

Prescriptions for Enhancing Efficiency, Quality, and Profitability of Pharmacy Operations

Abstract

The 2014 National Pharmacist Workforce Survey offered strong evidence of how pharmacists are combining traditional drug dispensing roles with a variety of patient-centered services. Approximately 60% pharmacists are engaged in medication therapy management (MTM) and 53% in immunizations, as compared to 13% and 15% respectively in 2004.¹

Evolving regulations, strict terms and conditions imposed by insurers, and rising customer expectations for cost-effective services are constantly redefining the healthcare landscape. With the role of the pharmacist evolving from a behind-the-counter drug dispenser to an integrated care provider, pharmacies must consider reorienting operations to increase organizational efficiency. Pharmacy operations can be future-proofed and made scalable for emerging business needs by focusing on a three-pronged strategy for change, which includes enhancing operational efficiency, quality, and profitability, to achieve operational transformation.

In 2014, US spending on prescription medicines surged ahead by 13% to \$374 billion, the highest increase since 2001.² However, with regulatory changes such as the Affordable Care Act (Obamacare) bringing more customers under its fold, Walmart recorded lower margins in the pharmacy business in 2015, as drug plan managers could negotiate better prices than individuals paying cash.³ Meanwhile, research indicates that the PBM market is set to grow at a compound annual growth rate (CAGR) of 7.16% during 2014–2019.⁴ These recent pharmacy industry updates have been interesting, yet contradictory at times.

The Criticality of Pharmacy Transformation

Growing regulatory pressure and competition is forcing health organizations to offer quality care at affordable prices. Traditional fee-for-service and care delivery programs have given way to outcome- and episode-based care, and value- and population-oriented strategies. Healthcare providers are being incentivized to reduce costs and improve quality of care.

Not only do pharmacists perform the primary duty of dispensing medicines, they are fast emerging as trusted health professionals who inform patients about their wellbeing, promote medical adherence, and advise on disease management along with managing the daily disruptions and distractions of pharmacy operations. Pharmacies therefore need new techniques and measures to improve operational efficiency, ensure stringent quality, and maintain healthy bottom-lines.

Enhancing Operational Efficiency

Pharmacies must consider replacing manual activities with automated direct dispensing processes to enable significant time savings for operations, allowing the management to focus on critical activities. They need to make better use of pharmacy management systems' capabilities to monitor dispensing, labeling, and order volumes. A systematic workflow, keyboard driven applications, reduction in the number of clicks for navigation, the type-ahead feature which pre-populates information to reduce data entry, and lesser scrolling options on the screen are some enablers of change. Other areas that they can focus on include:

- Emerging storage technologies for accurate records management to offer patient centric services
- Proper demand planning to optimize inventory usage, minimize wastage and maintain inventory target and re-order levels
- Quality control measures to review every prescription before dispensing to the patient
- Marketing strategies to promote awareness of improvements and acquire customers.

Ensuring Medication Quality and Adherence

The success of pharmacy operations is based on the level of clinical accuracy. During the dispensing process, drug verification takes place through a comprehensive drug utilization review (DUR), which ensures that the medication will not cause a negative reaction based on the patient’s previous medical history, or allergies, or react adversely with other formulary consumptions being taken simultaneously. Pharmacies can demonstrate their commitment to patient safety and security by performing comprehensive DURs through best-in-class automated drug interaction frameworks.

	Prospective DUR	Concurrent DUR	Retrospective DUR
Overview	Evaluating a patient’s therapy before dispensing medicines	Monitoring drug therapy during treatment	Reviewing therapy after the patient has received the medication
Symptoms Addressed	<ul style="list-style-type: none"> Drug-disease contraindications Therapeutic interchange Generic substitution Incorrect drug dosage Inappropriate treatment duration Drug-allergy interactions Clinical abuse and misuse 	<ul style="list-style-type: none"> Drug-drug interactions High or low dosage Duplicate therapy Drug-disease interactions Drug-age precautions Drug-gender precautions Drug-pregnancy precautions 	<ul style="list-style-type: none"> Drug over and underutilization Therapeutic duplication Drug-disease contraindications Drug-drug interactions Incorrect drug dosage Inappropriate treatment duration Clinical abuse and misuse

An Overview of DUR Types

CVS Health displays dosage instructions, side effects, and drug interactions on the label alongside detailed visual descriptions (the color, shape, and markings) of medicines. This helps patients match labels to the right medicines.⁵

Another important aspect of quality maintenance is the development of safe workspaces for employees, technicians, and pharmacists, free of harmful radiations. Pharmacies can also perform medication therapy management, to ensure patient adherence to drugs.

Improving Profitability Scores

Pharmacies can display robust financial health by investing in efficient accounting mechanisms. Revenue cycle leakages can be minimized by tracking payments to closure and monitoring discrepancies. Claims rejection cases can be minimized with a powerful pre-adjudication engine, which performs checks on eligibility and billing, and conducts mandatory data validations and assesses those against updated insurance specific formulary drug lists.

Conclusion

With an eye on enhancing customer convenience while ensuring quality care at optimized costs, pharmacies can transform operations for improved outcomes. The focus on customer-centric operations will grow, as digital connectivity further empowers customers and increases their bargaining power in the healthcare landscape. With constant digital innovations, medication instruction and communication will be delivered across multiple channels, offering additional scope to future-proof operations. Pharmacists will need to adopt a proactive stance to deliver personalized care in quick and accurate delivery cycles.

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