

# Challenges for 24 hour pharmacy



## **Introduction**

The hospital pharmacy should run efficiently and safely. Providing the best use of medicines, technology, and workforce along with cooperation from the doctor to avoid a discrepancy in the service provided. This will bring value to taxpayer dollars and provide good clinical results 24 hour a week 7 days a week. It is important for a 24- hours 7 day a week pharmacy to improve patient experience by giving the patient the chance to talk about their care, decrease unnecessary difference in their care by applying the principles of medicine into everyday practice, to improve clinical productivity and patient safety to better focus on use of medication by offering 24 hours 7 day a week health and care service and to address staffing, by providing a possible explanation to the challenges of staffing to include pharmacist prescribers.

(NHS England 2016)

### Need for working capital

“ When”, starting up a pharmacy working capital is needed for 2 months start up prevent failure of the business. In the first 2 months of operating a pharmacy, the pharmacy will incur expenses of \$150, 000. Your first day of operation your return will be zero, and you will not see any return on investment until 27 days after because of a delay receiving disbursement from the insurance carry. Your expenditures in the first month will amount to \$40, 000 just to pay the bills and can double sales in the second month leaving you with \$25, 000 that was billed earlier this can generate cash flow problems and increase inventory. (BonDurant, O. N. D)

It is vital to stock medication in your initial drug inventory so that you will not lose patient business for not filling their medication. Stocking medication is not an easy job but there are vendors who can help draw up a formulary of must have medications. You can also poll the doctors to see what medications they commonly prescribe. Some vendors will help you benefit from your inventory to prevent hardship for the initial cost and will even allow you to pay for your initial purchase over a period.

“ When”, it comes to staffing there should be at least one pharmacist for every 100 to 125 prescriptions that are filled daily. The bulk of the business comes from medication refills and requires less time talking on the phone to insurance carriers, which allows the pharmacist to process greater than 125 prescriptions. You may want to consider hiring a pharmacy technician to reduce wait time and help to expedite service. It is much cheaper to hire a pharmacy technician, and the hours of operation will determine what other staffing is needed. “ If”, you are planning to extend hours of operation to 24 hours you will need at least two additional pharmacists.

Taking on a new pharmacy can be intimidating when considering all the aspects of the project, the pharmacist has to coordinate with all parties involved in the design process while considering the need of the staff. With feedback from the staff, management can design the pharmacy based on the workflow to make sure consistent alignment of order processing and dispensing of medication. The pharmacy layout should include a carousel on one side and an IV cleanroom on the other, some pharmacies also have a different room for NICU, pediatric order processing and a room for chemotherapy preparation. The offices, breakroom, storeroom and IV room

are located in the back. We also have to be mindful to the legal requirements of the American disability act.

It has been suggested that you find an expert as a design consultant or casework vendor who can foresee problems that's unclear to a person with no experience. We must comply with state, local regulation regarding the aisles, routes, and the height of shelves and casework in relation to the ceiling. " Lastly", choices have to be made ahead of time about the implementation of technology for a new pharmacy. (Lau, Chester & Christou, T. C N. D. Para. 1-13)

#### Time value principles

The two practical options to measure the rate of return to optimize financial performance for the pharmacy department based on time value principles are accounting period principle and matching principle with accounting period principle pharmacies look at the long term effect

Of decisions and the time should be one year and can be of any period and begin and end on any date. The internal management requires current financial information this is used to operate. The information used in the accounting period principle and prepare interim financial statement compass data needed to be collected and evaluated.

#### Rational and justification

A company manufacturing suntan lotion. These products are used throughout the year but the use of the suntan lotion is much higher during the summer, so inventory is increase during winter time to meet the

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demands of the summer. “ Therefore”, a business cycle for a pharmacy company will more likely began on September 1 and ending on August 31 of the next year as opposed to using the calendar year accounting period.

The most important and fundamental principles is the matching principle, which plays a vital role in the income statement and records all the pharmacies profits and expenses. The expenses directly relating to the production of the reported profits must be reported in the same period on the income statement. Profits are noticed when bringing in sale and the sales has been completed or provided and matched to the income to get an accurate earning from the transactions.

#### Ration and justification

The differences in timing is used in the matching process. Case in point, the sale of medication and payment by the insurance carrier, or ordering goods from the pharmaceutical company and not having to pay for the products and drugs until the end of the month. “ Therefore”, the inventory account would rise from the items that was received at the end of the accounting period and liability was recorded until the time the check was written.

#### Profitability analysis

In a study by Barbuta- Misu, N. (2013) profitability takes into account 2 rates: return on assets and return on assets and equity. One most important and useful of the financial ratios is return on assets. Return on assets can be seen in many ways by researchers and practitioners. This return on assets  $\text{net income/Total assets}$  contributed to the ratio in most of the failure

prediction studies and these rates are often used in several econometric models. There are four types of return on assets which 90% of the Chartered Financial Analyst is the main measure of profitability.

Productivity analysis is studied through financial statements to keep the value drivers of return on operating assets from the perspective of productivity. This shows a functional relationship amongst return on operating assets, and the core productivity indicator at the pharmacy level. The drivers that regulate the value of return on operating assets along with price change of outputs and inputs are total factor productivity and labor productivity forms a functional relationship.

Return on assets indicates the performance of operating profits and must be frequently increased to cover the financial results. Value surpasses 15% a value that displays a return that is higher than inflation rate, and the average rate of interest. “ In”, the three company analyzed values of return on assets higher than 15% wasn't recorded. The maximum value was recorded by Bio farm with returns on assets and having a changing trend and decreasing tendency towards the end of range and having values in the middle at 8. 27% in 2012 and 10. 07% in 2010. It is opposite Remedia noted shifting values of return on assets, ranging at 1. 61% in 2008 and 4. 76% in 2009 and Ropharma has a loss due to operating activities in the year 2008 and will be recouped in the future with a return on assets in the period between 2009 and 2012 reaching 3. 32% in 2011 and 4. 44% in 2010.

Return on equity displays the companies own funds that are brought by investors and is generated by created by the present net profit, reserves,

and collect earning this is the major role in covering the present interest rate. A high value of return on equity may indicate a low equity when comparing net income produced by activity and recommends the capital capability and is the easiest way to capitalize because of the current investment interest.

Two companies in 2008 Biofarm and Remedia net results was negative and shows a completed activity loss, The only company that make profit throughout the period was Ropharma with a return on equity recorded as values changing at 5.77% in 2008 and 13.31% in 2010. The other 2 companies recorded changing values of return on equity in the years 2009-2012 and ranging from 3.57% in 2009 and 10.24% in 2011 and separately 9.24% in 2011 and 14.43% in 2009. Although in 2008 Biofarm and Remedia accomplished operating profit net results was negative because of higher financial expenditures, while Ropharma received a loss from the operating activities and thrived to cover profits from financial activities, producing a company profit.

#### Schedule of assumptions

A schedule of assumption for a pharmacy proposal includes fix pharmacist fees with a rationale that the pharmacy services needs to be stagnant for 5 year period. “ Secondly”, Pharmacist actions are kept up during the period and continued steadily reason being post intervention and following therapy recommendations will drop to pre-intervention level. Next adverse reactions will be identified by the pharmacist who can make changes to the prescription therapy or decline to fill the medication with in the scope of

practice reasoning difficult prescriptions cannot be adjusted or modified based on TM guidelines and when prescriptions can't be filled by the pharmacist must call the doctor to obtain a new prescription. (Opatoday, 2009)

There are 10 questions that the pharmacy board may ask before embarking on a new pharmacy proposal such as:

1. How will the new 24/7 in-patient pharmacy fit the needs of hospital staff and dependents?
2. How will the hospital/pharmacy improve their relationship with the vendor?
3. How will the hospital work with pharmacy benefit management to get into the network and at what reimbursement rate?
4. How will bring the pharmacy cost in-house work with all pharmacy benefit managements?
5. Will there be a difference between the in-house pharmacies and the remaining pharmacies in the network?
6. Will a disadvantage hospital be eligible for additional benefits if they bring the pharmacy in-house?
7. What are the drawbacks of using in-house pharmacy for benefit plans?
8. Can a hospital really save any money?
9. What is a good way to being this kind of project and how much time will you need?
10. Are there any lessons to be learned from this and what should the organization anticipate



## Federal, state, and local policies

As new laws and regulations come into effect this can help the pharmacy. Policy changes that are coming as opposed to distant is the passing of PBM Transparency Rule Changes which consist of being clear, fair legislation of the pharmacy that permits state regulatory agencies to audit PBM for data about the cost of medication associated with reimbursement to pharmacies approved in 40 states. Transparency helps pharmacies to better understand reimbursement policies and charges. Many states require PBMs to give information about medication price and reimbursement rates pharmacies relating to Medicaid or state health plans. Insurance commissioner was authorized to review and approved PBM payment programs to ensure reimbursement for medications is realistic.

“ Secondly”, Direct, indirect and PBMs fees are connected and is used by PBMs in Medicare Part D. and can be backdated fees which is based on a quality-based metrics that is not clear about what the metrics measures. It vitally important to know what metrics PBMs used to base reimbursement this would help pharmacist to regulate price and decrease the risk of being reimbursed a reduced amount than what a medication cost months after the medication has been filled.

Next, congress is trying to increase pharmacist’s scope of practice and want them to work at the top of their license and should Medicare cover expenses to pharmacists in areas that are underserved. The HR 592 bills provide Medicare coverage and fees for some services provided by a pharmacist in the healthcare shortage area that normally would be covered by Medicare if

services was provided by doctor. Some states are thinking about letting pharmacist prescribe medication take by mouth such as for flu or strep throat also consider allowing them to provide counseling for opioids abuse, tobacco, and diabetes.

Several changes to pharmacies are coming with standards issued by the United States Pharmacopeia-National Formulary, FDA, and state boards on sterile, nonsterile compounding and how government will oversee compound products and the effects on specialty pharmacies. These changes help to ensure infrastructure stay compliance. The national regulatory side the FDA controls subcontracting pharmacies, what unpackaged medication substances pharmacies can use in compounding. This permits compounders to make an enough product for a doctor of medical facility to have on hand for common use as opposed to a particular patient if allowed by their state.

## Conclusion

In my opinion the services that the hospital provides to make patients and their family members life easier is described as productivity. A new 24- hour pharmacy will allow the patients and their loves ones immediate access to vital medications. The hospital I work for is dedicated in providing the best of services and pharmaceutical care and offer safe and cost-effective medication formulary selections in a timely delivery, is what we offer through our hospital 24 hour pharmacy.


Highly qualified pharmacists are available to review and dispense medications for an inpatient and outpatients services. The pharmacy delivers comprehensive solutions for the patient, and their medication needs within

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the hospital and maintaining a safe drug distribution system used to resolve, prevent, and detect any medication problems that may affect the patient.

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