

## **In-office Dispensing**

In-office dispensing is defined as the selling of products within your office to patients and in many cases the public. This practice has been common for many years, especially within the offices of dentists, dermatologists and plastic surgeons. In-office dispensing has come into favor over the past few years due to economic forces such as managed care and increased overhead, as well as the physician's desire to offer patients a more comprehensive approach to treatment.

The attitudes of physician's and changing lifestyles of their patients have been the driving forces behind the exponential growth of in-office dispensing. The economics of managed care have caused many physicians to look at alternative sources of income that keep the patient's best interest in mind and maintain a professional's image. Meanwhile, most patients are rushing from one appointment to another and appreciate the convenience of not wasting the time to purchase the products at a local store. Patients accept the concept of in-office dispensing and appreciate the related convenience.

Throughout our training we are taught that we are "professionals" and that we must maintain this pristine perception in our community and amongst our medical peers. The retail perception that many of us associate with in-office dispensing creates a moral conflict that shouldn't really exist. A common denominator we have seen amongst successful practices is their ability to open their minds to new treatment tools and protocols including the use of in-office dispensing. These practices provide patients with an array of products that will aid in their healthcare, without second-guessing themselves or underestimating the patient's acceptance of these products. Too often physicians presume to know what patients are thinking in terms of in-office dispensing. Ideas such as "they can't afford it" or "they'll just think I'm trying to make money" prevent physicians from exploring this avenue of practice. Who is better to recommend an over the counter insole or product used in conjunction with a podiatric procedure, a sales person in a local store or the professionals in your office? In-office dispensing should be considered an excellent opportunity to enhance your relationship with your patients while providing an enhanced quality of care.

The driving force of a healthy economy is supply and demand. This translates into a win-win relationship in the office, where the patient is in need of a product and the office serves as the supplier. The many benefits of an in-office dispensing program far outweigh any potential negative aspects. This is fully dependant on the presentation of the products, the quality of the products and the staff's education regarding the products and their uses.

There are significant benefits for your patients to having products available in your office. The number one factor is that your patient is saving a considerable amount of time by not having to make a special trip to the local store. Finding the products that you recommended can take visits to several different stores, with the possibility of the product being out of stock or back-ordered. According to an article in Medical Economics (November 2001), patients are willing to pay significantly more out of pocket for prescriptions provided in the office rather than wait in line at the pharmacy. This proves the patient's appreciation for convenient purchasing of products in your office. Saving your patients time is a valued added service that your patients recognize and appreciate. This is especially true in the podiatric community, where patients tend to be older and have trouble getting around.

Compliance is also significantly improved when the patient has the product in-hand and a professional explains the directions for its use. In this manner, the professional can answer any questions that the patients may have regarding the product or its use. Printed detailed instructions can be given with the products. From a time management standpoint, keep the printed instructions with the products. Have the patient read the instructions before you explain how the products is used, as this will decrease the number of questions the patients ask. The guesswork for proper use and care is eliminated when questions are answered in your office. This also eliminates the need for patients to call in questions about the product.

Patient satisfaction is improved when consumers perceive your office as one that focuses on the needs of the patient and provides the additional service of in-office dispensing. Patients understand the additional work involved in purchasing, ordering, storing and handling products. It is important in the presentation of these products to make it clear that they deserve the best and that's what you provide for them. Most patients have tried multiple foot products for their various conditions. They have purchased products from local stores, catalogs and/or the Internet that have not effectively addressed their needs. This is your opportunity to provide them with the best product to address their problem(s). It also distinguishes you from your local colleagues, because you provided this added service for your patients.

In-office dispensing is also a very profitable source of income. Patients will return to your office to re-purchase a product, keeping your patient population in frequent contact. If a patient is very satisfied with a product that you dispense, he or she may even refer a friend to your office to purchase the same product for a similar condition. Not only does your profit margin increase in this manner, but the constant stream of people in and out of your office can very well lead to an increased patient population for you.

Now that we have discussed the many benefits of in-office dispensing, how do you begin? Many practices with very successful in-office dispensing programs employ a technique known as “passive marketing”. Patients are never told that they have to purchase a product. Instead a statement is made such as, “Mrs. Smith, you really need to use a skin moisturizer on your feet twice a day”. Her response is usually, “Can you recommend one for me?” With this response, your door of product opportunity flies wide open. The idea is to have your patients exposed to various products in several ways throughout your office. Some offices will have binders available for patients to look through. These contain information on the doctors, the staff, the services offered, and a section on foot care products. The section on products shows what is available, and outlines some of its common uses. You can hang a sign in your waiting room as an added reinforcement stating, “We carry several products such as pads, arch supports, skin moisturizers, ankle supports and healing products in our office as surveys have indicated that our patients appreciate the convenience of purchasing the products here.” Many offices have had success with a small display in the reception area, which includes some of those products. Some companies offer Plexiglas cases, which allow products to be displayed. These cases provide good exposure and a professional appearance. These can also be purchased at an inexpensive price if you choose, but try negotiating for this to be given free of charge based on high volume orders. Patients often ask at the front desk which product they should use. Your staff should be trained in “non-selling.” In our office, we do not push a product. Instead, we will show a bottle of the moisturizer that we offer. The patient is informed that similar products can be found in the pharmacy, but these are available for purchase in our office if they would like.

With the advent of digital photography, it is easy to create a collage of your products and have them enlarged and nicely framed for each treatment room. Patient’s curiosity as to the use of the products will lead to increased sales. This also increases patient satisfaction through providing solutions to their problems. Be sure to let your patients know that they can stop in at any time to purchase products. On their follow-up visits, be sure to ask if they are using the products, are they using them as directed (once a day, twice a day, etc.) and if they have run out or are running low on the product and need to purchase more. The key is the soft sell. Convey to your patients that this is not the focus of their visits, but simply a component of the treatment plan.

Acceptance of a product is greatly enhanced by relating to a patient how popular the particular product is amongst your other patients with similar or identical conditions. Make it clear that if they want to return the product for any reason, they will be given a full refund without question. It is rare that a patient will ask for a refund, or need the product to be replaced. You should consider not abiding by any time frame for this offer. If a patient comes back six months after obtaining a product, you should gladly refund their money. You can then contact the vendor and ask that they send a replacement product. This is usually not a hassle, because most are smaller companies that rely on their word of mouth for business.

When visiting the offices of referring physicians, bring some products that would be appealing to their staff. Simply let their staff know that you have found these products to be of great benefit to their patients and you would like to provide these gifts for them to try. Again, present the products simply as part of your treatment plan for the particular condition you are discussing. The holidays in December also provide a prime opportunity for you to put a basket of products together as a gift for a referring doctor and his staff. They will try the products themselves, and introduce the products to their families.

As mentioned above, do not be fooled by misconceptions regarding patients. They are willing to spend any money necessary in order to improve their health. It is your job as the specialist to inform them of the products that are in fact necessary to their care. In order to convince your patients that you know what is in their best interest, you must speak in a manner that is confident. Even the patient that might appear unwilling to spend a great deal of money on orthotic devices may be willing to accept the treatment plan if he has faith in his physician. Your job as a physician is to gain this trust by giving the patient what they need to feel better, and reinforcing the importance of your treatment plan.

So, if you find yourself in a practice rut, consider expanding the service base of your business. Start by evaluating where you are today. I recommend that you keep a running list for one month of all of the patients that you send out of your practice to buy goods or services from others. Go through that list and decide which of those products or services you think you could effectively bring into the practice. Approach it slowly, building one product or service expansion on top of the other. Each success will lead to greater confidence and patient satisfaction.

If you decide to begin dispensing products in the office, take your time in examining the products that are available to you. Use them yourself or ask a few patients to test them for you. They are always willing to be involved in this type of "market research." Start with the products you are currently sending your patients out to buy for themselves. These probably include skin moisturizers, exfollients, antifungal preparations, sports pain relieving creams/gels, wart therapies or pre-fabricated orthotics. You may want to visit some of the local pharmacies & supermarkets and explore their foot care areas. I think you will be amazed at the variety of products out there. Then you want to start to pay close attention to the advertisements in your podiatric journals and magazines. They are full of foot care products that you can easily stock in your office. Many of them are not widely available and become even more attractive from a business standpoint. The decision in setting up a price point for these products is completely up to you. They can be sold at your cost, or you can add some profit into the price. If you do sell at cost, please be sure to factor in the cost of shipping for each product.

Every practicing podiatrist today is faced with the financial stress of decreased reimbursement rates coupled with the increasing number of litigious patients. These two factors have significantly impacted the practice of podiatric medicine, and caused many of us to rethink our treatment protocols. Practicing physicians are seeking alternatives to elective surgery that provide positive care for patients while maintaining the financial viability of private practices. The exploration of new sources of revenue reveals that the pendulum is beginning to swing in the opposite direction, and that practitioners who embrace this movement will be far ahead of the others. In-office dispensing has become widely accepted in podiatry and is now recognized as an important part of the treatment armamentarium. Clearing the hurdles of pre-conceived notions about in-office dispensing is critical to properly educate your patients and communicate your program to them. A properly executed program will enhance patient satisfaction, outcomes and your bottom line. Success and growth in a practice are closely tied to a doctor's own perceptions...and sometimes misperceptions. In many cases we misread our patients and again, think for them about what they do and don't want. This critical mistake frequently leads to the patient not receiving optimum care and has an adverse affect on your bottom line. It is vital not to underestimate your patient's ability to make an informed treatment decision.

In summary, podiatrists are beginning to place greater emphasis on non-surgical treatment modalities in the private office. Non-covered services such as in-office dispensing should be looked upon as a positive aspect of the practice. Physicians and their staff must be clear in relating the beneficial nature of a particular treatment to patients. Turn your patients into educated consumers and you will be pleasantly surprised with the results!

And lastly, confidence makes all the difference! Oftentimes, practitioners are non-definitive with respect to their communications to patients. Statements such as "You may need orthotics" or "Maybe a cortisone injection will help" leave patients feeling apprehensive and uncertain about their treatment. Patients come to our office because you are a professional. As such, they expect you to take control of their treatment in the quickest, least painful and most cost-effective manner possible. Non-definitive statements elicit non-definitive patient responses, such as "Well let's see how things go before we try that". To avoid losing control of your doctor-patient interaction, be confident in your diagnosis and treatment protocols. Do not hesitate to offer your patients a product that will help!

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