

Rx for Survival

Continued from Page 23

in its market area with an eye to reducing costs. "For a fee, our pharmacists will schedule appointments with selected employees and provide them with information to assist in managing their disease state. By providing these services we hope to improve patient outcomes, build relationships with local employer groups

and reduce overall health care cost," he said.

Commitment to pharmacy by upper management varies greatly chain to chain, said Robert Gorland, vice president, Matthew P. Casey & Associates, Harrisburg, Pa. The company specializes in supermarket and pharmacy feasibility studies. The pharmacy business is "grossly

overstored," he said.

"Smart chains are closing under-performing pharmacies with sales below \$15,000-\$20,000 per week, especially if they have had flat or declining sales for one or more years," Gorland said.

GENERICS PILOT

Tops Markets, Buffalo, N.Y., is among those experimenting with discount generics now, said Frank Wolff, director of pharmacy. "To help our customers during these

tough times, Tops Markets rolled out a pilot \$3.99 Generic Program in select markets in December, designed to help our customers who are struggling to make ends meet," he said.

Over the past year, pharmacy margins have come under pressure for two reasons. "First, the fiscal challenges facing state governments have resulted in reductions in reimbursements for state and federal programs. In New York the cutbacks in Medicaid and EPIC [Elderly Pharmaceutical Insurance Coverage], which took effect on July 1, had a dramatic adverse impact on our margins. Second, our customers have become more cost conscious and are reviewing all expenses, including prescriptions," Wolff said.

Discount generics programs can be good, but they are not a cure-all, said John Beckner, director, pharmacy and health services, Ukrop's Super Markets. "My philosophy is they certainly serve their purpose in terms of saving money. But people should not lose sight of the other things that pharmacists do that provide value.

"It's not all about the cost, although that is very important in this day and age, but there are other things that contribute to lowering costs

as well. People have to look a little bit longer term. There are things that pharmacists can provide that will contribute to lower health care cost and better health overall, in addition to \$4 generics and the like," he said.

"Right now, everybody is hunkered down and focused on the economy. Rather than putting in new programs, they are trying to maintain existing ones, and to put in efficiencies. The interest in health and wellness is still going to be strong, but the growth might just be slower for a while," Beckner said.

One example of a recent pharmacy program at Ukrop's was flu shots. "We had a very successful flu season. It seemed like there was a lot more interest in the flu vaccine this year compared to last year."

In this case, the recession may have contributed to customers getting more flu shots.

"People are still interested in doing what they can to prevent illness. That may be even more so in that people are fearful about their jobs — they can't afford to be out of work. So I think they have really paid attention to all the promotion about how important it was to get a flu shot," Beckner said. **SN**

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OUTLOOK FOR REFORM

Most supermarket pharmacy executives believe comprehensive health care reform could ultimately bring more prescription business, but they are unsure about when it will be legislated, and how they will be reimbursed.

While health care reform was a near certainty as little as three months ago, "it will likely be postponed as the new administration's efforts are shifted toward the more pressing issue of stimulating the economy," said Frank Wolff, director of pharmacy, Tops Markets, Buffalo, N.Y.

This was echoed by another supermarket pharmacy executive who did not want to be named. "I think we're a ways away from that as the money simply is not there for it. Other things have to be fixed first and then health care reform will follow," he said.

Eddie Garcia, director of pharmacy, Spartan Stores, Grand Rapids, Mich., is taking a wait-and-see approach on health care reform. "I am a little wary. I am not sure the government has the right answers. But it looks like more people will be covered on insurance.

"In our area where we have had so many people lose their jobs we might see more people able to fill prescriptions where they now can't afford to. That is a possibility.

The Food Marketing Institute, Arlington, Va., is developing a set of pharmacy principles for health care reform along with the leading pharmacy associations, said Cathy Polley, vice president, pharmacy services.

"Any reform should give all Americans access to prescription medications and to pharmacist care services. Above all, reform should provide Americans with the best and safest possible health care, delivered in the most cost-effective manner," she said.

—D.A.