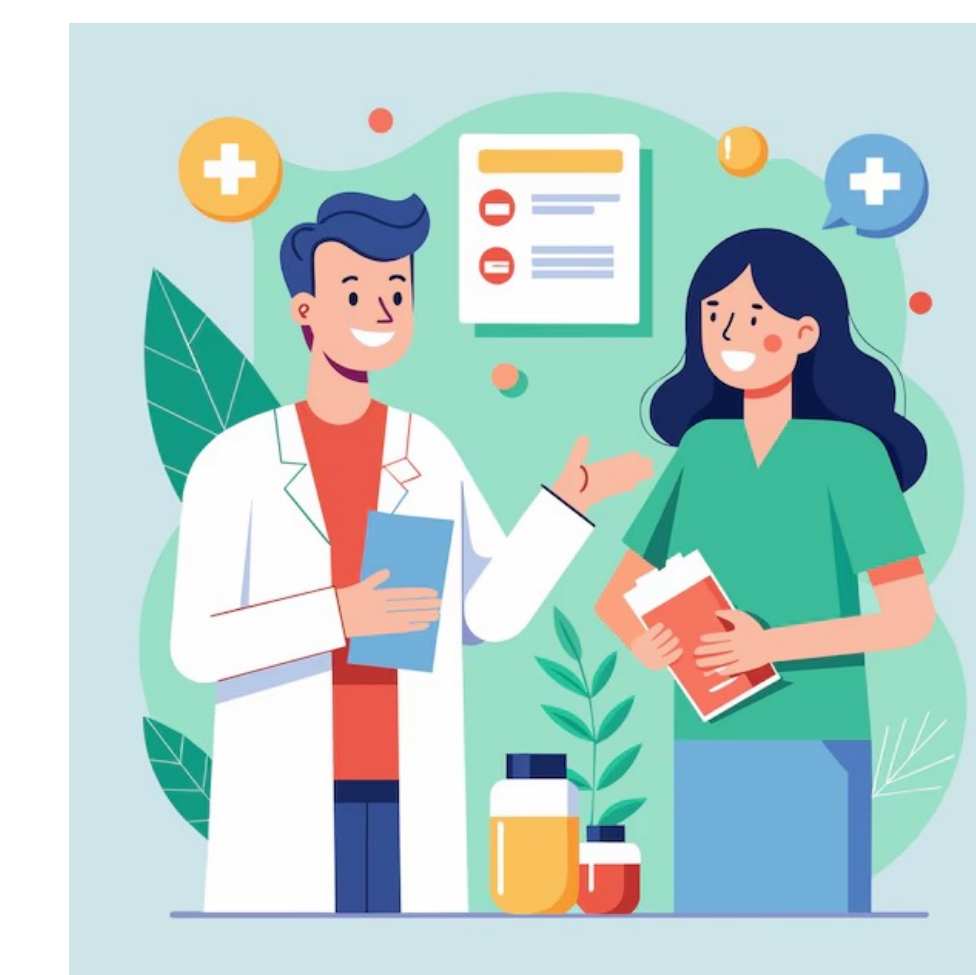


# Physician Dispensing: Trends, Opportunities, and Challenges in the U.S. Market

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## ABSTRACT

Physician dispensing is the practice where doctors provide medications directly to patients during appointments, bypassing pharmacies for fulfillment. The main benefits of this practice include improved medication adherence, as patients receive their prescriptions immediately, increased convenience by eliminating the need for pharmacy visits, and additional revenue for medical practices.

However, physician dispensing is not without criticisms. A key concern is the higher drug costs, as bypassing pharmacies leads to a lack of cost controls, resulting in substantially higher prices. Patient safety is another issue, as physicians may not provide the same level of medication verification and patient education that pharmacists typically offer. Additionally, there is the risk of conflicts of interest, where financial incentives may influence a doctor's prescribing decisions.

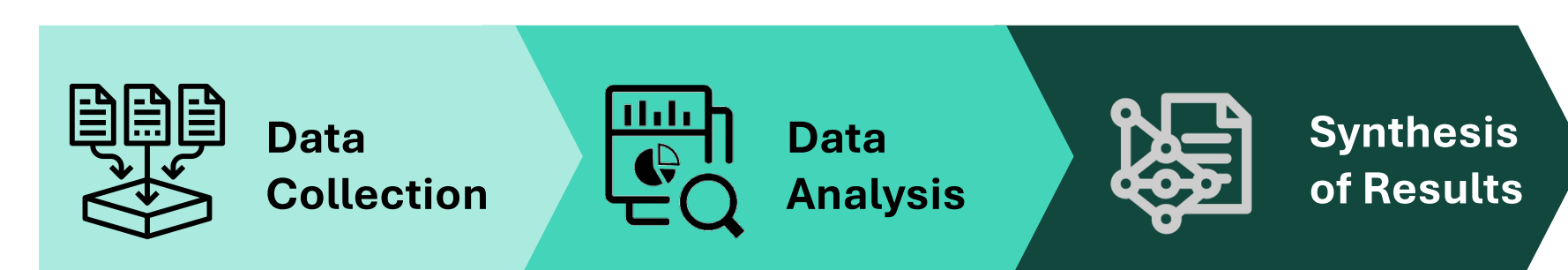
The market also faces regulatory challenges, with varying state requirements for licensure, labeling, and drug storage. Insurance reimbursement can be difficult, as some insurers prefer pharmacy-filled prescriptions over those dispensed by physicians.

HITLAB conducted research on the physician dispensing landscape, covering market analysis, competitor insights, and regulatory considerations. This poster presents the key insights from the research, highlighting both unmet opportunities and risks.

## OBJECTIVE

- Conduct a comprehensive analysis of the physician dispensing landscape, focusing on market trends, current offerings, and challenges, with an aim to identify future opportunities.

## METHODOLOGY



### 1. Data Collection:

A multi-faceted approach was employed to gather data for the study, including review of peer-reviewed articles, industry reports, industry databases, and online resources.

### 2. Data Analysis:

Thematic analysis was employed to understand the strengths, weaknesses, opportunities, and threats related to the physician dispensing market, identifying key areas for growth, improvement, or potential risks.

### 3. Synthesis of Results:

The findings from the literature review and market research were synthesized to identify key insights and future opportunities in the physician dispensing market.

### Limitations

While efforts were made to gather comprehensive and up-to-date data, limitations such as data availability, potential biases in expert opinions, and scope constraints may have impacted the findings.

## RESULTS

### Market Analysis

#### Leading Segments:

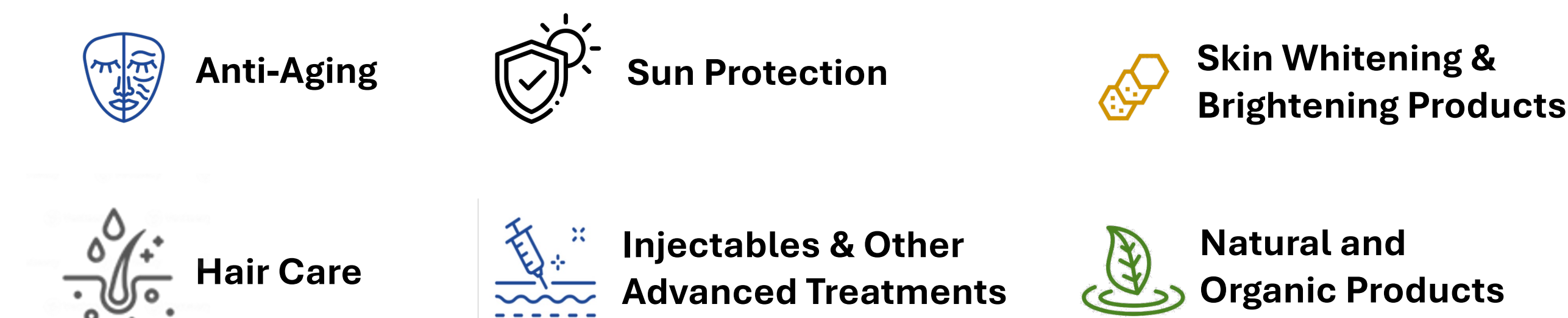
Dermatological Agents and NSAIDs are the primary segments in physician dispensing.

In states like South Carolina, Georgia, Connecticut, Maryland, and Florida, physician-dispensed dermatologicals surpass pharmacy-dispensed dermatologicals.

#### Cosmeceuticals Physician Dispensing Market :

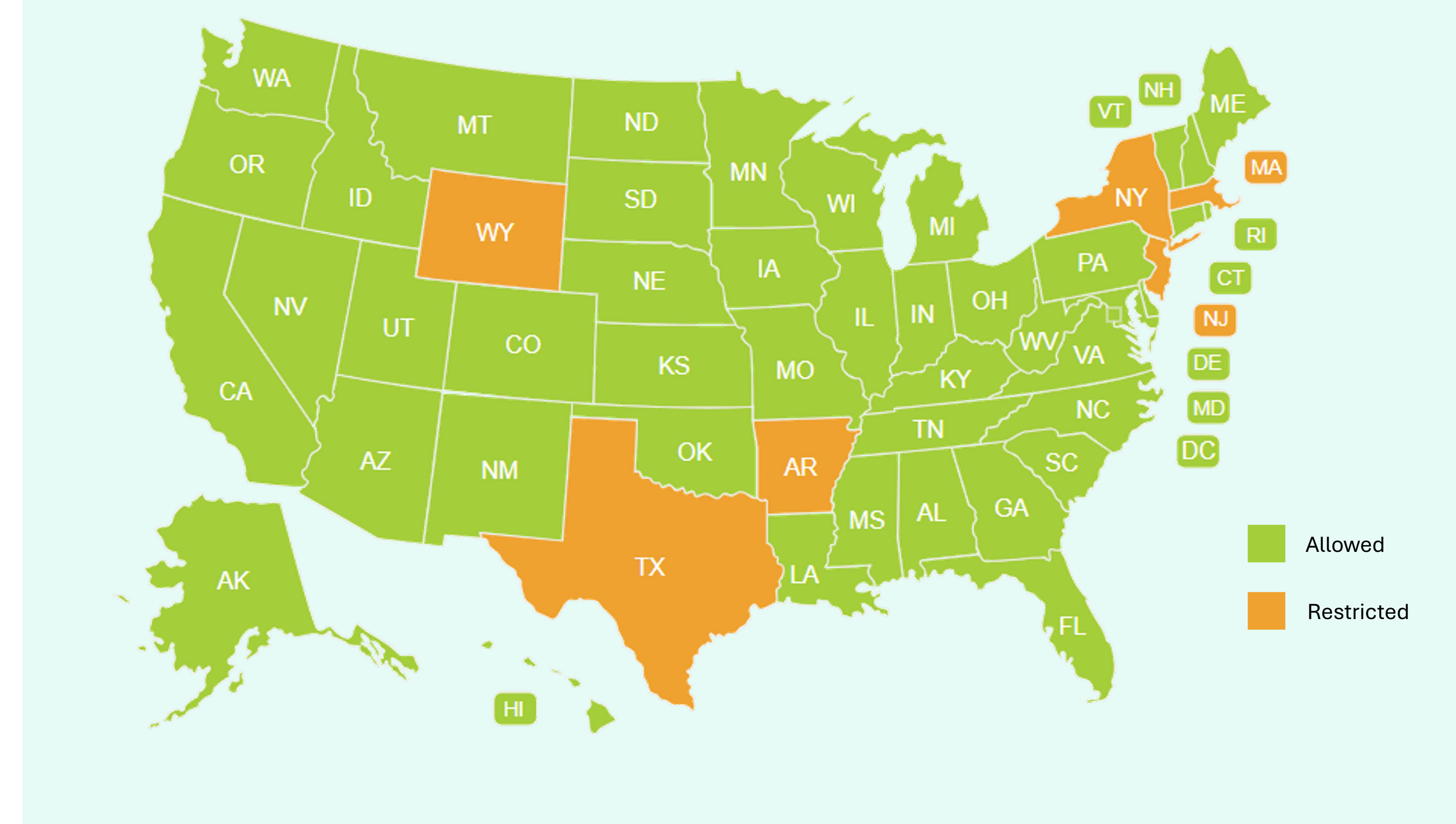


#### Product Types:



### Regulatory Environment

- Physician dispensing is permitted in 47 U.S. states, each with its own set of regulations.
- These often include restrictions such as additional licensure requirements, limitations on the types and volume of medications that can be dispensed, and specific rules on dispensing fees and reimbursement policies.



### Competitor Analysis

The physician dispensing market consists of two major categories: **Physician Dispensing Software** and **Automatic Dispensing Units**.

#### Physician Dispensing Software:

- Software solutions that enable clinics to manage the inventory and directly dispense medications to patients during their appointments.
- There are several players offering these solutions including MDscripts, Pharmedlink, BRP Pharmaceuticals, Proficient Rx, Unite Rx, and others.

#### Automatic Dispensing Units:

- Hardware solutions that combine physician dispensing software with physical units for securely storing and dispensing medications.
- Only a few major players, including VendRx and InstyMeds.

#### PATTERNS IN OFFERINGS

INTEGRATIONS	CAPABILITIES	ADDITIONAL SERVICES
<ul style="list-style-type: none"> <li>EMR systems</li> <li>E-prescription</li> <li>Billing software</li> </ul>	<ul style="list-style-type: none"> <li>Inventory Management</li> <li>PDMP Reporting</li> <li>Refill recommendation</li> <li>Label generation</li> <li>Expiration tracking</li> <li>Revenue reports</li> </ul>	<ul style="list-style-type: none"> <li>Formulary Advice</li> <li>Claims processing</li> </ul>

- The physician dispensing software segment is highly competitive, while the market for fully integrated automatic dispensing units remains limited, with only a few key players.
- This gap presents a significant growth opportunity for companies to develop secure, automated dispensing units with specialized features, including controlled storage environments

### Risks

- Pharmacist Opposition:** Pharmacists and professional organizations often oppose physician dispensing, arguing that it may encourage overprescription motivated by financial incentives rather than patient care. This opposition could lead to ongoing regulatory scrutiny and lobbying for tighter controls.
- Patient Perception:** There is a risk that patients may perceive physician dispensing as financially motivated, which could erode trust in their healthcare provider.
- Regulatory and Legal Risks:** Physician dispensing is regulated differently across states, with specific guidelines on licensure, medication types, and dispensing protocols. Noncompliance or inadvertent violations of these regulations could expose physicians to legal risks, including penalties or suspension of dispensing rights.
- Market and Competitive Risks:** The physician dispensing market faces potential risks from increased competition, market saturation, and the emergence of new technologies. Disruptive technologies, such as advanced pharmacy automation or telemedicine, could impact the demand and viability of physician dispensing practices.

### CONCLUSIONS

- Dermatology Leads the Market:** Dermatological medications represent a significant share in physician dispensing, highlighting a key focus area within the market.
- Need for Specialized Dispensing Units:** The unavailability of dispensing units with specialized storage options, such as temperature-controlled and general storage, may limit physician dispensing for certain medications.
- Customizable Dispensing Solutions:** Ideal dispensing units should offer customizable storage solutions to meet diverse medication requirements, enhancing usability and safety.
- Integration and Management:** Seamless integration with EMRs and practice management systems, along with effective inventory management, is essential for operational efficiency.
- Enhanced Service Offerings:** Additional services like formulary guidance, regulatory compliance support, automatic inventory replenishment, and streamlined claims processing can add substantial value to physician dispensing practices.
- Data Analytics and Reporting:** Incorporating data analytics capabilities within physician dispensing platforms can provide valuable insights into prescribing patterns, patient adherence, and inventory trends, helping clinics make data-driven decisions and also facilitate reporting.