

# The Rx Report:

A new day in retail pharmacy





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**Overview** — The way consumers interact and engage with businesses has changed dramatically in recent years to meet consumer expectations. The way pharmacy care is delivered has not matched the pace of these changes. In addition, long-standing issues across the retail pharmacy industry have been exacerbated during the COVID-19 pandemic, with pharmacists as front line, essential health care workers being asked to do more for their communities. Add to this the impacts of rising health care costs and challenging market dynamics, and there is a perfect storm of increasing pressures across the pharmacy industry. It has created a challenging working environment for pharmacy teams and a fragmented experience for patients. The status quo is no longer good enough.

Despite this, trust in pharmacists remains high, with pharmacists consistently named one of the most trusted health care providers nationwide. Local pharmacies are mainstays of the community, serving as convenient, accessible destinations for a wide range of health care services and wellness needs.

There is an opportunity to continue to move the pharmacy industry forward by unlocking access to pharmacy-based services that align the role of the pharmacist with their clinical ability, thus changing how pharmacy care is delivered. This means empowering and enabling pharmacists to practice at the top of their training and education, optimizing how work is done to unlock capacity for more patient care, and enabling reimbursement for these services to create more value for payors and patients.

## In a recent CVS Health® survey of more than 2,200 U.S. adults...

74%

said they trust their local pharmacist/pharmacy team



60%

reported visiting a pharmacy at least once a month



## Evolution of community pharmacy

**America's first pharmacy** opened in New Orleans in the early 1800s.<sup>1</sup> For nearly two centuries a pharmacist's only role was to fill prescriptions as directed by a patient's primary care physician. They were prohibited by ethical standards from discussing the medications with their customers because that level of patient care was thought to violate the physician-patient relationship. Remarkably, it wasn't until the Pharmaceutical Care Era of 1980-2009 that patient care became part of pharmacy practice.<sup>2</sup>

The pharmacist profession has greatly evolved over the years from 'pill dispenser' to trusted health care provider. Today, pharmacists offer personalized education on diseases and chronic conditions and counseling on medications

and therapeutic alternatives. The local retail pharmacy is also one of the most frequented and accessible health care locations. In fact, 90 percent of Americans live within 5 miles of a retail pharmacy<sup>3</sup>. **In a recent CVS Health® survey of more than 2,200 U.S. adults, 60 percent reported visiting a pharmacy at least once a month, and more than half (53 percent) said they go to a pharmacy for health care services due to the convenient location.**<sup>4</sup>

**Convenience is key**

**90%** of Americans live within 5 miles of a retail pharmacy



While more Americans are turning to their local pharmacies for certain health care needs such as immunizations, there is an opportunity to educate patients about the many other ways pharmacists can help support their health. **For example, most U.S. adults (79 percent) are aware that pharmacists can provide immunizations—with 50 percent having received immunization(s) from a pharmacist. The majority are also aware that pharmacists can offer tips for prescription cost savings (72 percent); counseling about medications (69 percent) such as potential side effects and medication interactions with other drugs, food or supplements; and education on conditions (65 percent). However, most adults are unaware that pharmacists today can provide more comprehensive services such as prescribing certain medications, including hormonal contraceptives (69 percent unaware) in certain states or delivering smoking cessation counseling (59 percent unaware).**<sup>4</sup>

Research also shows that **61 percent of U.S. adults say they would like to be able to get a greater range of health services from their local pharmacy,**<sup>4</sup> representing a clear opportunity for the industry to better meet consumer preference and demand. We know that **61 percent of U.S. adults say it can be difficult to find a doctor quickly due to hours and availability, and 48 percent delay or don't get health care services when they aren't convenient.**<sup>4</sup> It's likely that patients are seeking a greater range of health services from their local pharmacies due to the convenience and accessibility they provide.

There is undoubtedly an opportunity to optimize the clinical care provided in a pharmacy and consumer appetite for an expanded role of pharmacists in health care, but how do we get there?

## Pharmacists have evolved from 'pill dispensers' to trusted health care providers. Most adults are aware that pharmacists today can provide:



Immunizations (79%)



Practical tips for prescription cost savings (72%)



Counseling about medications or therapeutic alternatives (69%)



Education on diseases or conditions (65%)

# 61%

of U.S. adults say it can be difficult to get care, when and where they need it, due to hours and availability

# 48%

put off or don't get health care services when they aren't convenient

# 61%

of U.S. adults say they would like to be able to get a greater range of health services from their local pharmacy

# Impact of COVID-19

**The pandemic** changed the way many Americans view pharmacists. Retail pharmacies, with their large national footprints, convenient locations and high levels of consumer trust in pharmacists, were uniquely positioned to help local communities across the country when they needed it most.

As a result, pharmacies continue to play an integral role in the government’s response to the COVID-19 pandemic through the administration of COVID-19 testing and vaccinations nationwide. This includes widescale and collaborative efforts to increase access to these services for the most vulnerable and underrepresented populations.

As of September 2022, retail pharmacies have administered more than **266.5M doses of COVID-19 vaccines through the Federal Retail Pharmacy Program**,<sup>5</sup> a significant contribution during one of the greatest public health challenges in history. CVS Health®

alone has administered more than 54 million COVID-19 tests and more than 73 million COVID-19 vaccines since the pandemic began.<sup>6</sup>

In addition, as a result of an amendment to the emergency use authorization (EUA) by the U.S. Food and Drug Administration (FDA), pharmacists may prescribe the oral anti-viral PAXLOVID™ for the treatment of COVID-19. At CVS Health®, all CVS Pharmacy® locations are able to prescribe COVID-19 positive patients PAXLOVID™.\* This first-of-its-kind nationwide initiative underscores the important role of the pharmacist in local communities by granting them authority to prescribe a medication, helping to increase convenient access for patients.

Millions of people have visited local pharmacies, like CVS Pharmacy®, to receive high-quality, trusted care when and where they need it throughout the pandemic. To ensure pharmacies can continue to fulfill this need, statutes and regulations that serve as the parameters of pharmacy practice and patient coverage must evolve to sustain a future model where patients can benefit from increased access to pharmacy-based services.

**More than half of U.S. adults (51%) have received an immunization from a pharmacist** to help protect them against viruses such as influenza, COVID-19, hepatitis, cholera, HPV and pneumonia



**However, there’s a lack of awareness around the many other ways pharmacists can support patients’ health.** Most adults are unaware that pharmacists can provide more comprehensive services such as:

Prescribing hormonal contraception, in certain states 69%

Prescribing PAXLOVID™, the COVID-19 oral antiviral 64%

Smoking cessation counseling 59%

During the COVID-19 pandemic, retail pharmacies administered

**266.5M+**

doses of COVID-19 vaccines

through the Federal Retail Pharmacy Program

\*By the end of October

# Enabling patient access to pharmacy-based services

**The critical role** provided by pharmacists and pharmacy teams during the COVID-19 emergency was enabled by federal action taken through the Public Health Emergency (PHE) and corresponding PREP Act declaration, which enabled pharmacist delegation of vaccine and testing administration to trained pharmacy technicians. In fact, thousands of technicians volunteered to become immunizers, ensuring pharmacies could quickly add capacity to meet surging demands.<sup>7</sup> As consumers have become accustomed to receiving expanded care at their local pharmacies, demands for pharmacy-based access are expected to continue beyond the expiration of the PHE. For pharmacists to provide services aligned with their clinical abilities, and technicians to continue to play a critical support role, it's imperative that state lawmakers and regulators take action to ensure patient access to care.

Additionally, studies have shown that pharmacist involvement in a patient's care team reduces fragmentation of care, lowers health care costs, and improves health outcomes.<sup>8</sup> Enacting federal legislation, such as H.R. 7213, the "Equitable Community Access to Pharmacist Services

Act,"<sup>9</sup> will create an important pathway to patient access to care through community pharmacy. According to the American Pharmacists Association, "this legislation allows pharmacists to continue doing what they are already trained to do according to state scope of practice law—including critical COVID-19 services that have saved thousands of lives and billions of dollars during a national pandemic."<sup>10</sup> The successful passing of this legislation will ensure that pharmacist-based services are recognized as providing the same level of clinical quality and rigor as other covered health care provider-based services.

Currently, pharmacist services are not covered by insurance companies in the same way that other health care provider services are, even though **74 percent of adults agree pharmacists should provide certain health care services when primary care is unavailable, and 69 percent think they should be covered like other providers.**<sup>4</sup> Take the prescribing of hormonal contraception, for example. CVS Pharmacy<sup>®</sup> is the only retail pharmacy chain to offer broad-scale hormonal contraceptive services in more than 1,800 locations, but the service is currently limited to states that have incorporated the provision in law, and patients are generally not covered by their insurance for the costs of consultation associated with the service, resulting in patients paying for the service out-of-pocket. Recognizing pharmacists as covered providers would increase access and affordability for patients and make it easier for patients to secure hormonal contraceptives and other important health care services from their local pharmacy.

**74%** agree pharmacists should provide certain health care services when primary care is unavailable

**69%** think pharmacist services should be covered like other provider services



# Making retail pharmacy a better place to work

**While COVID-19** illuminated an important path forward for patient care services provided in the retail pharmacy industry, it also added to existing challenges that place cumulative strain on pharmacists and their pharmacy teams. Their heroic response efforts meant working extended hours while managing COVID-19 testing and vaccination appointments alongside their existing responsibilities related to prescription filling and patient counseling.

Many retail pharmacies are focused on new and innovative initiatives to facilitate a better work experience for pharmacists and their staff. These efforts include higher wages, benefit enhancements, new pathways for career advancement, and operational improvements to improve retention and recruitment, among others. For example, CVS Pharmacy® and many other retailers recently increased pharmacy team wages while incorporating a 30-minute lunch break, providing pharmacy teams with a predictable and consistent daily pause. However, there is an urgent need to do more – creating a working environment that supports the pharmacy teams' day-to-day work. It is incumbent on retailers to think outside of the box to create the pharmacy workplace of the future and the best place to work for pharmacists.

This includes re-examining long-standing ways of working, including existing processes, workflow, and staffing models, to incorporate the latest trends in pharmacy, optimize what works well today and innovate to create greater efficiency that frees up pharmacists' time

*The retail pharmacy industry must re-examine long-standing ways of working, including existing processes, workflow, and staffing models, to incorporate the latest trends in pharmacy, optimize what works well today and innovate to create greater efficiency.*

for more meaningful patient interactions. For example, CVS Health® is using technology and a new approach to dynamic workload sharing across its stores, operating as one fleet, rather than individual stores. This means that certain tasks can be centralized and completed virtually, improving pharmacy workflow and workload, in turn creating capacity in stores for pharmacists to have more direct interaction with patients.

Programs like this that enable pharmacists to have additional capacity and time in their days to provide clinical care are part of what will enable an expanded role of pharmacists and pharmacy teams into the future. While CVS Pharmacy® is focused on new innovations and workforce models to reduce the workload burden on pharmacy teams, legislators and regulators have a responsibility to ensure their laws and regulations also enable these pathways that have been safely executed in many jurisdictions for decades. This includes regulatory reforms on the use of pharmacy technicians, as well as modernizing rules to leverage technology to free up pharmacist time from administrative tasks and medication dispensing to enable time for a more clinically-focused role.

# Digital-first pharmacy

**Technology** is an important element in enabling retail pharmacists to do more purpose-driven, patient-centered work. Over the past several decades, the digital revolution has transformed numerous businesses. For instance, consumers rarely go to their local banks anymore since most transactions can be done online, and the airline industry has created a digital, physical experience whereby technology, such as apps with boarding passes and security clearances, enhances and streamlines the in-person experience for travelers in the airport.

Thus far, digital transformation in pharmacy has lagged behind. While several players have hopped on digital pharmacy trends, it has yet to catch on with consumers, signaling that a digital-only approach to pharmacy is not what they want. Instead, digital tools can be used to improve the pharmacy experience, in-store or online – for example, allowing patients to track the status of their prescriptions from submission to pick up, pre-pay for prescriptions to make time for counseling at pick-up, and receive same-day delivery of eligible prescriptions and other wellness products. These innovations create more choice and convenience for the patient while ensuring more time and capacity for meaningful pharmacist interactions with their patients when and where they want it.

With tens of millions of digitally engaged pharmacy customers, CVS Pharmacy® has already begun laying the foundation to create a digital-first, omnichannel pharmacy experience that connects its enterprise capabilities, elevates the role of the trusted pharmacist, and meets patients where they are.

**The pharmacy industry** and role of pharmacists have evolved tremendously over time, and the lessons learned throughout the COVID-19 pandemic spotlighted opportunities to accelerate innovation to address modern-day challenges, with the goal of creating enhanced access and a better experience for patients, payors, and pharmacy teams alike.

Pharmacists have proven themselves to be trusted health care providers and have enhanced that trust throughout the pandemic. Legislative and regulatory steps should be taken to ensure patients can receive coverage benefits for care from pharmacists as they continue to play a crucial role in supporting the health of patients across the country.

In addition, retail pharmacies must employ a bottom-up approach to change, optimizing how pharmacy work is done to create important capacity for patient care. This means creating a better digital-physical experience for patients and a better working environment and culture for pharmacy teams.

## Only then can a new day in pharmacy dawn.

<sup>1</sup><https://www.hcplive.com/view/new-orleans-home-to-americas-first-licensed-pharmacy>

<sup>2</sup><https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6789879/>

<sup>3</sup><https://www.beckershospitalreview.com/pharmacy/90-of-americans-live-close-to-a-pharmacy-analysis-finds.html>

<sup>4</sup>CVS Health® State of the Pharmacy Survey

Methodology: This poll was conducted between August 16-17, 2022, among a national sample of 2,210 adults. The interviews were conducted online, and the data were weighted to approximate a target sample of adults based on age, gender, educational attainment, race, and region. Results from the full survey have a margin of error of plus or minus 2 percentage points.

<sup>5</sup><https://www.cdc.gov/vaccines/covid-19/retail-pharmacy-program/index.html> (as of 9/15/22)

<sup>6</sup>CVS Health® data, as of Q2 2022

<sup>7</sup><https://www.phe.gov/Preparedness/legal/prepact/Pages/PREP-Act-Guidance.aspx>

<sup>8</sup>Milosavljevic A, Aspden T, Harrison J. Community pharmacist-led interventions and their impact on patients' medication adherence and other health outcomes: a systematic review. *Int Jnl Pharm Practice*, Vol. 26, Issue 5, Oct. 2018. <https://doi.org/10.1111/ijpp.12462>

<sup>9</sup>[https://www.congress.gov/bill/117th-congress/house-bill/7213#:~:text=Introduced%20in%20House%20\(03%2F24%2F2022\)&text=This%20bill%20expands%20Medicare%20coverage,influenza%2C%20and%20certain%20other%20illnesses.](https://www.congress.gov/bill/117th-congress/house-bill/7213#:~:text=Introduced%20in%20House%20(03%2F24%2F2022)&text=This%20bill%20expands%20Medicare%20coverage,influenza%2C%20and%20certain%20other%20illnesses.)

<sup>10</sup><https://www.pharmacist.com/APhA-Press-Releases/apha-addresses-amas-inaccurate-description-of-hr-7213-and-viewpoints-of-most-physicians-working-alongside-pharmacists>