



# Inventory Tips and Med Sync Musts for Maximizing Cash Flow

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**NCPA 2024 Annual Convention and Expo**

Columbus, Ohio

# Speaker



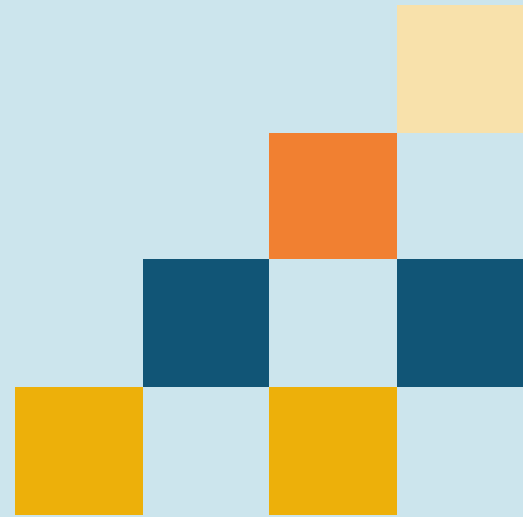
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# Disclosure Statement

Joe Williams has a financial interest with MedSmart Pharmacy Group and the relationship has been mitigated through peer review of this presentation. There are no relevant financial relationships with ACPE defined commercial interests for anyone else in control of the content of the activity.



# Pharmacist and Technician Learning Objectives

1. Describe the role of med sync in effective inventory management.
2. List opportunities in daily workflows to manage inventory appropriately.
3. Outline strategies for getting staff buy-in for med sync and inventory management.
4. Develop a plan for improving inventory management in 120 days.

# Medication Synchronization

- If you're not syncing your patients, start tomorrow
- You cannot control your inventory with a high level of service, without sync
  - Inverse relationship between sync and inventory value
    - Sync goes up, inventory goes down
  - Fewer phone calls
  - Better forecasting of workload
    - More efficient scheduling
  - You never actually own the drugs, you're just a pass-through
    - Paid claims before the order is ever actually placed
- I've heard all the arguments, try me...

# Sync “Triggers”

- Taking a maintenance medication?
  - Performance Metrics Medication?
  - Have to wait for a refill request?
  - Medication out of stock?
  - Price per unit > \$6.00 (ml, ea, gm)?
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- This should be on autopilot
    - Driven by software alerts
    - Get rid of the sticky notes

# You need an anchor point

- Brands
  - Think negative reorder point
- Opioids, benzodiazepines, sleep hypnotics, etc...
  - Think control to non-control ratio
- Time of the month
  - Think payday for fixed income households
- Delivery address
  - Think delivery efficiency
- Wholesaler statement window
  - Think cash flow

# 80/20 rule – Apply Pro Re Nata

- There will nearly always be exceptions
  - Don't let one complicated individual stand in your way
    - Including yourself
- If someone insists on opting out, so be it
  - The burden now falls to them
  - They must call 2-3 days in advance
  - Tell them directly, we do not keep that drug in stock
- If they are on certain medications, sync is mandatory.
  - Opioids, benzos, sleep hypnotics, GLP-1s, etc...



# Why does it matter so much?

Active Analysis

Sum of Net Prof	Patient Sync Status ▲▼				
Is Cycle Fill ▲▼	Declined	Enrolled	Not Enrolled	Not Recommende	GrandTotal
No	15483.14	117712.95	81210.44	3175.79	217582.32
Yes	201.90	135125.66	9.56	5.54	135342.66
GrandTotal	15685.04	252838.61	81220.00	3181.33	352924.98

Choose fields:

- Net Profit
- Is Cycle Fill
- Patient Sync Status

Drag fields between areas below:

Report Filter	Column Labels
	Patient Sync St ▼
Row Labels	Σ Values
Is Cycle Fill ▼	Sum of Net Pro ▼

Defer Layout Update

# What exactly is inventory?

- It's not that one day a year or so when you count everything...
- Inventory management should be right beside dispensing accuracy within your COMPANY CULTURE
- This is your single biggest expense and maintaining it is the key to your survival
- The right product at the right time for the right patient

# It's a team affair

- Inventory is everyone's job
  - From cashier to pharmacist and everyone in between
  - Create champions to oversee
  - Red flag moments
- Adopt a culture of accuracy
  - You demand dispensing accuracy, why stop there?
  - “To the penny, to the pill”

# Inventory Management

- What do you have in inventory?
- How is it ordered?
  - Set up automatically in your software
- Book of vendors
  - Use multiple vendors, primary and secondaries
  - Require EDI connection to your software
  - Use a software that supports having LOTS of EDI connections

The goal is less manual, more automated!

# Reorder Points

You don't need a warehouse - that's what your wholesalers are for!

- -1 is ideal, if using sync
  - Only orders after receiving paid claim
- If using a vial filling machine, understand the relationship between cell capacity, reorder point, package size and payment terms
- There is no, “one best way.”
- Consider different methods based on item utilization, cost, primary vendor, etc.

# Don't set it and forget it

- Reasons to change
  - Formularies changes
    - First quarter of every year
  - Sync growth
    - Especially when kicking off a new program
  - New to market generics
  - Seasonal changes
    - Ex. Cough and Cold season
- Automate when possible
- Don't forget to look for return opportunities



Questions?



# Contact Information

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