

# Physicians make money acting as pharmacy to patients

By Barry Meier and Katie Thomas, New York Times

When a pharmacy sells the heartburn drug Zantac, each pill costs about 35 cents. But doctors dispensing it to patients in their offices have charged 10 times that price, or \$3.25 a pill.

The same goes, insurers say, for a popular muscle relaxant known as Soma. From a pharmacy, the per-pill price is 60 cents. Sold by a doctor, it can cost more than five times that, or \$3.33.

At a time of soaring health care bills, doctors, middlemen and drug distributors are adding hundreds of millions of dollars annually to the costs borne by insurance companies, employers and taxpayers, experts say, through a little-known practice called physician dispensing.

Most common among physicians who treat injured workers, it is a twist on a typical doctor's visit. Instead of sending patients to drugstores to get prescriptions filled, doctors sell the drugs in their offices to patients who walk out the door with them. Doctors can make tens of thousands of dollars a year operating their own in-office pharmacies. The practice has become so profitable that private equity firms are buying stakes in the businesses and political lobbying over the issue is fierce.

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