



From Pill Dispensaries
to Healthcare Destinations:
**Overcoming Challenges
Pharmacies Face in
Becoming Community
Health Hubs**





PHARMACISTS ARE POISED TO IMPROVE HEALTHCARE ACCESS

The role of primary care in healthcare in the United States has historically served as the first point of access between a patient and the healthcare system. It is an essential foundation for healthcare, serving to prevent and treat illnesses, provide health education, and refer patients to specialists when necessary. However, primary care in the US has faced a significant decline in numbers of providers, and **over 25 percent** of Americans today report that they do not have a primary care provider (JAMA 2020).

This deficit in primary care providers affects patients in a multitude of ways. Fewer primary care providers seeing a larger population of patients leads to access issues. Limited office hours pose problems for hourly workers and those without sick leave. Healthcare deserts, in rural areas or other locations with few providers, require significant travel for patients resulting in patients being less likely to seek care. Certainly, the high cost of healthcare in the US provides an additional barrier to seeking primary care services. Taken together, it is challenging for many to access primary care and, therefore, many forgo basic preventive care, vaccinations, and health screening.

Pharmacists are in an ideal position to fill part of this unmet need.

When our healthcare system became overwhelmed during the COVID-19 pandemic, non-traditional settings began offering clinical services, namely administering COVID-19 diagnostic tests and vaccines. Patients received vaccinations and tests in parking lots, retail pharmacies, and other non-traditional locations, thereby improving healthcare accessibility. Even as the pandemic has subsided, consumer demand for receiving clinical services in the retail pharmacy setting continues to grow.

Retail Pharmacies are Becoming Healthcare Hubs

Even before the pandemic, many large chain pharmacies began providing primary care services on site, with notable examples being CVS MinuteClinic and Walgreens VillageMD clinics. In these settings, typically Nurse Practitioners and Physician Assistants provide basic, non-complicated primary care services on a walk-in and same-day-appointment basis.

Providing basic healthcare services within pharmacies makes tremendous sense as nearly 90% of Americans live within five miles of a pharmacy (APHA). While it may not be practical to staff all pharmacies with Nurse Practitioners or Physician Assistants due to availability and cost, pharmacists are ubiquitously present.

Pharmacists are clinically trained at the doctoral level, educated in

- Pathophysiology
- Pharmacology
- Therapeutics
- Clinical Problem-Solving
- Medication Use
- Medication Therapy Management

Many have experience in primary and ambulatory care settings and their value in medication management has become evident. **Today, pharmacists represent the most accessible and most frequently visited members of healthcare, yet they are often overlooked as a valuable resource.**



Market Pressures on Retail Pharmacy Business Model & Opportunity for Clinical Services to Unlock New Revenue Source

In the traditional pharmacy setting, especially independent and community pharmacies, revenue streams primarily come from prescription fills. In today's retail pharmacy setting, downward pricing pressure on branded and generic drugs makes it challenging to build a strong business model from dispensing medications alone. For example, the average Medicare reimbursement for a prescription is only \$2.27 (RxSafe). These meager reimbursements, paired with increased DIR clawback fees and competition with online pharmacies, has created the need for retail pharmacies to look for additional revenue streams.

A new, high-margin revenue stream that many retail pharmacies are providing is pharmacist-led clinical services. Early clinical services offered in-store include vaccines and point-of-care testing. Programs such as the Biden-Harris Administration nationwide Test-to-Treat Initiative have enabled and encouraged pharmacists to administer point-of-care tests in-store and write prescriptions for treatments for diseases like COVID, Flu, and Strep.



In select states, patients with symptoms of Streptococcus can receive a Strep test administered by the pharmacist, then get prescribed antibiotics needed to treat the illness, all during one visit to the local pharmacy. Even if test results come back negative, the pharmacist can recommend and advise treatments to help the patient manage their symptoms.

By offering point-of-care testing in pharmacies, pharmacists can practice at the top of their license, provide their patients with high quality care including assessment, diagnostic testing, and medication therapy as needed. This model provides revenue to pharmacists, while providing access and convenience to the patients they serve. As patient demand for point-of-care testing continues to grow, the point-of-care testing market is expected to increase from \$29 Billion in 2021 to \$64.46 Billion in 2029 (DBMR). Pharmacies are poised to become a key setting for patients to receive point-of-care testing services.

By providing point-of-care testing and other clinical services, pharmacies have the ability to both attract new customers and increase revenue to the pharmacy.

A 2020 JD Power US Pharmacy Study found that customers who receive at least one health and wellness-oriented service provided by their pharmacy spend an average of \$11 more than those who do not use these services (\$35 vs. \$24, respectively). When customers receive two or more health and wellness-oriented services, average spend jumps to \$58 (J.D. Power).

AVERAGE SPEND

Customer that does NOT buy health services	\$24
Customer that buys 1 health service	\$35
Customer that buys 2 health services	\$58

Providing pharmacist-led clinical services provides pharmacies an avenue for a new, higher-margin revenue stream than dispensing medications, leverages existing personnel, and increases the market basket of new and existing customers.

Challenges to Performing Clinical Services in Pharmacy

However, there are a number of challenges to pharmacies expanding to provide clinical services. Pharmacies need infrastructure enhancements and regulatory support.

Clinical services do not fit seamlessly into a pharmacist’s workflow. Most pharmacists are busy and have little time for new activities, particularly ones that do not easily fit into their current workflow, systems, and patient interactions.

Most pharmacies lack the digital tools needed to support a clinical service encounter. Pharmacy Management System (PMS) software tools are not designed to collect the necessary patient health and insurance information, report test results, nor bill for healthcare services. Because the PMS and the Electronic Health Record (EHR) software holding the patient’s record are not integrated, the pharmacist does not have electronic access to patient health history. Therefore, the pharmacist or the pharmacy technician must collect insurance and healthcare information manually.

To perform many clinical services, such as writing prescriptions, pharmacists must follow detailed care algorithms to ensure they are legally permitted to write a prescription and provide high quality care. This is often a process that is performed on paper, which leads to inefficiency, human error, and burdensome documentation for compliance purposes.

In select use cases in which existing technology aims to facilitate medical service delivery, it often uses existing pathways to support new service offerings, which can be

akin to putting a square peg in a round hole. Pharmacies using the PMS and other existing pharmacy software with the goal of supporting robust medical care delivery like patient assessment and diagnosis, may only be able to bill for services using a patient’s pharmacy benefit and often are not compensated for the pharmacist time spent on the medical encounter.

Additionally, pharmacists are often measured on the number of prescriptions filled rather than on time-consuming patient encounters, and pharmacists can be reluctant to add additional non-compensated work. This dynamic is changing, however. For example, market leader Walgreens announced in October 2022 that the firm was eliminating staff metrics tied to prescription volume, allowing increased focus on pharmacists performing patient care (Walgreens).

Pharmacies have not traditionally been reimbursed to provide medical services. While pharmacies have long-standing relationships with payor organizations to get paid to dispense medication using patients’ pharmacy benefit, few have contracts to get reimbursed for providing services covered by patients’ medical benefit. Pharmacies are not familiar with the process of credentialing pharmacists as health care providers and obtaining contracts to get reimbursed by payor organizations for providing medical services. This process can be time consuming and burdensome. As a result, many retail pharmacies do not have the infrastructure nor expertise to bill healthcare insurers for medical claims.

Patient education is needed to drive consumers to receive care in pharmacies. Studies have shown that consumers prefer to receive low-acuity medical services in the retail pharmacy setting due to the convenient location and flexible hours.¹ However, consumers are not accustomed to receiving healthcare services in the pharmacy and frequently are not aware which services are available. Consumers may be concerned that their medical coverage will not pay for services provided at a pharmacy. Thus, additional patient education is needed to inform patients about which services are available to them at their local pharmacy and if those services are covered by their medical insurance.



1 <https://www.cvshealth.com/sites/default/files/media-gallery/cvs-health-rx-report-2022-fall.pdf>

Regulatory Barriers & State Legislation

Unfortunately, there are regulatory barriers to expanding a clinical service offering in the retail pharmacy setting. Scope of practice, authority, and practice roles vary from state to state for pharmacists. Particularly for large retail chains, the regulatory landscape can be hard to navigate because it is complicated, state-specific, and ever-changing as new state legislation is proposed and enacted. **Whether or not pharmacists can or cannot do point-of-care testing depends on state-level regulatory requirements on whether pharmacists can:**

- Order Lab Tests
- Perform Lab Testing
- Interpret Test Results
- Prescribe Medication Therapy

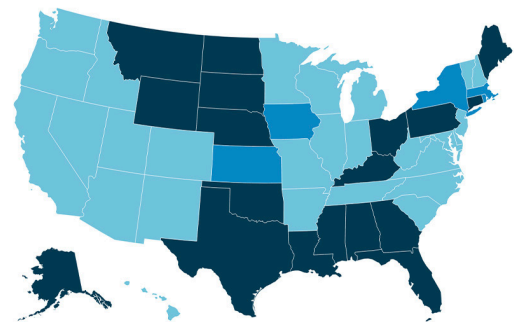
All states except Delaware have passed laws that allow pharmacies to perform a variety of clinical services through a collaborative practice agreement (CPA) between pharmacists and other healthcare providers (see footnotes 2a and 2b).

The terms of the written CPA need to be customized per state because state laws for CPAs vary widely. State boards of pharmacy and medicine and state pharmacy and medical associations can serve as points of contact for the most up-to-date information on CPA authority. (Note: Delaware is very close to approving CPA as well, pending their Governor’s signature on senate bill 165 which was passed by the house on 6/29/2023).

Pharmacist Authority to Perform Clinical Services: A State-by-State Analysis

Oral Contraceptive Prescription

■ No ■ Proposed ■ Yes

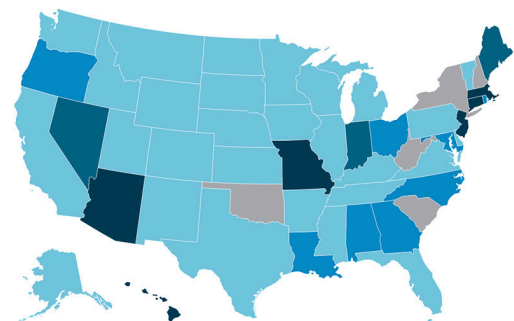


Source: Guttmacher Institute • Created with Datawrapper

3

Test-to-Treat: Flu

■ No ■ Silent ■ Test ■ Unclear ■ Yes



Source: NASPA • Created with Datawrapper

4

2a <https://www.cdc.gov/dhds/pubs/docs/CPA-Team-Based-Care.pdf>

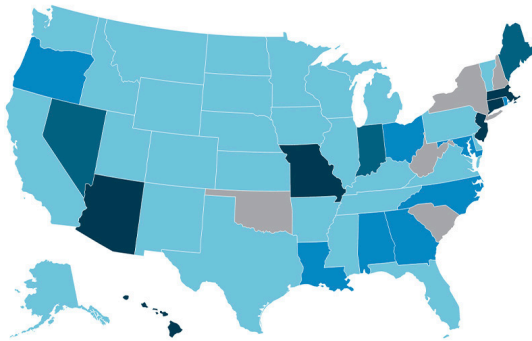
2b <https://arc-sos.state.al.us/ucp/B19156AA.B10.pdf>

3 <https://www.guttmacher.org/node/32390/printable/print>

4 <https://naspa.us/re-source/pharmacist-prescribing-for-strep-and-flu-test-and-treat/> & <https://doi.org/10.1016/j.rcsop.2021.100024>

Test-to-Treat: Strep

■ No ■ Silent ■ Test ■ Unclear ■ Yes

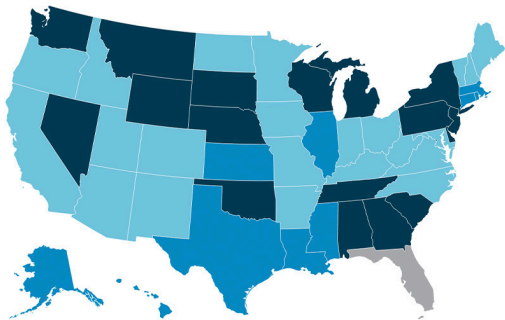


Source: NASPA - Created with Datawrapper

5

Tobacco Cessation

■ CPA Only ■ No ■ Proposed ■ Yes

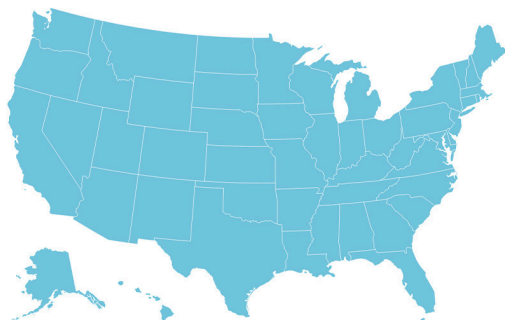


Source: Pharmacist-led Smoking-Cessation Services in the United States – A Multijurisdictional Legal Analysis - Created with Datawrapper

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Test-to-Treat: COVID

■ Yes



Source: NASPA - Created with Datawrapper

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Notes on Pharmacist Authority to Perform Clinical Services Maps

- These maps outline in which states pharmacists can perform the following clinical services: Oral contraceptive prescriptions, Test-to-Treat for Flu, Strep, and COVID (administering a diagnostic test and writing a prescription for medication therapy following a positive result), and Tobacco Cessation services.
- The data used to populate the maps was collected between May 19, 2023, and May 30, 2023. It is possible for the data to have changed since then. It is always best to confirm with your state government whether a pharmacist has prescribing authority and if so, what type of authority (direct vs. CPA).
- This is an ever-evolving landscape. Some states have proposed legislation at various stages. In certain cases, the data conveyed in the maps reflects laws that have recently passed, and thus, contradicts information in our primary sources due to the date of publication of those sources.
- Test-to-Treat data indicates jurisdictions that allow a pharmacist to independently perform CLIA-waived testing.

5 <https://naspa.us/resource/pharmacist-prescribing-for-strep-and-flu-test-and-treat/> & <https://doi.org/10.1016/j.rcsop.2021.100024>
 6 <https://doi.org/10.24926/iip.v13i1.4643>
 7 <https://healthdata.gov/National/COVID-19-Test-to-Treat-Locations-Map/y2ki-fzzb>

Payor Landscape

In addition to regulatory barriers, pharmacies delivering clinical services also face reimbursement challenges. Pharmacies utilize technology designed to meet documentation and reimbursement requirements of prescription fill services through pharmacy benefit management (PBM) companies, but are often not equipped to bill for medical services. On the positive side, the payor landscape in which pharmacists can receive reimbursement for patient care services has advanced dramatically in recent years, especially during the pandemic. For example, recently Medicare, Medicaid, and other third-party payers have adopted Current Procedural Terminology (CPT) codes specific to Medication Therapy Management (MTM) which allows pharmacists to bill medical insurers for healthcare services.

Unfortunately, the complexity of medical billing for healthcare services is just as complicated for pharmacists as it is for traditional healthcare.

Billing requirements depend on several factors including insurance coverage for the service, provider-payer contracts, care settings, and professional service agreements and all have specific documentation requirements.

1. CONTRACT-BASED REIMBURSEMENT

Pharmacists may receive reimbursement based on contracts with payers or through professional service agreements with providers. Reimbursement rates and billing methodology are negotiated between the pharmacy and the health provider. Payment may be fee-for-service or may be covered under a global rate, capitation, or similar arrangements.

2. DIRECT PATIENT PAYMENT

Pharmacists may bill the patients directly for care services on a cash transaction basis. The cost structure is determined by the pharmacy. Patients pay for the service out of pocket and may provide documentation to bill their provider and potentially receive reimbursement.

3. BILLING USING PROCEDURE CODES

CPT codes may be used by Medicaid, private health insurers, or Medicare Part D plan administrators in determining reimbursement for MTM services. The pharmacist may also use other billing codes such as Evaluation and Management or immunization codes.

It quickly becomes apparent that pharmacists do not currently have the technology, infrastructure, workflow tools, or credentialing and contracting expertise to seamlessly implement healthcare services such as point-of-care testing. While PBMs have supported a suboptimal, makeshift payment system for vaccinations, they do not provide the infrastructure to support more complex medical care. **In order to provide healthcare services, pharmacists require a comprehensive solution to address the complexity described above.**

Solutions to Support Point-of-Care in Pharmacies

With these barriers, the path to delivering point-of-care services in pharmacies to bridge the gap in healthcare is challenging—but not impossible.

Pharmacists require support to effectively transform their pharmacies into community health hubs. With an end-to-end platform like Workflow Services, pharmacists have the comprehensive suite of tools needed to launch a clinical services offering. Its patient tools, robust clinical workflows and digital protocols, credentialing and payor contracting services, and medical claim reimbursement services position pharmacies as a destination for community members to receive low-acuity healthcare services. Below is more detail on some of the key features of the Workflow Services platform:

- User-Decision Support Software:** This software provides clinical decision support to pharmacies by digitizing required protocols for administering vaccines, prescribing medications, and providing test-to-treat services for COVID, Flu, and Strep. Pharmacists are guided through a care algorithm to assess and prescribe according to their state’s regulations.
- Patient Communication & Education Tools:** The patient engagement tools allow consumers to determine eligibility and sign up for an appointment at home; or for walk-ins, scan a QR code at the pharmacy. Patients complete forms on their phone or pharmacy-provided tablet—no account creation or app download required.
- Payor Credentialing & Contracting for Pharmacists:** This service includes credentialing pharmacists as healthcare providers with payor organizations and securing contracts tied to insurance companies’ medical benefits with fee schedules, dictating how much pharmacists get paid to perform clinical services.
- Universal Patient Health Record Access:** Through a data connection with numerous Health Information Exchanges and Electronic Health Records, our platform queries specific patient information required for clinical workflows (e.g., allergies, lab results) from over 270 million patient records, representing 90% of US patients.
- Patient Self-Pay & Co-Pay Payment Processing:** Process payments from patients tied to self-paid medical bills or co-pays.
- Building & Submitting Medical Claims:** Claims management with workflows designed to support accurate claims and accelerated reimbursement. Workflow Services submits appropriate ICD-10/ CPT codes and clinical documentation to support accurate claims submission and fast adjudication.
- Pharmacy Management System Integration:** Workflow Services can either serve as a stand-alone software offering or integrate with Pharmacy Management Systems utilized by pharmacies including Liberty, PioneerRx, and Rx30.

About Nancy Gagliano, MD, MBA

Dr. Gagliano currently is on the Board of Directors at OraSure Technologies and General Fluidics. Over the last two years she has had leadership roles with the NIH on RADX Tech, Rapid Acceleration of Diagnostics for Covid-19, and most recently on the Maternal Health Challenge. She has a passion for improving access to healthcare and making the practice of medicine easy for all involved.

Previously, Dr. Gagliano spent over six years as a chief medical officer for MinuteClinic at CVS Health. While there she oversaw expansion of new programs and services, development of telehealth services, quality, operations, physician collaboration, as well as health system affiliate relationships. During her tenure, MinuteClinic experienced significant growth from 400 to over 1100 clinics, seeing six million patients annually.

Dr. Gagliano spent more than 21 years at Massachusetts General Hospital as a Primary Care Provider and leader. Her final position was as the senior vice president of Practice Improvement, with a specific focus on integration of technology into the practice of medicine. She served as an executive for Massachusetts Physician Organization, MGH, and Partners Health.

Dr. Gagliano is a graduate of Union College, Harvard Medical School, and Northeastern DeMore-McKim School of Business. She completed her internal medicine training at Brigham and Women's Hospital and fellowship in Adolescent Medicine at The Children's Hospital in Boston. In 2001, Dr. Gagliano was named by Boston Magazine as one of Boston's

"Top Docs" for women. In 2015, she was named Health Industry Leader by the Providence Business News. As Assistant Professor of Medicine at Harvard Medical School while at MGH, Dr. Gagliano was an educator of medical residents, fellows, and faculty, focusing her research and teaching on developing physician leaders and integration of innovative technology into medical practice.





ABOUT WORKFLOW SERVICES

Workflow Services by ImageMover is a healthcare software company that innovates seamless point-of-care workflow software solutions for providers and patients. The company’s solutions employ exclusive, patented approaches to securely capture and integrate medical data to simplify communication and enhance patient care.

Today, the Workflow Services technology supports point-of-care testing programs for hundreds of retail pharmacies nationwide and its test-agnostic platform currently supports over 40 diagnostic tests. Workflow Services has provided digital workflow and reporting tools to support both over-the-counter COVID-19 diagnostic tests as well as point-of-care tests in retail pharmacies and urgent care locations, including Rite Aid, Winn Dixie, Harvey’s, Fresco y Mas, and Mayo Clinic – Baton Rouge. Workflow Services by ImageMover is recognized by the NIH’s National Institute of Biomedical Imaging and Bioengineering (NIBIB) as a “Recommended Digital Testing Application that currently support(s) the MARS HL7v2 specification... with Multi-test support.”⁸ (NIH)

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<https://www.nibib.nih.gov/covid-19/radx-tech-program/mars#apps>