Avoiding Dispensary Losses

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A New Service Offering

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Profit Audit ***and*** Profit Enhancement Service Pilot Sites required

Email me greg@dispensingdoctorexperts.co.uk for a FREE 30 minute consultation and informal discussion if you are interested.

Todays Session

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Context: Consider the slides and narrative with regards to what you DO do and what you DON’T do

Consider how you could improve your systems and processes

Positivity is a important factor

How to Avoid Dispensary Losses: Generics ABOVE Drug Tariff

Your Starting Point

Income vs expenditure!

Basic Price minus Clawback [Discount] should be greater than Medicine Spend if not Amber Flag!

How to Avoid Dispensary Losses: Generics ABOVE Drug Tariff

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Generics

Many items purchased above Drug Tariff – you MUST have a system and workflow in place to avoid losses

Ideally compare purchase price vs Drug Tariff [minus clawback] at the point of ordering

Consider:

- Shortliners, Clarity, Lexon/Bestway, Sigma
- Cascade systems

How to Avoid Dispensary Losses: Generics ABOVE Drug Tariff

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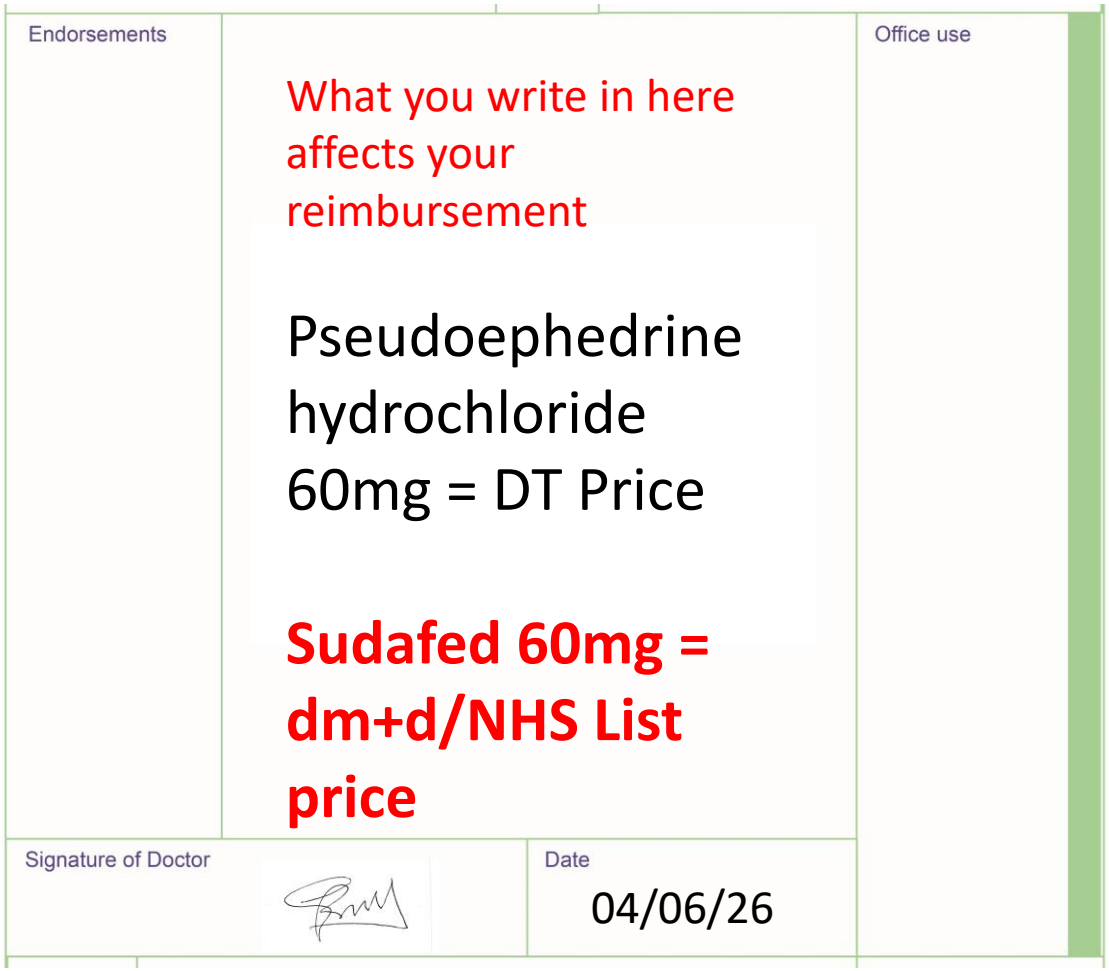
Endorsing?

In order to receive correct reimbursement for Part VIIIA generics you may need to “adjust the prescribed order”

[Adjust/amend the main body of the prescription]

Adjusting the Prescribed Order

Correct prescribing ensures correct reimbursement



How to Avoid Dispensary Losses: Dispensary Design

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Time is Money

Dispensary staff wages your second largest overhead [after wholesaler spend] a badly designed dispensary will cost you a lot of money [wasted time!]

Systems and processes within the dispensary – could they be improved?

Next week's webinar focus on Design and Automation – book now if you haven't already!

Beware accountants allocating non-dispensing patient activity [prescription clerk time] against dispensing income

How to Avoid Dispensary Losses: Checking the Delivery

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Checking the Delivery

You need a robust procedure to check stock ordered vs stock delivered – check delivery note/invoices vs stock received.

Should be obvious, but does it always get done when you are at your busiest moment?

More deliveries [eCASS/drugcomparison.co.uk] from more suppliers increases the workload and need to ensure stock ordered [paid for] has been delivered.

How to Avoid Dispensary Losses: Checking Your Shelves

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Checking Your Stock

Ensure you check your expiry dates regularly and have a system in place, so you never have to destroy stock.

Don’t forget the doctors’ bags!

How to Avoid Dispensary Losses: Checking Your Shelves

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Disappearing Stock!

One dispensary I visited was losing stock, or rather they seemed to be losing stock on further investigation stock was falling down the back of the shelves!

How to Avoid Dispensary Losses: Checking Your Shelves

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Disappearing Prescriptions!

Pile of green bits of paper in a drawer at a branch practice worth over £5000!

Each prescription piece of paper worth nearly £20 on average

How to Avoid Dispensary Losses: Reimbursement

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Tracking those Green Bits of Paper

Sometimes prescriptions aren't even generated for an item – expensive Personally Administered items are a good example.

Don't let an item leave the dispensary without a prescription.

How to Avoid Dispensary Losses: Reimbursement

Disallowed/Returned Items

Disallowed items are rare.

Returned items can eat up a lot of time!

Observations from Recent Work in Practice

Do you keep copies of your FP34D Submission?

Do you reconcile Prescription Charges taken against Prescription Charges withheld?

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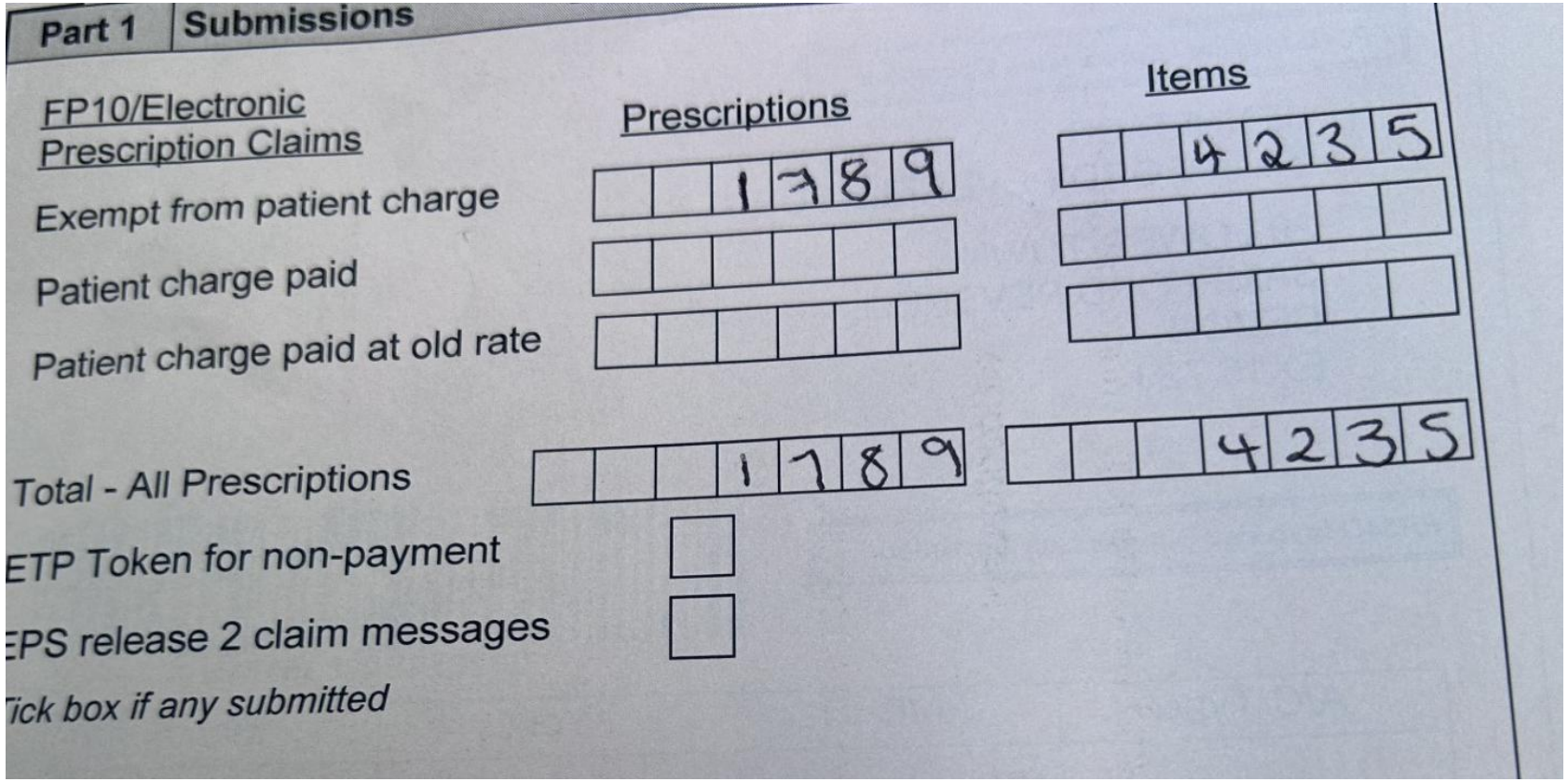
How to Avoid Dispensary Losses: Prescription Charges

Prescription Charges ENGLAND Only

The single most avoidable issue I come across time and time again in practice!

An Unhelpful FP34D!



Part 1 Submissions	Prescriptions	Items
FP10/Electronic Prescription Claims		
Exempt from patient charge	1789	4235
Patient charge paid		
Patient charge paid at old rate		
Total - All Prescriptions	1789	4235
ETP Token for non-payment	☐	
EPS release 2 claim messages	☐	
Tick box if any submitted		

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How to Avoid Dispensary Losses: Prescription Charges

Prescription Charges ENGLAND Only

Now nearly £10 per item 10 switches from exempt to paid = £1200 loss per year – this is avoidable!

Record daily – reconcile weekly

Do the charges collected reflect money taken by the dispensary – significant differences are a Red Flag

How to Avoid Dispensary Losses: Prescription Charges

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My Investigations Revealed!

Systems were changed and Prescription Charge losses eradicated

Prescription charges deducted by NHSBSA	Prescription charges taken by dispensary	Difference between fees taken and RX Charges deducted
£ 7,334.00	£ 7,516.87	£ 182.87
£ 7,963.55	£ 5,835.16	-£ 2,128.39
£ 6,156.70	£ 6,135.78	-£ 20.92
£ 6,580.07	£ 5,712.36	-£ 867.71
£ 6,311.10	£ 6,083.32	-£ 227.78
£ 6,233.90	£ 5,974.82	-£ 259.08
£ 7,903.35	£ 6,990.31	-£ 913.04
£ 6,378.65	£ 6,539.01	£ 160.36
£ 40,579.32		-£ 3,321.01

So Where Do We Start?

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Never Enough Time To Manage?

Diarise your daily/weekly/monthly activities to give yourself time to manage the BUSINESS of your Dispensary

Ensuring losses are MINIMIZED is essential to protect your business!

MDS Schemes

How often do you check you are signed up for MDS schemes?

When did you last benchmark your profitability?

How often do you speak to Pharma reps?

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MDS Schemes

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No Uk Manufacturer Discount Scheme?

Consider Parallel Imports

Is there a generic available?

Is there a suitable brand switch?

[Clinical considerations MUST come first in all cases]

How to Avoid Dispensary Losses: Management Accounting

Do you have access to your PCSE statement, and do you understand it?

Do you have access to your monthly spend/rebates from your suppliers?

Do you record spend vs income? [Basic Price less Clawback vs Wholesaler Spend]

Most basic management accounts will include tracking of actual money coming in vs actual money going out

How to Avoid Dispensary Losses: Reimbursement

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The Dispensing Fee

You can't control the change in the Dispensing Fee

But you CAN and should be maximising your dispensing fee income

- **Spreading prescriptions across all prescribers**
- Weekly dispensing where socially or clinically appropriate

Are your dispensing fees what you would expect them to be?

Do you check submitted number of items vs items paid?

How to Avoid Dispensary Losses: Management Accounting [old data but the principle remains the same]

5 GPs Rx Split Equally 8000 items				
GP	Items Attributed	Fee Per Item	Total Fees per GP	
GP1	1600	216.3	£	3,460.80
GP2	1600	216.3	£	3,460.80
GP3	1600	216.3	£	3,460.80
GP4	1600	216.3	£	3,460.80
GP5	1600	216.3	£	3,460.80
	8000	Total Income	£	17,304.00

5 GPs Rx Split Unequal split 8000 items				
GP	Items Attributed	Fee Per Item	Total Fees per GP	
GP1	5800	208.1	£	12,069.80
GP2	1200	218.3	£	2,619.60
GP3	500	231.6	£	1,158.00
GP4	200	235	£	470.00
GP5	300	235	£	705.00
	8000	Total Income	£	17,022.40

Difference -£ 281.60

How to Avoid Dispensary Losses: Consumables

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Bags, Bottles and Cartons

When was the last time you shopped around for your consumables?

A bit old-fashioned?

How to Avoid Dispensary Losses: Customer Service

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Give Your Customers The Service They Deserve

New customers [dispensing patients] are hard to come by…

More likely to lose customers than gain them…

Consider:

- A delivery service
- Speedy turnaround of repeats
- An automated collection point [Pharmabox24]
- Monitored Dosage Systems [Poppitts device?

How to Avoid Dispensary Losses: VAT

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VAT

Some confusing messages out there now…

EMIS list of “PA” items based on dm+d! [May include take away items]

Other lists… confusing the issue.

If the item is taken away, you claim the VAT back on that item regardless.

How to Avoid Dispensary Losses: PA Item Report

Inclisiran 284mg/1.5ml inj pre-filled syringes (0212000AMAAAAAA)	1	50.00
EpiPen 300micrograms/0.3ml (1 in 1,000) inj auto-injectors (0304030C0BEABA3)	4	753.20
Levomepromazine 25mg/1ml solution for injection ampoules (0402010L0AAAAAA)	1	10.07
Flupentixol 20mg/1ml solution for injection ampoules (0402020G0AAAAAA)	3	4.56
Depixol Conc 100mg/1ml solution for injection ampoules (0402020G0BBADAB)	3	18.75
Haloperidol decanoate 50mg/1ml inj ampoules (0402020T0AAAAAA)	1	11.44
Morphine sulfate 10mg/1ml solution for injection ampoules (0407020Q0AAABAB)	1	6.66
NovoRapid 100units/ml solution for injection 10ml vials (0601011A0BBAAAA)	1	70.40
NovoRapid Penfill 100units/ml inj 3ml cartridges (0601011A0BBABAB)	1	28.31
NovoRapid FlexPen 100units/ml inj 3ml pre-filled pens (0601011A0BBADAC)	2	61.20

These are almost certainly take-away items

ONLY items injected into, put on, inserted etc are ACTUALLY PA items for VAT purposes

How to Avoid Dispensary Losses: Buying Groups

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Buying Groups

DON’T assume you are automatically signed up for all the deals, some require you to action directly.

How to Avoid Dispensary Losses: Buying Groups

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Retrospective Rebates

Is someone monitoring these?

Are they being used to calculate profitability?

Alliance Retrospective Rebate

Accord Retrospective Rebate

Teva Rebate

Direct rebates – i.e. Ridge, Tillotts

How to Avoid Dispensary Losses: Stock Control

Don’t Overstock Your Dispensary

Remember stock on the shelves is capital spent but NOT yet reimbursed

Cat M changes – keep generic stock low if possible [check Drug Tariff for changes]

Ensure short-dated stock is used!

Have an annual stocktake

How to Avoid Dispensary Losses: The F Word

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The F Word

Mostly unlikely but should be a consideration when dispensary accounts [or more importantly management accounts] show an unexpected drop in income

Fraud, diverting stock to a third party

Pocketing cash [rare now due to card readers]

Any Questions?

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