Developing a Clinical Practice
Mary Ann Kliethermes, Pharm.D.
Midwestern University
Downers Grove, IL
Conflict of Interest Disclosures

- Clinical Pharmacy Systems, Inc. (Co-owner)
Learning Objectives

1. Formulate an internal and external environmental scan for planning sustainable ambulatory clinical patient care service(s).
2. Create a formal service proposal or business plan with the key elements identified as important to your organization.
3. Develop a pro forma statement that financially supports your program within a business plan.
4. Incorporate the seven P’s of marketing into a marketing plan for an ambulatory clinical service(s).
5. Identify and perform five clinic operational activities before opening a clinic, including developing an optimal workflow process for your services.
6. Develop and evaluate an effective set of clinic policies and procedures for an ambulatory clinic.
Case Scenario #1

An accountable care organization (ACO) has recently hired you as its first clinical pharmacist for their high-risk clinic. The ACO is a collaboration of several physician groups, a health system, and a long term-care facility. The high-risk clinic has been up and running for one year with a lead physician, nurse clinician, and social worker. They hired you because the nurse clinician has been overwhelmed with the number and complexity of the medication problems occurring in the patient population. They believe they need the skills of a pharmacist; however, they are not completely clear on what exactly your role or service should be and are looking to you to craft a proposal.
Case Scenario #1
What is an important first step for you to perform in preparing your service proposal?

A. An external environmental scan to determine what types of services others have provided to a similar population

B. An internal environmental scan to determine what type of medication problems the high-risk patients are experiencing.

C. Determine the payer mix and current reimbursement opportunities for pharmacist patient care services

D. Diabetes management is your training and strength; therefore, begin to develop a proposal around diabetes patient care.

Workbook Page 1-120; Answer: Page 1-160
Internal Environmental Scan

- What are the needs of your organization?
- What is the culture of your organization?
- What is the data that suggests your services are a viable solution?
- What are the planned resources available?
- Do the answers to these questions support the services you are proposing?
Set Your Mission, Vision & Goals

- **Mission**: why your program exists, its purpose
  “The pharmacy clinic strives to optimize the self management of medications for all patients, in order to improve each patient’s health and well being”

- **Vision**: what your program will accomplish
  “The pharmacy clinic will significant impact patient health outcomes related to medications”

- **Goal(s)**
  Reduce medication related re-hospitalizations for HF and COPD
Mission statements

Create the safest and most exciting car experience for the modern families.

Multinational corporation engaged in socially responsible operations, worldwide. Dedicate to provide products and services of such quality that our customers will receive superior value while our employees and business partners will share in our success and our stock-holders will receive a sustained superior return on investment.

Worlds leading provider of premium products and premium services for individual mobility.
Mission statements

Patients come first in all we do

We want to run really great store and provide great customer service.

Provide best health care for the individuals and diverse communities we serve through the integration of outstanding patient care, education, research and community partnerships.
Case Scenario #1 continued

You suggest to the director of the ACO (your boss) that putting together a team of stakeholders would enhance your success. You have a cardiologist, the high risk clinic primary care physician, the nurse practitioner and the office manager on the team.
Case Scenario #1
Which additional key stakeholder is most important to add to the team?

A. The pharmacy director from the health-system
B. The chief operations officer.
C. The compliance officer.
D. A medical assistant

Workbook Page 1-124; Answer: Slide 12
Identifying Stakeholders

- Physician champion
- Billing or compliance officer
- Practice manager
- Pharmacy colleagues
- Opinion leaders
- Quality improvement managers
- Others
External Environmental Scan

- Support and lessons learned from the literature
  - Use citations important to stakeholders
- What are others doing?
  - In your community
  - Statewide and nationally
- What are standards of practice
Case Scenario #1 example

- Medication problems reason for 70% of re-admissions, primarily heart failure and COPD related pneumonia.
- Office space and patient visit room in high risk clinic
- Estimate 150 discharges each month
- Fee-for-service CPT codes are the optimal revenue for your service.
Case Scenario #1

When doing a SWOT analysis of your proposed ambulatory clinic model, which is potentially the greatest weakness you may encounter and need to plan for?

A. A poorly defined payment model for your services.
B. Providers’ lack of a good understanding of pharmacist services.
C. Lack of access to patient medical records.
D. Limits on your services with your state scope of practice.
Scalable and Reproducible

- Value – quality/cost
- Scalable – ability to expand and upgrade
- Reproducible – re-create at another site
- Sustainable – maintain a positive value/cost ratio
Determining Your Model

- Scope of practice in your state
- Regulatory or payer requirements
  - Physician oversight
  - Allowable services (e.g. medication administration)
- Models
  - Office-based practice model
  - Pharmacy department-based practice model
  - Integrated team-based models of care (PCMH, ACO)
## SWOT analysis

<table>
<thead>
<tr>
<th>Delivery Model</th>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician office based</td>
<td>✓ Physician collaboration ✓ Fewer communication barriers ✓ Access to patient medical record</td>
<td>✓ Providers may not fully use pharmacist services or realize scope of practice ✓ Limited Population ✓ Limited space</td>
<td>✓ High level of practice ✓ P-4-P, quality measures ✓ Grants and funding for FQHCs</td>
<td>✓ Reimbursement limited ✓ May be unable to cover cost of services</td>
</tr>
</tbody>
</table>
Case Scenario #1
To ensure patient volume for your clinic, which is the optimal referral method?

A. Mandatory referral for all patients with HF &/or COPD who have been hospitalized in the past 6 months.
B. Provider referral based on their analysis of patients who need services for HF & COPD.
C. Patients with HF or COPD given the option to receive pharmacist services.
D. Referral made for patients with polypharmacy, defined as 8 or more chronic medications.

Workbook Page 1-127; Answer: Slide 21
Resources Needed

- **Personnel**
  - Patient volume/ visit length/ visit frequency
  - Non-productive time
  - Non-direct patient care duties
  - Support staff

- **Space, equipment and supplies**
  - Visit room size and needs
  - Furniture,
  - Office and medical supplies
## Resources Needed

### Patient Volume – common metric

<table>
<thead>
<tr>
<th>Referral method</th>
<th>Pro</th>
<th>Con</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory e.g. all patients with A1C&gt;9</td>
<td>Highest yield</td>
<td>Hardest for providers to give up</td>
</tr>
<tr>
<td>Provider Referral</td>
<td>Providers most comfortable with</td>
<td>Need to recognize</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Initially slow</td>
</tr>
<tr>
<td>Patient discretion</td>
<td>They will come</td>
<td>Unfamiliarity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Visit burden</td>
</tr>
</tbody>
</table>
Value & Sustainability: Financial assessment, Expenses & Revenue

- Calculate Implementation Costs
  - Equipment and supplies, IT needs
  - Space build-out

- Calculate Operating Costs
  - Personnel costs
  - Overhead – rent utilities
  - Supplies

- Direct Costs – easily assigned to your program
- Indirect Costs – shared costs
Value & Sustainability

Return on Investment:

$$\text{ROI} = \frac{\text{gain from investment} - \text{cost of investment}}{\text{cost of investment}}$$

### Pro forma

**Annual Pharmacy Clinic: Example Health System**

**Three-Year Pro Forma**

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clinic visits: Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial</td>
<td>1000</td>
<td>2000</td>
<td>2500</td>
</tr>
<tr>
<td>Follow-up</td>
<td>1000</td>
<td>1000</td>
<td>500</td>
</tr>
<tr>
<td><strong>Follow-up</strong></td>
<td>0</td>
<td>2000</td>
<td></td>
</tr>
<tr>
<td><strong>Clinic visit charges:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial AWV G0438</td>
<td>$182.41</td>
<td>183.00</td>
<td>185.00</td>
</tr>
<tr>
<td>Follow-up G0439</td>
<td>$123.80</td>
<td>124.00</td>
<td>126.00</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pharmacist 1 FTE</td>
<td>$120,000</td>
<td>125,000</td>
<td>195,000(+0.5 FTE)</td>
</tr>
<tr>
<td>Benefits</td>
<td>$30,000</td>
<td>32,000</td>
<td>49,500</td>
</tr>
<tr>
<td>MA 10% of 1 FTE</td>
<td>$2800</td>
<td>3900</td>
<td>5500</td>
</tr>
<tr>
<td>10% of benefits</td>
<td>$3000</td>
<td>3200</td>
<td>3300</td>
</tr>
<tr>
<td>Medical supplies</td>
<td>$600</td>
<td>636</td>
<td>655</td>
</tr>
<tr>
<td>Office supplies</td>
<td>$400</td>
<td>416</td>
<td>425</td>
</tr>
<tr>
<td>Telephone</td>
<td>$600</td>
<td>636</td>
<td>655</td>
</tr>
<tr>
<td>Rent @ $20/sq ft</td>
<td>$4800</td>
<td>4800</td>
<td>4800</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$162,200</td>
<td>170,588</td>
<td>259,835</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial AWV G0438</td>
<td>$182,410</td>
<td>183,000</td>
<td>92,500</td>
</tr>
<tr>
<td>Follow-up G0439</td>
<td>124,000</td>
<td>252,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$182,410</td>
<td>307,000</td>
<td>308,000</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$20,210</td>
<td>136,412</td>
<td>84,655</td>
</tr>
</tbody>
</table>

---

*Workbook Page 1-137*
Case Scenario #2

One of your physician colleagues sets up a meeting for you with the administrators and chief medical officer of the physician group. They are currently strategically planning to position themselves for the Merit-based Incentive Payment System (MIPS) for Medicare. They have seen and read how pharmacist services and the concept of comprehensive medication management may help them achieve their goal of bonus MIPS payments. They would like for you to provide them a service proposal to incorporate comprehensive medication management (CMM) into their strategic plan.
Case Scenario #2
Which is the best example of an important component of your service or business proposal?

A. Explaining how you expect to integrate into the physician groups workflow.
B. Ensuring that the service proposed meets the patient services you were trained to do during residency.
C. Including whether you will be using pharmacy technician services in your plan.
D. Ensuring that the mission and vision of the proposed clinic aligns with that of the organization.

Workbook Page 1-127; Answer: Slide 31
Service or Business Plan Contents

- Cover Page
- Table of Contents
- Executive Summary
- Description of Program and Services
- Consistency with Mission and Vision
- Market Analysis
- Marketing Plan
- Facility, Technology and Equipment
- Management and Organization
- Financial Summary
- Evaluation
Executive Summary

- Length 1–3 pages.
- Persuasively written in narrative
- Demonstrate
  - Logic
  - Thorough planning
  - Ability to be accomplished within time interval
  - Ability to meet the needs of the organization
  - Financial viability
Executive Summary

Critical sections
- Mission statement
- Market analysis
- Market plan
- Facility and equipment
- Management and organization
- Financial summary
Description of program and services.

- Scope of services provided
- Competitive benefits of services (how they fill a need)
- Location and staff involved
- Timeframe for establishment
- Financial and volume trends
- Previous program or service history
Consistency with Mission

- Start with your mission and vision
- Explain how aligns with the organization's mission, vision and goals
- Include the ROI you expect
- Explain how your services will positively affect the organizational performance
- Explain how the service will address identified needs of the organization and patients
Management and Organization

- Reporting structure
- Capabilities and expertise of your team
- Management within the team
- Staffing plan including qualifications and recruitment
- Address contractual relationships
- Timeline for adding new services
Case Scenario #2

In the Financial Summary section of your service proposal, which is most important for you to do?

A. Write the summary primarily in narrative format.
B. Exclude any startup costs; just include ongoing resource costs.
C. Include a projected payer mix and the costs avoided by implementation.
D. Include only a pro forma statement.
Financial Summary

Self-explanatory yet most difficult.

- Use standard business formats:
  - tables spreadsheets and graphs

- Be conservative and honest

- Include
  - Startup budget
  - Staffing budget
  - Fixed-cost expenses
  - Projected payer mix
  - Expected revenues
  - Costs avoided by implementing the program
  - Pro Forma
Case Scenario #3

You have been hired as an assistant professor focused in ambulatory care at a new college of pharmacy. Your practice site is a family practice office re-engineering its practice to a PCMH. The physicians have had no experience working with a pharmacist in this capacity. They have agreed to a 1 year evaluation to see whether the arrangement is a value to their practice. You are passionate about providing ambulatory services and want to make a positive impression in your new practice site. You decide to create a marketing plan from a training module provided in your residency.
**Case Scenario #3** Which is the most appropriate first step in developing your marketing plan?

A. Identify your customers.

B. Define your patient care services.

C. Create a brochure for patients.

D. Give an in-service to providers in the PCMH.

*Workbook Page 1-127; Answer: Slide 37*
Who are your customers?

- Patients
- Providers
- Administrators
- Payers
Customer Behavior

- Pre-purchase phase
  - Commercial stimuli Ex: advertisement
  - Social stimuli Ex: discussion with peers
  - Physical stimuli Ex: cost of medications

- Consumption phase
  - Receive the service

- Post – purchase phase
  - Evaluate the worth of the service
Case Scenario #3  You do some research on and find that promoting a service has some marketing challenges. Which is the best example of one of the challenges?

A. It is difficult to put a price on service.

B. There may be significant inter- and intra-variability in services.

C. Patients have difficulty determining whether they have received good services.

D. Your only marketing option is written brochures.

Workbook Page 1-127; Answer: Slide 40
Characteristics of Service

- Intangible
- Do not exist before they are delivered
- Variable
- Perishable
- Customers have a role
The 7 P’s of Marketing

1. Product
   - Service provided
   - Connect your service to customer needs
   - Differ yourself from competitors

2. Price
   - Cost/benefit
   - Value
The 7 P’s of Marketing

3. Place
   - Access
   - Ease of Interaction

4. Promotion
   - Brochures
   - Face to face
   - Events

Workbook Page 1-144
The 7 P’s of Marketing

5. People
   - Knowledge and skill
   - Communication skill
   - Professionalism

6. Packaging
   - Tangible or the space
   - Intangible or the welcome and responsiveness
The 7 P’s of Marketing

7. Process
   - Ease
   - Wait times

- Relationship marketing
  - Trust and collaboration
Creating Your Service Model

Operational Considerations

- **Space**
  - Reception and waiting area
  - Work space and visit room

- **Equipment**
  - Office
  - Miscellaneous (keys, badges, lab coat etc.)
  - Billing
Patient Visit Room
Develop Clinic Workflow

- Referral process
- Patient scheduling
- Access to patient information
- Patient Check in
  - Patient vitals and point of care testing
- Visit process
- Patient education
- Follow up
  - Scheduling and follow up
  - Coordination of care
Policy and Procedures

Sets standards

Elements to consider:
- Mission & Vision statements
- Define services
- Address, telephone, hours of operation & off-hour coverage
- Personnel
  - Qualifications
- Scope of Practice, privileges
- Quality program

Sets a level of quality

- Clinic processes
  - Referral
  - Workflow
  - Scheduling
- Documentation
- Billing
- Emergencies
- Point of care Testing
Suggested Time Line

Month 1
- Internal & external environmental scan
- Draft mission & vision statements
- Identify stakeholders and implementation team
- Review state, federal rules, scope of practice, payment

Month 2
- Convene planning team
- Finalize mission, vision, goals
- Determine resource needs, start up costs
- Estimate operational costs and potential revenue
- Measurement quality plan
- Begin service proposal or business plan
- Meet with stakeholders

Months 3-4
- Complete service proposal
- Meet with decision makers

Months 5-6
- Develop marketing plan
- Plan and set up clinic
- Order equipment and supplies
- Develop policies and procedures
- Obtain CLIA waivers as needed.

Workbook Page 1-153