

# Medication Dispensing in Pediatric Office Practice

Committee on Practice and Ambulatory Medicine

Dispensing of medications may be an option for office-based pediatricians and other ambulatory health care providers. Physicians have provided medications for purchase by patients for decades. Until recently, the service has been largely limited to rural and special practice situations. However, in the past few years there has been enhanced interest in office-based dispensing.

The physician's decision to dispense medications, where legally permitted, is a personal one. However, factors that necessarily impact on this decision include patient needs, quality assurance issues, practice characteristics, and community considerations. This statement is intended to assist the pediatrician in making an informed analysis of these issues. While controversy over the necessity and propriety of office-based physician dispensing does exist, in some cases office-based dispensing could enhance quality of care because the pediatrician may better meet the needs of the patients and the community.

## LEGALITY

Presently, medication dispensing is permissible in all states. However, several states have restrictions that allow physicians to dispense in rural areas only (Montana and Massachusetts); to supply a patient with only enough medication to last until the patient can have the prescription filled at a pharmacy (Massachusetts and New York); to dispense in emergencies only (Montana, Utah, and Arizona); to comply with other dispensing restrictions (West Virginia, Montana, Virginia, Nebraska, New Jersey, and Texas) and will be subject to federal and state Occupational Safety and Health Administration (OSHA) inspections and regulations (Department of State Services, American Pharmaceutical Association).

In most states, physicians and their office staff must meet specific requirements to be allowed to dispense medications. In some states physician or office-based dispensing must be in compliance with state laws regulating pharmacies. Physicians choosing to dispense medications in the office should carefully ascertain their specific state laws for legal definitions of what constitutes a pharmacy and for state laws regulating ownership of a pharmacy (informa-

tion may be obtained from the State Medical Board and/or from the State Board of Pharmacy.) Since state laws change frequently, on-going monitoring of state statutes is imperative. Prescribing and dispensing controlled substances are regulated by the federal government through the Drug Enforcement Administration (DEA). Also, therapeutic intervention medication, inventory, storage, and dispensing of all medications must meet DEA, state, and federal requirements and may be subject to OSHA inspections.

## BEST INTERESTS OF THE PATIENT

The primary motivation for office-based dispensing must be to improve patient care. To avoid conflicts of interest, consideration should be given to (1) patients' freedom of choice, (2) quality assurance, (3) patient convenience, (4) pricing, (5) patient education, (6) physician liability, and (7) relationship to pharmacists in the community. Increasing practice income or retaining patients should not be the primary motivation for office dispensing.

## FREEDOM OF CHOICE

Patients must be given a clear option to purchase medication from an office-based dispensing physician or from another source such as a community pharmacy. Patients and physicians participating in HMOs need to be informed about HMO pharmaceutical policies. Many HMOs will only cover formulary medications purchased at designated pharmacies. Some HMOs are more lenient and may provide coverage if participating pharmacies are not open at the time of service. In some states HMO participation may limit office dispensing. Possible non-reimbursement by third party payors for office-dispensed medication warrants evaluation and explanation before dispensing.

## QUALITY ASSURANCE AND PATIENT EDUCATION

Pediatricians must only prescribe and/or dispense medications with which they are thoroughly familiar. Medication interactions and possible reactions and amount and timing of dosages must be explained. Adequate medication references and information must be available to the physician and patient. Patient questions about medication need to be answered, because dispensing medication is an opportunity for patient education. Time must be allotted to delivering patient education, and this time commitment must be considered in the decision to dispense medications.

The recommendations in this statement do not indicate an exclusive course of treatment or procedure to be followed. Variations, taking into account individual circumstances, may be appropriate.

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An effective record-keeping system that integrates medication dispensing data into the clinical record needs to be developed and maintained. State regulations for including medication dispensing data in the patient record may vary. Mechanisms for availability of refills (either in or out of the office) must be provided, communicated to the patient, and recorded in the patient record.

Proper inventory records, storage, disposal, and labelling of dispensed medications must be maintained in compliance with DEA, state, and perhaps the state's pharmacy regulations and may be subject to OSHA inspections.

#### **PATIENT CONVENIENCE**

In-office dispensing may benefit the patient by enhancing convenience. The patient does not have to make another stop at a pharmacy and all charges may be paid at one location and at one time. An initial dose of medication may be given in the office, which may benefit the patient and enhance patient compliance. Office hours and dispensing hours may need to be adjusted to allow for timely prescription refills. However, convenience aside, patients must always be offered a clear option to purchase medication from an office-based dispensing physician or from a community pharmacist.

#### **PROFESSIONAL LIABILITY**

Medication dispensing increases the potential for risk exposure. The pediatrician is advised to make sure that his/her professional liability coverage extends to dispensing medication. Medication dispensing can improve risk management by ensuring that the patient receives the appropriate medication and understands the dosing instructions, drug interactions, and side effects. Appropriate medication educational materials must be available for the patient, and appropriate documentation of education and dispensing must be part of the patient medical record. Many physicians have benefitted from a pharmacist's preventing prescription errors. Dispensing physicians must have a mechanism in place to minimize dispensing errors.

#### **FINANCIAL IMPACT**

There is an obvious potential for financial gain from in-office drug dispensing. Real profits will depend on a number of complex factors including retail prescription prices. Additional office overhead costs

need to be anticipated, such as costs arising from inventory, increased pediatrician and staff time, increased accounts receivable, uncollectables, and possible licensing costs.

#### **ADDITIONAL CONSIDERATIONS**

A pediatrician cannot dispense all medications used in a pediatric practice and will need to rely on other retail pharmacists. Local pharmacists may feel alienated by physicians who dispense commonly used medications while relying on them to stock and fill more costly, less frequently prescribed drugs. Patients and the community may value the unique position of the pharmacist and may resent encroachment on a pharmacist's traditional service.

#### **SUMMARY**

The changing practice of dispensing medication in pediatric offices needs ongoing evaluation to determine the extent to which patients' and practice's needs are being met. Research should assess the extent to which in-office dispensing enhances patient compliance and patient education or whether it increases or decreases patient medication errors. Pediatricians choosing to dispense medication should monitor such research carefully, review state and federal laws periodically, and evaluate recommendations from professional organizations.

The American Academy of Pediatrics holds that the practice of medication dispensing is acceptable and appropriate provided that it is legally permissible and that it is structured primarily to serve the best interests of the patient.

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