

# Emerging Role of PHARMACISTS IN PRIVATE ONCOLOGY PRACTICES

by Brian A. Larson, RPh

**R**ising drug costs, declining reimbursement, and continuing growth of new cancer therapies create unique challenges for today's private oncology practices. Oncologists searching for ways to manage these complexities are realizing they must leverage resources that offer support from both a clinical and business perspective. One solution: oncology-trained pharmacists. These professionals are emerging as a viable solution for helping to improve patient care *and* to optimize cash flow in the practice setting. Here's a look at how an oncology pharmacist may benefit your practice.

## Clinical Contributions

While the list of challenges facing oncology practices is long, none is more important than improving the care delivered to patients. Extensive knowledge about diagnosis and treatment of cancer and the development of new

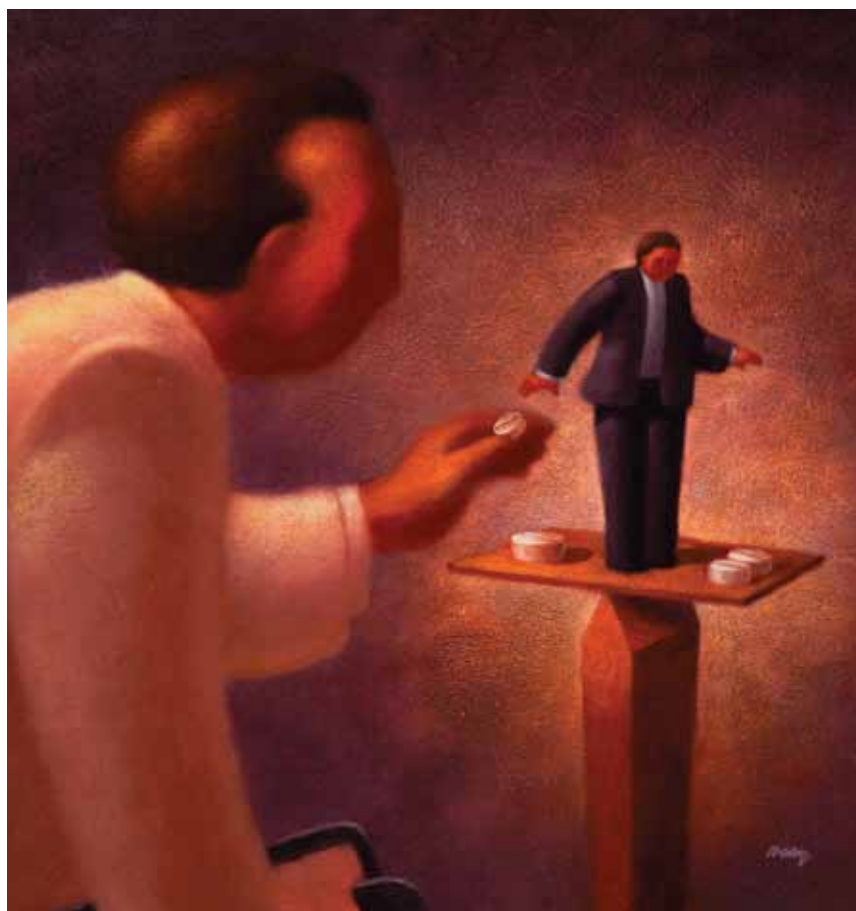
technologies and new cancer-fighting agents have vastly improved care in our country; these advances have also increased the need for improved education of clinical staff and collaboration between all members of the health-care team. For oncology practices, a pharmacist's clinical knowledge of various types of drugs—including chemotherapy agents—provides tangible benefits with regard to staff training and drug education.

Oncology therapies have become increasingly complex, with many nuances to each protocol that include sequencing, length of infusions, physical compatibility with other medications, and chemical stability. Pharmacists are on the front line when it comes to understanding new and existing agents, and can offer important information to physicians and hands-on training to clinical staff about drugs and how they interact with other medications.

Collaboration between the pharmacist and all practice personnel—physicians, nurse practitioners, infusion nurses, practice administrators, and financial staff—extends beyond training to include serving as a valuable resource. Many different types of questions arise daily. These can range from simple drug information questions to more unique, complex concerns that fall beyond the scope of an oncologist's daily routine. Pharmacists' drug information training and experience gives them the knowledge and skills necessary to quickly research and report back the appropriate information.

Frequently, questions arise around how to handle adverse drug reactions, including how to adjust the dose and whether it's safe to resume treatment with the same drug following a reaction. When a patient develops a reaction after beginning four or five different medications, pharmacists can often help pinpoint which medication is most likely to have caused the reaction. Pharmacists can also answer questions on dosing for morbidly obese patients, pain control, nausea, and skin reactions, as well as possible medication interactions with other medications, herbal remedies, or food.

As pharmacists become more involved in oncology practices, oncologists are looking to pharmacists to serve as an important checkpoint in a patient's treatment prescriptions. How? Pharmacists check the appropriateness of the order, verifying that the dose, frequency, route of admin-



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## Why Add a Pharmacist?

As the economy slows, employers and businesses often cut back on staff and other expenditures in an effort to reduce the cost of doing business. Here's a brief look at how adding a pharmacist to your staff or hiring a consultant pharmacist can benefit your practice by improving patient care and cash flow. Specifically, pharmacists:

- Understand new and existing agents, and can train clinical staff about these drugs, and how they interact with other medications
- Can improve patient safety by verifying dose, frequency, route of administration, and duration
- Can improve performance in the areas of inventory management, admixture training, drug waste tracking, and compliance issues
- Free up oncology nurses from spending time in the mixing room, allowing more efficient scheduling in the infusion room and keeping nurses focused on providing patient care
- Can teach nurses how to use the dose calculators provided by the drug manufacturers, provide a check of math on all calculations, and educate staff about what possible side effects to watch for with new drugs.

istration, and duration are consistent with the patient's condition, manufacturer's recommendations, and applicable standards of practice.

### Operational Value

Let's face it. Oncology therapeutics are expensive, complex, and have an enormous business component. Managing the pharmacy operations within a practice—regardless of its size—is extremely important to ensuring its financial viability and the safety of its patients. Pharmacists, with their specialized training, can have a significant impact on improving performance in the areas of inventory management, drug-waste tracking, compliance issues, and admixture training.

**Managing inventory.** My years working within the oncology practice setting suggest a typical oncologist spends about \$2 million on drugs per year. Because drugs are a practice's biggest cost, oncologists and practice administrators are placing more emphasis on effective inventory management. Clearly, to provide the best care, practices need to have drugs available to meet the needs of their patients, but having large amounts of expensive drugs on hand, especially those not frequently used, can lead to waste and tie up cash that could be used for other practice objectives.

Effective inventory management is complex and begins with efficient purchasing. Oncologists often have many drug choices to prescribe patients with certain types of cancer, and pharmacists can help make informed decisions about drugs. Although clinical considerations always come first, pharmacists can conduct a comparative analysis of regimen costs and the consequences of choosing certain drugs over others. This analysis can potentially help the practice cut back on the number of drugs it uses, reduce costs, and improve efficiency.

**Tracking drug waste.** For many practices, monitoring and more effectively managing of drug waste created by partial vials and/or expired drugs can be a real boost to the bottom line. For example, auto-ship programs, designed for efficiency and guaranteed supply, can create an opportunity for waste, if not closely monitored. With the goal of reducing the time drugs spend on the shelf and getting reimbursed more quickly for drugs used, a pharmacist can work with nurses to determine optimal inventory levels to meet demand by looking at upcoming appointments and ordering accordingly. Practices can increase the number of inventory turns per year by watching for patterns of slow moving drugs. In some cases, active monitoring of drug inventories can provide opportunities for aggressive management of

those drugs at risk of expiring. Pharmacists can develop effective procedures for checking in the order and comparing the invoice with products, including ensuring the right drug, strength, size, quantity, and the correct "in date."

**Ensuring drug compliance.** Pharmacists offer expertise during medication audits and with Material Safety Data Sheet (MSDS) compliance. For example, an assessment of an oncology practice's ESA-prescribing patterns can determine whether the practice is following the Medicare guidelines put in place in 2007. If discrepancies are found, a pharmacist can help develop a pre-authorization process and re-educate staff on appropriate use. Likewise pharmacists have the knowledge, resources, and access to information to help a practice be OSHA compliant with MSDS information.

**Admixture training.** In many instances, the size of the practice determines who in the practice actually prepares intravenous admixtures. With the average size of oncology practices in the United States about 2.4 oncologists, my observations from years spent in oncology practices shows this responsibility often falls to oncology nurses. Practices with two or three physicians might also use admixture technicians to take orders, create IVs, and deliver them to the infusion room. Using admixture technicians can have financial benefits for a practice by freeing up highly compensated oncology nurses from spending time in the mixing room, allowing more efficient scheduling in the infusion room and keeping nurses focused on what they do best—providing care to patients.

Whether a practice is using oncology nurses or admixture technicians to prepare the solutions, the complexity of therapeutic agents, as well as rapid introduction of new agents and new regulations, makes thorough instruction critical. In many practices, training on how to mix and administer drugs is "handed down" from the most experienced nurse to new nurses or technicians. Oncology pharmacists can teach nurses how to use the dose calculators provided by the drug manufacturers, provide a check of math on all calculations, and educate staff about what possible side effects to watch for with new drugs. This supervision can create process improvements and enforce procedures that can reduce potentially costly or dangerous errors.

## FOR PRACTICES TO REMAIN VIABLE, ONCOLOGISTS AND PRACTICE ADMINISTRATORS SHOULD ASSESS THEIR CURRENT SITUATION TO DETERMINE THE BEST COURSE OF ACTION IN MANAGING THEIR PHARMACEUTICAL NEEDS.

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### Financial Value

The current method in which physicians are reimbursed for goods and services has put increased pressure on practices to capture every billable dollar. In fact, a recent national poll of 315 oncology practice decision-makers cited declining reimbursement as the most significant challenge to practice viability in the next two years. Thirty-nine percent of oncologists, and 52 percent of practice administrators and executive directors reported their practices have seen a significant decrease in reimbursement over the past two years. The national poll was conducted by KJT Group and sponsored by US Oncology in 2008.

Effective drug pricing is one area where practices can enhance financial performance. With complicated, constantly changing reimbursement guidelines, and third-party payers widely varying in coverage of different formularies, continual analysis of drug costs and values is essential. This time-consuming, yet valuable task naturally falls within the responsibilities of a pharmacist, who can then make recommendations to physicians on fair pricing for drugs in order to capture all potential revenue.

In October 2007, a session at ACCC's 24<sup>th</sup> Annual National Oncology Economics Conference, "A Pharmacist's Role in Private Practice Management and How to Justify the Position" by Steven D'Amato, RPh, BCOP, suggested that "a reliable charge capture program would discover that the average oncology clinic [outpatient] has a loss of 0.25 percent—0.5 percent of gross charges." That formula translates to a one-physician practice billing \$5 million per year losing as much as \$50,000 in charges.

The reasons for billing losses are many. One of the most common (and also most easily prevented) is medications that are never billed. Sometimes clinical staff incorrectly marks or neglects to mark something on the superbill; other times billing staff misses a charge, uses the wrong code, or simply under bills. Another common mistake: not accounting for single dose vials and lost superbills—especially between multiple sites of service. Pharmacists can provide key leadership in a practice's charge capture program.

Verifying that diagnoses and/or symptoms have been properly documented to support indications for use of specific drugs can greatly enhance the charge capture process by preventing denial of claims, and ensures the information is readily available should the practice need to provide rationale to payers. In addition to knowledge of the clinical uses for drugs, pharmacists:

- Have knowledge of the correct billing codes and units
- Provide accurate start-of-the-month and end-of-the-month inventories
- Analyze purchase history reports
- Review billing data by J-code unit
- Assist in tracking down missing billings.

From my personal experience and reviewing charge capture data from practices across the country, when I, or another pharmacist, was involved in an in-depth review of billings and assisted in tracking down the missing billings, the recovery rate was as high as 75 percent. This compares to a 25 to 35 percent recovery rate when the pharmacist was only involved in the review portion of the process.

### Consultant Pharmacists—an Alternative Option

Whether a practice has one oncologist or 20, it faces many of the same challenges, especially when it comes to drug complexity, costs, and reimbursement. While larger practices have the resources to add an in-house pharmacist to their staff, smaller practices can still benefit from access to a pharmacist. An arrangement with a pharmacist on a part-time, consultant basis can deliver clinical, operational, and financial benefits—at a fraction of the expense.

While direct patient interaction and counseling is not optimally delivered in such a consultant arrangement, pharmacy expertise, staff education and training, drug information, admixture support, and financial auditing and analysis are easily accessed remotely with supplemental onsite visits. A typical arrangement can consist of an oncology-trained consultant pharmacist working with a practice to:

- Provide clinical support
- Train nurses and admixture technicians
- Aid in long-term planning and establishing processes and procedures that support better inventory management, charge capture, and regimen analysis.

Today's technology allows consultant pharmacists to easily provide support, guidance, and answers via telephone, email, and Internet.

### The Road Ahead

If there's one certainty, the healthcare industry is going to continue to change. Downward pressures on reimbursement with upward pressures on costs will continue to be the trend. Private practice oncology is no exception. For practices to remain viable, oncologists and practice administrators should assess their current situation to determine the best course of action in managing their pharmaceutical needs. These professionals must then make it a priority to stay on top of the trends and issues that can affect their ability to provide high-quality care while remaining financially sound. Being open to new and different ways of operating their practices, such as using consultant pharmacists, can prove beneficial. 🗣️

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*Brian A. Larson, RPh, is pharmacy manager, Oncology Pharmaceutical Services, at US Oncology. He has more than 30 years experience as a pharmacist.*