

# Alliance Healthcare In The News



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## ThoughtSpot 2021: Global Independent Pharmacy Trends

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**Drug Topics®:** Hello and welcome to *Over The Counter*, a podcast from *Drug Topics®*.

We have a very special episode for you today: It's the final episode in our ThoughtSpot 2021 series. Our guest hosts is Jenni Zilka, President of Good Neighbor Pharmacy, who will be leading a conversation with Brian Nightingale, President of Community and Specialty Pharmacy and Long-Term care at AmerisourceBergen, and Giulio Burzacca, Managing Director of Alphega Pharmacy. They'll be comparing independent pharmacy industry trends in the US and across Europe, including global legislation, drug shortages, top priorities for the future, and more.

**Jenni Zilka:** Hello, everyone, and thank you for tuning in to today's discussion in partnership with drug topics. I'm Jenni Zilka, President of Good Neighbor Pharmacy, a network of locally owned and locally loved independent pharmacies across the US. I'm so excited today to be joined by my colleagues, Brian Nightingale, President of Community and Specialty Pharmacy and Long -Term care at AmerisourceBergen, and Giulio Burzacca, Managing Director of Alphega Pharmacy, the leading network of independent pharmacists in Europe. Thank you both for being here.

I'm excited to have the opportunity to speak with these 2 industry leaders as we reflect on the evolution of independent pharmacy across the globe, how we've responded to the new challenges over the past year and a half, and where we go from here. So, before we dive into this global conversation, Giulio, would you take a moment to share an overview of what Alphega is, and how you support independent pharmacies in Europe.

**Giulio Burzacca:** Thank you, Jenni, I'm really pleased to be here with you and going through and explaining a little bit more about the European market.

But let's start with what Alphega is. Alphega Pharmacy Europe is a comprehensive membership service to independent pharmacists, and the provider of added-value services to pharmaceutical and healthcare manufacturers. Our aim is to improve the health and well-being of communities by delivering a future vision for independent community pharmacy and supporting our pharmacists in their role as recognized health care professionals—and not just retailers of medicines. Alphega and its associated networks now count close to 10,000 independent pharmacy members, making it to the largest European network of independent pharmacies. It is present in 10 countries: the Czech Republic, France, Spain, the Netherlands, Germany, the UK, Italy, Turkey, Romania, and Portugal.

In brief, what does Alphega Pharmacy do for the member pharmacies? Well by joining Alphega Pharmacy, a pharmacy business retains its independent status, but gets a access to a wide range of support services, such as branding, business management training, professional services, digital solutions, and IT support—all of which provide competitive advantages to its members to support an increase [in] revenue and profits through improved customer footfall, increased basket size, and improved operational efficiencies. Additionally, every pharmacy member benefits also from all the personal and online coaching offered by the network.



**Zilka:** Thank you, Giulio, so interesting to hear you share the services that Alphega offers, as we in the US are always looking to improve upon and evolve the services that we provide with Good Neighbor Pharmacy.

To set the stage a bit more, Giulio, would you share a little overview into how your pharmacies operate in Europe? What makes them similar or different to the independent pharmacies in the US?

**Burzacca:** Sure, Jenni. The European pharmacy retail market is very diverse. And, although of course we have the European community, we cannot really talk about the European market. As an example, out of the 10 countries in Europe in which we operate, 5 countries have regulations allowing retail chains, while the other 5 don't. So, as you can see, it's a very different situation.

Also, the penetration varies a lot. On average, a pharmacy serves, in Europe, just a little bit more than 3000 citizen in their community area, but the coverage is not equally spread across the different countries. And, for example, you have up to 46 pharmacies per 100,000 inhabitants in Spain, while in the Czech Republic and Holland, you have only—respectively—7 and 8 pharmacies for the same number of inhabitants. So, as you can see, [there is] very diverse coverage.

But the key point is that almost two-thirds of European citizens can reach their nearest community pharmacy within only 5 minutes distance, and 98%—the vast majority of the population—can reach a nearby pharmacy within 30 minutes. The level of services allowed by country regulations is also very different, with some countries—like the UK and France—at the very forefront of health care services provided.

Many European countries have introduced changes in legislation to expand the role of pharmacies and relieve pressure on the rest of the health care system. As a result, in 8 European countries, community pharmacists have been involved in the administration of COVID-19 vaccines. We are very proud to mention that the very first 4 pharmacists to vaccinate in the UK—and overall to vaccinate in Europe—were all Alphega pharmacies. And this was thanks to the fast approval process in which we supported our members to get the authorization to start vaccination.

In almost all countries, people can now access authorized COVID-19 self-sampling kits from pharmacies or get tested directly in pharmacies. In France, more than 12 million rapid antigen tests for COVID-19 have been carried out since October 2020. In Italy, we also had our Alphega testing mobile vans going around the country and offering testing capacity just in front of our member pharmacies. A study conducted across Europe has mapped 30 pharmacy interventions on COVID-19 by community pharmacy, from symptoms-based referral to home delivery of medicine [and] pharmacy telephone support to vulnerable patients.

And if we look at the issue of medicine shortages, in 6 countries, community pharmacists have been now granted the opportunity to provide alternative solutions for occurring medicine shortages during the pandemic.

**Zilka:** It's amazing, amazing work. I'm glad you brought up COVID-19 specifically, and all of the services and the care that your pharmacies provide to their patients. It's really astounding, especially when you are operating in multiple countries.

Brian, I'm going to shift over to the US. Here in the US, the pandemic has truly been at a time of immense change for independent pharmacies, not only in Europe, but also here in the US. What have you seen over the course of the past year and a half that's really demonstrated the resilience and the adaptability and the value of independent pharmacies in the US?

**Brian Nightengale:** Thanks, Jenni, and thanks for hosting today. If you don't mind, before I dive into that, I would just like to kind of respond to some of the commentary that Giulio just mentioned.

We've gotten to know each other over the past several months, quite a bit; our organizations have been learning from each other and it's just amazing to me how many similarities there are between those independent pharmacies across Europe and the independent pharmacies here in the United States, especially in terms of purpose, passion, care for the community, customized service, going above and beyond... A lot of those examples that you just provided, Giulio, are really amazing and, I think, resemble in a lot of ways similar stories that we have here.

It's just really exciting to see how these entrepreneurs and these community providers across the globe have arisen in big ways to address this global pandemic, and I think it's across both continents. It just shows what more independent pharmacies can do in their communities to serve in times of need and in times of normalcy—whatever that looks like these days.



It's just really enriching to hear, again, how Alphega pharmacies have responded. And it's also really exciting to see a lot of the innovations and different things that come out of the different countries in Europe and perhaps identifying ways that we can do things different over here in the United States. So, again, it's interesting and super exciting to learn about the similarities, and certainly the innovations and the best practices that we can share with each other.

Just kind of diving into a little bit of the US perspective, again, I think what I've seen—what we've all seen here—is similar to what Giulio just said: a doubling down of what makes independent pharmacy so special, right? A doubling down on their personal service and the care they provided, even before the vaccines were available. Obviously, pharmacies response, and being part of the vaccination solution is front and center... But I think what a lot of people don't necessarily realize is that before the vaccines were even available, independent community pharmacies evolved; they transformed rapidly. Many of them in the United States had to shut their doors and go to only home delivery or only a curbside pickup, so they had to completely change their workflow patterns in order to continue to serve their patients, whether that was through COVID-19 testing, or just continuing to care and provide medications and counseling for their patients.

We saw very rapid changes in very unique ways, that in a lot of cases had nothing to do with medications. So, for example, many independent pharmacies in the US—and certainly most of the Good Neighbor Pharmacies—have offered same day home delivery for years and years and years. We saw examples of, those drivers, those technicians, delivering medications to a home, calling that person knowing that they were shut-in and saying, “Hey, can I stop off and pick up some groceries? Is there anything else that you need that I can stop off and pick up before I get there with your medication?” We saw pharmacies who rallied school kids to hand write and hand design thank you cards and thinking of you cards to be delivered with the medications to elderly shut ins who couldn't see their family anymore because of COVID-19. So again, those little micro touches that independent pharmacies do every day really kind of came to the forefront before the vaccines were even available.

And then, of course, the rapid response and participation of these pharmacies in providing vaccines when once they were available was key. I think we've seen statistics now that well over 80% of all vaccinations in the United States had been provided through a community pharmacy. That's important for several reasons. One is, many of our pharmacies are located in underserved and economically disadvantaged communities, and that's been a huge focus of the vaccine efforts here in the United States. I think the latest numbers that I saw within our network was that well over 50% of all vaccines that were provided by our member pharmacies were provided to individuals who resided in underserved and disadvantaged communities.

That access to care, that access to providers, is key in those communities. And then also, the pharmacist's role in being a trusted adviser and an expert on these vaccines, and help[ing] people get more comfortable with receiving the vaccine, has been key as well. So, again, I think you're hearing a lot of what I'm saying in terms of similarity to what Giulio was saying: they just stepped up and really did what they did best, and continue to do what they do best, and that is care for their patients.

Quickly, the other thing that that I think has challenged our pharmacies—and again, they have adapted greatly—is how they engage with their patients and their communities during a pandemic where a lot of folks were not traveling, not driving, and staying at home. They've really embraced digital engagement. We launched our digital platform a couple years ago—about 3 years ago—and we saw a gradual adoption of that; there's a lot of these pharmacies that are more traditional, and kind of stuck with the traditional print, TV, and radio, which is fine. But over time, they started to embrace digital platforms and digital engagement. And then once COVID-19 hit, we saw a rapid uptake of that. And I think that's a positive that has come out of this: the innovation and the adoption of different ways to engage patients, whether through telepharmacy, social media, outbound call campaigns, all those types of things [that] I think are going to be mainstays moving forward. So again, could not be more proud of the response that community pharmacy has had over the last 2 years, and I think there's lots of opportunities to leverage that moving forward.

**Zilka:** That's great. Brian, thank you for highlighting all the amazing work that our pharmacies do. You [talked about] feeling proud, and I think that there really aren't words for how proud and honored I feel to be able to work with independent pharmacies day in and day out, especially as the value of independent pharmacies is on display like never before, because of COVID-19.



I would like to shift and focus kind of on the year—or years—ahead, I'm certainly seeing some common threads as I listen to Giulio and Brian share the state of independent pharmacy in the US and abroad. With the pandemic encouraging regulators and professional bodies to accelerate digital evolution, vaccine programs, and—in the US—the position of pharmacists. Brian, I'd love to hear from you on where kind of where you think independent pharmacy can go from here. What are some of the core priorities you have in your mind as we think about pharmacy customers in in the year ahead? And how [can we] take this moment this this unprecedented moment that we're in and carry that forward?

**Nightengale:** Thanks, Jenni. I think I'll kind of tie it into what I just left off with: if you think about the opportunity, that that the COVID-19 vaccine has provided in terms of consumer engagement.

I think all of our independent pharmacies have a great relationship with the patients who already know them, who have been coming there for years; there's that loyalty, there's that relationship... That's always been there. I think what I'm really excited about is the ability to participate so heavily in the vaccine response has opened up the awareness of many, many consumers out there that, quite frankly, didn't know that an independent community pharmacy was right down the street, or didn't know about the level of experience and personalized service that they provide. And now that they've been into that pharmacy, they've seen an experience that that relationship... I'm hoping that that these pharmacies will continue to engage those consumers and those patients and bring them back in and keep them. I think it's going to be critical, again, to tap into the digital platforms, to tap into the ability to engage with those consumers in a different way in order to say, "Hey, remember the great service and the great discussion we had when you came in to get your vaccine? Let us take care of your entire family, now and beyond." I think that's number 1, to leverage those new consumers and to leverage the new technologies to attract and retain patients.

I think secondly—and this is a big priority for us as a service provider—is helping to promote diversified patient services beyond that traditional dispense, and to help our pharmacies offer and expand clinical offerings, again, beyond that dispense. They've got the time, they've got the relationships, [and] there's so much more that these pharmacies can provide[to] these patients and communities, and we just need to help them expand their businesses in that way, and to advocate and help for appropriate reimbursement and payment for those services.

Right now, our reimbursement model is pretty much focused 100% on the dispense of that drug; we've got to change that. We've got to advocate for fair and adequate reimbursement and payment for that drug and the dispensing services that go along with it, but also advocate for expanded scope of practice, and fair and appropriate reimbursement for clinical services beyond that dispense. Vaccination is a perfect example of that: pharmacies have stepped up and proven they can deliver, and now it's time to expand that to other avenues and areas as well.

That's the enablement part. And then on the advocacy piece, it's taking a strong approach within the industry to advocate for comprehensive reimbursement reform, expanded scope of practice through provider status, and increased awareness of the opportunity that lies within community pharmacies to really impact and increase access to care and reduce overall costs.

Pharmacies and pharmacists are part of the solution, they're not part of the cost problem. And advocating and educating legislators and regulators, at both the federal and the state level, is key, and it's a top priority for us as well. That has started to intensify very rapidly at the state level, because of the Supreme Court ruling in *Rutledge vs PCMA* in Arkansas.

So, again, those are really key priorities: it's helping our pharmacies engage in new ways with their new customers and their existing customers, it's helping them diversify their business beyond the traditional dispense, and it's advocating very strongly for a comprehensive reimbursement reform and expanded scope of practice.

**Zilka:** That's great, Brian, thank you so much, there's so much to be excited about as we look to the future.

Giulio, I'm going to shift back over to you. How about Alphega? What are some of your top priorities for independent pharmacies moving forward?

**Burzacca:** Thanks, Jenni. First of all, I would like to really echo what Brian just said, because it's so fundamentally true across our all our markets in Europe.





The first observation is—and I couldn't agree more with Brian—is the evolving positioning and image that the community pharmacy has taken during the pandemic and how, really, the normal person out there, the normal citizen, has really realized the relevance and importance of community pharmacies.

We really need to build on these evolving imagined positioning of the pharmacies and definitely advocate for recognizing the value of pharmaceutical services that have proven to improve the quality of people's lives and also to help the health care systems that were really under, tremendous stress, by offering their services at the community level. It is huge work that we need to do all together.

The other big thing that came up is how to better manage the personalized care part. There is knowledge on a 1-to-1 basis by community pharmacists in the mastering of all the digital tools that are now available. And this is where, really, there is the right marriage between community pharmacies and the support that we can offer as a network and offering those tools that are more innovative [to help] reach the final patient.

In Alphega, what we really defined as our key priorities—to answer your question, Jenni—is really offering programs and campaigns to encourage preventive care and wellness, like we are already doing—for the cardio campaign, obesity, the diabetes—all those campaigns encourage preventive care.

The other big area—and Brian was also referring to it—is really to continue to expand on our vaccination and all our testing services, and expanding the scope of community pharmacy practice, to maximize their contribution to patient and health systems. Together with, and I was just mentioning before, defining the new models of care delivery. Really taking advantage of digital technology and offering several services like home delivery, consultation, et cetera, that really enhances the way that we can reach the final patient.

We are very active at Alphega in offering a digital platform to all our members, so that they can leverage it to know how [to be a] large provider while maintaining their personal independence and touch. Those data are for Europa, but I'm sure they could even be a probably as—if not more—relevant for the for the US. If we look at the latest IQVIA survey, when they asked industry executives what percentage of their sales they think will come from a pharmacy in the next 2 years, the answer was really between 15% to 30%—and even up to 50% in specific categories—will come from the pharmacy. So, it's really a way to offer community pharmacists the possibility to be present in different touchpoints to their final patients.

And last but not least, always continuing to reinforce the role of the pharmacist in his or her community, with all the support that we give, including all the social media support that we are offering.

**Zilka:** Thank you, Giulio, and thank you both for such a great discussion today. This was really fun. I have so enjoyed working with Giulio and his team and learning about independent pharmacy in Europe, and as I'm sure you're learning, there are so many similarities and so many opportunities to collaborate and learn from one another.

As we close, it's very clear that we are at a pivotal moment in the pharmacy industry globally. And the time is now for independents to use their increased visibility and trusted positions within their communities as a springboard for reaching new goals. It's been wonderful, wonderful to speak with you both. Are there any any closing comments from either of you as close the podcast?

**Nightengale:** Sure, I just want to close by saying Giulio, I too have really enjoyed getting to know you and your team and could not be more excited about our path forward together, and sharing best practices and bringing many of the great things that you and your team are doing across Europe over here to the United States so that our member pharmacies here can take advantage of a lot of the things that you've built and execute them here. It's been a pleasure and I look forward to more collaboration.

**Burzacca:** Well, Brian and Jenni, I can only really be extremely glad for all your word. It's absolutely a tremendous pleasure to work with you, and also to get all your learning and all your knowledge and be able to share all our best practices across different continents.

What is really relevant is also that we have a common culture, and—most importantly—that we have really the same passion, for the pharmacy and for the patient health, that is really at the heart of everything you do and that we do in in Europe. And that's really the strongest commonality that we have.



One point I wanted to mention, in addition to everything we said, is what else we can do for the other big player in the market, and that is the manufacturers. We can also provide manufacturers with instant access to all the different members of our networks across all those different markets—European countries as well as, of course, the very large market of the US. We are the perfect platform for new product development, placement, testing with consumers, clinical trials, in terms of acquisition of the patients... really, [there are] an infinite number of a solutions that we can really offer them. And on top [of that], we can get the real-time product performance and offer all of the results and the return on investment performance on all of the activities and programs that are run in all our pharmacies across the US and Europe.

**Drug Topics®:** Thank you to Jenni for being a phenomenal guest host, and to Giulio and Brian for a really interesting discussion. We had a great time collaborating with AmerisourceBergen and Good Neighbor Pharmacy on another ThoughtSpot conference and trade show series, and look forward to partnering with them again for the latest and greatest pharmacy insights for independents.

If you liked this episode, check out the other episodes in this year's ThoughtSpot series. We have an uplifting and hilarious discussion with 3 independent pharmacy owners who shared their unique experiences navigating the COVID-19 pandemic, and an informative conversation with 3 inspiring experts who are dedicated to addressing health disparities and leading the conversation on racism in health care.

And as always, thank you for listening, and we hope to see you next time, at the counter.

ENDS

