



## Physician Dispensing

### RELEVANCE IN WORKERS' COMP

---

Physician dispensing is when prescribers give medications directly to patients, rather than giving patients prescriptions to fill at a retail pharmacy.

Patient convenience and improved medication adherence are cited as benefits of dispensing medication in-office, but safety issues can arise when a prescriber is not aware of a patient's current drug regimen and extended drug history – especially when multiple prescribers are involved in the patient's care.

Furthermore, medications dispensed by physicians often cost more for the payer than the same medication dispensed by a retail pharmacy.

### AT A GLANCE

---

- ▶ Physician dispensing forgoes the safeguard of having licensed pharmacists act as a second line of defense against drug therapy risks that prescribers may be unaware of
- ▶ Retail pharmacists are more readily available to patients for medication concerns
- ▶ Physician dispensing is associated with higher costs and more lost time than pharmacy-dispensed medication in workers' comp claims<sup>1</sup>

# Implications in Workers' Compensation

## SAFETY

When a physician forgoes retail pharmacies and dispenses medication directly to a patient, there is no chance for a pharmacist to review the prescription for concerns such as:

- ▶ Drug-drug interactions
- ▶ Drug-disease interactions
- ▶ Patient-specific allergies
- ▶ Duplication of therapy
- ▶ Inappropriate dosing ranges

In workers' comp claims, these concerns are especially important since a patient may already be taking medications for a separate condition unrelated to their injury. The patient may also have a general health practitioner in addition to the physician treating their injury. A lack of communication between the two could lead to drug therapy risks, which left unchecked could create complications, delay recovery and increase overall medical costs.

Using retail pharmacies should be encouraged. Prescription information is updated instantly and electronically, providing pharmacists with a more comprehensive view of a patient's medications.

Retail pharmacists serve as an extra set of eyes for drug concerns, more readily available than prescribers. Retail pharmacies frequently have convenient consulting hours, normally with several locations nationwide, often open during holidays and weekends. A prescriber may be hard to reach if medication concerns arise.


## TOP PHYSICIAN-DISPENSED DRUG CLASSES

- ▶ Opioid analgesics
- ▶ NSAIDs
- ▶ Muscle relaxants
- ▶ Dermatologicals/topicals
- ▶ Anti-ulcer medications

## COST

There are a number of reasons why physician-dispensed drugs contribute to higher pharmacy-related costs in workers' comp claims:

60-  
300%



### Physician-dispensed drugs are frequently more expensive.

Prices paid for physician-dispensed drugs are often 60-300% higher than the same drugs when dispensed at a retail pharmacy.<sup>2</sup> Physician-dispensed medications account for almost 50% of workers' compensation pharmacy costs in some states.<sup>1</sup>



### Physician dispensing is associated with poorer clinical

**outcomes.** Drug therapy concerns that may be overlooked due to physician dispensing can cause complications, requiring more treatment and medications. This increases costs and possibly the duration of a claim.



### Physician dispensing frequently involves compounds and private-label topicals (PLTs).

Compound creams and lotions that are customized for individual patients often contain overly-expensive ingredients when more affordable equivalents are available. PLTs contain similar ingredients to inexpensive over-the-counter (OTC) pain creams, but are much more costly. Neither compounds nor PLTs are FDA approved, and they are not available in retail stores. PLTs are almost exclusively dispensed by physicians at high prices.



### Physician dispensing could also be based on available inventory,

and may not include more affordable generic substitutions. Physicians also bill retroactively, removing the opportunity to ensure that the patient is receiving appropriate, cost-effective treatment at the point-of-sale.

## Recommendations for Physician Dispensing



Contact the patient and explain the risks of physician dispensing, encouraging them to visit an in-network retail pharmacy



Advise patients not to accept prepackaged medications at physician visits, and to request hard copy prescriptions to take to their choice of network pharmacies

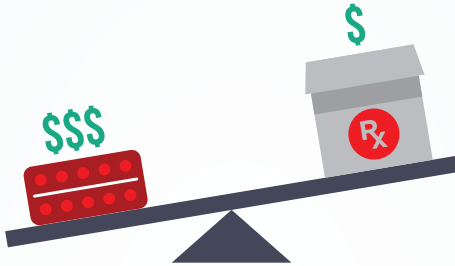


If mail order services are available, discuss the benefits of home delivery



Alert any involved stakeholders, such as a case manager

## Noteworthy



In some states, payments for **physician-dispensed medications** outweigh payments for **pharmacy-dispensed medications**



OTC drugs Prilosec and Zantac cost **5-15x** the retail price when dispensed by a physician



In **12** states at least **1 in 6 prescriptions** were dispensed at a **physician's office**.

SOURCE: WCRI. Physician Dispensing in Workers' Compensation.

## References

1. White JA et al. Effects of physician-dispensed medication on workers' compensation claim outcomes in the state of Illinois. *J Occup Med*. 2014;56:459-64.
2. Wang D et al. Physician dispensing in workers' compensation. WCRI. July 2012.  
[http://www.flchamber.com/wp-content/uploads/Physician-Dispensing-in-WC\\_WCRI-7-12.pdf](http://www.flchamber.com/wp-content/uploads/Physician-Dispensing-in-WC_WCRI-7-12.pdf)

## Resources

Healthesystems. Physician Dispensing: New Challenges in an Ongoing Battle. *RxInformer* journal. Spring 2015. <https://rxinformer.healthsystems.com/article.php?id=72>

Healthesystems. Regulation Alone Won't Control Physician Dispensing. *RxInformer* journal. Fall 2013. <https://rxinformer.healthsystems.com/article.php?id=48>

<http://www.healthsystems.com/home/physician-dispensing>

**Three ways to contact a Healthesystems pharmacist for more information:**

 [healthsystems.com/AskAPharmacist](https://healthsystems.com/AskAPharmacist)

 [DrugInfo@healthsystems.com](mailto:DrugInfo@healthsystems.com)

 866.646.2838