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EBOOK:

Beginner's Guide to Long-Term Care Pharmacy

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Introduction

According to the Population Reference Bureau's Population Bulletin, "Aging in the United States," the number of adults aged 65 and older is anticipated to reach 95 million by 2060, nearly doubling from 52 million in 2018. With such major growth in this demographic, there will be an expectation to meet health care and residency requirements to care for those in need.

That's where an opportunity for long-term care pharmacies comes into play. In the coming years, long-term care facilities will be heavily relied on, thus encouraging action from long-term care (LTC) pharmacies across the country.

To not only lower the barrier to entry, but also lower the barrier to infrastructure and business success, we've designed a beginner's guide to LTC. Let's dive in.

Top Benefits for Long-Term Care Owners and Operators

There are many advantages to transitioning to operating a long-term care pharmacy. Some of the main benefits include:

- **DISCOUNT AND REBATE ELIGIBILITY:**
  While discounts and rebates are determined on a contract-by-contract basis, LTC pharmacies have an advantage because there's an opportunity to work as part of a GPO. Additionally, reimbursements are higher for LTC than retail pharmacies.

- **PROVIDING MORE SERVICES MEANS PROFIT:**
  From medication therapy management to medication synchronization, LTC pharmacies are well-equipped to provide more services, which positively impacts the bottom line.

- **ABILITY TO OFFER CUSTOMIZED CARE:**
  Customization of care services makes an LTC pharmacy more attractive and can also lead to higher sales revenue.

- **LOWER OPERATIONAL COSTS:**
  Operations become centralized in LTC business, so cost controls are put in place to reduce the need for outsourcing.

Key Services Provided by an LTC Pharmacy

Long-term care pharmacies go above and beyond when it comes to the traditional responsibility of dispensing medications. Responsibilities in services are dedicated to not only patients but also for long-term care facility staff members.

Some additional services provided for patients include:

- Creating quality assurance programs for care delivery
- Evaluating drug information with specific regimens
- Creating and distributing educational material for patients
- Lab testing
- Chart audits
- Medication dosing

Services provided for facility health care teams include:

- Providing educational material for staff members
- Encouraging and informing care workers to counsel residents to boost compliance across the facility

Getting Familiar with Key Terms

Understanding key industry terms early on can streamline the process from the get-go. Here are a few concepts you need to know:

- **Compliance Packaging:** Designed to increase medication regimen adherence. Compliance packaging is done in daily, monthly, or med-pass dose packs and are labeled with the day and time of each dose. This makes medication management more streamlined.

- **Consultant Pharmacist:** An individual that's specially trained to focus on long-term care patients, primarily in skilled facilities. They often review medication records, handle quality assurance of pharmacy services and oversee regulatory compliance.

- **Cycle Fill:** A service where pharmacy takes ownership of refilling and sending medications on a set and recurring schedule.

- **Formulary Management:** A process that provides facilities with cost savings by using preferred medications. This process benefits patients, physicians or facilities.

- **Group Purchasing Organization (GPO):** An entity that allows smaller organizations to increase margin by using combined purchasing volume to negotiate with manufacturers and distributors.

- **Medicare Part A:** Based on the new Patient-Driven Payment Model (PDPM) model – the new Medicare payment rule – this payor type covers the first 100 days of stay in a long-term care skilled facility.
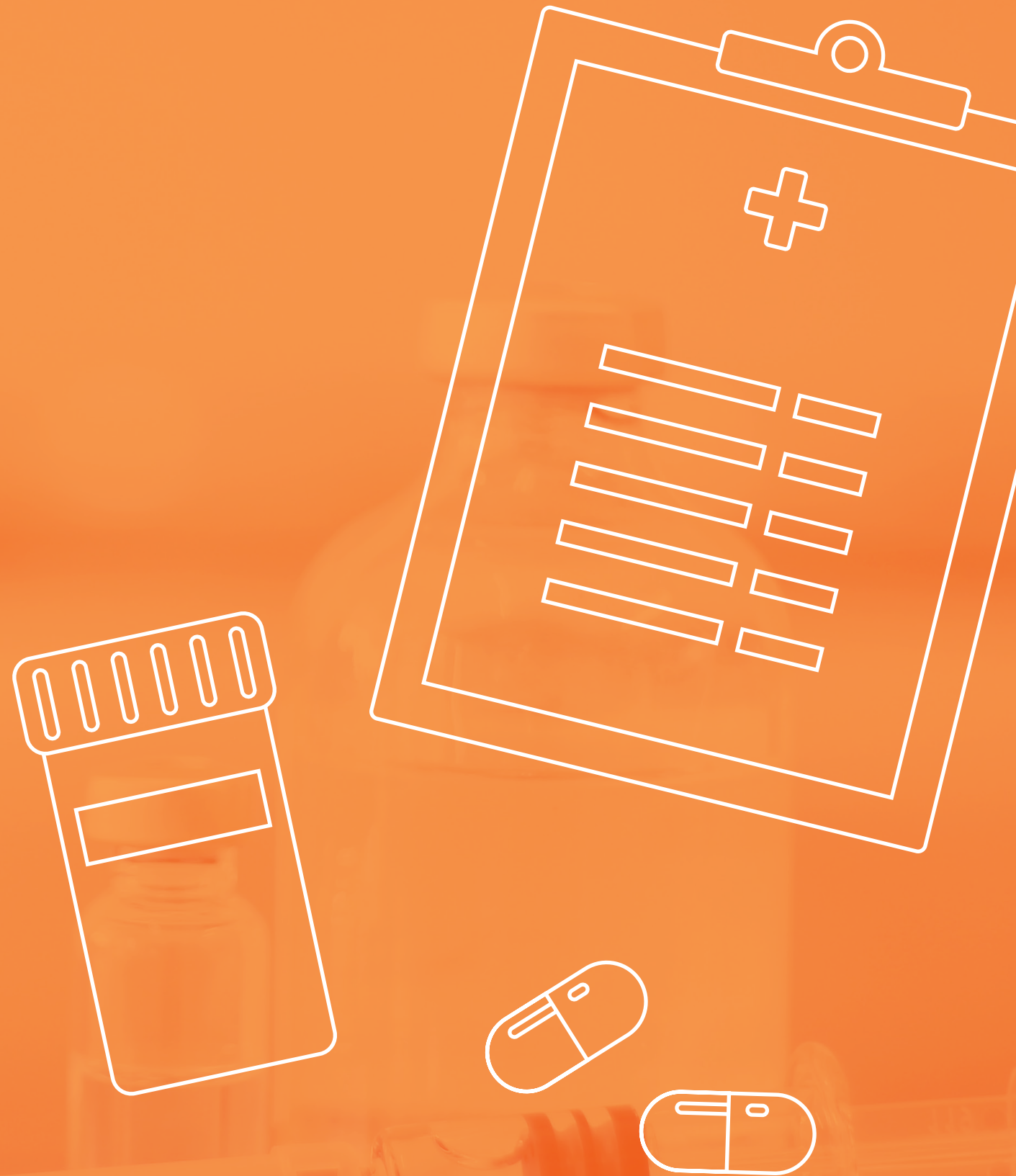
- **Medical Management Reviews:** A service provided by a consultant pharmacist where all active medications are clinically reviewed for patient need and contraindications.

- **Per Diem:** A billing model that follows a contractually agreed-upon daily rate for medications and services.

- **Physician's Order:** Used in skilled facilities, this serves as valid pharmacy order for the dispensing of medication.

- **Pre/post-Consumption Billing:** A model that allows for adjudication and dispensing to be separate activities. This can combine multiple fills into one claim with multiple dispensing fees.

- **Remote Dispensing Machines:** Packaging machines for daily medications that live inside the facility but are stocked by the pharmacy.

- **Service Agreement:** Service model arranged between the facility and the pharmacy which includes details like dispensing pattern, delivery time, STAT turnaround time, package types, pricing tables and more.

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GETTING STARTED:

Steps to Becoming an LTC Pharmacy

In general, the steps to become an LTC pharmacy involve active steps in licensing, enabling IT systems, recruiting and training staff, stocking inventory and marketing your business. Here are the steps needed to ensure success during the transition and beyond:

1. **Find a project manager to oversee the entire operation.**
   This person should meet with the IT team, as well as those assigned to quality assurance, to ensure a smooth transition.
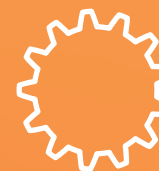
2. **Confirm your corporate name at your location.**
   Each state has relevant rules and regulations to follow. This information is necessary before signing a lease.

3. **Search for a building and sign a lease.**
   Once you find a building, be sure to set up utilities.

4. **Schedule IT configuration.**
   IT can help your team determine hardware needs based on planned software and system integrations, ensuring wiring and security set up are taken care of early on.

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5. **Apply for necessary licensure.**
    Applications can take weeks to clear, so take care of this as soon as the facility lease has been signed.

6. **Schedule and complete the necessary inspections.**
    All pharmacy site infrastructure and IT must comply with state and regulatory requirements. This will ensure your facility can get stock into the building on time.

7. **Complete all necessary applications to put your LTC pharmacy in business.**
    Beyond the pharmacy application, be sure to apply with the DEA and other necessities at this time.

8. **Dedicate ample time to your recruiting process.**
    Once your pharmacy site has been approved, start recruiting staff members so business can be up and running in weeks to come.
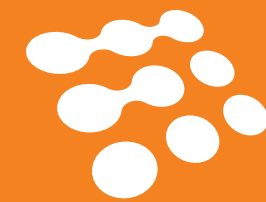
Getting your LTC Pharmacy Started with FrameworkLTC

Planning and developing a LTC pharmacy can seem like a challenging task, but it doesn't have to be. With the right tools and resources such as FrameworkLTC's powerful pharmacy management platform, you can take your pharmacy transition from stressful to seamless. Learn more about the FrameworkLTC solution suite today.

LEARN MORE

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