

# Meet the Expert: Erika Ferrozzo, MHA



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## Meet the Expert

In-office dispensaries (IODs) are frequently discussed but rarely implemented in urology private group practices. In this interview, Erika Ferrozzo, MHA, CEO of the Idaho Urologic Institute and a member of the LUGPA Executive Leadership Program's class of 2023, explains how the Idaho Urologic Institute identified an opportunity that helped its patients experience improved adherence and ease of access to treatment and that earned the practice a year-over-year \$250,000 increase in net revenue.

## Interview

**David Albala, MD:** Thank you for joining us today for a discussion with our special guest, Erika Ferrozzo, who is the CEO [chief executive officer] of the Idaho Urologic Institute. Welcome, Erika.

**Erika Ferrozzo, MHA:** Hi, Dr Albala. It's a pleasure to be here.

**Dr Albala:** Great. Well, great to have you back again. I'm Dave Albala. I'm a urologist up in Syracuse, New York, and also associate editor of *Reviews in Urology*. Today with me we're here to discuss a session that Erika presented at the LUGPA annual meeting in Orlando, Florida, earlier this year titled "Expanding the Vision of IOD." This was a great project. Erika was part of the LUGPA leadership group for this past year, and this was her project. Erika, maybe you can just give us a little background of what got you interested in IODs to start with, and then we'll dive into some of the findings that you had in your study.

**Ms Ferrozzo:** What was funny is when I chose the IOD, one of the primary things that I heard is, "Oh man, another presentation on the IOD. The IOD's been done to death." But what I recognized is, this is an untapped gold mine that a lot of people, if their states allow, could really . . . there's a lot of opportunity. We started looking at little things. What are we allowed to sell? We realized in Idaho we can sell almost anything, so we started just dabbling. We would sell an antibiotic for a patient's upcoming prostate biopsy. We would sell Clomid [clomiphene citrate; Sanofi Aventis] for patients getting intrauterine insemination. Once we started doing that, we were selling them [for] cash in our dispensary, we realized that there's a huge profit margin in this

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because patients love convenience, and it reduced our office phone calls because patients weren't calling us from the store saying, "What was that called again?" or, "What kind of enema did you say to get?" or, "What color Gatorade am I allowed to have?" We just started selling it here, and just out of pure convenience, it ended up rolling into this massive project, and now we have a full-blown store in our medical office.

**Dr Albala:** I think it's really interesting because when you first started out—and I think it's important for the audience to know that each state is slightly different. For example, in New York, we can't sell drugs like sildenafil or Cialis [tadalafil; Lilly ICOS, LLC] or those types of drugs, but we can do the oral oncolytics. Maybe you can tell us how you started initially. Obviously, oral oncolytics is sort of low-hanging fruit, if you will. What kind of prompted this expansion to these other retail items?

**Ms Ferrozzo:** We initially did start with the oral oncolytics, the sildenafil and the tadalafil. Those are what we started [with] back in 2015, when we first opened our IOD. There was a vendor at an event that was advertising the VEDs [vacuum erection devices] and the RestoreX devices [PathRight Medical, Inc], and we realized that we were allowed to sell those out of our IOD, and that's really the inception of the idea. But they hadn't had anyone before me being here that really took that on and looked at the profit margin and

### ABBREVIATIONS

CEO	chief executive officer
EMR	electronic medical record
IOD	in-office dispensary
VED	vacuum erection device

found out a way to operationalize it. When I started this project, I said, "OK, it's time. I'm going to dive in. I'm going to do it for fun and just see if it works." Now I think we have 50 different products.

**Dr Albala:** We'll dive into some of those products maybe in a little bit later, but I remember you presented some data at the meeting sort of showing the annual performance, and it seemed like year over year, when you started this in 2021, you saw a really kind of somewhat of a meteoric rise, if you will, on the revenue stream that would come into a practice. Obviously, when you look at the stream, there's a cost for the product, to get the product and put it in the office. You obviously then will sell the product to the patient. What do you think are the main driving factors that patients would use an in-office pharmacy vs going down to Walgreens or Kinney Drugs to pick up these medications?

**Ms Ferrozzo:** The biggest barrier is convincing patients that it's cheaper for them in the long run or that it's more convenient or that they will get the exact medication they're being prescribed, not a different variation of what they need; what the pharmacies

## Identifying your opportunities

Planning	Marketing	Design	Strategy	Launch
Identify products that you often recommend to your patients to purchase outside of our organization (eg, ostomy belts, prostate biopsy prep items, Snowballs men's cooling underwear, Moonstone powder, CranCap supplements).	Update internal brochures and website to include information about and pricing for new products.  Distribute brochures in your waiting rooms, and place them on your website	Find vendors in the market that sell the products, and connect with their sales teams. Identify whether they participate in wholesale agreements for medical offices. (Many do!)	Educate your teams to refer in house in lieu of the pharmacy or drug-store. Convenience is key but also reduces confusion.  Identify a way to track internal sales to verify how the product is doing (eg, assigning a class in QuickBooks).	KPIs for the IOD: <ul style="list-style-type: none"> <li>• Track net revenue.</li> <li>• Implement sales metrics.</li> <li>• Monitor.</li> <li>• Ensure ongoing education.</li> <li>• Incentivize the staff and make it fun (eg, gift cards for every pair of Snowballs underwear sold).</li> </ul>

often do, like Walgreens, they'll change it for what's cheaper for their formulary. When I look at the data year over year, so 2021 was before really any of the products, except for our VED and the RestoreX. Then, in 2022, which is when I found out that I got accepted into the LUGPA program, I knew immediately I was going to do the dispensary. This is a project I've been focused on wanting to do for a few years, but I didn't actually take the reins and run with it until I got into the program. Then I used it as an excuse with my doctors and said, "Oh, I got in. I have to do my project. This is it," and they loved it. They're happy about it. Just at the last quarter of '22, the year over year from 2021 increased almost \$200,000 in net revenue. Then from '22 to '23, we saw another \$250,000 of net revenue. It has been a remarkable success, and I'm so glad that we did it. I just hope that more practices realize that this is possible for them.

**Dr Albala:** One thing that's interesting, you don't just start an IOD program from scratch. I mean, obviously it's a great idea, but there really are different steps along the way that you have to [take to] develop this program. There's obviously some planning, there's some marketing, there's design, there's strategy, and then the launch. Maybe you could just briefly touch on each of those areas—where you thought the hardest part was; what was easy; and what really got you from point A, which was really no program at all, to this program that really is fruitful and bearing fruit pretty significantly for you.

**Ms Ferrozzo:** The process itself has had some speed bumps. We didn't learn until we were a little further along that some of the products have wholesale agreements, and you can go to a company and you can ask them if you can be a wholesaler for them. You won't pay tax; you don't have to pay anything. You just buy a wholesale-priced product from them, and then you just have to sell it at an agreed-upon rate, and you have a designated margin. That's really important because when we very first started bringing things on, we were sort of buying them at the cost online, not realizing there's this opportunity to be a physician office seller. The reason we found out is the

## TOP RECOMMEND PRODUCTS

Prescription meds: oral oncolytics, sildenafil, tadalafil, oral testosterone	Surgical prep kits (prostate biopsy kits: antibiotic prophylaxis, scrub, scrub brush, etc)
Vaginal estrogen (also prescription but deserves its own line)	Snowballs cooling underwear for men
RestoreX (PathRight Medical, Inc)	EMLA cream (numbing before vasectomy—patients love it!)
Vacuum erectile device	

VEDs; we were going to switch [which] company we were using, and I had [told] them, "I want to sell your product." They said, "Oh, well we have a physician agreement wholesale contract that we do, and you're more than welcome to sign up, and you can sell them at this rate, and you can get them for this cost, and here's your margin." We thought, "Oh wow, I didn't even know that was possible." We ended up asking that question with every company we've gone to, some of our favorites being Snowballs [underwear]. Cooling underwear is probably my favorite product we sell, which, if anyone wants to look those up, they are for postvasectomy [patients and patients experiencing] infertility. It's basically boxers with a slot to shove ice packs [into]. They're fantastic. We sell them pretty significantly. We thought we wouldn't; we kind of did it because it was funny. But they really do make a profit, and you get them for 50% off as a physician office, so you make all profit. That was one of the ones where, if we hadn't known that, we wouldn't have even sold it because they're slightly expensive. We're able to offer this really neat product to our patients that is fairly expensive to get but [that] offers them a ton of relief. That's just one example. But to the next point of that, there's the marketing. How do we get the word out? I did spend a ton of time with our marketing team. We created brochures, and we made pamphlets. We had them all over our office. We also spent time with our website design team, getting them online. Based on reports we pull from our EMR [electronic medical record] based on diagnosis code,

### Opportunities

- Urinary tract infection antibiotics
- Clomiphene citrate
- Other surgery prep kits: Gatorade, scrub brush, scrub, etc
- Overactive bladder care line: in-house prescriptions, products
- Capitalize on low-hanging fruit that we commonly tell patients to go out and buy at the drug store (Fleet enemas, lubricant, probiotics)
- Adult diapers
- Ostomy products: Stealth Belt, StomaGenie
- Women’s sexual health
- Sexual pleasure products for men and women
- Condoms
- Sperm banking (we already participate in cryobanking)

we will advertise certain products to certain patient populations if we have their email address. We send out sort of market[ing] flyers to our patients. Only a few people have asked us to delete their email but not too many. But that’s been really fun. Then the strategy with a lot of the patients [is] just telling them, “This is something that we recommend. We do think that you need it. You’re probably going to buy it anyway.” Another great item that we do is Moonstone [Moonstone Nutrition Inc]. That’s the powder that you put in your drink for kidney stones. Patients buy those off Amazon consistently, and we can give it to them at the same rate or less, and we can make a profit. It helps them, it’s more convenient, and they’re more [adherent to treatment] because they’re getting it here and not waiting and forgetting. Maintenance of the program and helping patients with [treatment adherence] really is the goal at the end of the day. Making a profit is nice.

**Dr Albala:** I think it’s great. I mean, the way you put it together methodically, I think, is what really is one of the key things. I mean, the work upfront is paying off on the work on the back end for you. Have you seen a decrease in the number of medications that you dispense since the [COVID-19] public health emergency ended? The government has said you can’t mail patients products anymore. Have you seen a decrease in the revenue stream from that change that’s taken place?

**Ms Ferrozzo:** We have seen a decrease when it comes to our oral oncolytics primarily. That has been

difficult because Idaho has very rural demographics, so we have a lot of patients [who] don’t live close to a doctor. That part we have noticed slightly with sildenafil and tadalafil, but it turns out a lot of those patients are willing to drive, so that’s good.

**Dr Albala:** That’s great. Great. I mean, obviously your top products have been the oral oncolytics, the sildenafil, the tadalafil, vaginal estrogen, the VED devices. What other opportunities do you think there are? Maybe you can go through some. Are there products that urologists may not think that [they] might be possible to put in an IOD pharmacy that you have found success with as an opportunity going forward?

**Ms Ferrozzo:** Outside of the big ones, we do also have a lot of success with Kyzatrex [Marius], the testosterone oral. We’ve had a ton of success with the [Hyperbiotics’ PRO-Women’s] and CranCap [BoriCap supplements]. We sell those like crazy. We completely sell out of Moonstone every month. Moonstone is, again, that powder that they put in for kidney stones in their drink every day, and it tastes pretty good. We have D-mannose powder; we sell a lot of lubricant. What we’re noticing—and this is sort of an untapped arena and might be a little hard for a few people to be willing to bring into their practices, but I hope not—is sexual health. We are noticing because our population is very religious; it is not common for patients to be willing to go into a store for sexual health items. But if they’re at their doctor’s office, it changes the ballgame.

If we have women coming in here talking about needing advice or support in that area and they realize, “Oh, I can buy a sexual health device or a vibrator, something like those from my doctor,” they don’t feel dirty about it. They feel like, “This is a part of my health, and my doctor gave me advice.” We’re actually helping a part of the population that we didn’t even anticipate needing to talk to or help. [It] had nothing to do with why we started doing this. We’re realizing that we can basically have a medical-front Adam & Eve [adult novelty store] going on in our facility because we have a population that is, sort of, it’s taboo here, and there’s probably other areas [of the country] that are very similar.

**Dr Albala:** I really love the idea of convenience. You’ve put together these prep kits for prostate biopsies. Tell us a little bit about that because that’s a sort of out-of-the-box. . . . Obviously these items are cash pay that patients are paying for. What’s your take on that? Has that been a game winner for you?

**Ms Ferretto:** Yes. The hardest part with the kits is, first, space. Where do you keep all of them? We don’t have unlimited storage, so that can be a little tricky. The second part of that [is] time to put them together and making sure we have enough of everything [and that] nothing goes into expiration dates. They expire at different times, so you just have to constantly make sure you have an eye on them; you’re not making too many, [but] you have enough based on your volume. That was actually, I have to give credit. . . . One of my physicians, Dr Schatz, that was his idea. He said, “We should make these surgery kits. I bet these would be a game changer,” and he was right. They are a game changer. Patients want those items. They don’t want to go spend an hour walking around Walgreens trying to find the right item and then calling us. They’re frustrated because we have a 15-minute hold time on our phones, and then they finally get someone on the phone [who] doesn’t know what they’re talking about. Then they have to wait for a nurse or someone to call them back. There’s just so much convenience and time saved by making the kits because they sometimes need several items. It just makes a world of a difference for those people [who] are already either—if they’re getting a biopsy, they’re

already afraid. They already have enough on their mind; we don’t need to make it worse for them. This was sort of a fun way for us to say, “Let us take a little bit of the pressure off. It’s 20 bucks for this prostate biopsy kit, and [you’ll] be on your way,” and most of them don’t blink an eye.

**Dr Albala:** Well. I think this is really great. Obviously there are some barriers. We alluded to some of them, the space limitation. There is a little bit of risk, though, in this because you may bring a product in that might be a bomb. It sounds like you really haven’t had too many bombs, but have you had any products that you were surprised that didn’t do so well?

**Ms Ferretto:** We are just now realizing that the Moonstone gummies are disgusting, and they taste like lipstick. We were wondering why they weren’t selling, thinking, “Oh, it’s so much better than putting weird powder in your drink.” We had 10 go expired, so I let the staff have them. We all were eating them and said, “Oh, these are so gross.” That was the first one. The second one was certain flavors of the powders for the PRO-Women’s [supplements]; if they have powder or if they have powder for the Moonstone, certain flavors were really bad, and we didn’t know because we didn’t try them all. But outside of that, we do carry ostomy belts and the Genii packs for ostomy patients [Genii Ostomy Seals; Trio Healthcare Ltd], and those don’t quite sell because they’re very expensive. For the very few patients that have needed them, they’ve been really convenient, but you do have to buy 20 of them, and they just kind of sit there. Maybe not, unless you have a big population or that’s your specialty and you’ll sell them.

**Dr Albala:** I think this is great. I think what you guys are offering to your practice and your patients is really convenience. Convenience translates into better [treatment adherence]. I think this has been a terrific idea, a great project. I think a lot of urologists out there will learn from what you’ve put together, and this model is definitely reproducible as far as I can see. I just want to thank you for taking the time to talk with us. This has really been kind of an interesting and really informative talk today about how you can develop products and bring them into your practice that’ll

be beneficial for patients but also [introduce] a new service line for many practices. For our readership, if you'd like to listen to the full interview along with other similar interviews, please download the *Reviews in Urology* app. It's now available at both the Apple Store and in Google Play. Erika, again, thank you for taking the time. What a great project, and I hope that many other practices can reproduce it just like you've done. It's been incredible. Thanks so much.

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