Dispensary Management - where to focus your attention.

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Dispensing Doctor Experts

What have we seen in the last year?

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What we think you and your practice should be spending your time and energy focused on…

Over the past 12 months we have worked with over 40 practices by looking at their PCSE Statements as a starting point to benchmark where they are now…

Not enough practices are creating meaningful management accounts – there is not enough understanding of how the dispensary is performing as a *business*

So Where Do We Start?

Never Enough Time To Manage?

Diarise your daily/weekly/monthly activities to give yourself time

Example to consider - How often do you check you are signed up for MDS schemes?

Ensuring losses are MINIMIZED is essential to protect your business!

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Dispensary Management: Customer Service

Keeping your customers happy is the number one priority of a business

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

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Dispensary Management : Management Accounting

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

Do the right people get access to the data from PCSE?

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

Dispensary Management : Management Accounting

Basic price	Clawback	DRUG Income [Basic Price Minus Clawback]	Total drugs bonus	Total income	Total Drug Spend	Profit
£ 104,459.78	£ 11,678.60	£ 92,781.18	£ 6,830.31	£ 99,611.49	£ 102,345.34	-£ 2,733.85
£ 123,204.83	£ 13,774.30	£ 109,430.53	£ 4,716.17	£ 114,146.70	£ 111,068.98	£ 3,077.71
£ 104,776.35	£ 11,713.98	£ 93,062.37	£ 7,825.23	£ 100,887.60	£ 110,234.45	-£ 9,346.85
£ 118,742.05	£ 13,275.36	£ 105,466.69	£ 8,003.17	£ 113,469.86	£ 108,974.34	£ 4,495.52
£ 145,435.63	£ 16,259.91	£ 129,175.72	£ 10,217.27	£ 139,392.99	£ 141,054.06	-£ 1,661.07
£ 105,153.34	£ 11,751.69	£ 93,401.65	£ 6,731.22	£ 100,132.87	£ 109,567.88	-£ 9,435.01
£ 114,456.24	£ 12,796.21	£ 101,660.03	£ 5,867.77	£ 107,527.80	£ 113,121.11	-£ 5,593.31
£ 100,125.46	£ 11,194.03	£ 88,931.43	£ 9,025.27	£ 97,956.70	£ 108,976.44	-£ 11,019.74
£ 916,353.68	£ 102,444.08	£ 813,909.60	£ 59,216.41	£ 873,126.01	£ 905,342.60	-£ 32,216.60

£32K lost in profit over just 8 months of the year!
Alarm bells should have been ringing after 3 months

Dispensary Management : Checking the Delivery

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?

Check invoice statements against invoices received each month? Laborious but could prevent losses

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

Dispensary Management : Prescription Charges

Prescription Charges

By far and away the biggest avoidable losses in dispensing practice that we continue to see

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

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Dispensary Management : Prescription Charges

Paid items according to Surgery Records	Monies witheld by NHS BSA	Difference
£ 2,851.75	£ 3,796.10	-£ 944.35
£ 2,217.63	£ 2,552.55	-£ 334.92
£ 2,468.40	£ 3,412.75	-£ 944.35
£ 2,598.90	£ 3,450.15	-£ 851.25
£ 2,131.95	£ 2,247.85	-£ 115.90
£ 2,306.15	£ 2,711.65	-£ 405.50
£ 2,553.70	£ 2,508.10	£ 45.60
£ 2,325.65	£ 2,808.15	-£ 482.50
£ 2,325.05	£ 2,287.05	£ 38.00
£ 2,393.20	£ 2,287.05	£ 106.15
£ 2,383.55	£ 2,402.85	-£ 19.30
£ 2,200.20	£ 2,248.45	-£ 48.25
£ 2,383.55	£ 2,373.90	£ 9.65
	Total	-£ 3,002.57

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Dispensary Management : Prescription Charges

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

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Dispensary Management : Reimbursement

Tracking those Green Bits of Paper

Prescriptions CAN and DO get lost in practice…

Or worse still, sometimes prescriptions aren't even generated for an item – expensive Personally Administered items are a good example.

Does your entire clinical team understand PA items and the need for or not for a prescription form?

Dispensary Management : 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 **from PCSE statement data**?

Dispensary Management : Splitting the Prescriptions

5 GPs Rx Split Unequal split 5000 items				
GP	Items Attributed	Fee Per Item	Total Fees per GP	
GP1	2800	212.7	£	5,955.60
GP2	1200	218.3	£	2,619.60
GP3	500	231.6	£	1,158.00
GP4	200	235	£	470.00
GP5	300	235	£	705.00
	5000	Total Income	£	10,908.20

GP	Items Attributed	Fee Per Item	Total Fees per GP	
GP1	1000	220.6	£	2,206.00
GP2	1000	220.6	£	2,206.00
GP3	1000	220.6	£	2,206.00
GP4	1000	220.6	£	2,206.00
GP5	1000	220.6	£	2,206.00
	5000	Total Income	£	11,030.00

Difference -£ 121.80

In just 1 month

Over a year….£1,452!

That would contribute nicely to the Christmas party!

Dispensary Management : Splitting the Prescriptions

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

£3,372 in a year – Now Greg & I are coming to the party!

Dispensary Management: VAT

VAT

Some confusing messages out there now…

Some 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.

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Dispensary Management: 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 <u>in a clinical setting</u> are ACTUALLY PA items for VAT purposes

Dispensary Management: Buying Groups

Buying Groups

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

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Dispensary Management: Stock Control

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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

Cat M changes have happened monthly not always quarterly!

Ensure short-dated stock is used!

Have an annual stocktake

Dispensary Management: Generics ABOVE Drug Tariff

Generics

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

Ideally compare purchase price vs Drug Tariff at the point of ordering

Consider:

- Shortliners, Clarity, Lexon/Bestway, Sigma
- eCASS
- drugcomparison.co.uk

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Dispensary Management: Dispensary Design

Time is Money

We see some large numbers in dispensary teams yet very small spaces & poor systems!

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?

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

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Any Questions?

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

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