



2022 NCPA

DIGEST

sponsored by  **CardinalHealth**

NCPA DIGEST,

SPONSORED BY CARDINAL HEALTH

NATIONAL COMMUNITY PHARMACISTS ASSOCIATION THE VOICE OF THE COMMUNITY PHARMACIST®

Project Direction

Patrick Berryman | NCPA Chief Operating Officer

Lisa Schwartz, PharmD | NCPA Senior Director, Professional Affairs

Project Consultants

Erin Holmes, PharmD, PhD | Professor, Department of Pharmacy Administration
University of Mississippi, Oxford, Mississippi

Joanne Canedo, PharmD, MS | Graduate Assistant, Department of Pharmacy
Administration, University of Mississippi, Oxford, Mississippi

Creative

Michael Abernethy | NCPA Creative Director

Tyler Poirier | NCPA Design Manager

Contributors

Chris Linville | NCPA Director and Managing Editor, *America's Pharmacist*®

Jack Mozloom | NCPA Vice President, Public Affairs and Marketing

Andrea Pivarunas | NCPA Deputy, Communications and Marketing

© 2022 by the National Community Pharmacists Association. All rights reserved. The 2022 *NCPA Digest*, sponsored by Cardinal Health ("*NCPA Digest*"), is protected by U.S. and International copyright laws. National Community Pharmacists Association provides you only with a revocable, limited, non-exclusive, nontransferable license to use the *NCPA Digest* and all information contained therein solely for your personal use. You may not reproduce, transmit, or distribute, in whole, in part, or as a derivative work, the *NCPA Digest*, in any form, or by any means, electronic or mechanical, including photocopy, recording, database or any informational storage or retrieval system or put into a computer, without permission in writing from the National Community Pharmacists Association. National Community Pharmacists Association reserves all rights not expressly granted, and distribution or display of the *NCPA Digest* does not confer or grant any other rights. NATIONAL COMMUNITY PHARMACISTS ASSOCIATION, NCPA, and all other names, logos, and icons identifying National Community Pharmacists Association and its programs, products, and services are proprietary trademarks of National Community Pharmacists Association, and any use of such mark without the express written permission of National Community Pharmacists Association is strictly prohibited.

UNLESS OTHERWISE EXPRESSLY AGREED IN WRITING BY NATIONAL COMMUNITY PHARMACISTS ASSOCIATION, THE *NCPA DIGEST* IS PROVIDED ON AN "AS-IS" BASIS, WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AND MAY INCLUDE ERRORS, OMISSIONS, OR OTHER INACCURACIES. YOU ASSUME THE SOLE RISK OF MAKING USE OF THE *NCPA DIGEST*. NATIONAL COMMUNITY PHARMACISTS ASSOCIATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY WHATSOEVER FOR ANY PORTION OF THE *NCPA DIGEST* NOT CREATED OR OWNED BY NATIONAL COMMUNITY PHARMACISTS ASSOCIATION. NCPA DOES NOT MAKE ANY ASSURANCES, REPRESENTATIONS, OR WARRANTIES WITH RESPECT TO THE DATA UPON WHICH THE CONTENTS OF THIS REPORT WERE BASED. THE INFORMATION IS PROVIDED FOR GENERAL EDUCATION AND INFORMATION PURPOSES ONLY AND IS NOT AN ENDORSEMENT OR RECOMMENDATION BY CARDINAL HEALTH, IQVIA, OR NCPA OF ANY OF THE FEATURED PRODUCTS OR SERVICES. ALTHOUGH THE CONTENT IS BASED ON RELIABLE SOURCES, THE SOURCES HAVE NOT BEEN FULLY EXAMINED OR UPDATED. THUS, NEITHER CARDINAL HEALTH, IQVIA, NOR NCPA WARRANT THAT THE INFORMATION PRESENTED IS ACCURATE, CURRENT, OR APPLICABLE FOR A PARTICULAR USE AND ACCEPTS NO RESPONSIBILITY OR LIABILITY WITH RESPECT TO SUCH INFORMATION

Dear reader:

Resiliency. Perhaps that is the best descriptor for the U.S. during a pandemic that has changed life as we know it. It is a perfect description for independent community pharmacy as they have helped lead the country. Although the effects of COVID are still present, America is back, although not quite the same, and that can be said of community pharmacy as well.

By June of this year, pharmacists had delivered more than 250 million doses of COVID-19 vaccine through the Federal Retail Pharmacy Program. Millions more have immunized patients through state programs. By the time this is published, pharmacists will have delivered roughly enough doses to immunize every single American citizen. While many doctors' offices and other patient health care access points were closed or limited how many patients they could see, more Americans have been immunized by pharmacists than by any other category of health care professional – by far. Pharmacists proved what we already knew. You are the backbone to the health care system. This demonstrated excellence under pressure is an important proof point that we are sharing with legislators – pharmacists should be reimbursed for these extra services, not just in the middle of a crisis but every day.

The 2022 *NCPA Digest* confirms several interesting changes in the business model that we started to detect at the beginning of the COVID-19 pandemic. Those trends bear watching for the next several years. The most obvious, of course, is that community pharmacies have become the consumer's preferred choice for many primary care activities.

Immunization services have become so common that four out of five pharmacies offer vaccines. The number of stores offering point-of-care testing for COVID-19 also increased, from 32 percent in 2020 to 42 percent last year. As new therapeutics come to market, they will invariably find their way into community pharmacies as well. Community pharmacies are now perfectly positioned as front-

line care facilities for this and future public health prevention and wellness needs.

Beyond immunizations, some other trends accelerated by the pandemic also seem likely to remain in place. For example, 70 percent of community pharmacies offered home/work delivery in 2020. That figure increased to 75 percent in 2021. Appointment scheduling, curbside service, and other practices made necessary by public health protocols are also convenient for patients and beneficial for pharmacy staff, so they are becoming permanent in many stores.

It appears COVID-19 will be here to stay, although it will be manageable. Community pharmacy will be central to that effort. And this disease will take its place alongside other serious conditions that local pharmacists are helping to control on an ongoing basis: diabetes, hypertension, flu, asthma, tobacco addiction, and others.

The 2022 *NCPA Digest* finds community pharmacies growing their value for patients, communities, public health officials, and the nation. COVID-19 has created unprecedented challenges, but the health care system is stronger for it, largely because of how community pharmacy has adapted and blazed new trails for patients to receive health care.

Sincerely,



B. Douglas Hoey, RPh, MBA, CEO
National Community Pharmacists Association



Debbie Weitzman, President
Pharmaceutical Distribution, Cardinal Health

Table of contents

Foreword	4
Executive summary	5
Methodology	8
The independent community pharmacy marketplace	9
Pharmacists as health care providers	13
Technology trends	16
Third-party prescriptions	17
Community pharmacy emerging from the COVID crisis	18
CPESN® USA: The numbers behind the networks	19
A snapshot of community pharmacy in America	20
Profiles	22

FIGURES

1. June 2022 retail pharmacies by state	10 - 11
2. CPESN payer programs as of Aug. 1, 2022	19
3. A snapshot of independent community pharmacies	20
4. Local roots of community pharmacy owners and employees	21

TABLES

1. Independent pharmacy at a glance	5
2. Average annual sales (in thousands) per pharmacy location, 10-year trend	7
3. Averages of pharmacy operations, 10-year trend	7
4. Pharmacy staff	9
5. Pharmacy practice settings as of June 2022	9
6. Primary type of pharmacy operation	12
7. Average hourly wages	12
8. LTC beds/patients served by type of facility	14
9. Services included in medication synchronization	14
10. Emerging models — enhanced services pharmacies	15
11. Summary of patient care goods and services offered	15
12. Summary of wellness services	15
13. Percentage of pharmacies utilizing workflow technologies	16
14. Percentage of pharmacies utilizing emerging technology	16
15. Social media	16
16. Summary of third-party prescription activity	17



Foreword

This year's *NCPA Digest*, sponsored by Cardinal Health, profiles an unparalleled year for community pharmacy consistent with the year's extraordinary demands for health care. For much of 2021, the country remained in the grip of COVID-19. The unprecedented demand for pharmacy services, especially immunizations, is reflected in the data. Revenue and gross profit margin were higher, driven almost entirely by vaccine administration. Payroll as a percentage of revenue was also higher resulting from the need for more health care workers, a tight labor market and inflation.

For 90 years, since 1932, the *Digest* has been a window into community pharmacy. It provides the most comprehensive view of the industry, and the best insight on how America's independently-owned pharmacies are competing and evolving. Independent pharmacy owners depend on the *Digest* as a benchmark on how they measure up to their peers. Academics and industry experts rely on the *Digest* to identify trends. And policymakers use it as a basis for health care policy that affects millions of Americans. This year's publication continues to follow an easy-to-use format that includes information regarding:

- **Financial trends.** Information showing average sales, cost of goods sold, gross profit, and payroll expenses trended over 10 years.
- **The marketplace.** Information regarding employment trends among pharmacists and technicians, the number of retail pharmacies nationally, as well as services that improve patient health and help diversify revenue.
- **Patient care services.** Information about the services offered by independent community pharmacies, including point-of-care testing, medication adherence, medication therapy management, and compounding.
- **Pharmacy practice.** Information on the number of pharmacies that have collaborative drug therapy agreements, or employ a clinical coordinator. These activities are helping owners differentiate their pharmacies in local markets and become better integrated in the overall health care system.
- **Community involvement.** Data showing the strong bond independent neighborhood pharmacies form with their local communities. Statistics include the number of community organizations to which independent pharmacies provide monetary support, and local organizations of which pharmacy owners are members.
- **Third-party prescriptions.** Statistics about third-party prescription activity including Medicare Part D and Medicaid.

The *NCPA Digest* could not be published without the cooperation of hundreds of independent community pharmacies that confidentially completed the *Digest* survey. NCPA and Cardinal Health would like to thank those that provided financial data to make this year's report possible. Data for the *NCPA Digest* are obtained via fax, electronic surveys, and Excel worksheets sent to independent community pharmacies across the United States. Survey data collected by NCPA are assessed for accuracy and analyzed by the researchers at the University of Mississippi for NCPA to interpret and report. The *Digest* is provided through the financial support of Cardinal Health.

Executive summary



Photo by Tera Miller Photography

Table 1: Independent pharmacy at a glance

Year	2021
Average number of pharmacies in which each independent owner has ownership	2.1

Average number of prescriptions dispensed per pharmacy location	
New prescriptions	31,323 (50%)
Renewed prescriptions	31,905 (50%)
Total prescriptions	63,228 (100%)
Average prescription charge	\$59.62

Percentage of total prescriptions covered by	
Government program (Medicaid or Medicare Part D)	54%
Other third-party programs	35%
Non-third party	11%

The *NCPA Digest*, sponsored by Cardinal Health, provides an annual overview of independent community pharmacy, including a 10-year lookback at sales and profitability.

In 2021 independent community pharmacy represented a \$78.5 billion marketplace, with nearly 94 percent of sales for independents derived from the prescription department. The year will be a distinct outlier due to the revenue from administering the COVID-19 vaccine primary series and booster doses for ages 12 and up all in one year. Net margins on prescription drugs continue to be slim due to third-party payer and government contracts that lack transparency on reference prices, and retroactive price concessions as well. A promising development, although implementation is put off to January 2024, is the Centers for Medicare & Medicaid Services' new final rule that calls for all pharmacy price concessions to be transparent at the point of sale.

NCPA members remain interested in serving their communities and in the face of corporate pharmacy closures and unprecedented demand for pharmacy services catalyzed by the pandemic, the independent pharmacy category was essentially flat, changing 0.4 percent from 19,397 to 19,479 locations (Table 5, page 9). The more than 200,000 full-time-equivalent workers employed in these stores stimulate local economies, pay state and local taxes, and provide high quality services that make a difference

in the daily lives of patients. An overview of the average independent community pharmacy is provided in Table 1, on page 5.

In general, the average independent community pharmacy location dispensed 63,228 prescriptions (203 per day) in 2021, an increase from the 57,678 prescriptions dispensed in 2020. This increase is attributable to the number of COVID-19 vaccinations and treatments, which are prescription-only products, provided by community pharmacies and a rebound from the pandemic lockdowns in 2020 that affected consumer buying habits. The ongoing key role of community pharmacists in the public health emergency may continue to affect data collected next year due to pediatric authorization, new therapies, and boosters.

Many independent owners continue to operate multiple pharmacies. Thirty-two percent of independent community pharmacy owners have ownership in two or more pharmacies and the average number of pharmacies in which each independent owner has ownership is steady at 2.1.

Data for the *Digest* have been collected for 90 years, providing the opportunity to look at long-term trends for independent community pharmacies. Tables 2 and 3 show the recent financial trends:

- Average sales in 2021 per location were \$4,031,000, an increase of \$571,000 from 2020 buoyed by the intense consumer demand for community pharmacist services to vaccinate the majority of Americans, provide COVID therapies such

as monoclonal antibodies treatments, and administer millions of point-of-care tests.

- Payroll expenses increased from 12.9 percent in 2020 to 13.3 percent in 2021 due to additional personnel needed to execute against the increased consumer demand for services and wage pressure due to workforce shortages.
- In 2021, hourly wages rose in all three categories in the survey. The average technician and clerk wage rose nearly a dollar per hour to \$17.44 and \$12.91, respectively. Pharmacists earned \$58.37 per hour in 2021 (Table 7, page 12).
- Gross profit margin increased from 21.9 percent to 23.3 percent between 2020 and 2021. COVID-19 vaccines purchased by the U.S. government and supplied to pharmacies at no cost played a key role in this gross profit margin increase. The effect on net profits was muted by payroll costs to hire additional qualified staff to administer the vaccine. This may be observed again in next year's report.
- In 2021, 36 percent and 18 percent of prescriptions in independent community pharmacies were covered by Medicare Part D and Medicaid, respectively. These government programs continued to account for more than half of all prescriptions sold in independent community pharmacies. (Table 1 and Table 16. See pages 5 and 17, respectively.)

The pharmacy profiles at the last section of this report clearly portray the crucial role community pharmacists fill by solving health

care problems. Independent community pharmacies figured out how to vaccinate the population equivalent of an entire small town – or an entire actual small town – and help employers in the community set up a workplace testing option. They provided reliable pharmacy services to long-term care residents and opened a pharmacy oasis in rural underserved areas. These small businesses not only affect their local communities by providing high quality care, but they also generate jobs and tax revenue and play a major role through civic contributions, helping their communities stay healthy and thrive economically:

- Sixty-five percent of independent community pharmacies provide monetary support to five or more community organizations. Fifty-six percent of owners provide more than \$3,000 per year in monetary support to community organizations. Fifty-eight percent of pharmacies have an owner and/or employee that is a member of the local chamber of commerce and 8 percent of all stores have an owner and/or employee who holds an elected local or state office, more than double the rate last year (Figure 4, page 21).
- More than 90 percent of independent pharmacies are offering some type of medication adherence program, a number that has held steady for four years. Improving medication adherence aligns the interest of patients, payers, pharmacists, and plans.
- Fifty-two percent of independent pharmacies have mobile commerce/signature capture, 5 percentage points higher than before the pandemic. Forty-



Table 2: Average annual sales (in thousands) per pharmacy location, 10-year trend

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
\$3,854	\$3,893	\$3,622	\$3,678	\$3,619	\$3,540	\$3,484	\$3,400	\$3,460	\$4,031

Table 3: Averages of pharmacy operations, 10-year trend

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Sales	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of goods sold	76.8%	76.7%	77.1%	77.7%	77.9%	78.2%	78.2%	78.0%	78.1%	76.7%
Gross profit	23.2%	23.3%	22.9%	22.3%	22.1%	21.8%	21.8%	22.0%	21.9%	23.3%
Payroll expenses	13.7%	13.4%	13.0%	12.8%	13.1%	13.0%	13.2%	13.1%	12.9%	13.3%

four percent now use an online appointment scheduling tool and 90 percent use a Facebook page to establish an interactive web presence with their patients and customers (Tables 13, 14 and 15, page 16).

Independent community pharmacists have proven throughout the years that they are resilient and will modify and reinvent their practices to adapt to economic challenges. They will continue to define the future of pharmacy by

timely innovation and exceptional customer service. Most importantly, they continue to be vital health care providers to patients and dynamic leaders in communities of all sizes, including key locations in rural and underserved areas.

Methodology

Independent community pharmacy owners who have completed at least one full year of operations were invited to participate in this study. Pharmacy owners or their designees were asked to complete the surveys. NCPA has exercised the utmost professional care in compiling the information received. While we have tested the information for clerical accuracy, the data supplied were not necessarily based on audited financial statements. NCPA and its partners do not make any assurances, representations, or warranties with respect to the data upon which the contents of this report were based. The information is provided for general education and information purposes only and is not an endorsement or recommendation by Cardinal Health, IQVIA, or NCPA of any of the featured products or services. Although the content is based on reliable sources, the sources have not been fully examined or updated. Thus, neither Cardinal Health, IQVIA, nor NCPA warrant that the information presented is accurate, current, or applicable for a particular use and accepts no responsibility or liability with respect to such information. The survey information on which the 2022 *Digest* is based was from the calendar year of Jan. 1, 2021 through Dec. 31, 2021. Results from prior issues of the *Digest* have been incorporated to facilitate assessing industry trends.



Photo by Chorus Media Group

The independent community pharmacy marketplace

Independent community pharmacies are all privately held small businesses, but they vary in practice setting. As of June 2022, there were 19,479 independent community pharmacies according to IQVIA. Independent community pharmacy continues to represent a significant portion of pharmacies in the United States (Table 5).

It is important to note that no single pharmacy chain has more stores than all independents combined, which represent 34 percent of all retail pharmacies in the U.S. and a \$78.5 billion marketplace.

Other notable characteristics about independent community pharmacies:

- Year after year, patients save money on prescriptions at independent pharmacies where, on average, 85 percent of prescriptions are filled with a generic drug.
- In 2021, independent pharmacy owners on average employed 12.3 full-time-equivalent employees per location, more than a full FTE higher than the prior year most likely in response to the unprecedented demand for services from pharmacists and their team (Table 4).
- Hourly wages for technicians and clerks/cashiers were up in 2021. Technician wages increased by 85 cents per hour to \$17.44. Clerk/cashier wages increased 91 cents to \$12.91, and staff pharmacist wages increased by 17 cents to \$58.37 per hour.
- The cost of dispensing for the average independent community pharmacy is \$11.22, up from \$10.80 in the prior year.



Photo by John D. Simmons

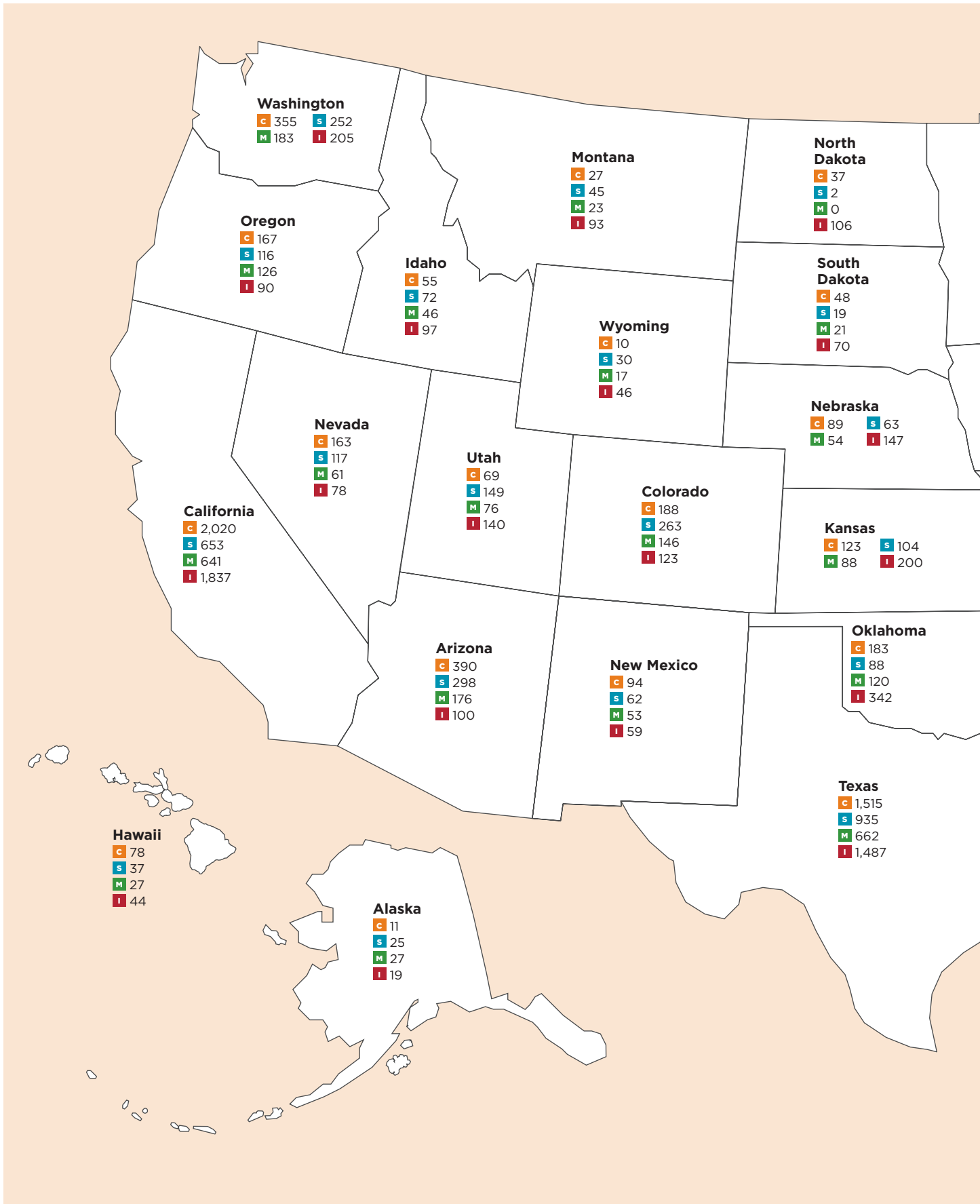
Table 4: Pharmacy staff

	2021
Full-time workers	7.2
Part-time workers	5.1
Total full- and part-time	12.3

Table 5: Pharmacy practice settings as of June 2022

	2022
Independents	19,479
Traditional chains	20,757
Supermarkets	9,415
Mass merchants	7,259

Continued on page 12



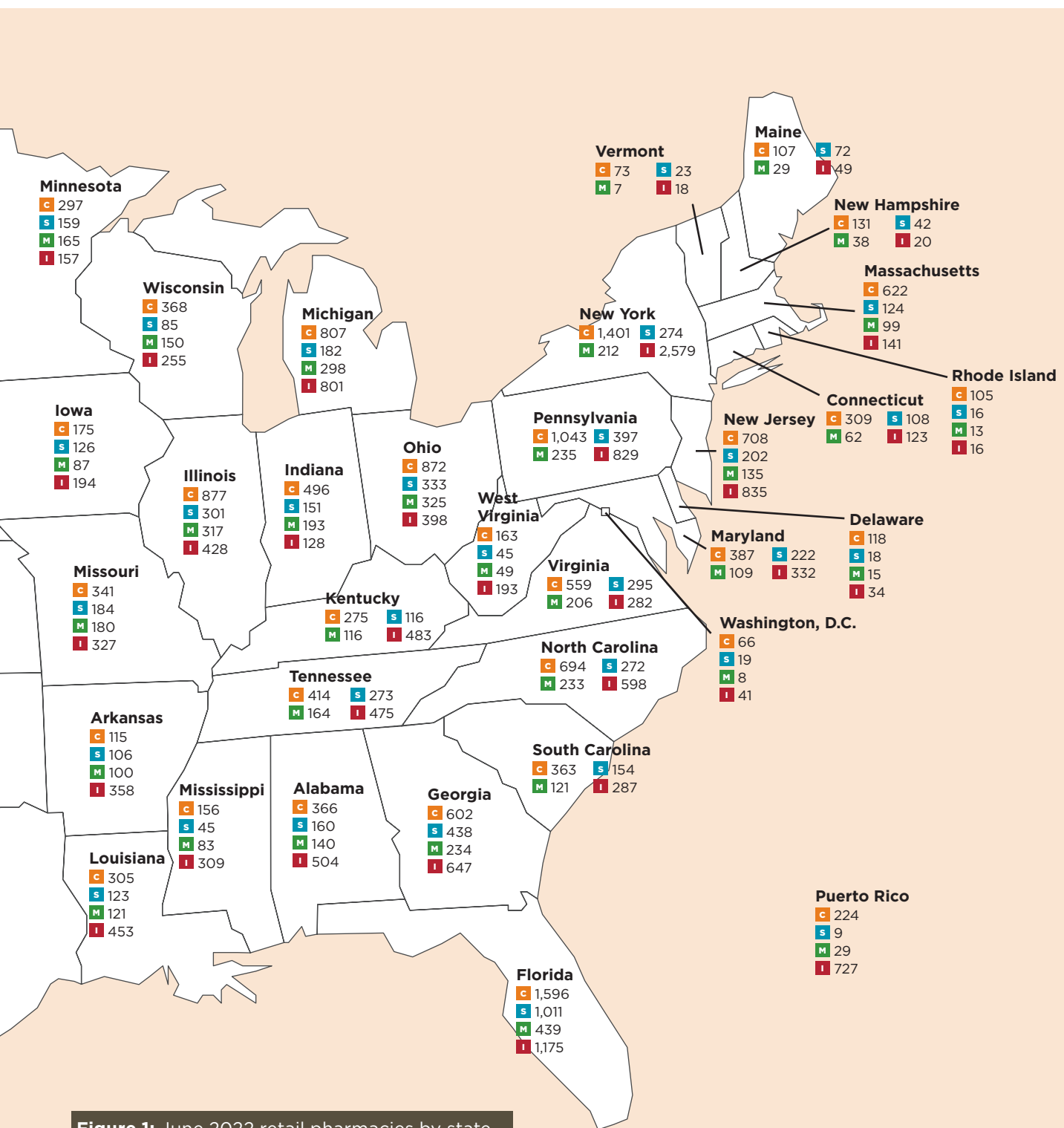


Figure 1: June 2022 retail pharmacies by state

LEGEND

- C Traditional chain
- S Supermarket
- M Mass merchant
- I Independents

Source: The store count data is reflective of the stores in the IQVIA Rx Universe as of June 2022. IQVIA defines independents as owning 1-3 locations. (www.iqvia.com)

- Fifty-three percent of independent pharmacies are located within a stand-alone building and 15 percent are located on a “main street.” An additional 20 percent and 9 percent are located within a shopping center/strip mall or within a medical building/clinic, respectively. The remaining independent pharmacies are located within a grocery store or some other location.
- Over 41 percent of independent community pharmacies are located in an area with a population of less than 10,000. These community pharmacies are providing vital services to very rural areas. Another nearly 40 percent are located in areas with a population between 10,000 and 50,000. Collectively, close to 80 percent of independent pharmacies are serving areas with a population less than 50,000.
- The majority (65 percent) of independent community pharmacies are organized as a small corporation (S-Corporation), followed by 20 percent which are a limited liability corporation (LLC). Ten percent are organized as a C-Corporation.

Table 6: Primary type of pharmacy operation 2021*

Full-line (retail pharmacy)	90%
Apothecary	4%
Compounding	2%
LTC	2%
Specialty	0.3%

*Does not round to 100 percent.

Table 7: Average hourly wages

	2017	2018	2019	2020	2021
Pharmacist	\$58.10	\$58.82	\$58.00	\$58.20	\$58.37
Technician	\$15.05	\$15.56	\$16.00	\$16.59	\$17.44
Clerk	\$11.05	\$11.37	\$11.90	\$12.00	\$12.91



Photo by Tera Miller Photography

Pharmacists as health care providers

One pillar of pharmacy practice based in an independent pharmacy is dispensing prescription medications but slim margins from third-party reimbursements may not satisfy business performance goals for an owner. To keep the roof up, however, the pharmacy needs more pillars. The pandemic has accelerated consumers' embracing of primary care services at their local pharmacy. Pharmacists and their teams are ideally situated to fill primary care gaps which can also result in an important revenue source for the pharmacy as well as a great source of professional fulfillment.

This evolution of pharmacies into health care destinations that offer more than filling prescriptions is highlighted by locations that offer wellness and prevention programs such as nutrition counseling and smoking cessation. The following pages show some of the top services that independent pharmacies are providing their patients.

IMMUNIZATION SERVICES

More pharmacies than ever are offering vaccines. Independent neighborhood pharmacies were a top vaccination destination during 2021. In many communities, these pharmacies offered home visits and pop-up vaccine clinics too. On top of vaccines, pharmacies also administered COVID-19 monoclonal antibodies which provided passive immunization that saved lives. While it may never again be required at the scale observed in 2021, the changes to pharmacy workflow and systems



Photo courtesy of PCCA

to offer vaccines by appointment or in a dedicated clinic space showed off pharmacies' ability to be nimble and adjust their practices to serve their communities.

LONG-TERM CARE SERVICES

Independent community pharmacists are true partners with staff in LTC facilities. Pharmacists provide medications and medication-related care for seniors in skilled nursing facilities, assisted living facilities, group homes, hospice, and home-based care. They also provide specific services needed by many seniors who are aging at home and seniors in LTC centers. Services include adherence packaging, nutrition assessment and support, home infusion therapy, durable medical equipment, ostomy supplies, and pain management.

In 2021, 48 percent of independent community pharmacists provided LTC services to their patients. Those in this segment reported serving an average of 56 beds for skilled nursing facilities.

ADHERENCE SERVICES

Like immunizations, it is more common than not to find an independent pharmacy that offers a comprehensive adherence program. Medications and vaccines are two important tools for reducing the risk of disease and poor outcomes. Medication synchronization is a core service of CPESN® USA's clinically integrated pharmacy networks. (Read more about CPESN on page 19.) When paired with routine medication reconciliation in the appointment-based model, med sync helps patients to always have their prescribed medications

on hand and adjust to changes made during an office visit or at a transition of care.

The appointment-based model for med sync is the process of aligning all of a patient's medications to come due on the same day of each month, coupled with a mini medication reconciliation a few days prior. Patients and pharmacies alike benefit from med sync programs. The med sync appointment date is used as a plan for a pharmacy visit, making note of any outstanding questions or clinical issues and maximizing the opportunity to provide

beneficial pharmacy services. Ninety-six percent of independent community pharmacies offering med sync services report synchronizing all chronic medications to a single monthly pick-up date and 67 percent report calling patients 4-10 days in advance of the monthly pick-up date (Table 9).

SUPPORTING EMERGING MODELS OF CARE

Scope of practice flexibilities during the COVID public health emergency allowed pharmacies to assess patients and initiate treatments that prevented severe

disease, hospitalization, and death. The entrepreneurial spirit and ingenuity of pharmacy owners and their teams meant pharmacies quickly and successfully designed new workflows in a matter of days for clinical services that may have been months or years down the road otherwise.

Pharmacists in one of the nine states that have passed pharmacist provider status legislation are more ready than ever to make use of their clinical training and professional development to address public health needs such as HIV prophylaxis or uncomplicated conditions that can be treated with straightforward drug therapies.

Pharmacists who do not have provider status, or those who are able to roll out services that require physician supervision, can make use of collaborative practice agreements. Forty-three percent of pharmacists have a collaborative drug therapy agreement with a physician (Table 10). Thirty-seven percent report employing or contracting with a non-pharmacy health care professional in their practice (community health worker, nutritionist, physician's assistant, nurse practitioner, registered nurse, respiratory therapist, registered dietitian, or other). Whether related to COVID or more broadly, pharmacists are part of the health care team providing innovative services, transitions of care, and patient education.

POINT-OF-CARE TESTING

Driven in part by the demand for COVID-19 testing, 2021 will probably prove to be the year that point-of-care testing picked

Table 8: LTC beds/patients served by type of facility

Type of facility	Avg number of beds in 2021
Skilled nursing facility	56
Assisted living	107
Residential facility	74
Correctional facility	64

Table 9: Services included in medication synchronization

	2019	2020	2021
All chronic medications synchronized to a single monthly pick-up date	94%	94%	96%
Patient is called 4 to 10 days in advance of the monthly pick-up date	61%	67%	67%
Pharmacist meets with patient as needed to review medication use	59%	63%	65%
Patient is called the day before the pick-up date	31%	40%	36%
Med sync optimized geographically for delivery service	25%	22%	22%

PATIENT CARE GOODS AND SERVICES HIGHLIGHTS

- Table 11 shows that the top patient care services offered are medication therapy management (80 percent) and compounding (55 percent). These services provide a competitive advantage for independent community pharmacy.
- As the population of Medicare beneficiaries grows, pharmacies are also increasing services to seniors such as medical-at-home services and ostomy supplies.

up momentum in pharmacies. As in 2020, point-of-care analyzer platforms and supplies were scarce in the market in early 2021. After U.S. government contracts were fulfilled, however, they became more common in pharmacies. Now, having cleared the regulatory hurdles to perform the tests and investing in an analyzer, pharmacies are designing test-to-treat programs around other infectious diseases such as influenza (27 percent) and strep throat (21 percent). Other tests such as lipids (27 percent) and hemoglobin A1C (29 percent) screen for chronic disease or monitor drug therapy outcomes. The ability to perform, analyze, and document these tests is part of a strong foundation for participating in value-based arrangements.

SPECIALTY MEDICATION

Given the number and variability of definitions for “specialty drug” used by payers or regulators, it is likely that every pharmacy dispenses specialty drugs. This year is the third year NCPA members were surveyed for their participation in a specialty pharmacy contract. This year under 1 percent of survey respondents said they were in at least one specialty pharmacy contract, compared to 5 percent of respondents who said yes in 2019. Independents have clear competitive advantage in dispensing specialty medications, but health insurance plan-owned pharmacy benefit managers steering patients into their own mail-order specialty pharmacies poses a risk to patients and community pharmacies.

Table 10: Emerging models — enhanced services pharmacies

	2019	2020	2021
CLIA waiver	45%	52%	61%
Collaborative drug therapy agreements	43%	37%	43%
Contract with non-pharmacy health care professional	20%	17%	37%
Clinical coordinator	13%	12%	16%
Community pharmacy residency program	6%	6%	6%

Table 11: Summary of patient care goods and services offered

	2019	2020	2021
Wound care	91%	91%	87%
Medication therapy management	79%	73%	80%
Compression socks and hosiery	73%	72%	76%
Smoking cessation aids	63%	61%	64%
Compounding	49%	52%	55%
Ostomy supplies	28%	30%	30%
Diabetic shoes	23%	23%	25%
Hearing aids	n/a	8%	6%

Table 12: Summary of wellness services

	2019	2020	2021
Immunizations (flu)	77%	84%	89%
Immunizations (non-flu)	73%	80%	77%
Blood pressure monitoring	54%	53%	59%
Diabetes training	30%	30%	35%
Smoking cessation consultation	22%	27%	26%
Asthma management	12%	15%	11%
Weight management	9%	9%	10%
Lipid monitoring	6%	7%	9%

WELLNESS SERVICES HIGHLIGHTS

- The top three wellness services offered are immunizations (89 percent), blood pressure monitoring (59 percent), and diabetes education and management (35 percent). These reflect the services available from the growing number of CPESN network pharmacies and other pharmacies rolling out clinical services in community-based pharmacy practices.
- Lipid monitoring, smoking cessation, and asthma management are all services that complement dispensing prescription drugs. These services may be paid for out-of-pocket by the patient, from employer contracts, or by third-party payers. These services are associated with better patient outcomes.
- It is important to note that the No. 1 wellness service offered is immunizations, highlighting the public health role of pharmacists and the convenience of pharmacy locations and hours.

Technology trends

Technology innovations offer pharmacy owners the opportunity to improve business efficiency while at the same time personalizing the patient experience. Decades ago, the first wave of innovation included the use of computerized records and real-time claims billing. The second wave led to improvements in accuracy, workflow, and inventory management. Now, the Pharmacist eCare Plan, with more than 2.4 million submitted by CPESN pharmacies, is on the leading edge of the interoperability wave, seamlessly connecting patients and the members of their care team. To stay competitive independent pharmacy will need to continue to embrace advancements in technology, leading to lower health care costs and better health care outcomes.

Table 15: Social media

	2019	2020	2021
Facebook	93%	92%	90%
Mobile app	77%	75%	73%
Twitter	18%	13%	19%
YouTube	6%	7%	6%



Photo by Tera Miller Photography

Table 13: Percentage of pharmacies utilizing workflow technologies

	2019	2020	2021
Point of sale	89%	93%	93%
Automated dispensing counter	66%	67%	67%
Telephone IVR	52%	48%	60%
Mobile commerce/signature capture	47%	44%	52%
Automated dispensing system	28%	30%	35%

Table 14: Percentage of pharmacies utilizing emerging technology

Online patient appointment scheduling	44%
Medication compliance packaging (robot)	20%
e-Commerce site	12%
Exchanging clinical data via a health information network	12%
Videoconferencing for pharmacist-patient telehealth visits	8%
Remote monitoring (wearable monitoring)	4%
Digital therapeutics	1%

HIGHLIGHTS

- Point-of-sale systems, telephone integrated voice response, and mobile commerce/signature capture are important tools pharmacy owners use to streamline workflow (Table 13). These technologies improve pharmacy efficiency and reduce operating expenses, providing a boost to profits and better care for patients. Ninety-three percent of pharmacies use point-of-sale technology. Sixty percent and 52 percent utilize telephone IVR systems and mobile commerce/signature capture devices, respectively.
- Independents continue to leverage their use of social media platforms such as Facebook and YouTube (Table 15). These platforms allow neighborhood pharmacies to easily communicate with their patients and advertise for new business, expanding revenue opportunities by improving the patient experience. Ninety percent of independent pharmacies utilize Facebook, 19 percent have a Twitter account, and 73 percent offer a mobile app.
- Appointment scheduling, clinical data exchange, and telehealth readiness are foundational for advancing pharmacy practice (Table 14). They automate certain manual processes and meet patient demand for access to their health information and convenient consultation with a pharmacist. The acceptance and demand for telehealth visits jumped at the start of the pandemic. Eight percent of pharmacies report using video conferencing apps this past year, up about one-third over last year. Forty-four percent and 20 percent of independent pharmacies utilize online patient appointment scheduling and compliance packaging robots, respectively. Twelve percent exchange clinical data via a health information network, up 20 percent over last year, and 12 percent utilize an e-commerce site.

Third-party prescriptions

Public and private payers account for 89 percent of all prescription drugs dispensed. Pharmacies have been struggling with a lack of reimbursement transparency at the point of sale, often seeing direct and indirect remuneration fees and effective rate adjustments clawed back months after a prescription claim was processed in real time. Changing the third-party payment model to one that is transparent, fair, simple to understand, and compensates for value is essential to the long-term viability of independent pharmacy and the patients they serve.

HIGHLIGHTS

- Medicare Part D and Medicaid cover 36 percent and 18 percent of prescriptions, respectively, filled in the average independent community pharmacy. With over half of the prescriptions filled by independents being paid for by a government program, the reimbursement strategies of government programs significantly affect the financial viability of independent community pharmacy.
- Eleven percent of prescriptions are paid by cash customers, indicating that there is a significant portion of patients who depend on independent community pharmacists to work with them and their physician to identify the most cost-effective, affordable medication therapy.

Table 16: Summary of third-party prescription activity

	2017	2018	2019	2020	2021
Medicaid	17%	17%	18%	19%	18%
Medicare Part D	36%	37%	37%	36%	36%
Other third-party	36%	37%	35%	35%	35%
Non-third-party	11%	9%	10%	10%	11%



Photo by Mark Fonville

Community pharmacy emerging from the COVID crisis

NCPA represents the men and women who own and operate America's roughly 19,500 community pharmacies. The large population allows us to conduct periodic surveys on public policy matters, economic conditions, industry trends, and other issues. The results shape our advocacy agenda and education programming. We use them as well to inform policymakers, industry leaders, and the news media on how community pharmacists feel about key issues, and how they are reacting.

Below are surveys we conducted in the last 12 months:

ECONOMIC HEALTH

Key findings: November 2021

- Forty-one percent of independent community pharmacy owners stated that the current overall financial health of their business was somewhat poor or very poor.
- Sixty-eight percent of independent community pharmacies were having a difficult time filling staff positions, with 88 percent stating that pharmacy technicians were in short supply.
- Sixty-eight percent of respondents state that staffing shortages resulted in increased prescription dispensing times.
- Sixty percent of independent community pharmacies were affected by supply chain disruptions.

- Ninety-seven percent of respondents stated that they were significantly concerned with the impact pharmacy DIR fees were having on their business, and 26 percent stated that they may close their pharmacy if DIR fees are not reformed.

COVID TEST SHORTAGE

Key findings: January 2022

- Ninety-three percent of community pharmacists said they couldn't find enough at-home COVID tests to meet demand.
- Ninety percent of community pharmacists said the demand for tests in January of 2022 was higher than it was the previous year.
- Forty-three percent of community pharmacists said they were performing COVID tests on location, and 26 percent of that cohort said they were having a difficult time getting testing supplies.

CONSUMERS PREFER LOCAL PHARMACISTS

Key findings: February 2022

- Eighty-five percent of Americans prefer to get their prescriptions from a local pharmacist over a mail-order pharmacy.
- Sixty-eight percent of Americans prefer their local pharmacy over a mail-order pharmacy because their pharmacist "knows me better" or "answers my questions."

- Thirty-four percent of Americans say they have had a prescription drug that cost less by not using their insurance.
- Forty-five percent of Americans have consulted with a local pharmacist to treat a minor ailment.

LABOR MARKET CONDITIONS

Key findings: July 2022

- Thirty-eight percent of community pharmacists rated the financial health of their businesses as "somewhat" or "very" poor.
- Twenty-six percent of community pharmacists rated the financial health of their businesses as "somewhat" or "very" good.
- Seventy-six percent of community pharmacists said they experienced staff shortages in the last six months, with almost 90 percent reporting difficulty filling positions for pharmacy technicians.
- Roughly 80 percent reported supply shortages, with approximately 64 percent reporting difficulty obtaining Adderall.
- Ninety-three percent of community pharmacists say inflation is affecting their business, and 82 percent are being affected by high gas prices.

CPESEN® USA: The numbers behind the networks

- America's first clinically integrated network of pharmacies
- 8,516 dedicated providers in 3,563 local, community-based pharmacies
- America's fourth largest, single-contract organization of pharmacy providers
- 49 networks in 42 states plus Washington, D.C.
- 84 percent of the country's population covered by hand delivery to patients' homes
- 176 value-based contracts with payers, partners, or purchasers¹
- 2,490,621 care plans administered and shared²
- 5.8 million doses of COVID-19 vaccine administered through CPESEN USA's involvement in the Federal Retail Pharmacy Program³

Plan sponsors and other payers are looking for community-based pharmacies that provide locally-delivered care and focus on the whole patient, not solely on filling prescriptions. In areas where enough of these pharmacy providers have come together to form a CPESEN network, ongoing payer contracts have been realized.

CPESEN networks continue to lead the way in engaging health plans and other payers to contract for enhanced pharmacy services. These direct relationships (no third-party middlemen) provide new revenue opportunities for pharmacies and result in improved outcomes and decreased costs to the plan sponsors. For more information on CPESEN networks, visit www.cpesn.com.

1. Includes active and completed, as of Aug. 1, 2022
2. 12-month period from Jan. 1, 2021 to Jan. 1, 2022
3. As of Aug. 1, 2022

Figure 2: CPESEN payer programs as of Aug. 1, 2022



A snapshot of community pharmacy in America

Figure 3: A snapshot of independent community pharmacies



90%

of the respondents to the 2022 NCPA Census
consider themselves full-line pharmacies

Here is what pharmacies are offering...



87%

provide **WOUND CARE**
products



55%

**COMPOUND CUSTOM
PRESCRIPTIONS**

75%



offer **HOME/WORK SITE DELIVERY**



**HEMP-BASED
PRODUCTS**
are offered by

66%

79%



offer **COMPLIANCE
PACKAGING**



89%

give **FLU IMMUNIZATIONS**



43%

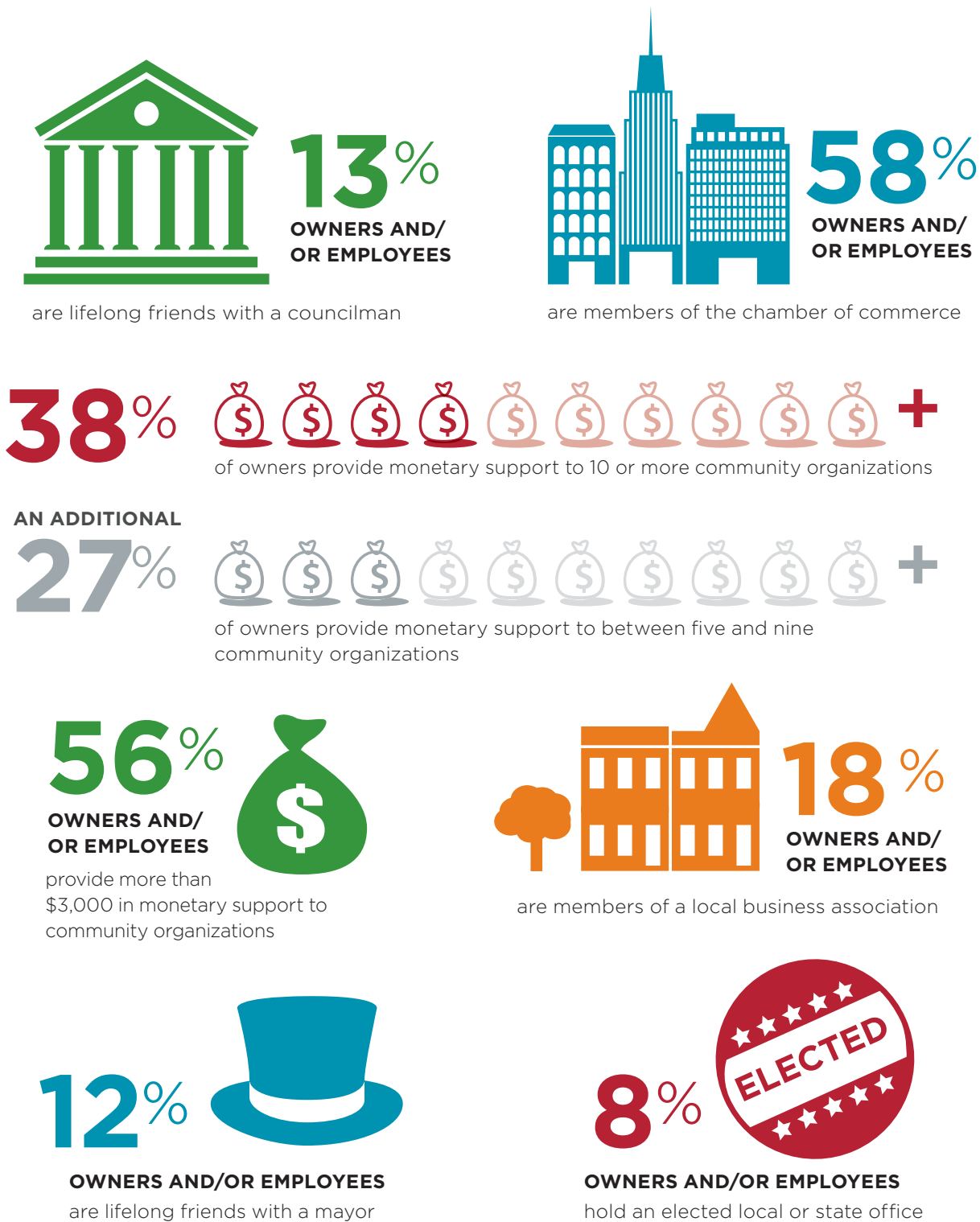
have **COLLABORATIVE PRACTICE
AGREEMENTS** with physicians

48%

care for **LTC**
patients



Figure 4: Local roots of community pharmacy owners and employees





2022 NCPA PROFILES



VIC'S FAMILY PHARMACY | NAMPA, IDAHO

Vic Allen has worked in pharmacy settings for more than 40 years, and as an independent pharmacy owner for 34 years. With his years of experience, he says no two community pharmacies are alike.

"One thing that's unique about independent pharmacy is the way these operations are managed based on a personality, and they are all different," he says. "I just find that different owners have a different emphasis on what they think is valuable and meaningful to their career and I think there's a lot to be said about successful individuals who have figured it out. These stores have personalities, and if you've been around as long as I have you can walk into one or visit somebody and you see it real fast."

When you walk into either of the two Vic's Family Pharmacy locations in Nampa, Idaho, their personalities are those of attractive and well-organized stores that provide outstanding customer service.

"I'm one of those types who wants the lights to work and I want a clean-looking facility," he says. "We run everything that way. It's been my mark all along."

After graduating from Idaho State University in 1978, Vic worked in multiple pharmacy settings, including hospital, home health services, chains, and independent pharmacy. He opened his first store in February 1988 with the help of a physician friend who needed a pharmacy close to his new clinic.

The original location was a 1,400-square-foot store with a drive-thru window. In 2003 Vic opened a second location in Kuna, Idaho, which he sold several years later to his pharmacy manager.

In 2011 Vic opened another store in the Dallan Woods section of Nampa. "This location is surrounded by upper-end neighborhoods and had a primary care clinic next door, making this a logical addition to our business," he says.

Never one to rest on his laurels, Vic saw that his original store needed an upgrade, as his compounding business outgrew its space. When a bank vacated a 5,000-square-foot building across the parking lot from the pharmacy, Vic decided to buy and repurpose it into a new pharmacy. This provided room for a large compounding lab, a full-line nutritional and supplement department, private areas for vaccination and medication therapy management, and a drive-thru.

"The bank building that we bought and refurbished is a beautiful building," he says. "I'm pleased at how it turned out."

The original pharmacy has since been remodeled and is home to Freedom Health Supply, a durable medication equipment supply store that ships product throughout the state and has proved to be a significant revenue source.

In Vic's opinion, brick-and-mortar assets can enhance the bottom line.

"I'm a believer that the facility brings in money, so the more facility you have, the more improvements you have, the more income you are going to make. And it's proven out to be true – I have almost everything paid off."

With rising costs and supply chain issues, Vic says it's vitally important to be proactive. Both of his stores and Freedom Health Supply have buyers who use networking contacts with wholesalers and others to secure important medications for reasonable costs.

When asked how to define an effective community pharmacist, Vic doesn't hesitate.

"It's really simple; it's just kind of what we are meant to be, instead of something else. It's all relationship-driven and care-driven," he says. "If you do this long enough you realize you are very effective in supporting health with knowledge and care."



MULTI-STORE OWNER | TEXAS AND N.M.

If you ask pharmacy owner **Prem Kalidindi** the most important message he communicates to every employee, it is that patient care comes first.

"I tell them it's not me who pays your salary, it is the customers who pay your salary," he says. "We want to make sure every single customer that walks in the pharmacy leaves happy. The only way to do that is by treating each and every patient as if they are a personal friend.

"I'm just a messenger, the transition guy - that level of care has to come from my staff."

Will that happen every time? "Absolutely not," he acknowledges. But if there is an unhappy patient and the staff can't resolve the issue, Prem says they are encouraged to give those patients his personal cell phone number and he will be glad to speak with them. That's how seriously he takes patient care.

To call Prem just a pharmacy owner is an understatement. After receiving pharmacy and master's degrees in his native India, Prem

emigrated from there to the United States and graduated from Long Island University in 2005 with MS and PhD degrees in pharmaceutical sciences. He then embarked on his pharmacy career, working with Rite-Aid for several years. With the help and financial backing of his friend and mentor Sam Maddali, CEO at United Pharmacy Network, he purchased several pharmacies in New Jersey and Pennsylvania.

After a few years, Prem said he wanted to relocate somewhere with a warmer climate. When he found the opportunity to buy a pharmacy in San Antonio, he moved to Texas, selling his stores in the Northeast. Prem bought his first store in San Antonio in June 2011 and by the end of that year had acquired 10 in all. Now he and his partners own 23 pharmacies throughout Texas and New Mexico. His 14 stores in Texas operate under the Lifecare Pharmacy umbrella.

In 2015 an opportunity became available to purchase several pharmacies from a hospital system in Albuquerque, N.M. Along with his business partner, Ash Pothula, Prem now owns nine pharmacies in the state under the Bestcare banner.

It was in New Mexico that Prem noticed pharmacy deserts, typically small communities that are underserved in health care.

"We saw how far people had to travel to get their prescriptions; sometimes 50-60 miles one way,"

he says. "If there is bad weather, like snow, often the roads would be blocked so they can't even get to the pharmacy to get the prescriptions they need."

This fueled Prem to launch six telepharmacy operations in New Mexico under Bestcare. He says that his goal is not only helping people in these communities more easily obtain their medications, but to also help their overall quality of life.

"It's more than just travel time. They now have consistent access to their medications," he says. "But we are saving them time and money by eliminating that travel which contributes to bettering their personal lives."

Prem says owning a sprawling pharmacy network is not always easy, but he credits his partners and the staff at all his stores for contributing to the companies' success and growth.

Prem says he has no intentions of stopping and isn't going to shy away from anything that's thrown his way in the difficult pharmacy industry.

"I was always a self-sufficient person," he says. "I like tackling challenges. We do have challenges in our day-to-day operations and we address them head-on instead of running away from them. That's how we have sustained this many locations."



SOCAL PHARMACY GROUP | CALIF.

There's something to be said about being in the right place at the right time. Or in **Dana Porter's** case, sitting next to the right person at the right time.

Dana, who with her husband **Toby** owns SoCal Pharmacy Group, the umbrella organization for four community pharmacies in Los Angeles and Orange County, Calif., was at a local chamber of commerce breakfast and was sitting next to the superintendent of the school district. He told her about how unvaccinated employees were being mandated by the state to be tested for COVID. The superintendent wanted to come up with a way to test unvaccinated teachers at their worksites instead of contracting with a large corporate entity.

Dana's reply was, "We can do that for you. Let's talk about it." Soon after, SoCal Pharmacy Group secured the contract, testing about 120 employees weekly at 13 different school sites and billing the school district. Of those who were tested, Dana says about 20 percent became pharmacy customers. On top of that, she

says it helped generate about 20 vaccination clinics at their school sites to help vaccinate teachers and students.

"It's just been a wonderful experience for us to get outside the walls of the pharmacy and get into our community and really interface with patients at a totally different level," she says.

Dana has been involved in pharmacy for more than 20 years, but she's not a pharmacist. Her dad is a pharmacist and owned numerous stores when she was growing up. Dana went a different route, receiving a degree in business and finance from the University of Southern California and then beginning a non-pharmacy career.

"While I was working in the business world, my dad had some opportunities with some other pharmacy schools and was looking to get some help," she says, "At the time I was completing my MBA (at Pepperdine) and he asked me to come back to work for him." That was in January 2001, and she hasn't looked back. Six years ago her dad was looking to retire, so she and Toby bought the five stores her father owned then (one was sold after the COVID pandemic started). The stores range from 1,500 to 3,000 square feet.

Toby actually began working in Dana's dad's pharmacy when he was 16, eventually getting his technician's license. Dana says that Toby works more on the

inside, being a technician, while she handles finances, accounting, payroll, and human resources, among other things.

"The way that we're structured, I can find and set up the opportunities, and then we can work with the pharmacists to execute on those opportunities," she says. "The administrative piece can be done in one stop. I can do the research and background."

Dana is constantly seeking out new clinical revenue opportunities to not only help the bottom line, but because she says her pharmacies proved they can deliver if given the opportunity, considering the way they adapted to challenging circumstances during the pandemic.

"What makes us great is our ability to innovate and our ability to do it quickly," she says. "We're not bottled up in this corporate world and that allows us to provide these services. If a local home calls and they want all of their patients vaccinated, we can figure out how we can get out there and it's not going to take us four weeks to do it. We can get out there in two days or the next day. We have people willing to go the extra mile.

"I feel like each of our stores is a family and those people have worked for us for a long time. I'm really proud of our team and our employees because everyone has worked so hard, and I think we've established a really good environment across the board."



Even though she did not grow up with a pharmacy background, **Helen Clark** has developed a passion for the profession.

Helen, along with business partner Dan Brown, is owner of 12 Medicine Shoppe pharmacies spread across central and western Pennsylvania and in the Binghamton, N.Y., area.

Helen works for the pharmacies' umbrella organization, Care Capital Management (officially C.L. Cressler Inc., dba Care Capital Management, dba The Medicine Shoppe). Helen credits pharmacist Clyde Cressler, who had been in business with Medicine Shoppe since 1971, for her pharmacy education. She began working for him in 2002. At one point he owned 18 pharmacies. A few years ago, she and Dan approached the Cresslers about buying their pharmacies, and the purchase was completed in February 2021.

Helen says Clyde exemplified the best qualities of a community pharmacist.

"Learning about pharmacy, first of all, was such a wonderful

experience," she says. "Clyde was a great teacher and mentor. He taught me all about the profession, he gave me the opportunity to work in the locations, and I think no matter what level you are on in your organization, to get into the pharmacy and work side by side with the pharmacists and their staff, you learn so much. To me that's an invaluable experience."

Helen is based at Care Capital Management's corporate office in Mechanicsburg, Pa.

"Our goal here is to support the functions of the pharmacy that aren't related to the direct care of the patient," she says. "We oversee the human resources, all accounting functions, sales and marketing and pharmacy operations out of this office."

Helen says the pharmacies cover the spectrum in terms of size and prescription count. Most are in rural areas, though a few are in more populated areas.

Helen says she and Dan visit the pharmacies on a regular basis.

"What's going on in the operations determines when we are there and how often we are there," she says. "We visit at least once quarterly to review our financials, discuss new opportunities, and assess the state of the operations. We also communicate monthly with our pharmacist-managers through Zoom meetings or conference calls to keep us all working the same direction."

Helen says the organization is always looking for new clinical revenue opportunities away from the traditional prescription model and looks to contain costs through inventory management and other enhanced efficiencies.

Helen says that weekly meetings are held with the leadership team, and a weekly scorecard has been developed to look at measurables that affect the business, such as prescription volume and payroll expenses.

"We break hours worked down for all staff including pharmacists, technicians, drivers, to ensure we are working within our budget," she says. "What does the business need to operate? Are we staying within those guidelines? Our pharmacist-managers all have metrics that they have to reach. Those are measured monthly, and they are rewarded on a quarterly basis if they achieve them."

Even though these have been bumpy times for independent pharmacies, Helen chooses to stress the positives.

"I think we have to continue to be focused on closing gaps in health care, becoming a trusted source of knowledge and information within the community, standing together, fighting the fight that needs to happen, and overcoming the challenges that we have today," she says. "I think anything is possible if we stay committed and work together with other independents."



MULTI-STORE OWNER | ST. LOUIS AREA, MO.

When you ask **Jerry Callahan** where he was born and raised, he says, “I never grew up. I just grew tall.”

For the record, Jerry was born in St. Louis. And all joking aside, he eventually grew up and became a multi-store owner, with five pharmacies in the St. Louis area.

Jerry says his older brother graduated from pharmacy school the year Jerry graduated from high school, so he followed in his footsteps.

Starting as a student and after graduating from the University of Health Sciences and Pharmacy in St. Louis in 1975 (where he serves as an at-large member of the board of trustees), Jerry spent much of his career in management roles with supermarket chain pharmacies. In November 2001 he bought Elsberry Pharmacy in Elsberry, Mo. He now owns four Medicine Shoppe pharmacies along with Elsberry Pharmacy.

Jerry says the stores offer the standard services that most

community pharmacies typically do. During COVID he says the pharmacies demonstrated their value. At his Afton, Mo., location, one of his semi-retired pharmacists helped spearhead a COVID vaccination drive that resulted in more than 16,000 shots given.

“I think the COVID vaccine opened up a lot of eyes on things that the pharmacist can do,” Jerry says. “I think down the road hopefully it will give us provider status. I think that’s something we need desperately.”

Medication adherence is also a primary focus for Jerry and his pharmacies.

“We have to make sure people are taking their medications when they should be,” he says. “With people with diabetes my first question to them is what was their most recent reading? Do they know what their A1C is? I think an effective community pharmacist is asking questions about how well patients are controlling their disease state, because I think patients can control that better than with doctors pushing pills.”

Jerry says he is currently looking at a program through Cardinal Health where his pharmacies can do remote patient monitoring with some of the physician offices in the area. “If we can do that service, doctors would have to do the billing, but they would just reimburse us a flat fee,” which would provide an added revenue stream.

NCPA’s longtime advocacy motto is “Get into politics or get out of pharmacy.” It’s a sentiment that Jerry agrees with completely.

“I keep harping that we need to educate our patients on the impact of the PBMs,” he says. “They need to understand that those guys are adding to the cost of drugs, forcing them to mail order, and incentivizing them to use their pharmacies instead.”

Jerry says it’s just as important, if not more, to educate legislators. “We’re being controlled by too many other groups and not our own profession,” he says.

Jerry has taken an advocacy role with the Missouri Pharmacy Association, where he became president in September 2022.

“I got involved with them because of legislators,” he says. “I’m on the legislative committee for MPA, and for several years I was the chairman for the committee. I donate to the PACs (NCPA, American Pharmacists Association, and MPA), and do donate to certain individuals if I think they are going to be helpful.”

Ideally, Jerry hopes for a day when community pharmacists are given even greater freedom to do what they do best.

“My motto has always been we just don’t fill prescriptions, we help you manage your health,” he says.



When asked about creating and sustaining a successful community pharmacy, one that builds a culture of care and integrity, **Ben Harris** has a simple answer.

“It’s all about surrounding yourself with good people,” says Ben, owner of Tazewell Drug and Health Inc., in Tazewell, Tenn. “I’ve got six or seven technicians, and all of them are all-star techs. My staff pharmacist is excellent, and everyone on our staff is outstanding.”

The theme song from the old television show “Cheers” has a line about everybody knowing your name, and for Ben that’s basically what it’s like for him in Tazewell, a town with some 2,300 residents in east Tennessee. He grew up in the area and other than his time at school (University of Tennessee, where he received his PharmD in 2007), he’s spent most of his life in the Tazewell area.

Ben initially worked for Walgreens for about 15 years, including eight as pharmacy manager, but then decided he was ready for a change.

“The Walgreens model works well in larger cities, but I thought I could do a better job in a small town than what they were doing,” he says. “That’s how I ended up in the community pharmacy world.”

He opened Tazewell Drug and Health in October 2016. The pharmacy is located in an old bank building that Ben renovated and has been remodeled multiple times since. The building was big enough to house a pharmacy, waiting area, and six rooms for an urgent care clinic called Express Care. Ben says even though the clinic is housed in the same building as the pharmacy, it is a separate business.

“We link everything together as Tazewell Drug and Express Care, and we do that for advertising purposes and branding,” he says. “Even though they pay me a rent, and they are a separate entity, we still split everything, such as internet or any kind of advertising costs. It makes it a bit easier on both of us.”

Both the pharmacy and clinic are approximately 2,000 square feet, and each have about 10 employees.

“We’ve come a long way since we originally built it,” Ben says. “When we built the clinic, it only had three rooms and we outgrew that in about a year. The clinic asked if I could add on some more rooms on to the front of the building, and while I was at it, I expanded the pharmacy, which was a good move because we got it done right when COVID started.” He says the

pharmacy did about 8,000 COVID vaccinations in a 12-month span.

Almost every community pharmacy has been affected by low reimbursements, DIR clawbacks, and other PBM tactics, and Tazewell Drug and Health is no different. Ben says that in 2017 the Tennessee Legislature passed legislation designed to give pharmacists more options as providers, allowing them to bill for some services that the pharmacy already provided, such as diabetes counseling and smoking cessation. He says the results are promising so far, though a few kinks still need to be worked out.

“It’s new and a lot of people don’t know how to [submit medical claims],” he says. “It’s a completely different mindset (from billing prescription claims in real time). You have to change your workflow to accommodate that. You have to think and document as a provider and the billing platform is similar to what you would do if you were a provider.” He’s hoping to see additional services be eligible for billing.

Moving forward, Ben says his goals are to keep the business strong and provide the best service possible for his patients.

“There is so much pressure on community pharmacies right now,” Ben says. “I think the best way to be successful is by being accessible and being trustworthy. Again, you can’t do it all by yourself — you need good people to help you.”



100 DAINGERFIELD ROAD, ALEXANDRIA, VA 22314
703.683.8200 | WWW.NCPA.ORG