

The Rx Report:

Transforming pharmacy to make healthier happen together

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Overview

Community pharmacy is in the midst of a transformation.

While pharmacy teams continue to care for millions of Americans — improving health outcomes, closing gaps in care, and expanding access to important health care services in their local communities — the overall environment has shifted. Consumer expectations of community pharmacy have quickly changed, but the pharmacy operational models have not evolved at the same pace.

Consumer trust of community pharmacists remains high, as do expectations for access to convenient care. While pharmacists want to continue to best support their patients, there are also widespread pressures facing the pharmacy workforce. More can and should be done to better support pharmacy teams, help consumers and advance the pharmacy model to create a more viable, sustainable future.

CVS Pharmacy® is championing change by transforming community pharmacy through the ideas and insights offered by its pharmacy teams and the millions of people who visit its pharmacies every day.

The Rx Report details the findings from a new CVS Health® survey of 2,200 consumers and more than 1,050 pharmacists and pharmacy technicians on the latest trends in community pharmacy, highlighting opportunities for evolving community pharmacy and making healthier happen together.

Time for change: the evolution of community pharmacy

Starting from a place of strength

The role community pharmacies play is important, and their impact on Americans is tangible. With 76% of consumers having at least one active prescription for themselves or those they care for and 79% having visited a pharmacy in the past year, demand is high.¹ Furthermore, Americans rely on their pharmacies for credible information and trust their pharmacist and pharmacy team.

Data shows that most consumers (>80%) believe that their pharmacist is one of the most credible sources of health information, and the majority (83%) agree that their pharmacist's recommendations are important to them.¹



85% of Americans live within 10 miles of a CVS Pharmacy.



9,000+ CVS Pharmacy locations.



~5 million daily interactions with customers.



Trust in local pharmacists remains high (81%) among consumers, the majority (88%) of whom also believe that pharmacists are the most accessible and frequently visited health care providers.¹

At CVS Pharmacy, the company prioritizes local access to pharmacy care. In fact, nearly 85% of Americans live within 10 miles of one of more than 9,000 CVS Pharmacy locations, with approximately five million daily customer interactions.² The company has worked to maintain access to important pharmacy services and ensure the right kinds of stores are in the right locations for consumers — especially in underserved communities. It is also evolving its stores into community health destinations that will ultimately meet a broader range of patients' health, wellness and pharmacy needs.

1. Source: This research was conducted by Morning Consult on behalf of CVS Health. Morning Consult surveyed 2,201 U.S. consumers aged 18+, 53 pharmacy technicians and 1,053 pharmacists from across retail, independent, mail-order and online pharmacies, along with those in doctor's offices, clinics, hospitals and long-term care facilities. The survey was fielded from July 1-26, 2024.

2. Source: CVS-Investor-Fact-Sheet.pdf (s2.q4cdh.com)

A tech-enabled approach — powered by people

Building trusting relationships, meeting patients where they are and when and how they need it

with clinical expertise, and accessible, affordable care are at the core of community pharmacy. Pharmacists and pharmacy technicians are the key differentiators in the future of community pharmacy — a future that prioritizes personal interactions that are supported by digital tools and technology. This is why a technology-enabled approach that prioritizes the relationship between consumers and their pharmacy team is key.

The majority (>95%) of pharmacists and pharmacy technicians agree that meeting with patients in person is more important than digital-only interactions. In addition, consumers don't want a digital-only experience — 70% of those surveyed prefer in-person interactions, and nearly half (48%) said they would likely switch their pharmacy if they knew they were only ever able to interact with their pharmacist digitally.¹

prescriptions easier. In addition, the company recently launched a more efficient phone call intake process resulting in fewer phone calls to the pharmacy and a better overall in-store patient care experience. For those who want their prescriptions delivered, CVS Pharmacy continues to offer same-day and next-day delivery options, too.

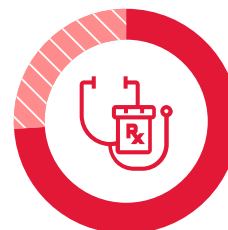
Pharmacy's role in patient care

The expanded role of community pharmacy is also the key to its future. Pharmacy teams and consumers agree — more care can and should be provided in local community pharmacies. In fact, the vast majority of community pharmacists (74%) want to perform clinical health care services beyond filling prescriptions and patient consultations, and 64% of consumers would also like to get a greater range of health services from their local pharmacy, suggesting things like diagnostic tests for illnesses such as HIV, the flu and strep throat, as well as heart health services such as blood pressure monitoring.¹



These findings underscore the importance of a community pharmacy that prioritizes human connection and uses technology to create efficiencies and more time for meaningful moments that matter to consumers.

That's why CVS Pharmacy is creating an experience to transform pharmacy, enhance the colleague experience and improve consumer convenience and self-service through mobile app capabilities that help make managing, refilling, scheduling and picking up



Community pharmacies like CVS Pharmacy are already elevating the role of their pharmacists and pharmacy technicians in everyday health care by providing services that deliver more care in local, convenient settings, connecting consumers to care across the broader health care ecosystem and embedding pharmacists as an integrated part of the patient care team.

This includes:

- **Pharmacist and technician-delivered vaccination services**, including immunizations against common illnesses such as seasonal flu, RSV and many others.
- **Pharmacist prescribing of certain medications**, such as those for respiratory illnesses (flu and COVID-19), hormonal birth control and naloxone, where permissible by law.
- **Delivery of Comprehensive Medical Reviews (CMRs) and Medication Gap Closures**, which involve reaching out directly to patients to conduct important and potentially life-saving reviews of their medications and supporting them with action plans. CMRs are also a Medicare Star Rating measure for health plans and an important way for community pharmacy to bring value to plan sponsors, representing an impactful opportunity for pharmacists to deliver pharmacy care to Medicare patients.
- **Leveraging trusted relationships between pharmacy teams and their patients** to connect them to care that makes a difference, including CVS Health's Signify In-Home Health Evaluations (IHEs). Specifically, CVS Pharmacy technicians conduct outreach to eligible patients, educating them about the benefit of IHEs and helping them schedule visits with a Signify Health provider. Because of the personal relationships between patients and pharmacy teams, traditionally hard-to-reach patients are more willing to engage with this important health service when a member of their CVS Pharmacy team contacts them.

Ultimately, these types of services will also create new sources of value for community pharmacy and support key public health priorities by providing the type of care consumers want and need in their local community. In fact, 72% of consumers agree that pharmacists should be reimbursed like other health care providers when they evaluate patients for treatment or perform clinical services¹ — a model that is not in place today. Making this the standard can expand the scope and role of pharmacy teams, which can help contribute to a more viable, sustainable business in the long term while helping to improve access to affordable health care in local communities.

Building a sustainable future

The decades-old pharmacy reimbursement model is due for an update. It typically follows a market-basket approach, based on discounts from multiple industry benchmarks that may not be closely connected to how much it costs to purchase the drug. Making it more challenging is the rise of high-cost branded drugs and the impact of high deductible health plans.

The way that community pharmacies are compensated has not kept pace with changes in the cost of doing business. As a result, pharmacies have had to adapt in a challenging market to meet the needs of both plan sponsors and patients.

CVS Pharmacy recently announced CVS CostVantage, a new approach to pharmacy reimbursement. Specifically, the model is based on a transparent formula built on the underlying cost of the drug, plus a dispensing fee tied to the care and value CVS Pharmacy provides. Simply put, the model focuses on aligning prescription drug reimbursement to directly tie to the underlying cost of doing business.

In addition, the future of community pharmacy may also mean evolving the format and layout of physical spaces to position pharmacies as one-stop-shop health and wellness destinations in the community. CVS Pharmacy is supporting the evolution of pharmacy by creating store formats that will ultimately meet a broader range of patients' health and wellness needs.

It is also highlighting the holistic and impactful contribution of pharmacy teams as part of integrated care teams at several CVS Pharmacy locations that share a footprint with Oak Street Health centers, which specialize in care for Medicare beneficiaries. As pharmacy teams take on a deeper role in patient care, they can help deliver better patient experiences and drive medication adherence, which can improve Medicare Star Ratings and, downstream, help patients avoid costly interventions or hospitalizations.

A better way to work

Community pharmacy is navigating a difficult labor market. The pressures and challenges experienced by pharmacists and pharmacy technicians during the pandemic exacerbated long-standing issues in pharmacy.

While the majority (69%) of those who work in community, mail or online pharmacy are satisfied with their jobs, they report several ongoing challenges, including stress, workload and work-life balance (pharmacists) and salary, benefits and advancement opportunities (pharmacy technicians).¹

It is crucial that employers better support pharmacy teams so they can effectively care for the patients who need them the most. The industry must evolve how work is completed to improve efficiency and support pharmacy teams — because when they are more empowered and experience more support and balance at work, they can have the greatest impact on their communities.

69%



of those who work in community, mail or online pharmacy are satisfied with their jobs.

CVS Pharmacy has introduced solutions that support the colleague experience, prioritize safety and create more efficiency in the workflow. This includes innovations like a dynamic workload-sharing model that leverages the scale of its retail business and colleagues located across multiple stores, all working together. The new model has had a powerful impact on pharmacy teams' ability to support patients, even in emergency situations that impact stores. For example, when Hurricane Beryl hit the Texas Gulf Coast in July 2024, the model allowed CVS Pharmacy teams in the impacted area to quickly expand backup support to affected districts, pairing them with unaffected districts. This helped the more than 150 stores affected by the storm continue to serve their patients, also enabling faster recovery post storm.

When pharmacy teams have a positive work environment, they are empowered to have the greatest impact on their communities.

Pharmacist Colby Butler loves this innovative approach to pharmacy workflow at CVS Pharmacy because it helps him manage through the unexpected; from an unanticipated increase in customer demand to a devastating natural disaster, Colby and his team are prepared. He credits the new approach with creating additional efficiency and capacity for them to spend more time on what matters most — patient-centered care. "This changes the game," says Colby.

“Our new dynamic workload-sharing model changes the game. I can’t wait to see where it takes our company — and I plan on being along for the ride.”

Colby Butler
District Support Pharmacy Leader
Rock Island, IL



In addition, CVS Pharmacy continues to champion safety and quality with a first-of-its-kind approach to drug utilization reviews, helping provide pharmacists with actionable alerts alongside clinical information, talking points and recommendations. This reimaged drug utilization review (DUR) system, called SmartDUR™, better supports and empowers pharmacy colleagues — like Diana Lebensztein — to prioritize personalized, high-quality care. Thanks to SmartDUR, Diana says she can spend more time addressing questions, counseling her patients and practicing at the top of her education.

Important innovations like these will ultimately empower pharmacy teams to focus more on their purpose of providing important care in their communities.

“With our new DUR system, I can spend more time counseling my patients and practicing at the top of my education.”

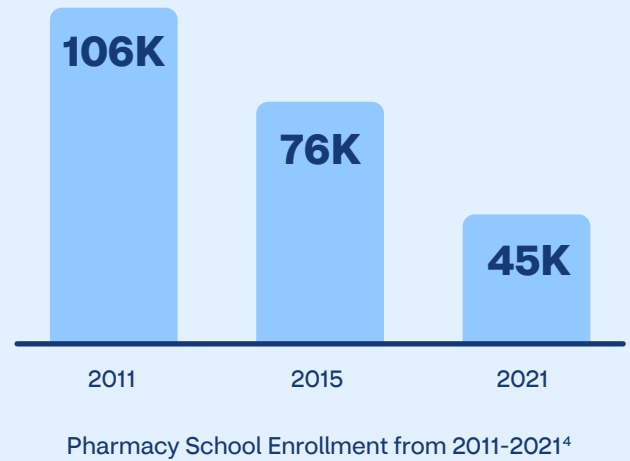
Diana Lebensztein
Pharmacy Manager
Skokie, IL | Store #17706



Inspiring the next generation

Today, fewer are choosing to go into the pharmacy profession. In fact, in the last decade, pharmacy school applications have decreased by more than 60%,³ with enrollment down by more than 29% in the last five years.⁴

In less than a decade, pharmacy school applications decreased by more than 60%.



When asked why they were inspired to enter the profession, the majority of community pharmacists and technicians cited an interest in health care and medicine and a desire to help others in the community.¹ But with rapidly decreasing enrollment in pharmacy schools, the industry must work together to drive more professional interest in the field, supporting the development of future pharmacists.

One approach is to invest in colleagues. Between 2021 and 2024, CVS Pharmacy has invested roughly \$1B in wage increases and this year alone has awarded roughly \$70 million in bonuses to recognize and thank its pharmacists, pharmacy technicians and other frontline colleagues.

3. Source: <https://www.pharmacytimes.com/view/despite-rapid-growth-of-institutions-pharmacy-school-applications-decline>

4. Source: <https://www.aacp.org/research/institutional-research/student-applications-enrollments-and-degrees-conferred>

To address declining pharmacy school enrollment, community pharmacies are also investing in the future workforce through innovative programs. For example, CVS Pharmacy has robust and industry-leading pharmacy tuition reimbursement and scholarship programs to help provide paths to career development and advancement. The company is now awarding up to \$20,000 per year to all eligible CVS Pharmacy interns in their last two years of pharmacy school, and, in partnership with the American Association of Colleges of Pharmacy (AACP), launched a new Community Pharmacy Health Equity Award that will grant \$20,000 to 21 outstanding student pharmacists who face financial barriers in their pursuit of education.⁵ This is important, as data shows that tuition costs can often deter pharmacy technicians from pursuing a pharmacy degree, with 70% of technicians saying they would be more likely to consider becoming a pharmacist if they had tuition assistance available.¹

In addition, CVS Pharmacy has an industry-leading pharmacy internship program with dedicated training hours for pharmacy interns, ensuring they graduate with the pharmacist-specific training

Reasons for Entering Pharmacy Profession

74% An interest in health care and medicine.

Desire to help others and the community. **55%**

they need to succeed. This program provides key learning opportunities that help develop the interns both personally and professionally, all under the guidance of certified preceptors. This year, the company also launched a new postgraduate year-one pharmacy residency program to help prepare the next generation of pharmacists with expanded clinical and leadership skills, enabling them to support expanded pharmacy services in a community-based setting.

Conclusion

Community pharmacies are integral to public health and an important part of local access to health care across the country. But to ensure that they are able to continue delivering important services and pharmacy care in a rapidly evolving marketplace, the industry must adapt to better meet consumer demands, address business challenges and elevate the important role of pharmacy teams.

As one of America’s leading community pharmacy chains, CVS Pharmacy is continuing to transform its operational model in a challenging market, putting its colleagues first with critical investments and focusing on enabling more personalized moments of care that matter to consumers, powered by a technology-enabled model.

The future of pharmacy is bright because of the power and potential to make healthier happen together.

Methodology

This survey was conducted online by Morning Consult between July 1–26, 2024 among a sample of 1,000 pharmacists, 53 pharmacy technicians and 2,201 general consumers in the United States. The data from the pharmacist and pharmacy technicians were left unweighted, while the data from general consumers were weighted to approximate a target sample of U.S. adults based on age, gender, race/ethnicity, region and educational attainment.

- **Pharmacists – Retail, Independent, Mail-Order or Online Pharmacy:** n=836, margin of error +/- 3 percentage points
- **Pharmacists – Doctor’s Office, Clinic, Hospital or Long-Term Care Facility:** n=164, margin of error +/- 8 percentage points
- **Pharmacy Technicians:** n=53, margin of error +/- 13 percentage points
- **General Consumers:** n=2,201, margin of error +/- 2 percentage points

5. Source: <https://www.cvshealth.com/news/pharmacy/cvs-health-expands-pharmacy-tuition-assistance-and-scholarship-programs.html>