Total Reimbursement for Medicines Dispensed Spend Per Month?
[A Rough figure is Acceptable]

Where would you find this information [source]?

Your PCSE/LHB Statement [Basic Price minus
Discount/Clawback]

Why is your reimbursement per month so important?

This is your income against items you have purchased and
forms the basis of your gross profitability

Question Number Three:
Do You Know Your Total Wholesaler/Medicine Spend Per Month?
[A Rough figure is Acceptable]

Where would you find this information [source]?

Your wholesaler[s] statements and supplier invoices [Less retrospective rebates]

Why is your wholesaler spend per month so important?

Gross profitability of medicine dispensing =

Basic Price minus Clawback minus Wholesale Spend [ex VAT]

Keep an eye on total wholesale spend [like you would your weekly shopping bill!]

Question Number Four [England Only]:
Do You Know Your Prescription Charges Withheld by NHS BSA Per Month?
[A Rough figure is Acceptable]

Where would you find this information [source]?

Your PCSE statement [England only]

Why are prescription charges withheld per month so important?

You might be losing income unnecessarily! I find this is quite common during my work with practices.

Question Number Five:
Do You Know Your Dispensing List Size?
[A Rough figure is Acceptable]

Where would you find this information [source]?

EMIS/System1/Your Practice Manager

Why is your dispensing list size so important?

The larger your dispensing list size the more items you
should be dispensing

Keep an eye on this and react to any significant changes

Question Number Six:
Do You Know Your % Dispensing Patient Numbers?
[A Rough figure is Acceptable]

Where would you find this information [source]?

EMIS/System1/Your Practice Manager

Why are your % dispensing numbers so important?

The larger your % dispensing list size the more profitable your dispensing should be [Accounts-wise]

The higher your % dispensing list, the greater the chance of a pharmacy application in your area

Question Number Seven:
Do You Know The Number of Full Time Equivalents Working in Your Dispensary?
[A Rough figure is Acceptable]

Where would you find this information [source]?

Internal/external payroll, Practice Manager, Bookkeeper
etc

Why are the number of FTEs so important?

Net profit = gross profit less operating costs such as
heat/light and more importantly wages [including employers
PAYE etc]

Ensure your accountants don't over-inflate dispensary staff
salaries against non-dispensing patient work

Question Number Eight:
Do You Know The Number of Items Dispensed Per Hour?
[A Rough figure is Acceptable]

Where would you find this information [source]?

Calculation of total number of items dispensed divided by total number of hours worked

Why is the number of items dispensed per hour so important?

Efficient [and safe!] dispensing = higher profitability and greater patient satisfaction

Question Number Nine:
Do You Know The Number of Returned Items Per Month?
[A Rough figure is Acceptable]

Where would you find this information [source]?

Your PCSE/LHB Statement

Why is the number of returned items per month so important?

Delays payment

Uses up valuable time re-submitting

Question Number Nine [Part 2]:
Do You Know The Number of Disallowed Items Per Month?
[A Rough figure is Acceptable]

Where would you find this information [source]?

Your PCSE/LHB Statement [Returns/Disallowed MINUS Returns]

Why is the number of disallowed items per month so important?

Rare generally these days – will ALWAYS be sent back before being disallowed [second/third chances]

Items purchased which will NOT be reimbursed therefore losing money

Question Number Ten:
Do You Know Your Gross Profit Per Item Per Month?
[A Rough figure is Acceptable]

Where would you find this information [source]?

Your dispensary management accounts

Why is the gross profit per item per month so important?

Your dispensary must remain profitable to be a viable
business

Tracking gross profit per month can show up any anomalies

Any
Questions?

- Any further questions can be sent to contact@dispensingdoctorexerts.co.uk

