Surround yourself with a team of pharmacy ownership experts

At a minimum, you are going to need accounting, legal, and financing advice. NCPA’s corporate member roster and NCPA’s Pharmacy Ownership Workshop exhibitors are good places to start.

Achieve good financial standing

Minimize debt and build good credit. You will need a minimum of $50,000 cash (generally, around 10% of the banknote) brought into the transaction.

More cash may be needed depending on inventory, equipment, and building upfit. Be prepared to assume $500–600,000 of debt and equity combined.

Identify your demographic area and perform a market analysis

This will help you understand your target population, prescriber and payer mix, and potential for business growth. Your wholesaler or an independent pharmacy consultant can help you perform a market analysis.

Consider:
- Census and Kaiser Family Foundation state health facts data – Tailor niche services based on data. The total number of prescriptions in the target market can be estimated using population and demographic data (e.g., per capita retail Rx).
- Backfill opportunity? If a chain or independent closes in your area, opening a new pharmacy at or near the closed location will allow you to capture some of the business. (time-sensitive)
- Competition mix – Chains may be easier competition than independents.

Scout the ideal pharmacy location

Look for a location with good highway traffic, plenty of parking, two drive-thru windows (or the ability to grow to two), and at least two patient counseling or clinical service rooms. Keep in mind the larger the space you rent, the more fixtures and inventory you will need to provide.

Work with someone with a history of designing pharmacies for your store layout and ensure it supports your vision.

Before signing a lease, ensure you have financing and consult with a health care attorney. Terms should outline if you can use your own contractor, who is responsible for bringing the building up to code, and who is responsible for maintenance and improvements. Consider a jump-out clause and an escalation clause (to control rent costs after the lease term).

Write a business plan

The plan should include a summary of the loan request, a statement of purpose, description of the business, marketing plan, and financial data.

The NCPA Digest provides benchmarking information useful for financial projections. The business plan is a living document that should be referenced throughout your ownership.
Seek financing

Banks that specialize in pharmacy financing are the most common and recommended lenders. Other options include small business administration loans, conventional bank loans, and wholesaler loans. Lenders will assess your business plan, the economics of the deal, credit worthiness of the borrower, and the overall long-term sustainability of the pharmacy after closing.

Apply for necessary contracts and licenses.

It takes several weeks to obtain all the licenses needed. Know if your pharmacy falls within a heat zone as defined by CMS and what that means for your business.

Your goal should be to open your pharmacy with all third-party insurance online. Give yourself adequate time to establish an opening date.

Consult with your healthcare attorney and ownership transition team throughout this process.

Join a PSAO to obtain a majority of third-party enrollments. You will directly contract with CVS/Caremark, Humana, Express Scripts, MedImpact, OptumRx, state Medicaid, and Medicare Part B.

Develop a sales and marketing strategy to let people know you are there.

- Maintain a Facebook page and website at a minimum. It should prominently display pharmacy hours, phone number, email, and (easy) steps for transferring prescriptions.
- Plan a grand opening event. Invite local media, chamber of commerce, and community organizations. Consider partnering with local businesses for the event and inviting student pharmacists to complete health screenings.
- Draft a press release about your pharmacy and services to share with your local media (newspaper, radio, television).
- Visit local prescribers’ offices to introduce yourself and learn more about their needs and wants.

Enroll Together!!

NCPDP Provider ID and NPI Number
(15 Days)

Selected thanks to our Contributors

Jeffrey S. Baird, Esq. | Brown & Fortunato
Jackson Beach | SWOSU Class of 2023
Christopher Cella | RxOwnership, McKesson
Schwanda Flowers, PharmD | First Financial Bank

Funds from First Financial Bank support the development of this resource.