## Growth. Performance. Success. 2024 ANNUAL CONVENTION

NCPA

NATIONAL COMMUNITY



### Regulations and Relationships: How to Build A Compounding Business You Can Scale

NCPA 2024 Annual Convention and Expo Columbus, Ohio

## Speaker



**Jennifer Palazzolo, BSPharm** Pharmacist, Owner Flatirons Family Pharmacy



### **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.

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### Pharmacist and Technician Learning Objectives

- 1. Review the latest regulatory policies and advocacy efforts related to compounding
- 2. Outline key financial considerations for evaluating a compounding business plan.
- 3. Discuss business-building strategies for scaling compounding operations.
- 4. Describe opportunities for advanced staff roles and responsibilities in compounding pharmacies



### Regulation Updates

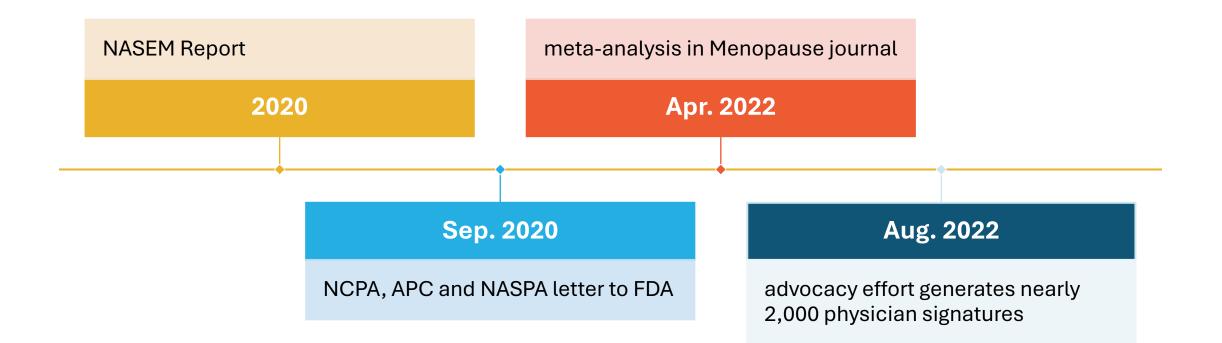


### **Compounding of Animal Drugs**

- FINAL GFI #256 FDA's <u>Final Guidance</u> (August 2022)
- Delayed enforcement to April 2023
- FDA responds to concerns (Feb. 2023)
- VCPR
- Don't dispense to vet who didn't write script
- Documentation of medical rationale
- FDA's <u>FAQs</u> on GFI #256 (March 2023)
- Office stock
- Examples of "clinical difference"
- Adverse event reporting



### Patient Access to cBHT



### Demonstrably Difficult to Compound Proposed Rule

- Proposed Rule: March 2024
- NCPA comments: June 2024
- Insufficient notice and comment period
- List lacks evidence
- FDA can't add "categories" to 503A DDC list

#### DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 216

[Docket No. FDA-2023-N-0061]

RIN 0910-AI31

Drug Products or Categories of Drug Products That Present Demonstrable Difficulties for Compounding Under Sections 503A or 503B of the Federal Food, Drug, and Cosmetic Act

AGENCY: Food and Drug Administration, HHS.

ACTION: Proposed rule.

#### Draft Guidance: Prohibition on Wholesaling Under Section 503B

- FDA's interpretation of the FD&C Act: a drug compounded by an outsourcing facility may be eligible for exemptions in 503B where the drug is distributed...to a State-licensed pharmacy... [NCPA emphasis]
- Concerns for future of 503A compounding and patient access

Prohibition on Wholesaling Under Section 503B of the Federal Food, Drug, and Cosmetic Act Guidance for Industry

#### DRAFT GUIDANCE

#### This guidance document is being distributed for comment purposes only.

Comments and suggestions regarding this draft document should be submitted within 60 days of publication in the Federal Register of the notice announcing the availability of the draft guidance. Submit electronic comments to <u>http://www.regulations.gov</u>. Submit written comments to the Dockets Management Staff (HFA-305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852. All comments should be identified with the docket number listed in the notice of availability that publishes in the Federal Register.

For questions regarding this draft document contact (CDER) Dominic Markwordt, 301-796-3100.

> U.S. Department of Health and Human Services Food and Drug Administration Center for Drug Evaluation and Research (CDER)

> > June 2023 Compounding and Related Documents

### **Setting Up for Success**





### **Assessing Potential for Success**

Market Research: Your must know your local and multi state competition Who is your target customer, and can they support sustained business growth?

What will be your specialty?

### **Setting Up For Success**

Compliance with FDA and State Regulations for compounding



**Compliance with USP <795>** for non-sterile compounding and **USP <797>** for sterile compounding and follow **USP <800>** for handling hazardous drugs.



Just because your state doesn't enforce USP 800 doesn't mean you shouldn't follow it



You will need clean rooms, laminar airflow hoods, autoclaves, and specialized equipment like mortar and pestles, balances, molds, etc.

### **Know Your Numbers**

Annual Operating Cost – different for every location

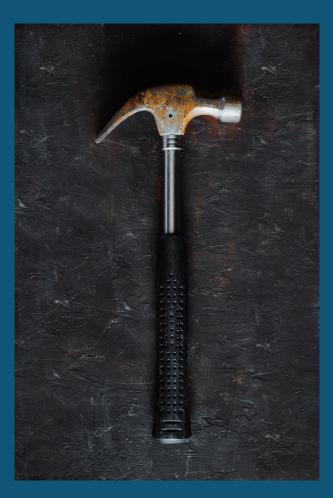
Revenue Goals- if you don't set goals how can you reach them?

Profit Margins- rule used to be 85% GP Margin pre USP 800

Annual/Bi Annual Price Increases

With 50-100 compounds a day revenue can range from \$50,000-\$100,000

### If You Build It.....

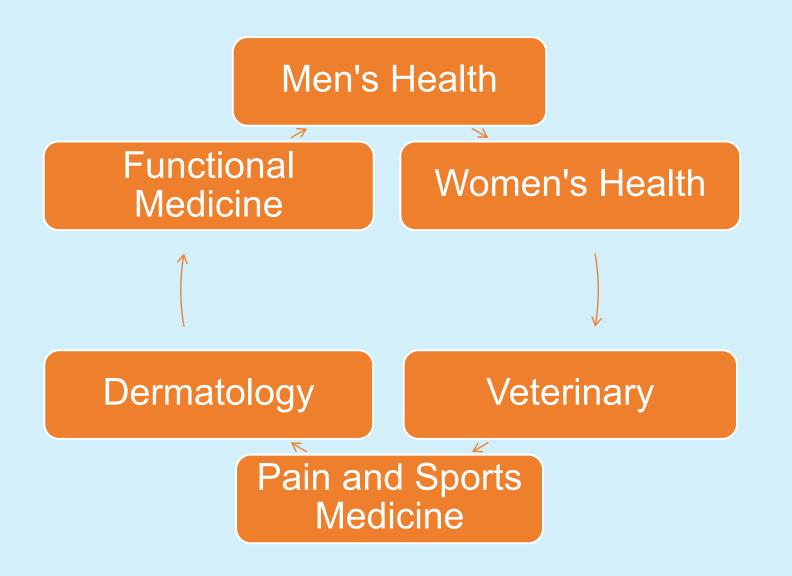




### What Can Your Market Support?

- Will you bill insurance or be cash only?
- If you plan to bill insurance, what accreditation will you get and how will you recoup the financial investment you made?
- Will you offer sterile compounding or just nonsterile?
- Will you ship or deliver in addition to pick up?
- Can your demographic support compound pricing that keeps your compounding lab operating at or near a 90% gross profit?

### **Niche Market Opportunities**





### **Marketing and Growth Strategies**

#### **Branding**

- What sets you apart from others
- What about your branding will make them remember you
- Remember your employees represent your brand

#### **Online Prescence**

- SEO and website
- Social Media
- Mobile Friendly
- Prescriber Portal Option

#### **Building Relationships**

- Gold standard for growth and stability
- Grassroots sales
- Educate your patients and providers
- What information are you leaving behind



What Does Your Logo Say About You?





### **Do Your Marketing Materials Stand Out?**

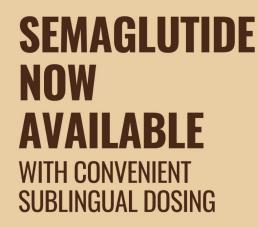




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Fluoxetine TD Suspension
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PEDIATRIC RX ORDER FORM: COMPOUNDS	
PATIENT NAME:	DOB: PHONE:
ADDRESS:	
ALLERGIES: Please complete the above demographics or send in a face sheet.	
REFLUX	NAUSEA
Lansoprazole 3mg/mL 6mg/mL Suspension (QTY #) SIG: TakemL by mouth once daily 30 minutes before a meal.     Omeprazole 5mg/mL Suspension (QTY #) SIG: TakemL by mouth once daily 30 minutes before a meal.     Famotidine 40 mg/5 mL Suspension (QTY #)	Ondansetron 2mg/mL Suspension (QTY #) SIG: Takeml. by mouth every 8 hours as needed.     Ondansetron 4mg Lollipops (QTV # 12) SIG: Suck on and dissolve 1 lollipop by mouth every 8 hours as needed.     Ondansetron 4mg Suppositories (QTV # 12) SIG: Insert 1 suppository rectally every 8 hours as needed.
SIG: TakemL by mouth once daily. SIG: TakemL by mouth twice daily.	ANTIBIOTICS
PAIN/FEVER	Metronidazole 50mg/mL Suspension (QTY #) SIG: TakemL by mouth every 8 hours.
Acetaminophen 125mg 250mg Troches (QTY #30) SIG: Dissolve 1 troche sublingually or between cheek and gum every 4-5 hours as needed. Acetaminophen 160mg 240mg Lollipops (QTY #12) SIG: Suck on and dissolve 1 lollipop by mouth every 4-6 hours as needed. Acetaminophen 150mg 300mg Suppositories (QTY #30) SIG: Insert 1 suppository rectaily every 4-6 hours as needed.	Sulfamethoxazole 800mg, Trimethoprim 160mg/15mL Suspension (QTY #
Ibuprofen 100mg 200mg Troches (QTY #30)     SIG: Dissolve 1 troche sublingually or between cheek and gum every     4-6 hours as needed.	Azelastine 0.1%, Clobetasol Propionate 0.05% Gel (QTY #6 SIG: Apply to affected area twice daily for up to 2 weeks.
Ibuprofen 100mg 200mg Lollipops (QTY #12) SIG: Suck on and dissolve 1 Iollipop by mouth every 6-8 hours as needed.	DIAPER RASH
SIG: Suck on and dissolve 1 lolipop by mouth every 6-8 hours as needed.         Ibuprofen       100mg       200mg Suppositories (QTY #30)         SIG: Insert 1 suppository rectally every 6-8 hours as needed.	Cholestyramine 5%, Mupirocin 0.5%, Miconazole Nitrate 0.5% Topical Ointment (QTY #30g) SIG: Apply to the affected area 2-3 times daily for up to 7 days.
MOUTH/THROAT PAIN	Cholestyramine 5%, Zinc Oxide 5% Topical Cream (QTY #3 SIG: Apply to the affected area 2-3 times daily for up to 7 days.
Tetracaine 0.5% Lollipops (QTY #6)	TOPICAL ANTIFUNGAL/ANTIBIOTIC/STEROID
SIG: Suck on Iollipop for 10-15 seconds then stop every 2-3 hours as needed.	Hydrocortisone 2%, Clotrimazole 2% Cream (QTY #30g) SIG: Apply to the affected area twice daily forweeks.
ACNE Clindamycin 1%, Benzoyl Peroxide 5%, Niacinamide 5%	Betamethasone Valerate 0.05%, Miconazole Nitrate 2%, Mupirocin 1% Ointment (QTY #30g) SIG: Apply to the affected area twice daily for weeks.
Topical Cream (QTY #60g) SIG: Apply to the affected area twice daily.	WARTS
Clindamycin 1%, Tretinoin 0.025% Topical Cream (QTY #30g) SIG: Apply to the affected area at bedtime.	Salicylic Acid 15%, Cimetidine 5% Gel (QTY #15g)

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ADDRESS:

# It's a Business of RELATIONSHIPS





### Expanded Staff Roles





### Sales vs Marketing Know the Difference

### Marketing

Focus: Creating awareness, generating interest, and building a brand presence.



**Goal:** To attract potential customers by communicating the value of a product or service and driving them towards purchasing decisions.



**Activities:** Market research, branding, advertising, content creation, digital marketing (social media, SEO), public relations, and lead generation.

### Sales



**Focus**: Closing deals and converting leads into customers.



**Goal**: To directly engage with prospects, address their needs, and persuade them to purchase a product or service.



**Activities**: Direct selling, relationship-building, negotiating, handling objections, and account management.



# Who is the FACE of Your Company?



#### Is it the owner?



### Is someone out doing sales?



### Is it what you put on Social Media?



Is it your Pharmacy or Ops Manager?



#### Is Somone Actively Building Relationships?







Questions?



### Contact Information

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