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November | December 2023
ComputerTalk:
The intersection of technology and management

by Will Lockwood

Our cover story looks at the best ideas for improving pharmacy operations, meeting challenges, and making a difference in 2024. **story begins on pg. 6**

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The 2023 NCPA (National Community Pharmacists Association) Annual Convention

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for the Pharmacist
www.computertalk.com
Volume 43, No. 6
November/
December 2023

ComputerTalk (ISSN 0736-3893) is published bimonthly by ComputerTalk Associates, Inc. Please address all correspondence to ComputerTalk Associates, Inc., 490 Norristown Road, Suite 251, Blue Bell, PA 19422-2350. Phone: 610/825-7686. Fax: 610/825-7641.

 Annual subscription in U.S. and territories, $50; in Canada, $75; overseas, $95. Buyers Guide issue only: $25. Printed by Cummings Printing.

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2023

AS 2023 COMES TO A CLOSE, MY TAKE IS THAT it was a productive year for community pharmacies in their fight to bring down the PBMs (pharmacy benefit managers) a peg or two.

The PBMs have considerable leverage with the manufacturers to have their drugs on the formularies and the rebates that result for their clients. But the PBM clients may not be getting all the rebate dollars they are entitled to. From what I have read, PBMs have devious way of skimming off rebates for themselves. And I also learned that it is not beyond the PBMs to work a deal to get a slice of the downstream prescription revenue. Is that ethical? I don't think so.

There is little doubt that the PBMs have quite a grip on the money flowing from prescription drugs. Are consumers on the winning side? No. And pharmacies certainly are not on the winning side either. What really bothers me is the way the PBMs continue to claw back revenue from the pharmacies. This is an egregious example of how PBMs are lining their pockets at the expense of pharmacies. Moreover, pharmacies have no idea what their reimbursement is going to be until well after the prescriptions have been adjudicated. This is scheduled to change to real-time reporting come January 2024, but it will not surprise me to see PBMs say they need more time to implement a real-time system.

PBMs got their start by harnessing the purchasing power of many employers and insurers to negotiate lower prescription prices. Since then, the PBMs have been able to use this power to enrich their own coffers.

However, there has been progress made against "steering," low reimbursement, and other issues with the PBMs. But Congress and the Federal Trade Commission have not been a help here. They have been paying a lot of lip service to the PBM issue, with nothing coming from this to rein in PBMs. The states therefore are taking the initiative. And now there is a class action suit initiated by a community pharmacy against CVS Health, CVS Caremark, and Aetna.

That said, I see progress in community pharmacy's favor, but there is still a long way to go to neutralize the PBMs.

What's also worth noting about 2023 is that Walgreens and CVS are seeing a decline in profits from the prescriptions dispensed. This has resulted in shorter hours that the pharmacies are open, store closures, and layoffs of pharmacy staff to reduce costs.

And Rite Aid declaring bankruptcy this year is resulting in the closing of quite a few Rite Aid pharmacies. This is an opportunity for community pharmacies to scoop up this business.

On the technology side, the FDA's one-year extension for enforcement of the DSCSA (Drug Supply Chain Security Act) has given pharmacies breathing room. I doubt there will be another extension, so pharmacies should give this a priority and decide on the solution they want to use well before the November compliance date next year.

In summary, 2023 was an interesting year. **CT**

AI: Here, There, and Everywhere But Pharmacies?

by **David Sellars,** C.Eng.

HOW IS AI HERE, THERE, AND EVERYWHERE, BUT NOT IN your pharmacy? Even though AI (artificial intelligence) surrounds us in nearly every aspect of our lives, including the smartphone in your hand or pocket right now, it's been slow to be used by pharmacies.

Whenever I find myself in a pharmacy I haven't visited before, I ask the pharmacist if AI is doing anything to help them in their job. I always get the same answer, whether it's a large chain or a small independent pharmacy, "No!"

> If "expectations are the root of all heartache," what might that mean for AI in pharmacy? For skeptics, like so many of us in healthcare, the key is knowing how clinical-grade AI has already proved itself.

When I tell them my role with DrFirst is about bringing AI to help pharmacies improve efficiency and safety, the reactions range from curious to skeptical. It's hard to blame healthcare providers for being skeptical about AI. After all, when lives are at stake, it can be hard to imagine trusting AI with healthcare data when we are so used to AI's shortcomings in everyday life. How many times have you laughed at the ridiculous auto-correct fails on your texts, for example?

Yet, AI has made such tremendous progress that most people don't even consider how often we use it. Twenty years ago, my finger pressed each button on a phone attached to my wall to place a call. Now, I tell my phone who to call.

In my previous article in the September/October issue, I shared how clinical-grade AI differs from the AI on your smartphone, and that it's been successfully used by hospitals and clinics across the United States and Canada since 2015. Today, through integrations with industry-leading electronic health record (EHR) systems, clinicians leverage AI for over 24 million medication transactions a day.

Clinical-grade AI has two powerful benefits for busy pharmacies. First, it's a "force multiplier," quickly and automatically codifying data as it comes into your pharmacy management system (PMS), which frees up your staff for more productive and rewarding work. For readers who don't speak geek, codifying is taking what we see as typed text and interpreting, arranging, and assigning it into fields in a computer system. Doing so enables the system to perform calculations like verifying a dosing for safety.

Second, clinical-grade AI is a "safety multiplier," working as a co-pilot to staff and reducing the opportunity for keyboard errors. In complex cases, the AI flags pharmacy staff whenever their judgment is needed.

In the United States, where electronic prescribing has been the norm for many years, pharmacy technicians still manually enter data for nearly every prescription, reading every order to understand the clinical intent and then typing each piece of information into the various boxes in the PMS workflow. That's because the computer systems don't all speak the same language. A doctor's EHR sends out a prescription using

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its native language, and the PMS doesn't understand it. As a result, much of it arrives as a block of free text because the data doesn't fit the discrete fields in the PMS.

CLEAN, CONSUMABLE DATA

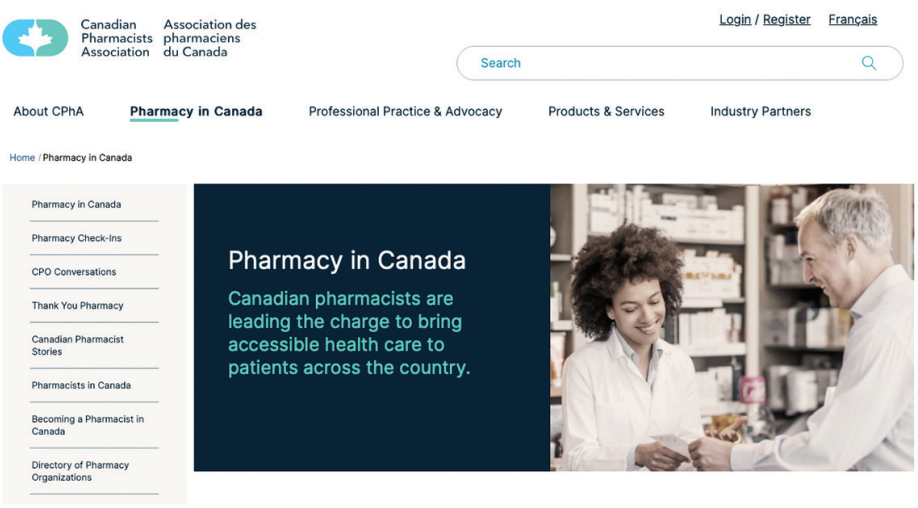
Clinical-grade AI can speak both languages, resulting in near-seamless communication. The AI:

- Matches a prescription's drug description and NDC (National Drug Code) with correlating drug identifiers that are useful to the PMS beyond its local drug database system, resulting in the drug matching directly to the pharmacy's preferred drug over 96% of the time.
- Translates up to 93% of free-text sigs into dose, dose unit, route, and frequency values, coded into the specific receiving pharmacy's unique short codes.
- Links 97% of allergy information from the prescriber's EHR into the PMS, allowing for early triage of potential safety issues before dispensing.

The AI saves countless clicks and keystrokes by providing clean, consumable data to the PMS. The pharmacy staff reviews the output against the original order and makes the final call based on their clinical judgment. A national mail-order pharmacy saw a 300% increase in prescriptions processed and an 80% decrease in transcription errors. A small, independent pharmacy saw a 32% decrease in time spent on data entry.

EXAMPLES OF TRANSFORMATION

In Canada, where e-prescribing is not yet mainstream, AI is making a transformative difference for pharmacies. Currently, nearly all prescriptions are faxed to the pharmacy, showing up in a fax queue as unlabeled documents in differing formats. A busy pharmacy typically receives several hundred faxes a day, and patients commonly arrive before the prescription is ready. The staff must then sift through the faxes one by one, looking for a needle in a haystack. Next, they must manually enter all the faxed information into appropriate fields in the PMS (patient name, date of birth, street address, city, province, provider name, medication name, strength, quantity, etc.). It takes time, and each step is an opportunity to introduce an error.



Although there are 11,000 licensed pharmacies in Canada, dispensing roughly 750 million prescriptions a year, according to the Canadian Pharmacists Association, e-prescribing is not yet mainstream and AI is making a transformative difference.

Six pharmacies in British Columbia are now using clinical-grade AI in a pilot program to auto-fill the data from the fax images into the distinct fields within the PMS, with the pharmacy staff verifying the data instead of typing it. The initial results are extremely promising, and a regional chain serving several provinces is beginning its pilot now.

If "expectations are the root of all heartache," what might that mean for AI in pharmacy? For skeptics, like so many of us in healthcare, the key is knowing how clinical-grade AI has already proved itself. It safely streamlines workflows, prevents errors, and saves staff from mind-numbing, tedious data entry. What started in hospitals nearly nine years ago is now expanding into pharmacies. So, before too long, AI may be "here, there, and in your pharmacy." **CT**

David Sellars, C.Eng., serves as principal, product innovations at DrFirst. He has over 20 years of healthcare experience with a deep emphasis in big data, AI, healthcare interoperability, programming, and systems optimization.

The Invisible Competitive Advantage

by Bruce Kneeland

I HAVE A FRIEND WHO WRITES FOR A MAGAZINE for independent auto repair shop owners. We marvel at how many similar issues confront auto shops and pharmacy owners. For example, insurance companies dictate how much they can charge for repairs. Finding certified repair personnel is difficult, and the competition from national chains is tough.

He shared an interesting phenomenon he says seems to be present in successful repair shops. He calls it "the invisible competitive advantage." As he described the term it resonated with me. I have felt this — an invisible advantage — when I visit a truly remarkable pharmacy. The term describes the feeling you get when you walk into a successful business. Somehow you can just tell that the people who work there enjoy their jobs, are good at them, and love taking care of customers.

Pharmacy system vendors often suggest that pharmacies use key performance indicators, or KPIs. There are at least a dozen key ones to monitor, such as inventory turns, gross profit margin, and payroll as a percent of revenue. I am a fan of them, as they serve as a way to measure how your pharmacy is performing in critical areas. And better yet, many of them come with ideas for ways to improve a KPI.

Part of the problem with the invisible advantage is figuring out how to know if you have it. And if you don't, how to get it. I have not seen anyone offering suggestions for improving this success factor. So I'll offer up a few.

Finding ways to build a successful team is a challenge, but it must be done. This task starts with the owner or manager. Take some time away from the pharmacy counter. Ponder the atmosphere, feeling, and ambience of your pharmacy. Do your employees' faces light up when they walk in? Do team members treat each other with respect? If yes, then great. If not, then it's time to go to work.

Next, get off-site with a few key staff members and share this concept with them. Ask for their impression on how your pharmacy rates in the area of team camaraderie. In this type of meeting, it is essential you ask a question, listen to what is said, and then encourage people to dig a bit deeper and provide suggestions. Be prepared to hear comments about pay, time off, working conditions, disruptive employees, and your inability to delegate effectively. All these comments should be greeted with appreciation. You need not agree or comment on them, other than to say, "Thank you, I'll ponder that. Now, can you elaborate further?"

After this meeting you'll organize the comments into a list by type: monetary, management policies, working conditions, etc. Then, one by one, follow up with those who participated, show them your list, and ask them for specific suggestions for improvement. Again, listen and keep track of the suggestions.

You are looking for specific changes you can make. They need not be big, but they must demonstrate your commitment to improvement. One owner I know told me that, in doing this type of exercise, he learned his policy of having staff members rotate in cleaning the bathrooms was a "sore spot." So he arranged for a cleaning service to come and clean the pharmacy after hours. No one got a raise, but they no longer needed to perform this task.

You are looking for something you can do that proves you listened, learned, and responded. Then, the idea is to do as the shampoo bottle says: Lather, rinse, and repeat.

Here's hoping something I shared here will help you do more and be better. **CT**

Bruce Kneeland is an independent pharmacy veteran, author, and podcaster. He can be reached at BFKneeland@gmail.com and listened to at www.pharmacycrossroads.com.

The Best Ideas for Pharmacy 2024

As the healthcare landscape evolves, community pharmacies have the opportunity to make significant transformations in 2024. Here we'll take a look at how pharmacies are positioned at the confluence of evolving healthcare needs, technological advancements, and regulatory changes, with an ever-growing opportunity to provide a broader range of services beyond traditional medication dispensing.

OPPORTUNITIES IN SERVICES

One big opportunity in 2024 will be for pharmacies to continue moving beyond dispensing. "As we step into 2024 and confront the evolving changes in the industry, pharmacies must diversify their revenue outside of simple dispensing," says Larry Stephenson, VP of chain sales at Outcomes. He further encourages pharmacies to embrace a model that offers a comprehensive clinical experience for their patients. "Both are not only achievable, but complementary," says Stephenson.

"Dispensing activities make up only a small component of what a pharmacist can do," notes Mark Fulton, director of product regulatory compliance at SoftWriters. "But payers have traditionally only reimbursed pharmacies for the product dispensed. The other services that pharmacists provide — consultation, clinical review, medication problem-solving — are not reimbursed."

By Will Lockwood
VP | Senior Editor

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Gold Eneyo, director of clinical pharmacy services at AmerisourceBergen, says "we are seeing pharmacies transforming and expanding their roles into more patient care services."

Pharmacies have the presence and expertise to offer year-round screening services. "Chronic disease state management will continue to be one of the best ideas for pharmacy in 2024 and beyond," Eneyo says. Furthermore, she advises pharmacies to integrate personalized medicine through pharmacogenomics, which will allow pharmacists to help tailor medication regimens and recommendations to patients' genetics and optimize treatment effectiveness. "Pharmacists must prepare now through education, a proper implementation process, and collaboration to become a healthcare destination," says Eneyo.

COUNTERING RISKS

Meanwhile, pharmacies will continue to face the long-standing downward pressure that prescription benefit manager (PBM) contracts and direct and indirect remuneration (DIR) fees have been putting on reimbursement rates and pharmacies' profit margins for years now. In fact, DIR fees will be a major wildcard as 2024 starts, notes Advasur Managing Director Randy Hoggle. The Centers for Medicare & Medicaid Services (CMS) has finalized a rule that eliminates retroactive DIR fees beginning in Jan. 2024.

DSCSA ON DECK

Pharmacies are also going to need to devote potentially significant resources to comply with Drug Supply Chain Security Act (DSCSA) requirements in 2024. "This is a huge risk," notes Advasur's Hoggle, "as it takes months to set up new DSCSA compliance service providers with supplier onboarding." He emphasizes that pharmacies cannot afford to turn a blind eye to establishing internal and outsourced DSCSA compliance systems, along with programming and documentation development so that they are ready come Nov. 27, 2024, the new deadline for compliance.

FDA's stated goal in extending the compliance deadline is to "give trading partners additional time to implement electronic systems for tracing drugs at the package level." As such, it's critical for pharmacies to be working hard to implement the internal system necessary to be compliant, as well as deploy and test with external trading partners.

TAKING A STEP BACK

Pharmacies that want to achieve growth in 2024 will need to take a step back from their daily operations and reevaluate the needs of their community, notes Christine Bloome, content marketing manager for BestRx Pharmacy Software. "Doing so will not only enable pharmacies to identify areas of opportunity to better serve their current patients," she says, "but uncover gaps in care in their area as well."

Don't worry that changes need to be big, either. "Offering additional vaccinations or point-of-care testing, as well as providing access to online refill requests and delivery options for OTC [over the counter] items and prescriptions, can make a big impact for patients and pharmacies alike," says Bloome.

FOCUS ON VACCINES

2024 should see a continued strong focus on the central role pharmacies play in vaccination programs.

"As states look for novel ways to preserve and increase access to healthcare, pharmacies are an obvious solution," says SoftWriters' Fulton. "During the COVID-19 pandemic, pharmacies were given increased authority to prescribe and administer vaccines, which helped save countless lives."

That has led to many people now viewing pharmacies as the vaccination destination for patients, notes Outcomes' Stephenson. "This not only enhances patient outcomes and fosters patient loyalty," he says, "but also opens avenues for revenue diversification and expansion, ultimately improving their overall operations."

The establishment of vaccination programs as a core offering in community pharmacies is backed up by the data. A January 2023 IQVIA report, "Trends in Vaccine Administration in the United States," found that "Overall, across all vaccines for adults in-scope, a large majority of the administration took place at the pharmacy level compared to a non-pharmacy medical setting." Of course, a major factor in this finding was the rollout of COVID-19 vaccines, of which 90% were administered in a pharmacy, according to IQVIA's data. However, pharmacies also administered 60% to 70% of vaccinations during flu season, and 40% of pneumococcal vaccinations, over the last five years.

And there's more room to grow here, according to Stephenson. "By optimizing vaccination workflow," he says, "pharmacies can not only streamline the process, but also maximize the number of vaccines administered and the revenue generated." Stephenson recommends incorporating into workflow patient identification based on both the clinical eligibility and immunization information systems (IIS) registry data, which helps pharmacies ensure no vaccination opportunities are missed.

RAMPING UP SERVICES

There's a need to use the demonstration of pharmacy's efficacy in providing care to keep the momentum going. This will require advocating for changes to state pharmacy laws and a continued push for provider status at the federal level. Ensuring that pharmacists have greater authority to practice at the top of their licenses is critical, according to SoftWriters' Fulton.

Pharmacies looking to boost service offerings can also look for opportunities to participate in payer and pharma-sponsored clinical opportunities, according to Outcomes' Stephenson. Examples are medication therapy management, targeted intervention programs, and adherence programs. "Pharmacies can take a proactive role in optimizing medication regimens for their patients," says Stephenson. " This not only ensures that patients receive the most effective treatment, but also minimizes the potential adverse effects or interactions, ultimately leading to better health outcomes."

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Engaging in clinical opportunities allows pharmacists to build trust among existing patients and strengthens ties with local healthcare providers, potentially leading to collaborative partnerships and referrals.

Patient attitudes toward pharmacy as a healthcare resource have evolved greatly too. "Patients see pharmacists as a very accessible source of healthcare information," says AmerisourceBergen's Eneyo. "And pharmacists can utilize the knowledge gained during their many years of education to help prevent and manage diseases." For pharmacies to meet patients' needs and offer the types of services discussed earlier, they must change their current workflow, according to Eneyo. "Pharmacists can create time to focus on care that will improve patient outcomes," she says, "and utilization of technology will be more important than ever before."

Eneyo offers two examples of technologies that can play key roles in a new practice model. First, telepharmacy services will allow pharmacists to provide consultations and medication management remotely. Next, artificial intelligence (AI) and automation will help free up time for patient care services.

LTC AT HOME

Long-term care (LTC) services are another evolving area of practice to keep an eye on in 2024. Here pharmacies will want to be up to speed on the opportunities in LTC at home, according to Fulton.

Fulton notes that the opportunity stems in large part from the baby boomer retirement surge. "As demand for assisted living and personal care is on the rise," says Fulton, "so are the costs for traditional long-term care settings. This fact, combined with an expanding role for pharmacists, is creating a new market of long-term care pharmacy patients who reside at home."

Fulton points out that unlike typical home delivery patients, LTC-at-home patients, and the pharmacies that serve them, must meet specific criteria outlined by CMS. "Payment for LTC-at-home pharmacy services comes primarily from Medicare Part B," explains Fulton. "To work through the red tape of initiating and sustaining a successful LTC-at-home pharmacy practice, pharmacies are discovering and sharing pathways for success. Collaborative organizations that provide peer-to-peer networking and assistance are growing in number and look to be a sizable force in the coming year."

Lindsay Dymowski, who as co-founder and president of the Long Term Care at Home Pharmacy Network heads up one such organization, also sees LTC at home as increasingly vital for community pharmacies.

"Home-based long-term care offers a more

patient-centric approach," Dymowski says, "as it allows individuals to receive care in a familiar and comfortable environment." She wants to see pharmacists play a crucial role in ensuring that medications are managed effectively and safely in this setting, which is becoming more of a reality with technology that enables remote monitoring, such as telehealth. "With the rising healthcare costs and increasing burden on public and private payers," says Dymowski, "long-term care at home can alleviate some of these financial pressures."

TECHNOLOGY PLANNING

The shift toward LTC at home will have a profound impact on pharmacy operations, according to Dymowski — particularly in terms of workflow, billing, documentation, and patient care.

"Pharmacies implementing LTC at home will likely need to create specialized teams or departments," says Dymowski. "Billing, especially for combo-shop pharmacies, will require detailed knowledge and strong technology support to prepare and maintain documentation to ensure that their services are adequately reimbursed."

Pharmacists will need to engage in comprehensive medication reviews, collaborate more closely with providers, and ensure that medications are administered correctly. They will also need to educate caregivers and patients on medication management best practices.

This will be best accomplished by embracing technology as vital for effective pharmacy operations in long-term care at home. Electronic health records, telepharmacy systems, and medication management platforms will need to be integrated into the pharmacy's workflow.

In fact, day-today operations at many pharmacies have come to rely on such a variety of technology platforms that there's a real risk of fragmented workflow and patient care protocols, notes Eneyo. "We can have the biggest impact by connecting pharmacies with solutions and workflow updates that meet their changing needs as well as changes in the industry," says Eneyo. "There are many technology vendors in the market with solutions to help pharmacists add new patient care services and optimize their business operations. But we also recognize that adding solutions has the potential to create complexity in workflow, unless technology works together seamlessly, and teams are ready to adopt new processes."

PrimeRx CEO Ketan Mehta highlights several areas of technology that he believes will best address pharmacy pain points in 2024. First, he suggests looking for functionality to manage DIR fees, with software-driven analysis down to the plan level, records management that gives management visibility into all cost centers, and robust reporting to monitor the impact DIR fees are having on the pharmacy.

Next, Mehta says to use automation to address the ever-present feeling that there just aren't enough hours in the day. "Technology is responding with solutions to alleviate many of the tasks that take up an inordinate amount of pharmacists' time," says Mehta. "PrimeRx pharmacy software users, for example, benefit from capabilities that include workflow optimization, regulatory compliance automation, and real-time prescription benefit review."

Then there is what Mehta calls building a brand among patients as a source for over-the-counter and consumer products. Given that prescription revenue accounts for up to 97% of total sales at the typical community pharmacy, according to the National Community Pharmacists Association (NCPA) Digest, the front end can potentially offer beneficial diversification if pharmacies can deploy the right technology to be efficient and meet consumers' needs.

Datascan President Kevin Minassian reports that his company is focused on updates to user interfaces to bring them into the future with easy-to-navigate screens. He also sees mobile apps as important in 2024, and reports that Datascan is revamping its app offerings. "We're building a lot more functionality in these mobile applications to make life easier for patients and the pharmacies that serve them," says Minassian. "Our goal is to simplify our clients' lives, while making certain our platform runs fast and efficiently."

Minassian also reports making moves that will provide an upgraded customer service and support experience for Datascan pharmacy users. "We have reworked the way calls are triaged, added staff, and continue to make certain our clients are not waiting on hold to get support on the phone," he says. "Our new phone system makes it that much easier for us to help our clients through the ability for our staff to use an app on their laptop to help clients from literally anywhere in the world, as if they are sitting at their desk in the office."

AI LOOMS LARGE

Finally, there's what may well be one of the most significant technology innovations in recent history to contend with: artificial intelligence (AI). "If you attended any health- and/or technology-themed industry events this year," says Fulton, "AI is a central component of innovation among startups and legacy firms alike."

In Fulton's view, the potential of AI to transform pharmacy technology applications is theoretically limitless, though still not fully understood. "Presently," he says, "increasingly diverse

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solutions are coming to market that offer novel applications for AI in patient record matching, clinical decision support, and population health data analytics. At the pharmacy, AI has the potential to prevent errors and improve patient outcomes through metadata analysis and targeted interventions."

MAKE CONNECTIONS IN 2024

One of the best ideas for pharmacists and owners looking to make the most of the coming year will be to get plugged into everything that's going on by getting out and making connections with colleagues. "Joining professional organizations, staying informed about pharmacy regulations and laws, and advocating for the profession are avenues pharmacies can use to stay up to date," says Eneyo.

Pharmacists and owners who are working to promote the cause of pharmacy will be critical for expanding the scope of pharmacy practice, notes Fulton. Their efforts will be what leads to new opportunities for patient care, novel workflows, and additional revenue potential. "To secure and promote these changes," he says, "pharmacists must continue to advocate their value to legislators and policymakers through professional organizations and civic participation."

Outcomes' Stephenson, likewise, encourages community pharmacy to remain at the forefront of healthcare practice in 2024 by actively engaging with state and national pharmacy associations. "These associations serve as an invaluable resource for staying up to date on the latest industry trends and best practices," says Stephenson.

In fact, what looks new is not really that new at all, notes Fulton. "We are currently witnessing a renaissance of the pharmacy profession," he says. "The 'new' ideas of pharmacist prescribing, pharmacy-based care centers, and long-term care at home are merely a realignment of the practice of pharmacy with the true roots of the profession. Pharmacies have never been more vital, and more central to the health and wellness of our communities. By expanding into service-based activities and leveraging opportunities to practice at the highest degree of licensure, pharmacists can meet the evolving needs of patients and provide a superior standard of care." **CT**

Why It's Critical to Elevate the Pharmacist Profession

Stressors on the nation's healthcare systems are only increasing, yet pharmacists, in many cases, cannot play a greater role in traditional primary care activities. For insight into how pharmacists can promote their value in the healthcare system, ComputerTalk's *Will Lockwood spoke with Gold Eneyo, Pharm.D., director of clinical pharmacy services at AmerisourceBergen, and Peter Kounelis, R.Ph., VP of AmerisourceBergen's PSAO (pharmacy services administrative organization), Elevate Provider Network.*

ComputerTalk: How are pharmacists qualified to perform primary care, and what types of services could they provide?

Dr. Gold Eneyo: Pharmacists are highly qualified healthcare professionals with extensive training and knowledge to provide many aspects of patient care. They can provide preventative care through immunizations, perform health screenings, help manage disease states, provide lifestyle counseling, and refer patients to other healthcare providers. Ultimately, pharmacists can contribute to better outcomes, especially for underserved communities.

Peter Kounelis: Today all pharmacists coming out of pharmacy school have doctorates. Why wouldn't we want to fully utilize their expertise?

CT: What are some of the barriers to pharmacists providing primary care services beyond vaccinations?

Dr. Eneyo: First, state regulations and restrictions are limiting pharmacist engagement in patient care services. During COVID-19, pharmacists were able to provide vaccines to children as young as three years of age. They were able to test and treat patients for COVID, but when the public health emergency ends, pharmacist's scope of practice will revert to state regulations. This means that millions of patients will lose access to care previously provided by pharmacies.

The second issue is that the reimbursement model is not favorable for pharmacists since most states do not recognize them as providers. This limits the pharmacist's ability to provide comprehensive services to their community.

> "I have to echo that advocacy is so important. We must highlight the important role of the pharmacist and their impact in communities. Empower patients to share their pharmacy care stories and the need to maintain that pharmacy-patient relationship. Pharmacists are more than drug dispensers. They are building relationships that are improving outcomes in the community daily."
>
> – Gold Eneyo, Pharm.D.

Third, pharmacies don't have visibility into patient's labs or other health information. Communication between the pharmacist and any other healthcare provider will allow pharmacists to better coordinate care and see improvement in patient outcomes.

Lastly, we really need to continue to change the perception of pharmacies in the community from drug dispensers to more of a healthcare destination.

Kounelis: I think the common thread, and the biggest barrier, is the history of the profession and where it was — the roles it was assigned, or maybe allowed itself to be assigned, and how today we've outgrown that role.

CT: What can pharmacies do to provide much-needed accessible primary care services?

Kounelis: Advocate relentlessly as if everything depended on it for clinical provider status at the federal level. It's time for the federal government to recognize pharmacists as the healthcare providers that they are. Once the federal regulations start permitting provider status, states will follow. Once a pharmacist is an acknowledged service provider, they're then offering clinical services that are not only permissible but reimbursable. Technology providers also need to provide connectivity so the physician and the pharmacist and the nurse practitioner, and all the other points of care, can look at a patient's labs and make consensus decisions.

Dr. Eneyo: I have to echo that advocacy is so important. We must highlight the important role of the pharmacist and their impact in communities. Empower patients to share their pharmacy care stories and the need to maintain that pharmacy-patient relationship. Pharmacists are more than drug dispensers. They are building relationships that are improving outcomes in the community daily. **CT**

For more information on Elevate Provider Network's advocacy efforts, please visit https://www.wearegnp.com/advocacy.

Name Change Puts the Spotlight on Outcomes

In this interview, ComputerTalk *Publisher Bill Lockwood talks to Jude Dieterman, CEO of Transaction Data Systems (TDS) about the name change of the company to Outcomes, following the merger with Outcomes. Dieterman will continue as CEO for the combined companies.*

ComputerTalk: In recent years TDS has placed an emphasis on generating revenue for its pharmacy customers from clinical services. The merger with Outcomes aligns with this emphasis. Would you share with us what factored into the decision for the name change?

Jude Dieterman

Jude Dieterman: TDS began 47 years ago focused on pharmacy management and basic operations with Rx30. Growth and acquisitions over time brought other solutions into the portfolio, including Computer-Rx, Reconciliation, KloudScript for specialty, and PrescribeWellness. Naturally, our strategy centered on empowering pharmacy and maximizing clinical revenue. The Outcomes acquisition and merger was our next evolution in the focus on the future of clinical pharmacy, where diversified revenue is realized through seamlessly integrated solutions. We have chosen to keep the name Outcomes with the merger, as it embodies our mission to drive better outcomes for patients through our 48,000 retail, chain, grocery, and health-system pharmacies in our network.

CT: Prior to the merger Outcomes was a crusader for the role pharmacists could play in medication management. There was a lot of lip service given to this concept, but Outcomes made it happen. How successful has Outcomes been in this space over the years?

Dieterman: Outcomes has certainly been the leader in the medication therapy management space, with a keen focus on improving performance and clinical outcomes. This year we are on track to distribute $100 million in clinical reimbursement to our pharmacy network. We value the role pharmacists play as clinicians, outside of just medication management, and Outcomes is a conduit to help position pharmacists as healthcare providers beyond the operational function of dispensing prescription drugs.

CT: With emphasis on clinical services, where does this leave Rx30 and Computer-Rx? What role do you see these systems playing under the Outcomes umbrella?

Dieterman: Both Rx30 and Computer-Rx are integrated to the Outcomes platform, as are countless other pharmacy management systems. Under the Outcomes umbrella, we can now consolidate all legacy revenue-generating clinical and adherence programs into one connected healthcare network, OutcomesOne. Furthermore, the evolution of provider status and in-time payment parity necessitates the need for a comprehensive clinical system with integrated medical billing. We look forward to releasing this functionality in the coming months.

CT: Having the Outcomes platform integrated in other pharmacy management systems certainly expands your reach. Would you care to comment on that?

Dieterman: OutcomesOne can be integrated into any pharmacy management system and drives better health outcomes by uniting technology and clinical relationships at the point of care. As a leading patient-centric technology business, we are focused on connecting pharmacies, payers, and pharmaceutical companies to collaboratively drive better patient outcomes. We are not looking to limit that reach; rather, we are focused on expanding our ecosystem and growing our pharmacy network. Our vision is for pharmacy to be recognized as the cornerstone of care.

CT: How do you see 2024 playing out for the pharmacy market? Will this be a pivotal year for moving beyond dependency on prescription revenue?

Dieterman: I certainly do. Beyond the regulatory changes taking place in Q1, the movement toward provider status and increasing scope of practice is gaining momentum. We are proud to support the various pharmacy associations as they band together in advocacy for this. Our focus in 2024 is to propel the future of clinical pharmacy across the healthcare journey to allow our network to focus on delivering reimbursable, profitable patient care. I anticipate that the dependency on prescription revenue alone will shift as we elevate the role of pharmacists as care providers in the communities they serve.

CT: Anything else you would like to add in closing?

Dieterman: Outcomes is revolutionizing healthcare delivery by putting pharmacy at the center through our technology platform to drive better patient outcomes. In leveraging technology and our partner ecosystem of provider, payers, and pharmaceutical manufacturers, Outcomes is able to accelerate the pathways and connections at the point of care in the pharmacy, to deliver added value across the healthcare ecosystem. **CT**

PrimeRx Puts Emphasis on Product Thought Leadership

"Product thought leadership" is the theme of a comprehensive solution to a seamless workflow from PrimeRx. Here Ketan Mehta, CEO, talks to ComputerTalk's *Maggie Lockwood about how the company is invoking this thought process in its PrimeRx system to improve pharmacy operations.*

ComputerTalk: One area we noticed with your product thought leadership was the two-way SMS (short message/ messaging service) communication. Would you elaborate on the importance of this?

Ketan Mehta: Happy to elaborate on this topic. The importance of two-way SMS communications between pharmacies and their patients, especially in the context of value-based care, cannot be overstated. In today's healthcare landscape, pharmacists have never had a more prominent role in patient healthcare; where patient engagement, outcomes, and cost-efficiency are paramount, leveraging technology like two-way SMS can be a game-changer for any pharmacy.

PrimeRx offers patient engagement solutions to enhance the value-based care provided by pharmacies nationwide to their patients. Value-based care relies on active patient participation in their healthcare journey. Two-way SMS enables pharmacies to engage patients in real time, encouraging them to take an active role in their medication adherence, treatment plans, and overall wellness. Patients are more likely to follow through with their care plans when they feel connected and engaged. With two-way SMS, pharmacies can send timely medication reminders, refill notices, and dosage instructions, while patients can respond with questions. This bidirectional communication can significantly improve adherence rates.

Patients can use two-way SMS to report side effects, allergies, or other issues with their medication.

"I believe pharmacy software design can significantly influence the movement of value-based care in several ways, such as enhancing patient outcomes, reducing costs, and improving overall healthcare quality. "

– Ketan Mehta

In my opinion, two-way SMS communications bridge the gap between pharmacies and their patients, creating a collaborative, patient-centric approach that is essential in the value-based care era. It not only improves medication adherence, outcomes, and cost-efficiency, but also fosters a sense of trust and partnership between pharmacies and patients. For PrimeRx, integrating two-way SMS capabilities is a much-needed strategic move to meet the evolving needs of the healthcare profession and enhance patient care.

CT: The real-time prescription benefit feature you offer looks like it would be something pharmacists would have a great deal of interest in. Tell us more about this.

Mehta: Absolutely. Pharmacy owners encounter several challenges in their daily operations, and Surescripts Real-Time Prescription Benefit integration can be a game-changer in addressing these issues. One of the foremost frustrations pharmacy owners face is the sheer volume of administrative work required in verifying patients' insurance coverage and medication formulary information. It's a time-consuming process that diverts staff from providing direct patient care. And when patients learn that their prescribed medications aren't covered by their insurance or are too costly, they might choose to abandon their prescriptions. This not only impacts patient health but also results in lost revenue for pharmacies. Finally, without access to real-time benefits and pricing information, pharmacy owners may struggle to provide

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patients with accurate cost estimates. This lack of transparency can lead to unexpected costs for patients, which in turn can negatively affect their experience at the pharmacy.

In summary, the Surescripts Real-Time Prescription Benefit service is a powerful tool that can alleviate the frustrations pharmacy owners face by streamlining administrative processes, reducing prescription abandonment, and offering price transparency. This service empowers pharmacy owners to realize their goals of running efficient, patient-centered operations, improving medication adherence, and cultivating a loyal customer base.

CT: I see where you address 340B management. Give us the details on this.

Mehta: I recognize that 340B pharmacies face several unique challenges, and our software management solutions are designed to address these issues effectively. Here are the top challenges and how our pharmacy software can help:

340B program regulations are intricate and subject to frequent changes. Maintaining compliance is a constant challenge for 340B pharmacies, as noncompliance can result in serious consequences, including financial penalties.

Balancing inventory levels to ensure an adequate supply of medications for eligible patients while minimizing waste and managing drug shortages can be a daunting task. Inaccurate inventory management can lead to financial losses and reduced patient care quality.

The 340B program necessitates meticulous record-keeping and reporting.

PrimeRx software has been designed to solve 340B management challenges by offering solutions such as automated compliance checks and alerts to ensure that pharmacies are meeting program requirements. This reduces the risk of noncompliance and the associated penalties. Our software also includes inventory management features that help 340B pharmacies optimize their medication inventory. It provides real-time data on medication usage, expiration dates, and order recommendations. This minimizes waste, lowers costs, and ensures that eligible patients receive their medications. We simplify the auditing and reporting process as well. This generates detailed reports, tracks medication dispensing history, and maintains accurate records of 340B program activities. We reduce administrative work and minimize the risk of errors during audits.

In summary, 340B pharmacies face a set of unique challenges related to compliance, eligibility determination, auditing, inventory management, data reporting, payer complexities, manufacturer restrictions, and more.

Addressing these challenges necessitates a profound grasp of 340B program regulations, and PrimeRx is uniquely positioned to meet this need.

CT: Your vision is that a pharmacy that delivers value-based care has an advantage. How does this influence your software design?

Mehta: I believe pharmacy software design can significantly influence the movement of value-based care in several ways, such as enhancing patient outcomes, reducing costs, and improving overall healthcare quality.

Our focus on enhancing value-based care through software design is centered on a few key principles.

First, we prioritize patient-centered features, such as medication management and adherence tools, to ensure patients receive the right care at the right time.

Second, we emphasize interoperability, enabling seamless data exchange among healthcare providers, which promotes care coordination. We also invest in data analytics and reporting functionalities, ensuring our software supports the measurement of outcomes and quality, vital for value-based care success.

Finally, we maintain a strong commitment to staying up-to-date with evolving healthcare regulations and trends, enabling our developers to align our software with the latest requirements of value-based care models.

CT: Anything else you would like to add?

Mehta: In today's rapidly evolving healthcare landscape, technology is not merely a tool but the driving force behind transformative change. The shift toward value-based care models demands innovation, and it's technology that paves the way for more efficient, patient-centered, and cost-effective healthcare.

The power of technology lies in its ability to enhance care coordination, facilitate data-driven decision-making, and enable a patient-centric approach. Our commitment as a pharmacy software company is to continuously innovate, offering solutions that support the transition to value-based care.

Through collaboration, adaptability, and a forward-thinking mindset, we're enabling pharmacies to not only thrive in this new healthcare paradigm but to become leaders in shaping it. Embracing the potential of technology is not a choice; it's a necessity for a healthier, more patient-focused future. Together, we're making it happen. **CT**

Use of Immersive Technologies in Healthcare

Kim Garza, Pharm.D., M.B.A., Ph.D.

Brent I. Fox, Pharm.D., Ph.D.

GENERATIVE AI (ARTIFICIAL INTELLIGENCE) has been the focus of this column for the last several issues. The advancements and discussions surrounding generative AI have continued to prove exciting, and the field remains one of the most rapidly growing areas of technology. Those previous columns explored general and health-related uses of generative AI. This time, the focus will be on a similarly exciting and expanding field: immersive technologies. We begin with a review of the foundations of immersive technologies.

Three main types of immersive technologies are virtual reality (VR), augmented reality (AR), and mixed reality (MR), which are known together as extended reality (XR). Immersive technologies allow the user to experience a virtual, simulated environment by activating the senses through sight, sound, touch, and smell. Unlike the real world, the likelihood of unexpected or harmful events can be controlled and minimized in a virtual world. With these technologies, users can experience an event or environment that may otherwise be too expensive, too risky, or otherwise inaccessible.

VIRTUAL REALITY (VR)

VR creates 3D images of a virtual world and can be computer based (viewed on a computer screen) or immersive. Immersive VR uses headsets, also known as head-mounted displays (HMDs), to completely immerse the user in the virtual world such that none of the actual physical world is visible. Examples of HMDs recently released include the Meta Quest Pro and the HTC VIVE XR Elite. VR works by creating the illusions of place, plausibility, and embodiment to promote suspension of disbelief in the user. In other words, VR makes the virtual environment seem very real.

In terms of health-related applications, VR has been successfully used to manage both acute and chronic pain, in the treatment of depression, and in mindfulness meditation and stress reduction. In these applications, VR uses distraction to transport patients to a place where they are removed from the physical and mental discomfort of their condition. VR is also used in exposure therapy, a type of psychotherapy in which psychologists expose patients suffering from post-traumatic stress disorder, social anxieties, phobias, and other anxiety disorders to situations they fear or try to avoid, in a safe environment. It allows therapists to guide patients through experiences that require the user to confront their fears. Advantages of this approach are the therapist's ability to control the situation and to escalate or de-escalate exposure as needed.

VR has also been used for clinical skill development, including communication training. Examples include training on how to respond appropriately to angry patients and caregivers, how to demonstrate empathy without judgment, and how to effectively use reflective listening and nonverbal communication in interprofessional interactions. An application called Bodyswaps uses VR to train counseling professionals to engage patients who require difficult conversations. It allows the user to experience the interaction from the perspective of both the therapist and the patient. The same platform can be used to train health professionals in teamwork and leadership skills, which are vital to team-based care. Have you ever worked with someone whose teamwork skills need improvement? The addition of artificial intelligence to VR results in a powerful training tool with adaptive feedback and assessment. AI allows for the adjustment of content, difficulty, and pace of learning activities for individual learners, creating a more personalized learning environment.

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AUGMENTED REALITY (AR)

In applications using AR, virtual elements are superimposed onto a physical space in the real-world environment. The user can view both the virtual image and the surrounding physical environment simultaneously, reducing the disorientation that can occur in VR. AR has been used in healthcare for clinical skills development, rehabilitation, and patient education. Visible Body is an AR application used to aid health professions students in learning anatomy and physiology. It can be used with the camera of a smartphone or tablet computer and allows the dissection of a virtual cadaver to view structures from various angles.

The use of AR for health-related applications is not limited to health professions students. Cognihab is an AR tool that provides information to patients and supports patient decision-making. The ability to superimpose virtual elements onto the real environment enhances patient understanding of anatomical structures and pathophysiology. Cognihab can also demonstrate surgical procedures and other approaches to treatment. The same application can be used for rehabilitation after a stroke through games, exercises, and journeys.

MIXED REALITY (MR)

The term mixed reality is sometimes used interchangeably with AR, but the generally accepted meaning of the term is an application where virtual objects are superimposed onto the actual physical space, as with AR, but the user can interact with the virtual object. Devices such as the Microsoft HoloLens have been used to train learners to perform procedures such as surgeries and placement of epidurals. Novarad's OpenSight Augmented Reality System is one example of the use of AR for pre-operative surgical planning. The first of its kind to be approved by the FDA, it uses Microsoft HoloLens to superimpose virtual 3D images onto the patient to highlight relevant anatomy and position virtual tools and systems to guide the surgeon in planning their approach.

THE FDA HAS TAKEN NOTICE

As previously addressed in this column in the context of AI and digital therapeutics, FDA approval for use of immersive technologies is an important milestone. Due to the rapidly expanding use of immersive technology in patient care, the FDA has begun to consider how this trend is impacting medical devices. In November 2021, AppliedVR received FDA approval for RelieVRx for treatment of chronic lower back pain. The FDA's monitoring radar will certainly include potential risks of VR and other immersive technologies, including physical effects, psychological effects, and threats to privacy, especially as use expands to more vulnerable populations such as pediatric patients. These risks must be weighed against potential benefits, including greater access to care and less invasive procedures.

FUTURE DIRECTIONS

In his 2015 TED Talk, Chris Milk, cofounder and CEO of Within, a virtual reality company, referred to virtual reality as the "ultimate empathy machine." VR is already being used in health professions programs — including pharmacy — to impart empathy for patients among learners. In our college of pharmacy, first-year students use VR paired with arthritis simulation gloves in a hands-on activity to promote empathy for patients with physical limitations due to arthritis that impact their day-to-day lives. Students complete a series of everyday tasks in VR, like brushing their teeth and sorting pills into pill boxes, wearing the gloves to restrict movement in the joints of the hands. Allowing the user to experience firsthand the challenges that some patients face carrying out their daily tasks can support more compassionate, patient-centered care. Researchers are currently taking this idea a step further and studying the use of VR in patients with progressive diseases to impart "empathy for future self." Might this use diminish how some patients minimize the future implications of current decisions? In this way, VR can be used as an educational tool, both to deliver content and to enable the patient to experience the effects of natural disease progression, assisting in treatment decisions. Your questions and comments are welcome. **CT**

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What's to Come in 2024

Ann Johnson, Pharm.D.

Melissa Krause, Pharm.D.

AS 2023 COMES TO A CLOSE, IT IS TIME

to look ahead to what changes 2024 will bring to the pharmacy industry. Many readers will make New Year's resolutions for personal change, hoping to lose weight, exercise more, reduce stress, or eat a more balanced diet. Experiencing this level of personal growth takes perseverance and hard work. On the other hand, changes to the pharmacy industry are also likely to occur, regardless of whether or not we seek these transformations. Here we will focus on five main predictions for 2024.

PHARMACY CLOSURES AND CONSOLIDATION

Rite Aid filed for bankruptcy this October and announced that it plans to close 400–500 locations, but this is just the most recent in a series of announced pharmacy chain closures. Earlier this year, Winn-Dixie announced plans to sell its grocery stores to Aldi. However, as Aldi is not in the pharmacy business, prescriptions from those stores will be transferred to other pharmacies, namely Walgreens and CVS. In fact, fifteen organizations now account for over three-quarters of pharmacy dispensing revenue (including retail, mail, specialty, and long-term care), with Walgreens and CVS being the two largest.

Over the last decade we have slowly seen the closure of more independently owned retail pharmacies, likely due to declining reimbursement rates. In the first quarter of 2024, as pharmacies are hit with both retroactive DIR (direct and indirect remuneration) fees from 2023 and point-of-sale DIR fees from 2024, expect that more independent pharmacies will face cash flow issues and cease operations. Independent pharmacies are not the only victims though, as more chains are closing pharmacies and consolidating as well. And while some pharmacies have expanded into primary care clinics as a way to diversify revenue streams, these offerings have not escaped the chopping block: Walgreens announced it will close 60 of its VillageMD clinics located at or adjacent to its stores. As we move into 2024, we expect that pharmacy closures, from both chains and independent retail pharmacies, will continue to remain a hot topic.

ALTERNATIVE VACCINES

For several years, pharmacists have focused on vaccines as a way to provide patient care and allow for a revenue stream beyond prescription dispensing. Flu and COVID-19 vaccines comprise the majority of pharmacist-administered vaccines, along with shingles and pneumonia vaccines. In 2024, we expect to see pharmacists add to their arsenal. We are already starting to see some pharmacies administering alternative vaccines, such as Hepatitis B, and RSV (respiratory syncytial virus).

Pharmacy access to administering these vaccines varies by state, as well as by patients' insurance coverage. Where available, added vaccines can mean enhanced patient care and an improved bottom line for pharmacies. This could be especially beneficial as interest in COVID vaccines seems to have waned a bit, and there is a possibility of an at-home administered flu vaccine if the FDA approves it for the 2024-2025 flu season. For all pharmacy-administered vaccines, it's important to keep up with technology for assessing patients who are candidates, documenting the vaccine administration and adjudicating claims.

BIOSIMILARS

Biosimilars first came onto the market several years ago, and adoption started slowly. However, with the slew of Humira biosimilars entering the market in 2023, payers have

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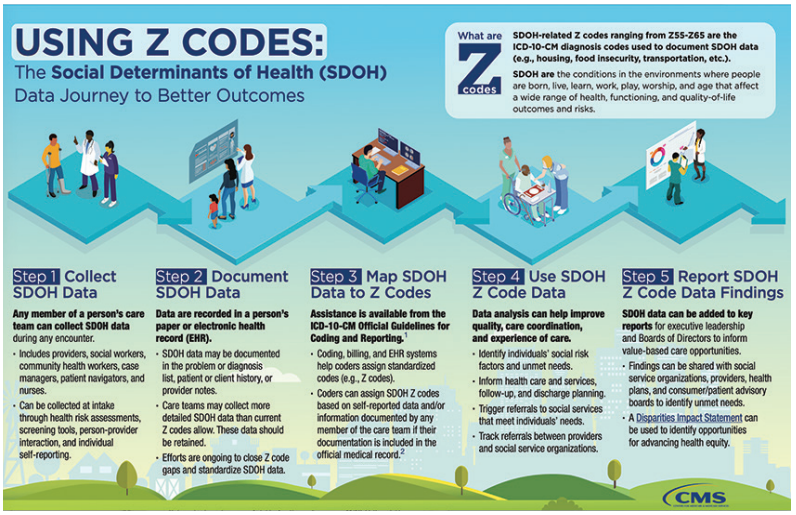
been taking notice and considering the addition of these products to their formularies. Although Humira biosimilars only make up around 2% of the adalimumab market at this time, in 2024, we will likely see more payers and PBMs (pharmacy benefit managers) embracing biosimilars for Humira and other reference biologics. From a technological perspective, it is important for pharmacies to make sure that their pharmacy management systems are programmed to allow appropriate product selection when it comes to biosimilars, which may vary by product as well as by state.

ASSESSING SOCIAL DETERMINANTS OF HEALTH

Some pharmacies are capturing social determinants of health information from their patients. The Pharmacy Health Information Technology (PHIT) Collaborative has published its "Guidance Document for Clinical Documentation of Social Determinates of Health (SDOH) Data for Pharmacists." With this information in hand, pharmacies and health systems can help patients address challenges that may impact their health, including food scarcity. Transportation is another SDOH that has an important impact on pharmacy care, and we expect that more pharmacies will begin gathering this type of information moving forward.



The Pharmacy Health Information Technology Collaborative's "Guidance Document for Clinical Documentation of Social Determinates of Health (SDOH) Data for Pharmacists" outlines the importance of clinical documentation systems to capture SDOH data (https://pharmacyhit.org/wp-content/uploads/Guidance-Document-for-Clinical-Documentation-of-Social-Determinants-of-Health-SDOH-Data-for-Pharmacists-Final-Version-6.pdf).

340B REGULATIONS

More than 25 manufacturers have limited their participation in the 340B Drug Pricing Program. These manufacturers are either seeking additional claims-level data reports, which would enable them to audit 340B claims, or limiting sales for covered entities with multiple contract pharmacies. Based on these manufacturer stipulations, we expect a significant decrease in new covered-entity contract pharmacy agreements. For retail pharmacies with multiple contract pharmacy arrangements in place, it is also likely that these stores will see decreased revenue associated with 340B. Instead of focusing efforts on expanding the number of contract pharmacies, covered entities are likely to invest in health-system-owned outpatient pharmacies, which have not been the targets of pharma manufacturers.

In addition to shifting pharmacy patterns associated with the 340B program, we also expect legal changes to the program. Most government publications concerning the 340B program are simply guidance documents, and the legal enforceability of the program seems to be brought into question more and more. In January, courts sided with the manufacturers, stating that participants in the program do not have to provide 340B discounts to an unlimited number of contract pharmacies. With 340B now being the second largest federal prescription drug program after Medicare Part D, change seems imminent. Whether in 2024 or beyond, we expect that the manufacturer pressure will inevitably force the government to publish more precise regulations surrounding 340B.

Between pharmacy closures and consolidation, increased focus on vaccines and other methods to diversify revenue streams, increased uptake of Humira biosimilars, and 340B, change seems imminent for the pharmacy industry. The willingness and flexibility of pharmacies to adapt to these changes will have a direct impact on their resilience. **CT**

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NCPA Digest Shows Pharmacy Services Continue

Marsha K. Millonig
B.Pharm., M.B.A.

THE NATIONAL COMMUNITY PHARMACISTS ASSOCIATION (NCPA) released its digest at its recent annual meeting showing financial, practice, and service trends among the nation's independent pharmacists. I was happy to see many ***ComputerTalk*** readers, staff, and ASAP (American Society for Automation in Pharmacy) members at the NCPA Orlando meeting. Trends reported in this year's digest reflect many issues occurring within the profession: reimbursement pressure from government payers and PBMs (pharmacy benefit managers), staffing challenges, increased nonprescription patient care services, and community involvement. Let's look at some key highlights reported at the meeting.

FINANCIAL TRENDS

First, the number of independent pharmacies declined slightly from 19,479 in June 2022 to 19,432 in June 2023. In spite of the decline, independent community pharmacy continues to represent a significant portion of pharmacies (35%) in the United States. The digest reports the following pharmacy number comparators: traditional chains 20,210, supermarkets 9,367, and mass merchants 7,280.

Independent pharmacy represented a $94 billion marketplace in 2022, with the average annual sales per pharmacy growing about 20%, reaching $4.847 million compared to the prior year's $4.031 million. Gross profit, however, fell to 21%, its lowest point in the digest's 10-year look-back window. Contributing factors include low or below-cost third-party reimbursements, inflation (which showed up in drug prices), and a higher cost of dispensing.

Prescription volume per pharmacy rose nearly 5% to 66,218 in 2022, up from the 63,228 prescriptions dispensed in 2021. Eighty-six percent of prescriptions at independent pharmacies are filled with a generic drug, and 51% of total prescriptions are covered by the Medicare Part D (35%) and Medicaid programs (16%). Other third-party programs covered 39% of prescriptions, while fully 10% were cash payments. The large portion of third-party payment means the reimbursement strategies of government programs and PBMs significantly affect the financial viability of independent community pharmacies.

Staffing shortages meant wage increases across the board to attract staff. Hourly wages reported were: pharmacists $59.78; pharmacy technicians, $18.84 for certified technicians and $16.49 for noncertified technicians; and $13.50 for nontechnician staff members. The average pharmacy employed 12 staff, with 7.4 full-time and 4.5 part-time positions. The wage increases contributed to a higher cost of dispensing prescriptions, which rose 15% to $12.90 per prescription.

SERVICE AND PRACTICE TRENDS

Independent pharmacies offered a wide variety of services to patients in 2022, including:

- Wound care 81%
- Medication therapy management 80%
- Compression socks and hosiery 70%
- Smoking cessation aids 42%
- Compounding 62%
- Ostomy supplies 26%
- Diabetic shoes 27%
- Hearing aids 9%

Many of these services are unavailable at other types of pharmacies, making independent pharmacies indispensable to their communities. As an example, several pharmacy chains in my geographic area have completely stopped any compounding or antibiotic liquid flavoring because of forthcoming implementation of revised United States Pharmacopeia Chapter 795 on nonsterile compounding. The burdens are too great even for the simplest compounding or flavoring services.

Immunizations and other wellness/patient care services continue to increase in spite of the reimbursement and staffing challenges, with pharmacies offering the following:

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- Immunizations (flu) 87%
- Immunizations (non-flu) 88%
- Blood pressure monitoring 59%
- Diabetes training 32%
- Smoking cessation consultation 29%
- Asthma management 17%
- Weight management 15%
- Lipid monitoring 4%

Technology supports the provision of both dispensing and patient care services, with independent pharmacies using a variety of tools to help with expanded service offerings:

- Point of sale systems 94%
- Automated dispensing counters 58%
- Telephone IVR (interactive voice response) 58%
- Mobile commerce/signature capture 38%
- Automated dispensing systems 38%
- Online patient appointment scheduling 29%
- Medication compliance packaging (robot) 24%
- e-Commerce site 15%
- Exchanging clinical data via a health information network 15%
- Videoconferencing for pharmacist-patient telehealth visits 7%

The use of current and emerging technology solutions is core to the pharmacies that are participating in CPESN USA, America's first clinically integrated network of pharmacies. There are now 8,395 dedicated providers in 3,498 local, community-based pharmacies within CPESN, and they have submitted 7.6 million pharmacist eCare Plans. The network is the fourth-largest single-contract organization of pharmacy providers in the United States, with pharmacies located across 47 states and Washington, D.C. There are now 249 value-based contracts with payers, partners, or purchasers, with revenue opportunities of more than $20.1 million. (See The September/October 2022 Catalyst Corner *ComputerTalk* column on CPESN.)

These new service models are critical to the health of community pharmacies while advocacy work on prescription drug reimbursement continues — a primary focus of the NCPA, along with other pharmacy organizations. PBM reform was front and center at the meeting, with the NCPA applauding two new efforts in the fight against unfair PBM practices and DIR (direct and indirect remuneration) fees. (See the May/June 2023 Catalyst Corner column.) First, a lawsuit has been filed by the law firms Berger Montague PC and Cohen & Gresser LLP, against Caremark, the largest pharmacy benefit manager in the country. The suit claims the company has been assessing pharmacy DIR fees in violation of federal antitrust laws and state laws governing contracts. The lawsuit also challenges Caremark's agreements to arbitrate claims as being unfair and unenforceable. There have been a couple of arbitrations that are public (unlike most) that support the lawsuit. In one, an arbitrator awarded a judgment of $23 million to the AIDS Healthcare Foundation, finding that Caremark breached the covenant of good faith and fairness in implementing its DIR practices. A district court in Arizona confirmed the award in 2022. In another case, an arbitrator awarded a judgment of $2.1 million in wrongfully collected fees, plus an additional $1.5 million in attorneys and interest, because Caremark's contract was unconscionable. A district court confirmed that award in 2023.

The second effort is the creation of a limited liability company, called TRUST LLC, by the NCPA. The LLC will investigate, litigate, or arbitrate (when appropriate) on behalf of community pharmacies to recover coerced price concessions (DIR fees) that were assessed by the PBMs and insurance plans in violation of federal antitrust law and state contract laws. NCPA CEO Doug Hoey said in a related press release announcing the initiative, "These companies have nearly unlimited resources and it's almost impossible for a single pharmacy to fight them alone. The way the contracts are set up, arbitration for claims like these can top $1,000,000 for a single pharmacy. The NCPA's efforts allow independent pharmacies to assign their claims to TRUST LLC to fight the PBMs together. It's still not an even playing field, but we have a much better chance of getting justice if we join forces."

Both efforts were widely applauded by those participating at the NCPA's annual meeting, and they are a welcome addition to the continued efforts by the profession to create fairer practices so that pharmacy services may continue to be offered by pharmacies and their staff around the country. Difficulties in providing services is a topic that has been increasingly reported on in the mainstream press, most recently by *USA TODAY*. In my June/July 2023 column, I talked about the perfect storm that has come this fall, with flu, RSV (respiratory syncytial virus), and the COVID-19 vaccines. The demand for these vaccines and how workflow is being managed has led to severe disruptions to patient's pharmacy needs, including walkouts. More to come on the issues raised in these investigative reports in my next column. Stay tuned. You can access the complete *2023 NCPA Digest* at https://ncpa.org/sites/default/files/2023-10/2023-digest.pdf. **CT**

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January 10 - 12, 2024

On The Agenda

U.S. Pharmaceutical Market: Trends, Issues, and Outlook

Practical AI in the Pharmacist Workflow

DSCSA Compliance Requirements Regulatory and Industry Status Report

Opportunities for Pharmacy Practice Transformation and Creating an IMPACT in Population Health

PDMPs and ASAP 5.0 Updates

What's Driving Healthcare Team Evolution

Error-free Data: Yes, Please!

Medicare Payments and Beneficiary Smoothing: What Pharmacies Need to Know

340B Trends and Issues: Is It Time for Reform?

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