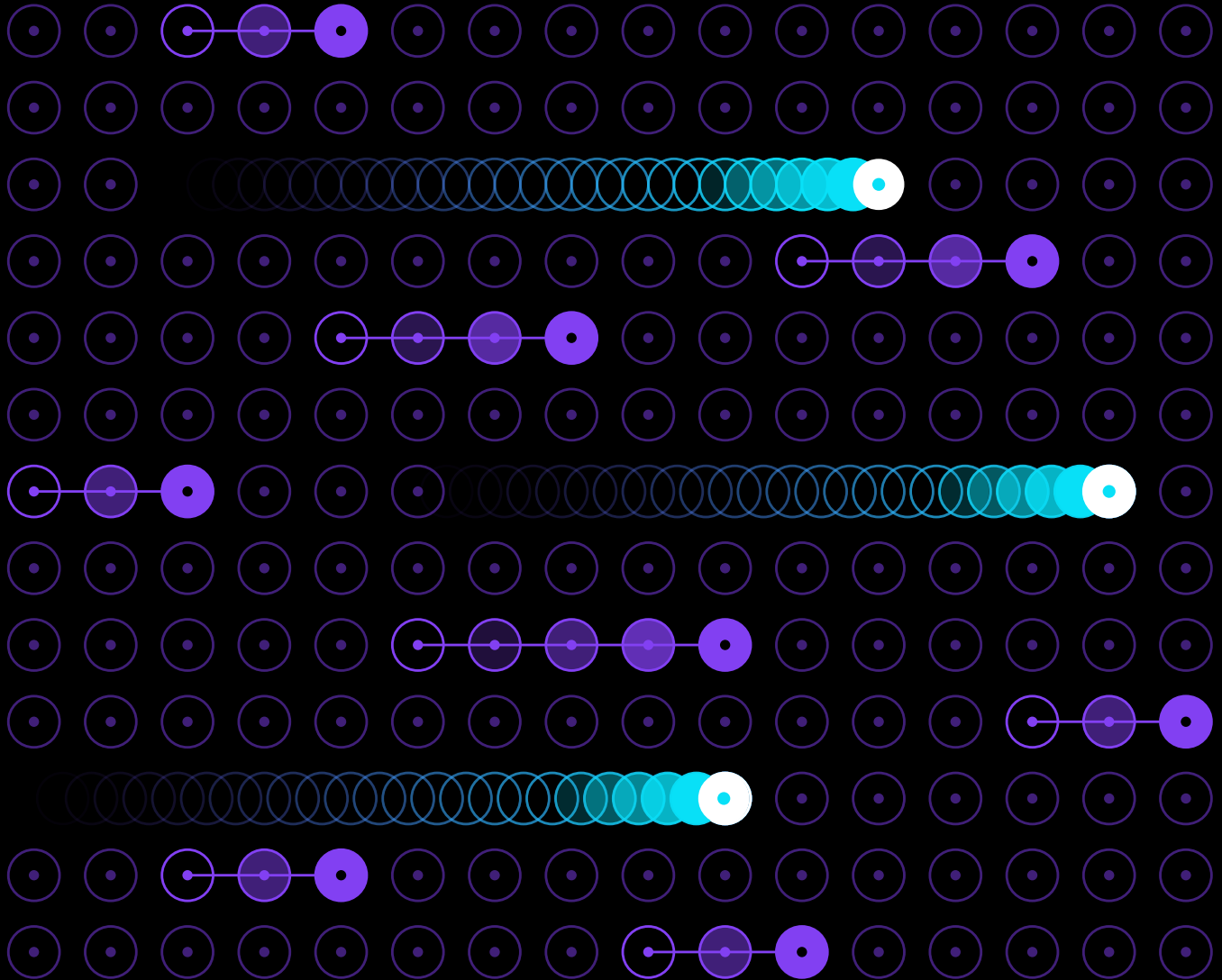


3 SIGNS THE PHARMACY ECOSYSTEM IS POISED FOR A MOVEMENT: ARE YOU READY?



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“ TO IMPROVE IS TO CHANGE.
TO BE PERFECT IS TO HAVE
CHANGED OFTEN.”

– WINSTON CHURCHILL

Nearly 100 years ago, Winston Churchill said “To improve is to change. To be perfect is to have changed often.” Over a quarter of a century later, Vince Lombardi told the Green Bay Packers in their first team meeting “Perfection is not attainable, but if we chase perfection, we catch excellence.” Both statements are impactful, and of course the context of each was drastically different in their time, but when presented together, the power behind them is magnified.

Now, think about those two statements in the context of your world, personal and professional. Twenty years ago, the way you did everyday things looked a lot different to what they do today. Instead of going into the store, you can have groceries delivered directly to your door. Instead of scheduling an appointment with your doctor and waiting a few weeks to see them in person, now a doctor is one click and just minutes away with telehealth options. Your life has inevitably been positively impacted due to the innovative changes happening around us. Is it perfect, no. But the world we live in has come an exceedingly long way in a brief period of time because people have dared to be innovative and “catch excellence.” Now think about that in terms of the people you serve in the work you do – how are you impacting their lives?

Healthcare in general has made great strides in technological advancements that have transformed the healthcare ecosystem. According to a whitepaper published by [Deloitte](#), it is noted “many pharmacies operate on a legacy business model, which is only just beginning to embrace the technologies and customer service innovation that other industries adopted years ago.”

Clearly, pharmacy is one area that has yet to embrace advancements at that same pace. This industry is poised for a Movement that has the potential to propel the industry forward to create interconnectivity, enable a high degree of patient satisfaction, and generate a high return for pharmacies.

In this whitepaper we will cover **three key indicators** that the **pharmacy industry is poised for a Movement** and ways to navigate them.



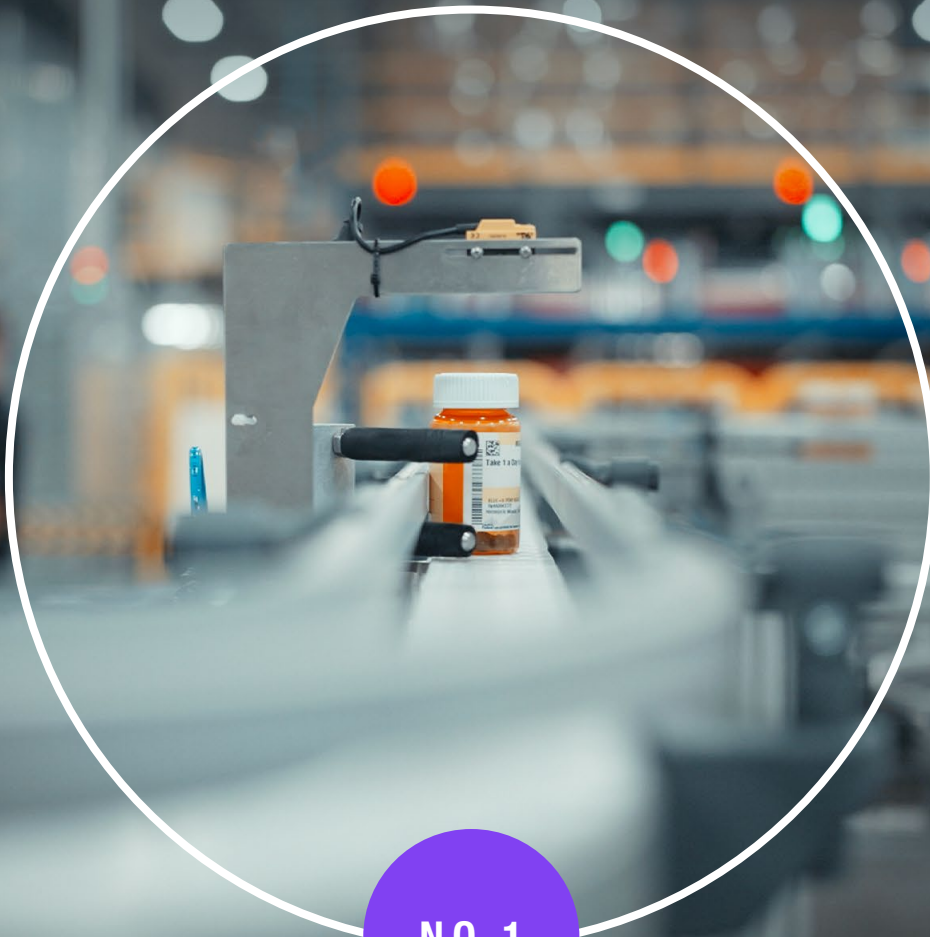
**INNOVATION &
TECHNOLOGY
ADVANCEMENTS**



**PATIENT SATISFACTION
& RETENTION**



**ECONOMIC PRESSURES
IMPACTING PROFITABILITY**

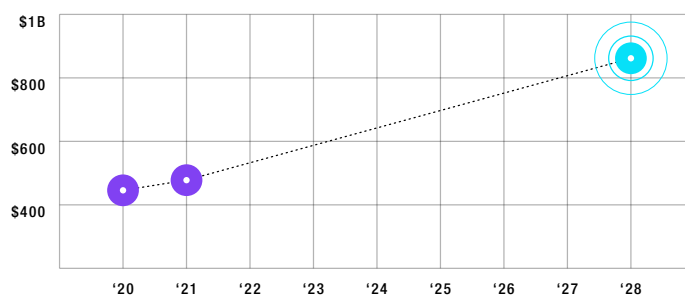


NO. 1

INNOVATION & TECHNOLOGY ADVANCEMENTS

There are many cases today where pharmacy volumes are growing and at the same time reimbursements are being reduced. According to [Fortune Business Insights](#), the increasing number of prescription drugs being introduced in the market, along with a rising number of outpatient and inpatient admissions, is leading to a higher volume of prescriptions being filled by pharmacies across the country.

The U.S. Pharmacy Market increased from a **\$534 billion industry in 2020 to \$560 billion in 2021**. The industry is forecasted to **grow to \$862 billion by 2028**. This rapid growth in prescriptions is driving an increase in the number of pharmacies that distribute these drugs.



With this rapid increase, pharmacies must adopt innovative methods to keep up with the rising demand. Think about your pharmacy operations today. Where do your pharmacists spend most of their time? If your answer is “counting pills,” dig deeper and ask yourself where you want them to be spending their time. Imagine the potential of alleviating your pharmacists’ workload by implementing a solution that not only meets the demand but also paves the way for new ventures that truly cater to your communities’ needs. To get there, here are a few considerations:

CENTRALIZED FULFILLMENT

Utilizing centralized fulfillment has traditionally been coined as a solution only for pharmacies with massive volumes. What you may not know is there are options available for smaller pharmacy operations that can deliver impactful results. It presents a highly feasible solution for pharmacies to explore, enabling them to meet the demand with an innovative approach. The key to remember with centralized fulfillment is what the impact on your pharmacy will be – for retail, it could be removing costly prescriptions from the shelves of the store. For health systems, it allows for a more patient-centered approach that will aid in decreasing readmissions. Improved inventory management and opening additional revenue generating opportunities (vaccinations, clinics, etc.) are also possible outcomes from implementing centralized fulfillment.



With the rapid evolution of technology, not all centralized fulfillment solutions are created equal. Make sure to find a partner that has the options to help meet your organizations goals, with the ability to scale and easily evolve with your pharmacy needs and technological advancements.



DATA, TECHNOLOGY & THE DIGITAL PHARMACY

As mentioned earlier, pharmacy lags other industries in embracing technological advancements. While pharmacy is on the cusp of progress, there is still considerable room for innovation. Having the ability to use the right data to optimize your pharmacy operations could not only allow you to not only have better visibility into all the prescriptions flowing through, but it also moves a highly manual, error prone process to automation and helps maximize throughput to keep up with the demand. Giving your pharmacists these abilities through reliable technology will allow them to manage inventory, track a prescription throughout the process and meet patient promise times more consistently.

Digital pharmacy is riding a wave of momentum within the industry. As [PharmaNews Intelligence](#) reported in an article, patients are attracted to digital pharmacies based on convenience, accessibility, and the reduced cost. In the digital era we live in, this shift is inevitable in the future. All pharmacies should consider embracing digital demand and adopt technology that will keep them relevant for years to come while maintaining regulatory and safety standards.

Technology has the ability to create interconnectivity throughout the entire life of a prescription. Leveraging that technology opens the possibilities for visibility that would strengthen the confidence and trust between pharmacist and patient, increasing the satisfaction – which leads us to our second point, patient satisfaction and retention.



NO. 2

PATIENT SATISFACTION & RETENTION

Convenience is the name of the game for patients, and when it comes to their health, it is no different. In fact, according to a [Wolters Kluwer](#) summary of the consumer care and cost trends survey, one out of every three Americans state the convenience of getting care is more important than the care providers' credentials and qualifications. The [number of mHealth apps](#) available in the Apple App Store in the second half of 2022 was 41,517, which is a strong indicator that patients want quick access to resources that will help them manage their health. Let's focus on two specific areas for consideration – the patient experience and the enablement of pharmacists.

41,517
The number of mHealth apps available in the Apple App Store in the second half of 2022

PATIENT EXPERIENCE

When it comes to getting prescriptions, the patient wants an easy experience that is conducive to their life behaviors. The younger generations may be more likely to get their prescriptions by mail. Their parents, however, may be more likely to pick up their prescriptions while they're out, maybe when they're shopping for groceries. Individuals from an older generation may have more questions and need to interact with the pharmacy care professional over the counter, making them more likely to go to their community pharmacy or a big box chain pharmacy. Having options available that fit all these lifestyle preferences is important in retaining your customers and making sure they have a positive experience.

“ ...IN A NON-EMERGENCY ISSUE, 58% OF AMERICANS SAID THEY ARE LIKELY TO VISIT A LOCAL PHARMACY AS A FIRST STEP.”

– WOLTERS KLUWER SURVEY

The [Wolters Kluwer survey](#) also uncovers that in a non-emergency issue, 58% of Americans said they are likely to visit a local pharmacy as a first step. In addition, it reveals that three out of four Americans look for input from qualified professionals other than their physician. In fact, the study states that 81% of healthcare consumers trust pharmacists, nurses, nurse practitioners and health clinic staff to not only diagnose illnesses like flu, allergies, and ear infections but also prescribe medication as treatment. This data supports prioritizing the enablement of pharmacists having as much time as possible face-to-face with patients.

PHARMACIST ENABLEMENT

[Deloitte](#) notes as technology enablement increases in the pharmacy industry, pharmacists may “find themselves at a professional crossroads: either grow their role’s scope and value or face potential disintermediation.” They also note that in a “not-so-distant future, robots will likely dispense medication to patients.” That “future” is here and now – robots have been used for several years now in pharmacy fulfillment – the challenge is even though this technology has been available, it has yet to be fully embraced in pharmacy. The difference is to shift your thinking and not view the use of robots as something that will eliminate the role of the pharmacist – it is quite the opposite, in fact. We see a world where the pharmacist is given more time to be able to perform at the top of their license and better serve their communities and patients.

“ ...PHARMACISTS MAY FIND THEMSELVES AT A PROFESSIONAL CROSSROADS: EITHER GROW THEIR ROLE’S SCOPE AND VALUE OR FACE POTENTIAL DISINTERMEDIATION.”

– DELOITTE

If you can remove barriers between your pharmacists and their community, you may find that the patient experience becomes drastically improved. Even with several methods of prescription delivery, the patient does not care how their medication gets from point A to point B – they just want their expectations met of receiving their medication on time. Your focus should be on making sure whatever happens between those two points is quick, seamless, and with pharmacist accessibility. As mentioned in the previous section, utilizing innovative solutions, such as centralized fulfillment, could help your efforts with this priority.



NO. 3

ECONOMIC PRESSURES IMPACTING PROFITABILITY

Pharmacy is a critical aspect of wellness and unfortunately it is suffering from the demand for prescriptions outpacing the capacity of pharmacies today, as mentioned earlier. On top of that, the cost of prescription drugs is increasing. According to the [National Library of Medicine](#), pharmaceutical expenses in the U.S. grew 7.7% in 2021. With other economic factors such as labor shortages and constantly changing regulations, keeping your pharmacy on pace to stay profitable is not an easy task, but it is possible.

7.7%

Pharmaceutical
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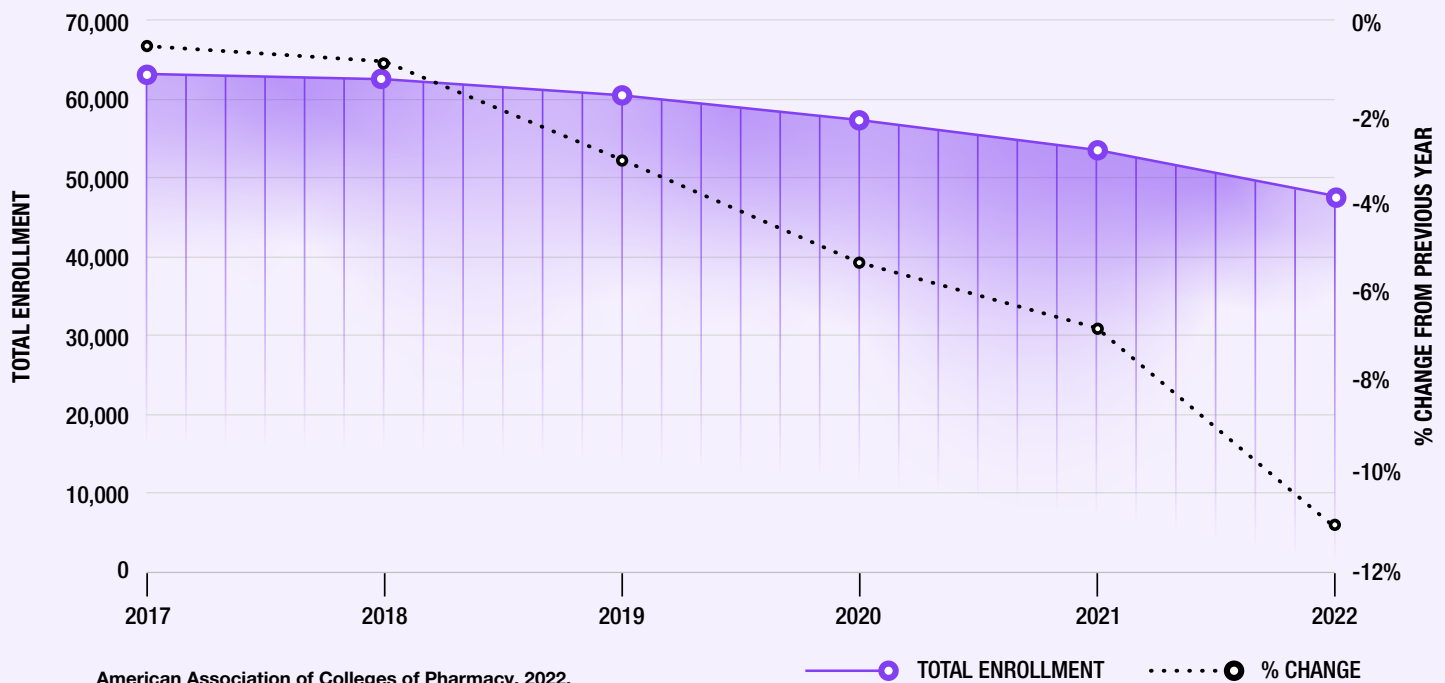


LABOR CHALLENGES

Many industries have struggled with labor challenges in the last several years, and pharmacy is no different. Today, the biggest labor challenge pertains to the shortage of pharmacy technicians. There is a frightening statistic shared in a survey conducted by the [National Community Pharmacist Association \(NCPA\)](#) that indicates more than 88% of respondents said finding pharmacy techs was their number one problem. Another survey conducted by [American Society of Health-System Pharmacists \(ASHP\)](#) reported turnover rates of pharmacy technicians at 21%. This shortage is impacting the industry, putting even more strain on the pharmacists.

While the pharmacist role is not experiencing any significant shortages today, that story will be different in five to seven years based on forecasting models. According to the [American Association of Colleges of Pharmacy \(AACCP\)](#), enrollment in pharmacy programs continues to decline. In a report made available by the AACCP, it shows a summary of enrollments in first professional degree (Baccalaureate, Pharm.D.1) programs appear that a steady decrease began in 2017 with the decline intensifying as the years progress. In 2022, the decrease in enrollments amounted to 11.1% lower from the previous year, nearly double the decrease from 2020 – 2021.

TOTAL ENROLLMENT FROM 2017-2022



American Association of Colleges of Pharmacy, 2022.
*Includes second from last year for baccalaureate and third from last year for Pharm.D.1 and does not include first year enrollees in accelerated programs

With this information, pharmacies should be preparing now for a more sustainable operating model with a potentially smaller talent pool, especially with continuously rising demand for more prescriptions. In the current state of labor challenges – finding ways to attract and excite pharmacy technicians by giving them the ability to stretch their knowledge and grow their career through the use and interaction with pharmacy automation solutions is one option. In the future, recognizing that as demand grows, your pharmacy will need to continue expanding its throughput but may not be able to add staff. While different states require varying pharmacists to pharmacy technician ratios, centralized fulfillment allows you the option to scale your operations while lowering the burden of adding as much staff that would be needed to keep up with demand without a centralized fulfillment solution.



EVER-CHANGING REGULATIONS

Whenever considering implementing change in your pharmacy operations, it is important to understand current federal and state regulations. There will always be new guidelines introduced that will impact your business directly – the key is to always be prepared and know your options for moving your pharmacy in the direction of excellence.

From a regulatory perspective, COVID-19 saw demand for pharmacy services to drastically increase. Most of this demand was created out of changes in state and federal laws, such as the CLIA-Waiver and the PREP Act, that expanded the scope of practice for pharmacists to aid the healthcare sector by meeting the needs of the public. New demands are drastically reshaping the public's expectation of a pharmacist and how they receive care. In doing so, it continues to increase demand for pharmacies across the country.

“ NEW DEMANDS ARE DRASTICALLY RESHAPING THE PUBLIC'S EXPECTATION OF A PHARMACIST AND HOW THEY RECEIVE CARE. IN DOING SO, IT CONTINUES TO INCREASE DEMAND FOR PHARMACIES ACROSS THE COUNTRY.”

Too often when innovative solutions to a problem arise in the private sector, state laws and regulations are often lagging. This can be due to the lack of consideration or knowledge of said regulations during the innovative process or a fear by the regulatory community on the impact of the innovation. To overcome this challenge, it is imperative for businesses and regulators to partner together to meet the challenges for the 21st Century with the goal of improving patient outcomes. For the innovative solution like pharmacy fulfillment solutions, the need to overcome this challenge has become more evident as more pharmacies make strategic investments in the pharmacy of the future— supporting retail stores and health systems through automation to enable and empower pharmacists to provide more access to care for patients.

A fitting example of what is possible was included in a [Becker's Hospital Review](#) article announcing five states that have broadened legislation for pharmacists that would expand reimbursements and allow for more pharmacist services. As the article notes, this has been something organizations like the American Society of Health-System Pharmacists and industry professionals have long advocated.

COUNTERING RISING EXPENSES

With rising costs and inflation putting a strain on health systems and retail, pharmacies need to look for creative ways to protect the profitability of their operations.

In an article published by [Advisory Board](#), the healthcare sector in particular has been cutting staff in droves in an effort to produce savings and counter the increasing labor costs. While it may produce some immediate savings, without an automated solution in place, this strategy is not sustainable or realistic for long-term profitability. If solutions are not adopted to relieve remaining staff that means efficiency and the throughput of prescriptions has the potential to suffer. As the demand for prescription drugs is rising, the volume flowing through your pharmacy will continue to increase. The need for a solution that will relieve these pressures from your pharmacy is imminent.

Stack on top of that, the rise in cost of prescription drugs, as [mentioned earlier](#). There is not a lot in your control in this arena – the cost of the drug from the wholesaler or how much it costs to make the drugs - what you have greatest control over is your inventory. Working smarter to manage the inventory on your shelves and more effectively addressing any waste or shrinkage, could significantly aid your pharmacy operations in lowering expenses. One way to do this is embracing robust technology, utilizing automation and centralization to leverage the staff you have in an effective way that can optimize your profitability by minimizing the number of costly prescriptions sitting on shelves.

While implementing a centralized fulfillment solution is an investment, it has the potential to generate a substantial return for your organization. Consider all the factors that are important to you, all the problems you wish you could solve with your current operations – labor, inventory management, increasing volumes, pharmacist time – these items could drastically improve with the innovation and technology available today, no matter the size of your operation. By doing so, you could lower your cost to fill a prescription and balance growing volumes, reduced reimbursement rates

“ YOU COULD LOWER YOUR COST TO FILL A PRESCRIPTION AND BALANCE GROWING VOLUMES, REDUCED REIMBURSEMENT RATES AND INCREASED LABOR SHORTAGES WITH INNOVATION.”

and increased labor shortages with innovation. As demand continues to rise, centralized fulfillment could allow you to easily adapt and scale your operations while maintaining profitability over time.



FINAL THOUGHTS

Regardless if your pharmacy is already utilizing centralized fulfillment or if you have yet to embrace any automation into your operations, the time is now to consider the future of your pharmacy. As we discussed in this whitepaper, there are many factors today that are adding pressure to pharmacies to adapt, and we challenge you to think innovatively and allow your business to thrive in the pharmacy ecosystem in the future. While the industry has yet to fully embrace technology at rates other industries have, it is poised to do so – this Movement will be powerful and will open the possibilities for pharmacists to truly fulfill their purpose and impact the health and well-being of the communities they serve. With the right solutions, like centralized fulfillment, it's time for pharmacies to gain back control over an unfettered demand for the pharmacy aspect of healthcare in general.



WANT TO CONTINUE THE CONVERSATION?
CONTACT ONE OF OUR SPECIALISTS AT INFO@IARX.COM

ABOUT IA

Innovation is to rethink the status quo, to move industries forward. At iA®, we understand pharmacy needs a Movement, a way to provide a more sustainable work environment while advancing the pharmacists' role in healthcare. iA is committed to the expansion of our Pharmacy Fulfillment Platform to transform the industry and help improve the health and well-being of pharmacists and patients around the world.

That's the Future of Pharmacy, Fulfilled.

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