



GPS



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NATIONAL COMMUNITY
PHARMACISTS ASSOCIATION

Growth. Performance. Success.

2024 ANNUAL CONVENTION



Cost Plus Pharmacy

NCPA 2024 Annual Convention and Expo
Columbus, Ohio

Speaker



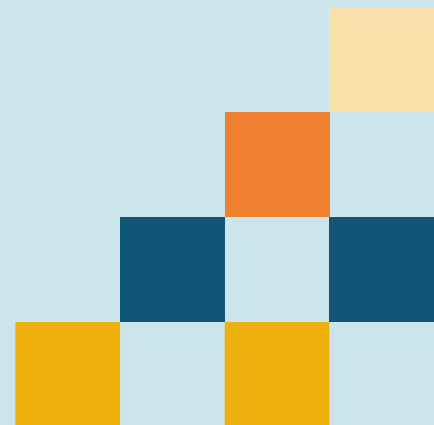
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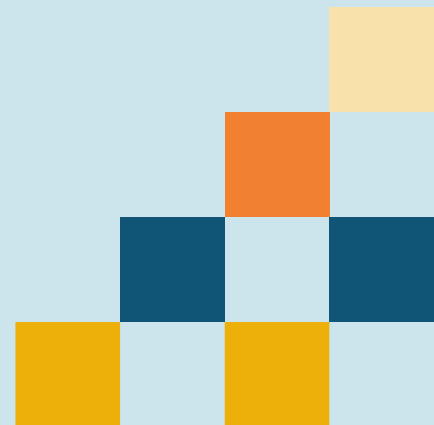
Disclosure Statement

There are no relevant financial relationships with ACPE defined commercial interests for anyone who was in control of the content of the activity.

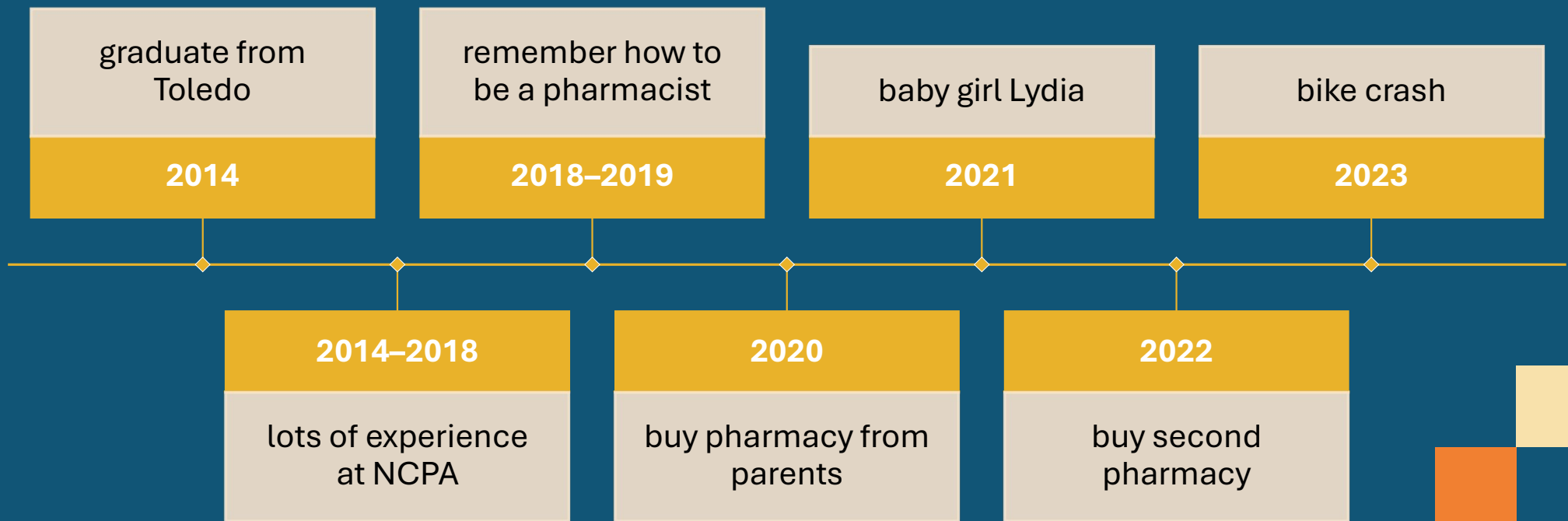


Pharmacist and Technician Learning Objectives

1. Discuss operational changes to consider when transitioning to a cost-plus model.
2. Summarize marketing strategies for educating patients and garnering patient trust in the cost-plus model.
3. Discuss best practices for coaching the pharmacy team on the cost-plus model.



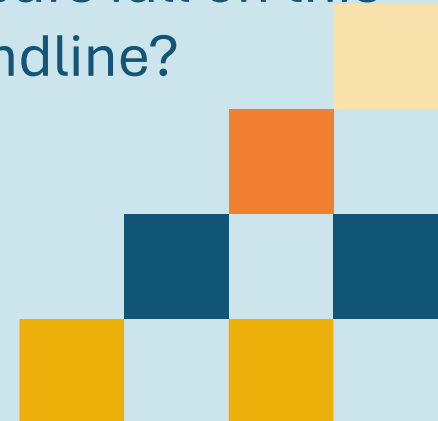
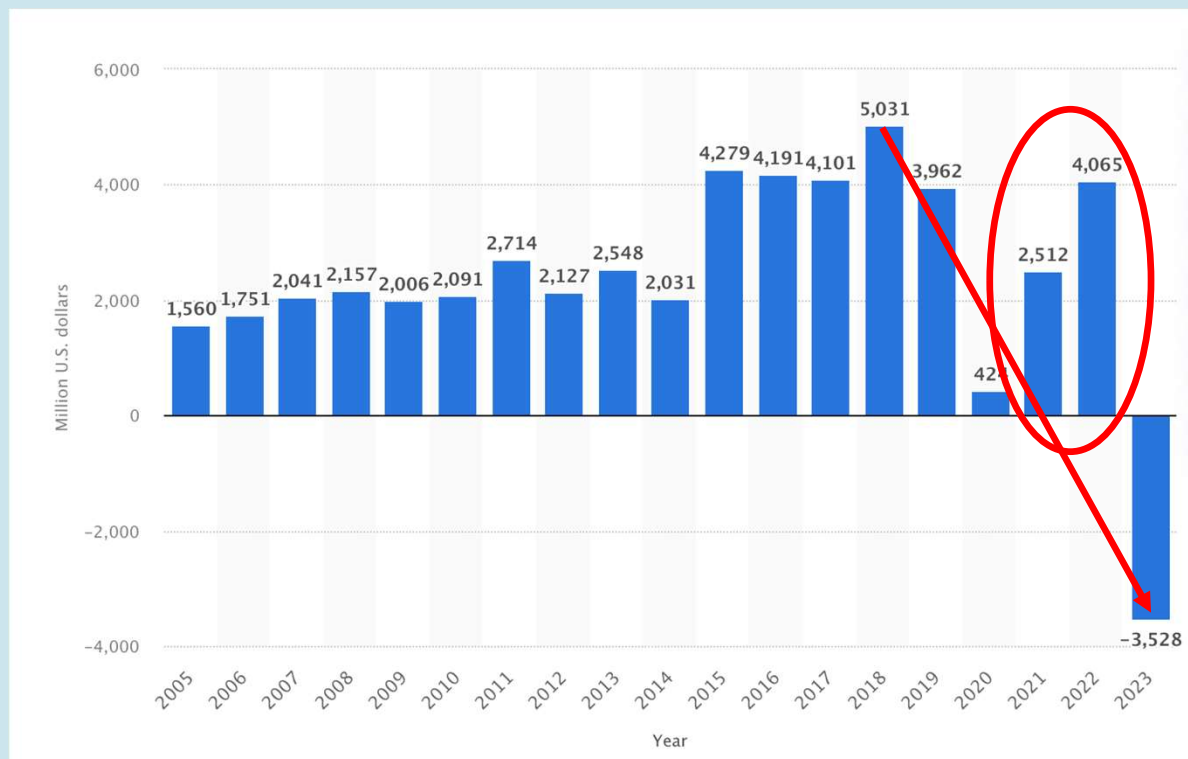
Start with Why



Last six years... (Walgreens)

Hmm, what happened in '21 and '22 that might affect net earnings numbers?

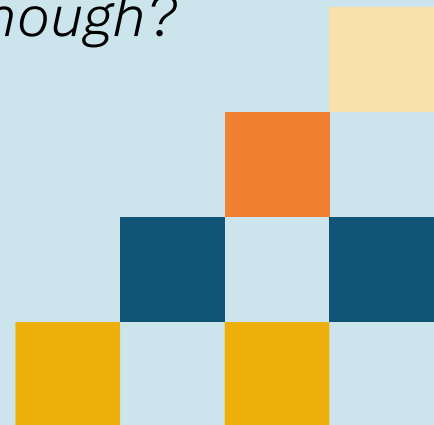
Without COVID vaccines, do those years fall on this trendline?



Last six years...

- Ours looked the same
- The fundamentals of dispensing were crashing, veiled behind COVID vaccines/testing (and PPP)

Services were carrying us through, could we ramp up fast enough?



CVS/pharm

RITE AID
PHARMACY

CLOSING DOWN

PHARMACY

Walgreens

N
NATIO
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What's Next?

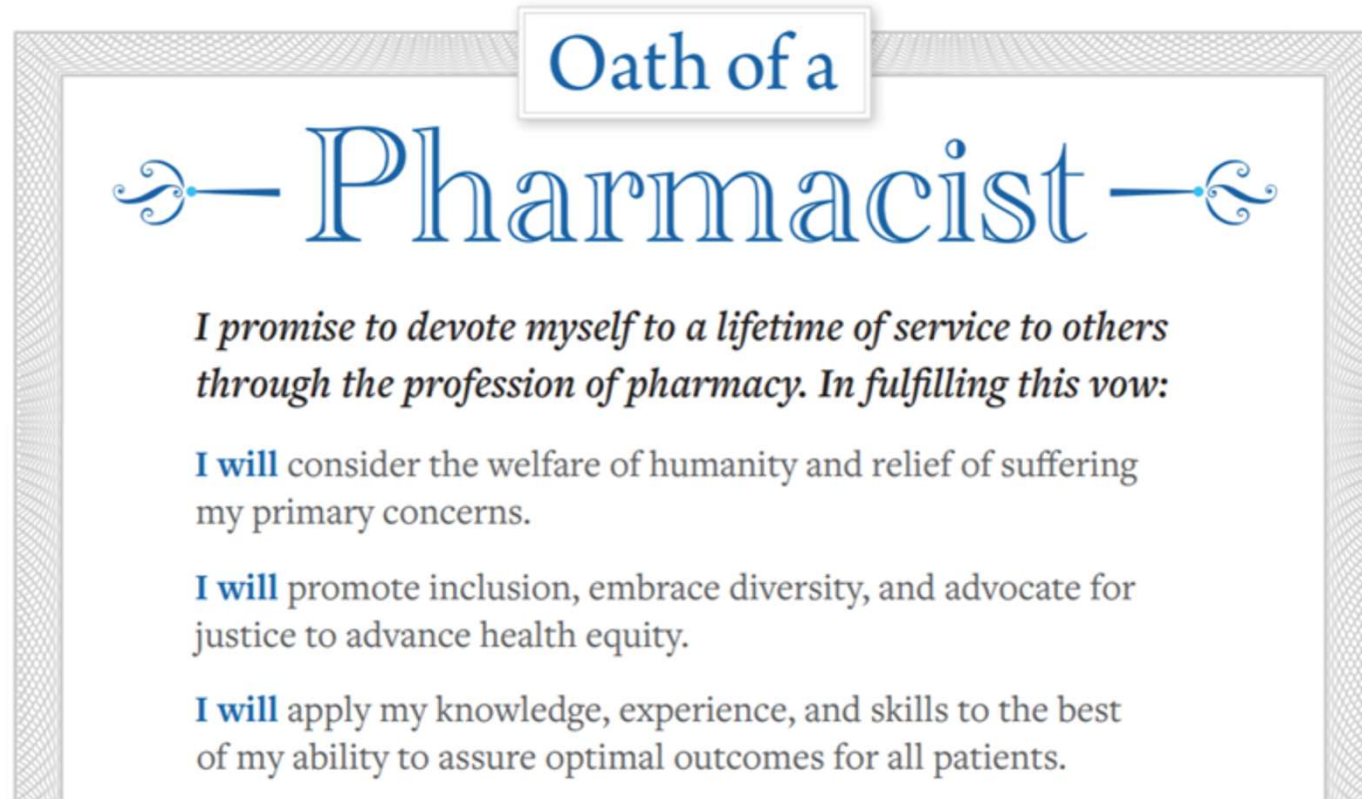
We had to make at least one hard choice

- a. Stop doing brands/negative scripts
- b. Focus exclusively on scaling services
- c. Drop selective plans that were really bad
 - d. Sell and do something different
- e. Only accept plans that value pharmacy practices fairly and do everything else on direct pay

Business vs. Professional

“Why don’t you refuse to fill scripts you lose on?”
... “Why do you keep signing those contracts?”
... “Transfer ‘em out”

The MBA answer is EASY.
The PharmD answer is
HARD

A decorative graphic with a grey border and a white background. At the top, a small box contains the text "Oath of a". Below this, the word "Pharmacist" is written in a large, blue, serif font, flanked by decorative flourishes. Underneath, there is a paragraph of text in italics, followed by three bullet points, each starting with "I will" in blue.

Oath of a

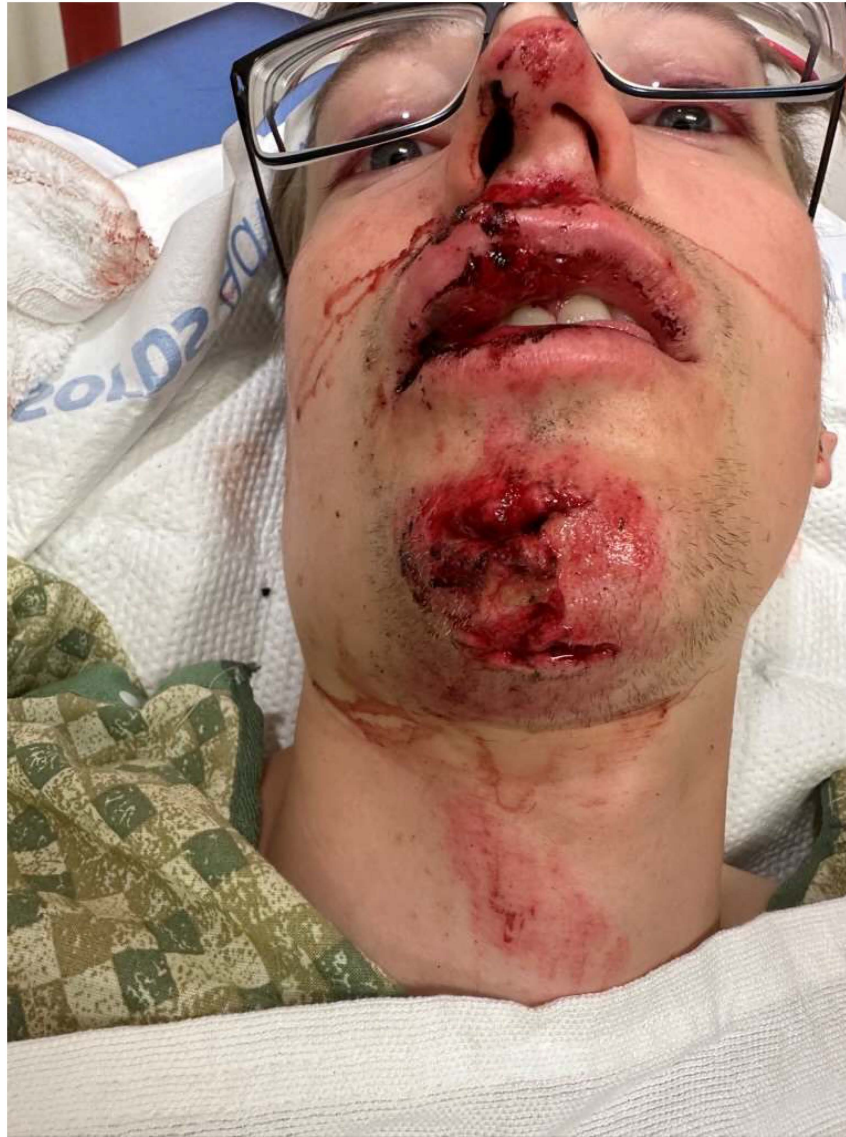
Pharmacist

I promise to devote myself to a lifetime of service to others through the profession of pharmacy. In fulfilling this vow:

- I will** consider the welfare of humanity and relief of suffering my primary concerns.
- I will** promote inclusion, embrace diversity, and advocate for justice to advance health equity.
- I will** apply my knowledge, experience, and skills to the best of my ability to assure optimal outcomes for all patients.

Bike Crash

Trigger Warning



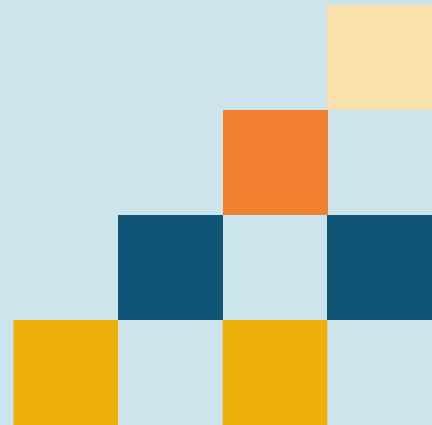


Making the Decision

What do you want to be for your community?

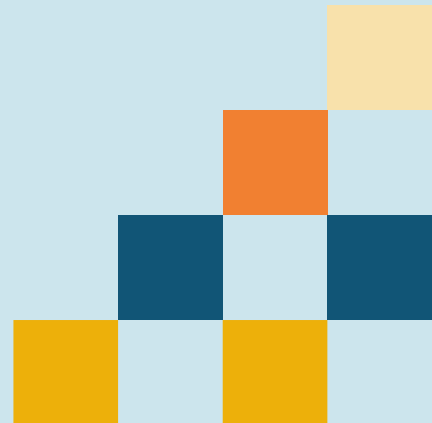
Data Analysis

- Try to estimate how many patients would save
- Any plans to keep?
- What is a new break even?
- How do services layer into this?



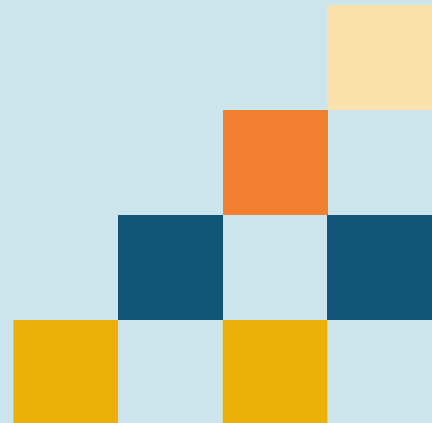
Implementation

- Team training
- Letters to patients
- In-store information
- So many price quotes (wait, you can give price quotes now?!)
- New pricing model in pharmacy management system



Experience

- Anyone think their team is *good* at sending transfers?
- Team training
- And re-training
- And training some more
- Savings are real
- Some 'normal' people like insurance?
- Freedom!



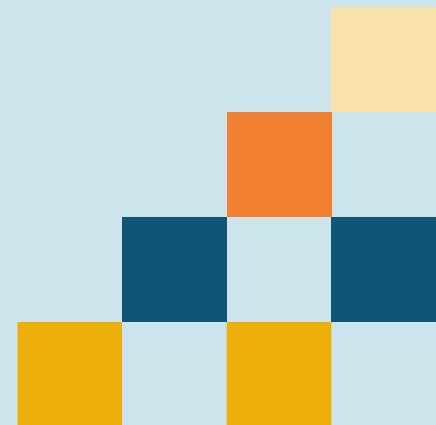
Let's talk about brands...

How many patients do you have with brands? How many are DAW-9?

- DOACs
- SGLT2s
- DPP-IVs
- GLP-1s
- ARNIs
- Combination inhalers
- GI meds
- Insulins
- Pancreatic enzymes

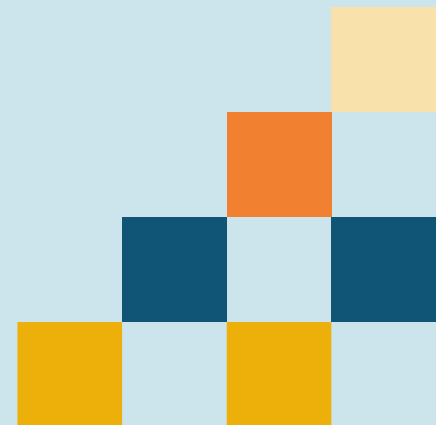
Other Learnings

- PSAO related
 - What contracts can you *actually* exit?
 - Security holds
 - Other services bundled together
 - EQUIPP?
 - Reconciliation?
 - Merchandising?
- Rebates are hard, drugs are cheap
- 30 vs 90-day transitions



What's Next

- Still expanding services
 - Goal: 20% of gross profit from services
- Excel on care
 - Body composition, pharmacogenomics, health coaching, packaging
- Direct primary care
- Membership



Questions?



Contact Information

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