The value-based pharmacy

Combining physician dispensing and drug consignment to improve patient and practice health at The Urology Group
Meeting new cost and quality challenges

Physician dispensing has long been an effective strategy for improving patient care. For The Urology Group, adding a drug consignment program has made a good thing even better. The combination of both solutions is making a significant impact on the health of patients and practice alike. As a result, The Urology Group is better prepared to meet the growing cost and quality challenges of value-based care:

- **Increasing adherence** by making medications available right at the practice, instead of relying on a third-party pharmacy.
- **Enhancing education** to ensure patients know how to take their medications.
- **Improving the patient experience** by allowing patients to pick up their medications in the privacy of the doctor’s office and communicate directly with their provider.
- **Increasing revenue** in a declining reimbursement environment by creating a new service line that improves overall patient care.
- **Controlling drug costs and improving cash flow** to free up more funds to support patient care.

“We had tried a physician dispensing pilot program once before, using automated dispensing machines (ADMs) from another company. But it didn’t work as well as we had hoped,” said Jonathan Gundler, Senior Accountant/Financial Analyst and Certified Lean Six Sigma Black Belt of The Urology Group.

The practice already had a strong relationship with VitalSource™ GPO and was taking advantage of its extensive contract portfolio to minimize costs. “We turned to our GPO’s physician dispensing program to help ensure implementation would go smoothly this time,” Gundler said. “And it did—we’re very happy with the results.”

VitalSource™ GPO uniquely combines physician dispensing with drug consignment to improve the health of patients and specialty practices alike.
A data driven approach to success

The Urology Group uses Lean Six Sigma principles to help drive efficient dispensing and manage inventory. As one of four Certified Lean Six Sigma Black Belts at the practice, Gundler leads the effort. His Black Belt colleagues include two nurses focused on clinical improvements and one on IT. Together, they’re using data to drive better decision making throughout the practice.

“Our goal in leveraging the Six Sigma approach was to get more organized—improving both workflow and patient flow,” Gundler said. That process led to converting a conference room into a pharmacy. “We’ve increased efficiency so much that we’re saving about six hours per week for each technician. And now we can handle more volume, because we’ve improved processes from ordering to dispensing to billing and reimbursement.”

Adding drug consignment

As the next natural step beyond physician dispensing, The Urology Group implemented a drug consignment program via VitalSource™ GPO. With it, the practice doesn’t pay for drugs in inventory until they’re dispensed.

The consignment approach provides the practice with several new advantages:

- Establishes inventory needs by setting par levels that align with actual utilization.
- Provides better control of overall drug spend, because The Urology Group only buys what it needs (that’s especially important for managing high-cost specialty drugs).
- Improves cash flow by avoiding overstocking and emotional buying. By switching to just-in-time (JIT) inventory management, The Urology Group could evolve from having a couple of weeks of inventory in-house to just a couple of days—with no impact on product availability or the practice’s ability to deliver quality care.
- Automates the inventory tracking process, eliminating many manual procedures that clinicians had been following for inventory-related tasks.
- Delivers the inventory management expertise, resources and reliable support to help ensure ongoing success.

“The consignment program improves revenue as well. When we free a staff member from inventory-related responsibilities, that person saves just over 25 hours annually—which can then be reallocated to more productive tasks. The result: nearly $40,000 in additional revenue each year.”

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$40k ANNUAL REVENUE SAVED

+25 HRS
Improving productivity

Before The Urology Group implemented the drug consignment program, pharmacy technicians would spend a lot of time ordering and managing inventory manually. “Now, we just set par levels and let the system work for us,” Gundler said. “There’s no time wasted and no miscommunication. Everything happens automatically and accurately.”

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While market pressures are seeking to limit access to physician dispensing services, VitalSource™ GPO is expanding services by adding drug consignment and offering a more complete pharmacy solution. The benefits are clear: “Greater revenue, better adherence, more convenient and an improved patient experience: the physician dispensing and consignment solution is a win for everyone,” Gundler said.
About Cardinal Health Specialty Solutions

Cardinal Health Specialty Solutions partners with healthcare providers and pharmaceutical manufacturers to ensure patients have access to the therapies they need. From supporting manufacturers on the path to successful drug commercialization, to delivering the products providers need and the efficiencies they want, we use our expertise to help improve specialty care. To learn more, visit cardinalhealth.com/specialtysolutions.

About The Urology Group

Serving patients in Greater Cincinnati and Northern Kentucky for more than 20 years, The Urology Group is one of the largest single specialty groups of urologists in the United States. With 39 staff physicians at 12 locations, the practice is dedicated to delivering the most advanced medical and surgical care for treating urological and reproductive conditions. The Urology Group is a member of the Independent Physicians Collaborative, composed of 425+ independent physicians and over 3,400 medical and customer service professionals providing quality care to more than one million patients annually in the region.