

Pharmacy Inventory Management

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Objectives

By the end of this presentation, the participant should be able to:

- Review the concept of a medication formulary
- Identify records used part of inventory management
- Describe the types of physical inventory assessments used in pharmacy practice

Facility or Program Formulary

A medication formulary is a list of items approved for routine use

- May also include guidelines or restrictions for use
- Global HOPE maintains a formulary of medications; local partners may also maintain a formulary guiding the use of medications in the facility

Formulary items should be physically stocked for use

- Products may be procured via purchase, donation, or a combination
- The Global HOPE formulary includes product details, and will be updated at least once yearly

Products not on the formulary (non-formulary items) should not be ordered on a routine basis

- Special permission may be granted for products not on the formulary
- Review the Non-Formulary SOP/guidance for details

Records Management – Forms

Inventory documentation may include electronic & paper records

- May include local/institutional, country-specific, and/or program-related forms

Example documentation includes the following:

- Stock cards
- Bin cards
- Requisition/issue vouchers
- Receiving forms
- Delivery/issue vouchers
- Expired stock disposal forms
- Physical and/or electronic quotations, estimates, and approvals
- Physical and/or electronic inventory tracking/database

Records Management – Product Details

Detailed records should meet program, regulatory, and donor requirements, *for example:*

Detail	Example 1	Example 2
• Product name	Methotrexate	Doxorubicin
• Strength ± concentration	25 mg/mL (2 mL)	50 mg
• Formulation ± details	Injection (preservative-free)	Injection (lyophilized)
• Route of administration	Intrathecal	Intravenous
• Manufacturer	123 Pharma	ABC Pharma
• Storage	Room temperature	Protect from light
• Lot number	AC124578	BC347890
• Expiration date	30-APR-2022	30-APR-2022

Inventory Records Details

Inventory records should also note the following:

- Quantity on hand
- Receipts, issues, losses, adjustments
- Transaction details (e.g., supplier)
- Staff completing inventory counts
- Date of inventory counts

Physical Inventory

A physical inventory is a cross-sectional analysis of products on hand

- Specifically, it is the process of manually counting each product at a given point in time to ensure the expected and actual quantity on hand balance
- Each product physically present in all locations (and/or those assessed) should balance across all records, including electronic and paper records

May be comprehensive, cyclical, or random in nature

Types of Inventory Assessments

Comprehensive

- All products/inventory items are counted in one session and on one day
- Should be completed at least once per year, though more frequent assessments (e.g., monthly) are recommended

Cyclical

- Target items are inventoried at pre-defined times
- May be useful for high-cost items, products at risk of diversion, and/or when products are maintained in a satellite location

Random

- Specific items are randomly identified for an inventory assessment
- May be useful for high-cost items, products at risk of diversion, and/or when products are maintained in a satellite location

Steps to Conducting Physical Inventory

Plan the date, time, and process

- Complete vs. cyclic vs. random

Assign staff as needed to complete in a timely manner

- Ideally at least two staff members should be present

Count usable products

- Count individual units (e.g., tablets) not by the carton/box; quantities may be estimated for open containers with an original quantity of 1000 or more
- Expired, damaged, or unusable products should be removed and managed according to the correct SOP

Update inventory records

- Update any paper and/or electronic records in timely manner (before additional inventory is removed from stock)
- For paper records, use different color pen/ink as needed to differentiate an inventory count vs. product receipt/issuance

Take immediate action based on the results

- Update Identify, resolve, and document discrepancies immediately
- Update drug forecasts based on inventory consumption and quantity on hand

What's Next?

- Complete practice questions
- Move to Lesson 2

Questions, Comments, or Feedback?
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