

Survey of community pharmacy economic health 2021 report

Executive Summary:

Small independent community pharmacies are struggling to survive in the face of staffing shortages, supply disruptions, small business taxes, and inflation. While harmful to the financial viability of these pharmacies, they are not the top issues confronting small family-owned community pharmacies. Pharmacy direct and indirect remuneration fees and health care consolidation are by far the top concerns to the financial viability of independent community pharmacy.

This National Community Pharmacists Association survey provides important information to policymakers regarding the challenges that over 300 pharmacies say their small businesses are currently confronting. This survey was conducted Oct. 26-Nov. 6, 2021. An online survey was sent to 5,000 NCPA member pharmacy owners and managers. The results are based on 318 responses.

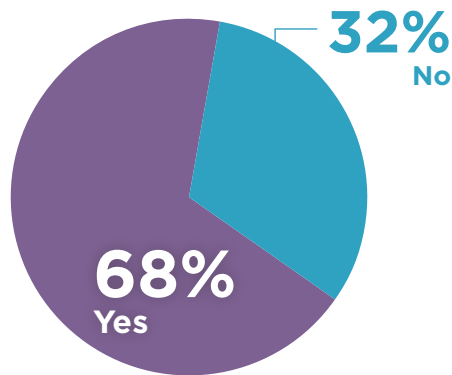
Key findings:

- Forty-one percent of independent community pharmacy owners state that the current overall financial health of their business is somewhat poor or very poor.
- Sixty-eight percent of independent community pharmacies are having a difficult time filling staff positions, with 88 percent stating that pharmacy technicians are in short supply. Sixty-eight percent of respondents state that staffing shortages have resulted in increased prescription dispensing times.
- Sixty percent of independent community pharmacies have been impacted by supply chain disruptions.
- The top concern independent community pharmacy owners have is not staffing shortages, supply chain disruptions, taxes, or inflation. Instead, the top concern is the impact pharmacy DIR fees will have on the viability of their small business. Ninety-seven percent of respondents state that they are significantly concerned with the impact DIR fees are having on their business, and 26 percent state that they may close their pharmacy if DIR fees are not reformed.

1. How would you rate the overall financial health of your business?

Value	Percent	Responses
Very good	6.9%	22
Somewhat good	23.7%	75
Average	28.1%	89
Somewhat poor	29.3%	93
Very poor	12%	38

2. Is your business having a difficult time filling staff positions?



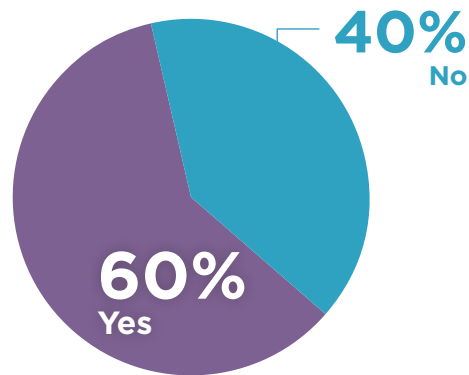
3. Please tell us which positions are most difficult to fill. (CHECK ALL THAT APPLY)

Value	Percent	Responses
Pharmacist	19.1%	41
Pharmacy technician	88.4%	190
Clerk, front end staff	62.8%	135
Delivery driver	28.8%	62
Other - Write in	4.2%	9

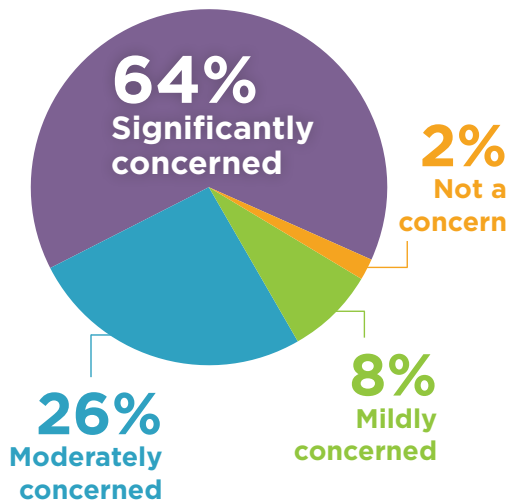
4. How has your business been affected due to staffing shortages? (CHECK ALL THAT APPLY)

Value	Percent	Responses
Reduced pharmacy operating hours	19.7%	42
Increased wages/offering employee incentive pay	74.2%	158
Have had to turn patients away seeking immunizations	21.1%	45
Prescription dispensing waiting times have increased	67.6%	144
Other - Write in	16%	34

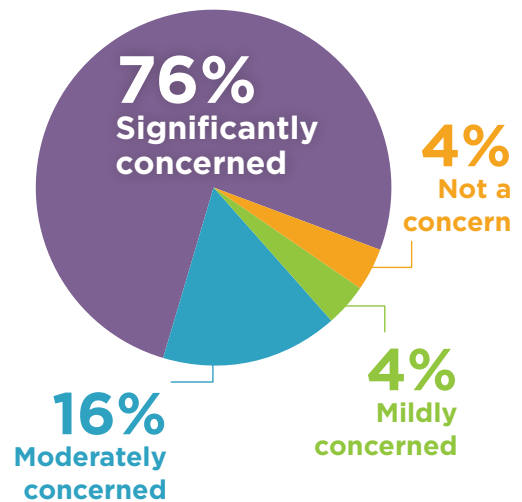
5. Has your business been impacted by supply chain disruptions?



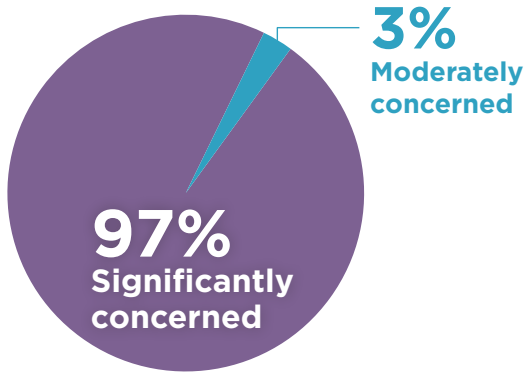
6. How concerned are you that inflation will be an issue impacting your business in the near future?



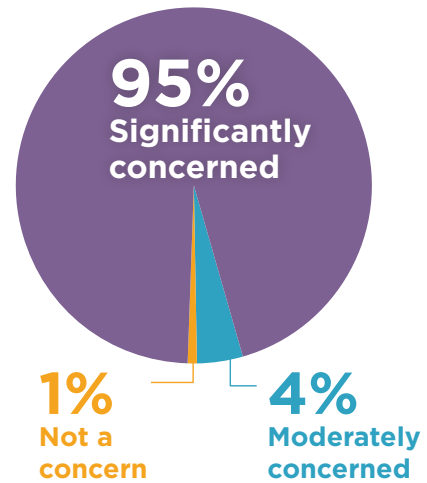
7. How concerned are you that Congress will increase taxes on small businesses in the near future?



8. How concerned are you that DIR fees will be an issue impacting your business in the near future?



9. How concerned are you with PBM consolidation and vertical integration?



10. What measures will your pharmacy take if DIR fees are not reformed?

(CHECK ALL THAT APPLY)

Value	Percent	Responses
Cut payroll	48.6%	154
Reduce services	39.7%	126
Reduce owner pay	54.3%	172
Other - Write in	25.6%	81
Close pharmacy	25.6%	81

11. Please rank order the issues most important to the survival of your business.

Item	Overall rank	Rank distribution	Score	No. of rankings
DIR fees	1		1,526	295
PBM consolidation and vertical integration	2		1,395	313
Small business tax increases	3		1,016	292
Inflation	4		830	291
Filling staff positions	5		826	297
Shortages due to product supply disruptions	6		705	298

Lowest rank | Highest rank