

RETAIL Pharmacy Management

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OPERATIONS/MANAGEMENT

Lack of Faculty Threatens To Prolong Rx Shortage



As the persistence of the retail pharmacist shortage has set in, executives are finding numerous

ways to deal with it, from pharmacy automation and the increased use of technicians to central-fill facilities and remote dispensing.

At the same time, though, retail pharmacy management is counting on pharmacy schools to ramp up the number of graduates and eliminate the shortage over time. Pharmacy school enrollments have increased as the schools have expanded program sizes, and new pharmacy schools are gradually being created.

But now a new problem is revealing itself—a significant shortage of pharmacy faculty that is expected to

▶ see *LACK OF FACULTY*, page 12

PHARMACY TECHNOLOGY

Telepharmacy Making Headway in Remote States

Every day, patients can walk into Beach Pharmacy and New England Drug in rural towns Beach and New England, N.D., pick up a prescription and receive counseling from their pharmacist.

While the exchange sounds like one in any other retail pharmacy in the United States, what makes it atypical is that at Beach Pharmacy and New England Drug, patients speak not to a pharmacist behind the counter, but to one on a video monitor—to the pharmacy owner Jody Doe, RPh.

Though the technology setup may sound more like a scene from *Star Trek*, telepharmacy provided an answer for Mr. Doe when he decided two years ago to expand his business. He is also owner of Kildeer Pharmacy, located in Kildeer, N.D., which

▶ see *TELEPHARMACY*, page 4

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Results of Retail Pharmacy Management's Exclusive Annual Reader Survey

Patient Care Compromised

Retail pharmacists' ability to provide quality patient care is under attack,

threatened by third-party interference, overwhelming prescription demand and the chronic pharmacist shortage.

At a time when the value of retail pharmacists and their role in providing healthcare is central to debates over reimportation issues, Medicare Plan B and mandatory mail order, this is troubling news.

According to *Retail Pharmacy Management's Annual Reader Survey*, two-thirds of all pharmacists who completed the survey—74% of respondents at chains and 61% of respondents at independents—say that pressures behind the bench affect the quality of patient counseling (Table 1, page 14).



▶ see *READER SURVEY*, page 14

PHARMACY TECHNOLOGY



Automated Dispensing Machines Mimic ATM Functionality

Consumers rushing to catch a plane routinely use machines similar to automated teller machines (ATMs) to check in for their flights, check luggage

and get their boarding passes.

Similarly, ATMs have enjoyed predominance in banks, shopping malls, movie theatres, bars, restaurants, grocery stores and delis, and most transactions take place without hesitation.

So why wouldn't patients appreciate the convenience of walking into a pharmacy and picking up prescription

refills from a machine that lets them pay and go?

This latest automation technology is now available from two start-up companies: San Diego, Calif.-based Asteres Inc. and San Marcos, Calif.-based Distributed Delivery Networks Corporation, also known as ddn.

With physical measurements similar to an ATM, both the Asteres ScriptCenter and ddn Corp.'s Automated Product Machine (APM) can be electronically integrated with a pharmacy's management system and point-of-sale system (POS), making it possible for customers to use credit or debit cards in conjunction with a password or other form of identification, to pay for and pick up their refills.

▶ see *AUTOMATED DISPENSING*, page 18

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Please pass along this issue to your staff.

Automated Dispensing Machines Mimic ATMs

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ScriptCenter went live in a mid-size pharmacy chain drugstore located near San Diego in late November, making this the first retail chain pharmacy operator to offer consumers automated dispensing of prescription medications, as well as the operator of the first chain pharmacy to have an automated dispensing system that interacts with its POS and pharmacy management system.

At press time, a spokeswoman for the chain, who refused to be named for this story, said it was "premature" to comment on the test.

According to Linda Pinney, Asteres' founder and chief business officer, this chain has been testing the unit in its corporate lab since April. Asteres worked with the chain to obtain approval from the California State Board of Pharmacy to use ScriptCenter, both during store hours and after hours for refills that do not require consultation.

Ms. Pinney said that other pharmacy chains have expressed interest in piloting ScriptCenter, and are currently working with Asteres and state boards of pharmacy, including Virginia, Maryland, Massachusetts, Oregon, Pennsylvania, Washington, Delaware and North Carolina, to gain approvals.

large grocery chain on the East Coast.

William Holmes, president and chief executive officer of ddn Corp., said their system, the APM, is expected to be in pilot tests with two pharmacy chain operators in the coming months. Plus, a mid-sized hospital consortium is planning to test the system in early 2005 for use by its more than 10,000 employees.

The ddn Corp. is also working with its customers to help obtain waivers from the pharmacy boards in their respective states. According to Mr. Holmes, an earlier version of what is now their automated refill dispensing system was installed two years ago in an independent drug store retailer in Utah. Mr. Holmes said the Utah State Board of Pharmacy allows pharmacists in Utah to use automated refill dispensers if the prescriptions are dispensed by a properly licensed pharmacist.

// The system frees the pharmacist and technician from low-level tasks like ringing up the sale, allowing them to focus on the higher level tasks they were trained for. //

— Dina Acciai, RPh, MBA, pharmacy consultant for ddn Corp.

ultimately results in more purchases."

Deborah Faucette, RPh, the director of pharmacy operations for National Association of Chain Drug Stores (NACDS), called the concept behind both systems "wonderful, because it can apply to a multitude of scenarios.

It could be perfect in situations where a store is really busy and customers don't require consultations. And I can imagine the concept used in very remote or rural areas where a pharmacist might not be available or when a pharmacy closes early.

"If they reduce the hours a pharmacist needs to be on duty in a 24-hour store, or repositions a pharmacist's time towards providing needed patient care, these systems could pay for themselves in less than a year," she added.

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Built-in Component

Both ScriptCenter and the APM can be physically integrated into a pharmacy wall so a pharmacist or technician can load the machines individually or in batches, either from the front or the back.

Mr. Holmes said the APM should be able to manage all refills for a pharmacy doing about 400 prescriptions a day. ScriptCenter holds anywhere from 500 to 1,000 prescriptions that vary in size to manage about 95% of all types of prescriptions available, Mr. Hansen said. Each device can be branded any way a retailer might want, using whatever logos and colors they might choose, and both have the capability to have a unique external shape and facade.

Ms. Pinney noted that while return on investment will vary, depending on a store's demographics, she added that when stores "can increase pharmacy hours for refill pick-ups without adding staff, ScriptCenter has a rapid rate of return."

Based on ddn Corp.'s analysis, said Mr. Holmes, pharmacies can expect to generate a return on their investment in less than 12 months.

—Liz Parks

Pharmacist Time-saver

Dina Acciai, RPh, MBA, a pharmacy consultant working with ddn Corp., said the system frees the pharmacist and technician from low-level tasks like ringing up the sale, "allowing them to focus on the higher level tasks they were trained for."

Bob Hansen, PharmD, formerly the vice president of pharmacy operations for Longs Drug Stores, and now vice president, pharmacy services for Asteres, pointed out that a finished prescription pick-up machine located in

the store, unlike drive-through pharmacies or mail order, "keep patients closer to

the pharmacy staff and are better for front-end sales.

"It's very important at the end of the day for pharmacies to build loyalty with their customers, and reducing the amount of time customers spend standing in line helps build that loyalty, which



An artist's rendition of an Asteres ScriptCenter automated dispensing unit.

The next customer to go live with the technology, she said, will likely be a

How Automated Refill Dispensers Work

Both ScriptCenter and Automated Product Machines (APMs) can be electronically integrated, through an interface, with a pharmacy's information management system and point of sale system, so customers can use credit or debit cards, in conjunction with a password or other form of identification, to pay for and pick up their refills.

These systems alert the pharmacist whenever a customer, using a touch screen, tells the system he or she wants a consultation. However, if customers only wish to pick up their refill and be on their way, both devices, capturing all of the necessary electronic signatures and meeting all HIPAA requirements, will let them just do that.

In both systems, once the package is scanned and placed into a bin, it remains stored there until either the patient calls for it and picks it up, or until the pharmacist or technician returns it to stock because the patient has not come to retrieve it.

The machines can also take a digital image of the customer who picks up the medications. Both machines have technologies that can verify that the customers are who they say they are. In addition, both systems can also handle other products that a retailer might want to dispense automatically, including front-end items that are vulnerable to outside theft, particularly of the "grab a lot and run" variety.

As a last step, after all the data has been taken, both machines automatically scan the bar code on the package one more time before releasing it to make sure that there is a complete match between the patient, the prescription and the package in the machine.

These machines not only print out receipts for customers, but they can also print out coupons and can be programmed to send notification messages to a customer's cell phone, PDA or fax telling them that their prescription is ready for pick up.

Both also have the capability to assist in the dispensing of first-time prescriptions, assuming the pharmacy can provide access, either remotely or on site, to an on-duty pharmacist who can, through an intercom and a Web camera, consult with the patient.

—LP

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CORRECTION

Retail Pharmacy Management regrets that an article appearing in the September/October 2004 issue, "Can Retail Battle Mail Order? Maybe" that discussed PDX-NHIN's new initiative to provide a mail order option to its customers, as well as beta-tests on its Rx.com Enterprise Pharmacy Management System, contained errors. We incorrectly reported that three chains were beta-testing the mail order service, which they are not. Also, the beta tests for the software began on July 12, not for the mail order service, as we stated. The mail order service will begin operations in January of 2005. And, to further clarify, the mail order facility, fulfillment and strategy belong to Rx.com. PDX is a business partner of Rx.com.