Retail pharmacies within community oncology practices: a win-win for patients and practices

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There has been a rapid paradigm shift in cancer management from intravenous to oral oncolytics in recent years. Oral oncolytics currently represent the fastest growing segment of the oncology drug market. Although they allow patients greater convenience, they are associated with poorer adherence. Furthermore, the shift from IV to oral oncology therapy reduces the revenue community practices obtain from IV therapy. This reduction in revenue coupled with the erosion of reimbursement in the current health care environment is threatening the viability of many community oncology practices. To sustain the independence of community oncology practices, a diversified revenue stream is critical. Oncology pharmacies, including physician dispensing pharmacies and retail pharmacies incorporated within community oncology practices, provide an integrated approach to patient care across the spectrum of treatment modalities. In addition, they may provide a valuable, additional revenue stream that can promote the independence of community oncology practices in this upsurge of oral oncolytic use. More importantly, the incorporation of a practice-owned oncology retail pharmacy into community oncology practices has the potential to significantly improve patient care and outcomes by providing an opportunity to reproduce the patient outcomes and experience associated with the IV infusion suite in the oral therapeutic arena.

About 35%-40% of the oncology drugs in development are oral,1,2 and an estimated 17% of oncology patients in the United States receiving chemotherapy are prescribed oral oncolytics.3 Although oral oncolytics allow patients greater convenience, they are associated with poorer adherence. Furthermore, as the shift from intravenous to oral therapies continues to grow, the negative financial impact on community practices will continue to mount. An important consideration for community practices to improve patient care as well as develop an additional revenue stream is the incorporation of practice-owned oncology retail pharmacies into community oncology practices.

**Improve patient care**

Although the shift from IV to oral oncolytics allows greater convenience for the patient, patient adherence to oral medications is poor, with adherence rates reported from 17%-100%, depending on the medication.4 About 125,000 deaths annually5 and $100 billion in US annual health care costs6 can be attributed to poor adherence. Retail chain pharmacies typically have no adherence programs and specialty pharmacy programs are as yet unproven. Practice-owned community oncology retail pharmacies provide an opportunity to reproduce the patient outcomes and experience associated with the IV infusion suite in the oral therapeutic arena.

As with the infusion suite, practice-owned oncology retail pharmacies allow for integrated care provided at the point of service. They provide an opportunity for the implementation of adherence programs consisting of better patient education from the entire care team, including pharmacy staff with specialized knowledge of oral oncolytics. In addition, patient follow-up from knowledgeable staff with immediate access to all clinical data through an electronic health record (EHR) facilitates better side effect management. The EHR also allows for better tracking and improvement of adherence and outcomes.

Fulfillment rates at retail chain pharmacies have been reported to be as low as 75% for some oral...
oncolytics, and decrease with higher cost-sharing amounts (Table 1). Compared with retail chain pharmacies, practice-owned oncology retail pharmacies can better provide financial assistance to patients for products with high cost-sharing amounts, which leads to increased fulfillment rates. In addition, centralized prior authorizations at practice-owned oncology retail pharmacies lead to greater fulfillment rates, which can be easily tracked through the EHR. Furthermore, centralized authorizations managed by experienced pharmacy staff relieve oncology nurses of this task, allowing them to focus on patient care.

**Diversified revenue stream**

Eroding reimbursement in the current health care environment and the shift from IV to oral oncology therapy is threatening the viability of many community oncology practices. Oral oncolytics represent the fastest growing segment of the oncology drug market and were estimated to grow at an annual rate of 20%-30% beyond 2010. The shift from IV to oral therapy reduces the revenue community practices obtain from IV therapy, which may result in many community practices seeking the shelter of hospitals to remain viable. The unintended consequence is that the total cost of care actually increases as hospital-based cancer programs are much more costly than independent community based systems. To sustain the independence of community oncology practices, a diversified revenue stream is critical, and practice-owned oncology retail pharmacies offer an opportunity to capture the revenue from oral and some injectable therapies.

**Types of oncology pharmacies**

**Physician dispensing pharmacy**

A physician dispensing pharmacy operates under the prescribing physician’s medical license, and does not require a registered pharmacist on site; however, some states do require additional licensing for the physician to dispense medication. When running a physician dispensing pharmacy, pharmacy adjudication software and pharmaceutical inventory needs to be located at each clinic within the practice. Individual state requirements regarding drug labeling, dispensing, inventory management, and record keeping must be determined and followed. Separate inventory must be maintained for drug dispensing versus clinic administration, as pharmacy reimbursement for dispensing is based on the average wholesale price or wholesale acquisition cost established by the drug manufacturer, which is independent of the average selling price.

The major benefit of a physician dispensing pharmacy is that overhead is minimized because a pharmacist is not required onsite; however, without the presence of a pharmacist with specialized knowledge of oral oncology drugs, the associated improvement in patient care may go unrealized. Furthermore, many national insurers do not recognize physician dispensing for pharmacy services; therefore, this model does not allow dispensing to those patients and access to those revenue streams. The associated decrease in total revenue may be significant depending on payer mix.

**Practice-owned oncology retail pharmacy**

A practice-owned oncology retail pharmacy within a community oncology practice functions like a typical retail pharmacy, and must be staffed by a pharmacist licensed by the state board of pharmacy. The presence of a licensed pharmacist may lead to improved patient care due to pharmacist oversight of patients’ total medication profiles and specific emphasis on medication adherence. In addition, designation as a retail pharmacy also provides access to more national payers and thus significantly higher total revenue.

RainTree Oncology, a privately-held provider of oral oncology drug acquisition and management services, is currently collecting data on oral oncolytic adherence rates, patient and physician satisfaction, and side effect management from its network of member community oncology practices through its RainTree Analytics and Information Network (RAIN). The network aggregates the data sources from the member practices, including, but not limited to, the pharmacy management system, practice management system, and electronic medical records. The data will then be mined for actionable statistics such as adherence rates, prescription capture rates, and common side effects by drug and cancer type. These statistics can enable practices to improve medication adherence as well as patient outcomes.

Inventories for oncology retail pharmacies vary and may include oral oncolytics only, oral oncolytics plus supportive care medications, or may include a full range of medications. The entire pharmacy staff is knowledgeable about specific prescription documentation requirements, drug-closing schedules, and correct submission to insurance companies for reimbursement, alleviating the nursing staff of this responsibility and maximiz-

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>Comparison of practice-owned and chain retail pharmacies</th>
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<tbody>
<tr>
<td>Service</td>
<td>Practice-owned</td>
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<tr>
<td>--------------------------</td>
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</tr>
<tr>
<td>Integrated care at point of service</td>
<td>Yes</td>
</tr>
<tr>
<td>Centralized authorizations</td>
<td>Yes</td>
</tr>
<tr>
<td>Fulfillment tracking</td>
<td>Yes</td>
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<tr>
<td>Patient education</td>
<td>Yes</td>
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<td>Side-effect management</td>
<td>Yes</td>
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<tr>
<td>Adherence program</td>
<td>Yes</td>
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<td>Outcomes tracking</td>
<td>Yes</td>
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ing the patient’s benefits coverage. Pharmacy claims are imme-
diately adjudicated online, allowing for immediate reim-
bursement and cost analysis. Many third party claims
processors are available who will negotiate contracts with
payers, adjudicate claims online, and collect payments and
initiate appeals on behalf of the pharmacy.

Although third party claims processors can assist with
payer negotiation and claims adjudication to expedite
collection of payments, many insurance providers will
only cover prescriptions for oral oncolytics filled by phar-
macies with which they are contracted, such as specialty
or mail order pharmacies. To address this, the practice-
owned retail pharmacy may consider becoming accredited
as a URAC specialty pharmacy, and therefore may be-
come an in-network provider for insurance providers that
direct prescriptions to specialty pharmacies. Tennessee
Oncology has begun the URAC accreditation process,
and once this has been completed and proven effective, it
will be replicated across the entire RainTree network.

The pharmacist’s knowledge of specific oncology drugs and
associated side effects promotes more engaging patient com-
unication and education. Medication therapy management
(MTM) calls are scheduled specific to the timing of side effect
occurrences, and specific questions are scripted to uniformly
assess patients for common side effects. In addition, immediate
access to the patient’s EHR allows the pharmacist a more
comprehensive overview and direct access to physicians and
nurses within the practice, promoting timely side effect man-
agement. Tennessee Oncology uses Theigys’s MTM program
to manage compliance and persistency along with side effect
management. This is done by pharmacy staff rather than the
physician, thereby preserving the physician’s time and saving
costs. Important to note is that while 3 CPT codes have been
developed for pharmacist-based MTM, MTM must occur face
to face to allow for billing. At Tennessee Oncology, most
MTM occurs over the phone.

A practice-owned oncology retail pharmacy allows timely
refills to be coordinated with the prescribing physician’s office.
This is particularly beneficial for those medications with inter-
mittent schedules that cannot be written with refills but rather
require a new prescription each month, as well as for medic-
ations that may not be stocked but must be drop-shipped from
the manufacturer upon a specific patient order, therefore requir-
ing an additional day to process the refill request.

A reality facing the traditional retail chain pharmacy is the
high product costs that limit routine stocking of many oral
oncology products. This often leads to a delay in access to
therapy and multiple trips to the pharmacy for the patient.
Practice-owned oncology retail pharmacies stock most typical
oral oncology products so that patients usually have same or
next day access to their medications. In addition, the high
acquisition costs experienced by retail chain pharmacies result in
high out-of-pocket expenses for patients, leading many to aban-
don therapy or decrease their dosing in an effort to reduce the
number of refills they must pay for.

With a practice-owned oncology retail pharmacy, dedicated
patient advocates are immediately put into contact with patients
paying such high copays. These advocates establish a high level
of trust with the patients and assess each patient’s financial
status, identify possible resources, and fill out all associated
paperwork for applications. The advocates maintain a compre-
hensive list of charitable foundations available with the specific
requirements for each, and work with the drug manufacturers
for co-pay assistance. Furthermore, with specialized oncology
knowledge, advocates are able to explore same class therapeutic
options and provide recommendations for alternative care op-
tions specific to the patient’s coverage situation. This level of
patient support simply doesn’t exist anywhere else.

Tennessee Oncology conducted a survey between March
and April 2013 that included 400 patients who received care
within the previous 90 days. Results showed that 94% of pa-
tients surveyed reported being very or extremely satisfied with
the pharmacy services provided. In addition, Tennessee Oncol-
ogy has found that employing a practice-owned retail pharmacy
has provided a worthwhile additional revenue stream.

In sum, both physician dispensing and retail pharmacies
incorporated within community oncology practices provide
an integrated approach to patient care across the entire
spectrum of treatment modalities. In addition, they may
provide a valuable, additional revenue stream that can pro-
mote the independence of community oncology practices in
this upsurge of oral oncolytic use. More importantly, the
incorporation of a practice-owned oncology retail pharmacy
into community oncology practices has the potential to sig-
nificantly improve patient care and outcomes.

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