



Pharmacy Practice Update

Evolving Consumer Models and Digital Health Strategies



Marty Allain

CEO | REAL Solutions Group LLC

marty@realsolutionsgroup.co



Theresa Carnegie

Member | Mintz

TCCarnegie@mintz.com



Lauren Moldawer

Associate | Mintz

LMMoldawer@mintz.com



Where do Retail Pharmacies Stand in the Wake of COVID?



Retail Restructuring



Digital Health Entrants



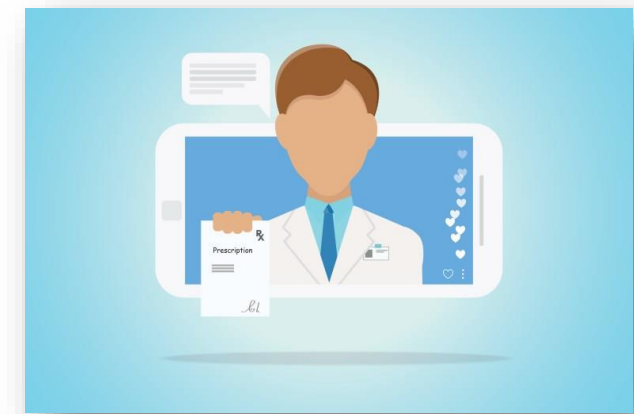
Where do Retail Pharmacies Stand in the Wake of COVID?

COVID Impact on Pharmacy Practice

- Retail Pharmacies saw increased revenue/growth in 2021
 - Increased demand for and utilization of pharmacy services
 - COVID vaccinations
 - Purchase of COVID tests – in-store and at-home
 - Increase in prescriptions filled from 2020, as patients went back to their doctors
- Scope of practice of pharmacists and pharmacy technicians expanded
 - Technicians started providing vaccinations
 - Technician as a career?
 - Pharmacists obtaining independent prescribing authority for select drugs

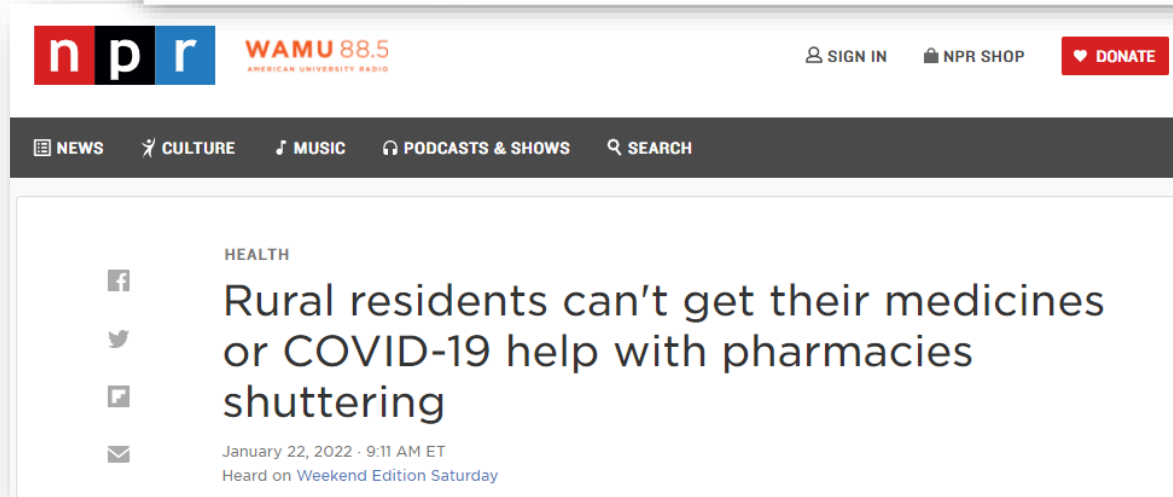
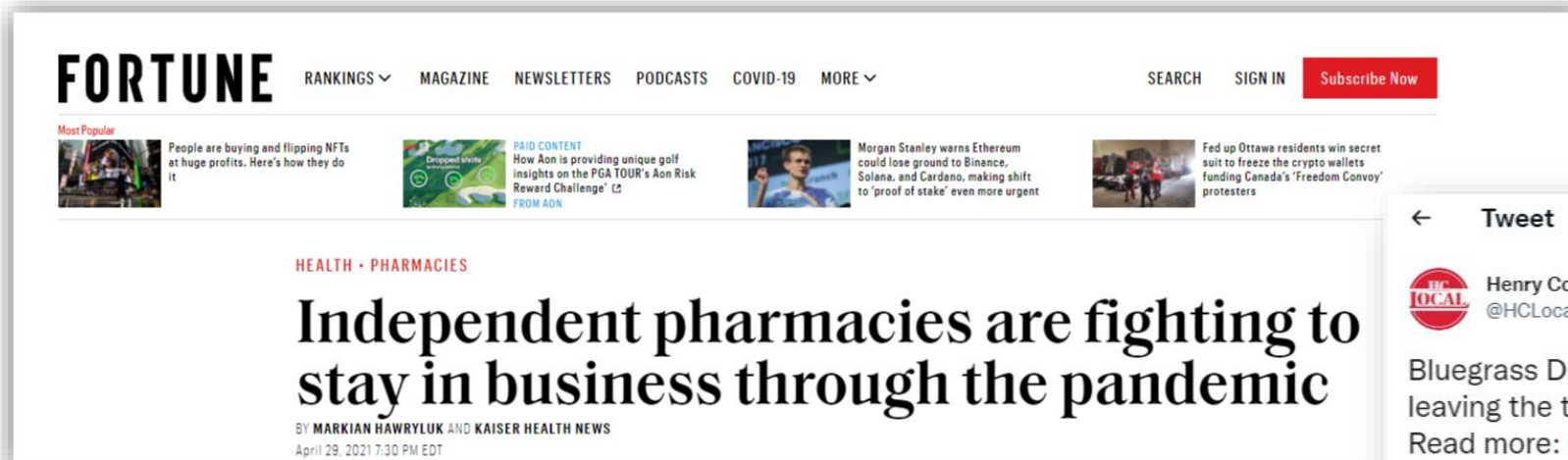
Pharmacists as a Provider – Opportunities?

- COVID Expanded the Role of Pharmacists and Pharmacy Technicians.
 - *Is there an opportunity for Pharmacists' role to further expand and to bill as a provider?*
 - Chronic care management
 - Medication Therapy Management
 - Annual Wellness Visits
 - Diagnosis and prescribe treatments for flu, rashes, UTIs
 - Prescribing authority
 - Oncology Care
 - Digital Health



Where do retail pharmacies stand in the wake of COVID?

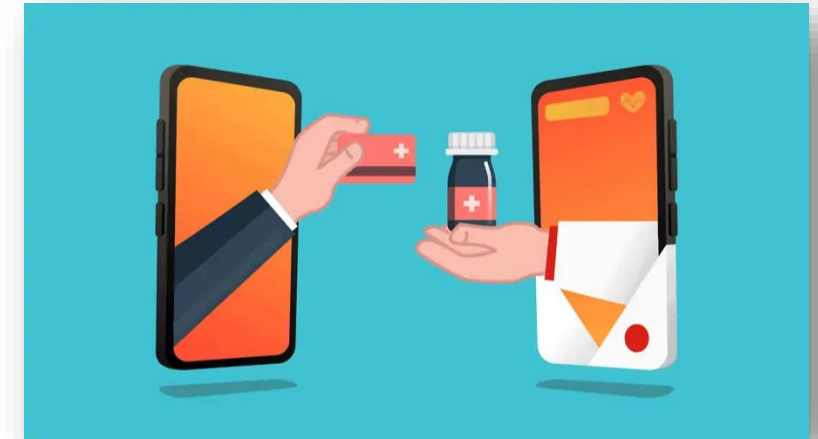
COVID Impact on Independent Pharmacies



Where do retail pharmacies stand in the wake of COVID?

Will COVID continue to provide opportunities for revenue/growth?

- Retail pharmacies likely to see a reduction in COVID vaccinations and, potentially, testing
- Challenges of pharmacy work conditions and pharmacist burnout
- Patients now expect more digital capabilities and conveniences from pharmacies (e.g., higher use of apps, telehealth)
- New “Disrupter” and alternative model pharmacies are entering the market



Retail Restructuring

Retail Pharmacies are Shifting to In-Store Healthcare Offerings



BUSINESS

CVS to Close 900 Stores Over Three Years

Pharmacy chain says it will add health services to other locations, book roughly \$1 billion restructuring charge

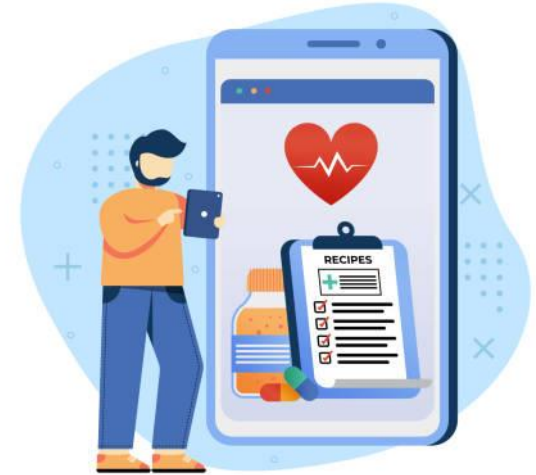
Retail Pharmacies Look to Expand Scope of Health Care Services

- Major chain pharmacies looked to expand beyond dispensing:
 - Walgreens Boots Alliance acquired majority stakes in VillageMD and CareCentrix focused on primary care and home health care
 - Walgreens HealthCorner providing in-store physician consultations
 - CVS focus on Health Hubs
 - CVS HealthHubs providing Yoga
 - CVS entered into a collaboration with Medable to deliver phase 3 and 4 clinical trials at select MinuteClinics



Consumer Focused Offerings, Convenience, and Competition

- Pharmacy mobile apps have become more important for retail pharmacies as consumers demand the convenience and access
 - Increases efficiency for both the pharmacy and the consumer
 - Increases patient adherence to prescriptions
 - Increases automation for pharmacies
- Expanded use of data to personalize interactions
- Outside of the retail space: BestBuy acquired Current Health, which provides a remote patient monitoring technology platform



Will Cash Pay Only Pharmacies Develop? Will they Succeed?

BREAKING | Jan 20, 2022, 02:13pm EST | 952,195 views

Billionaire Mark Cuban Opens Online Pharmacy To Provide Affordable Generic Drugs


F Lisa Kim Forbes Staff Business [Follow](#)

Listen to article 3 minutes

Updated Jan 20, 2022, 02:16pm EST

f **TOPLINE** Billionaire investor Mark Cuban launched an online pharmacy Thursday that offers more than 100 generic drugs at an affordable price with a goal of being “radically transparent” in its price negotiations with drug companies.


in



 [redacted] · Feb 11


One script was going to be \$76.11 at my regular pharmacy. Just paid \$12.50 INCLUDING SHIPPING @costplusdrugs . THANK YOU @mcuban

7 26 236

 Mike Clonville · Feb 11

@costplusdrugs is, apparently, real.

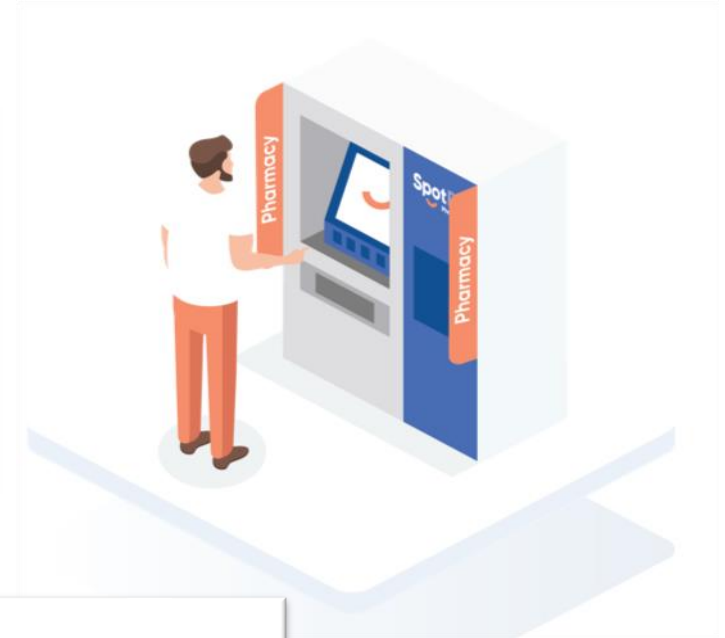
I had my doubts but my prescription came today and it literally cost 12% of the price I was paying at the regular pharmacy.

 [redacted] · Feb 10

Ok I don't know who needs to hear this but if you have expensive prescriptions check out Mark Cuban's #CostPlus. I went through all my mom's scrips and took one down from \$800+ to \$32.70.

Alternative Dispensing and Delivery Models – Beyond Mail Order and Retail Delivery

- Prescription Kiosks
- Drone Deliveries
- Central Pick-up Locations
- Uber Deliveries
- Regulatory Considerations?



Health

Uber expands options for
prescription delivery with
ScriptDrop

March 24, 2021 / US



Digital Health Entrants

lemonaid

geniusRx

k health

Apostrophe

NURX.

SimpleHealth

hims & hers

SESAME

zizi



FOLX

CUROLOGY

Truepill

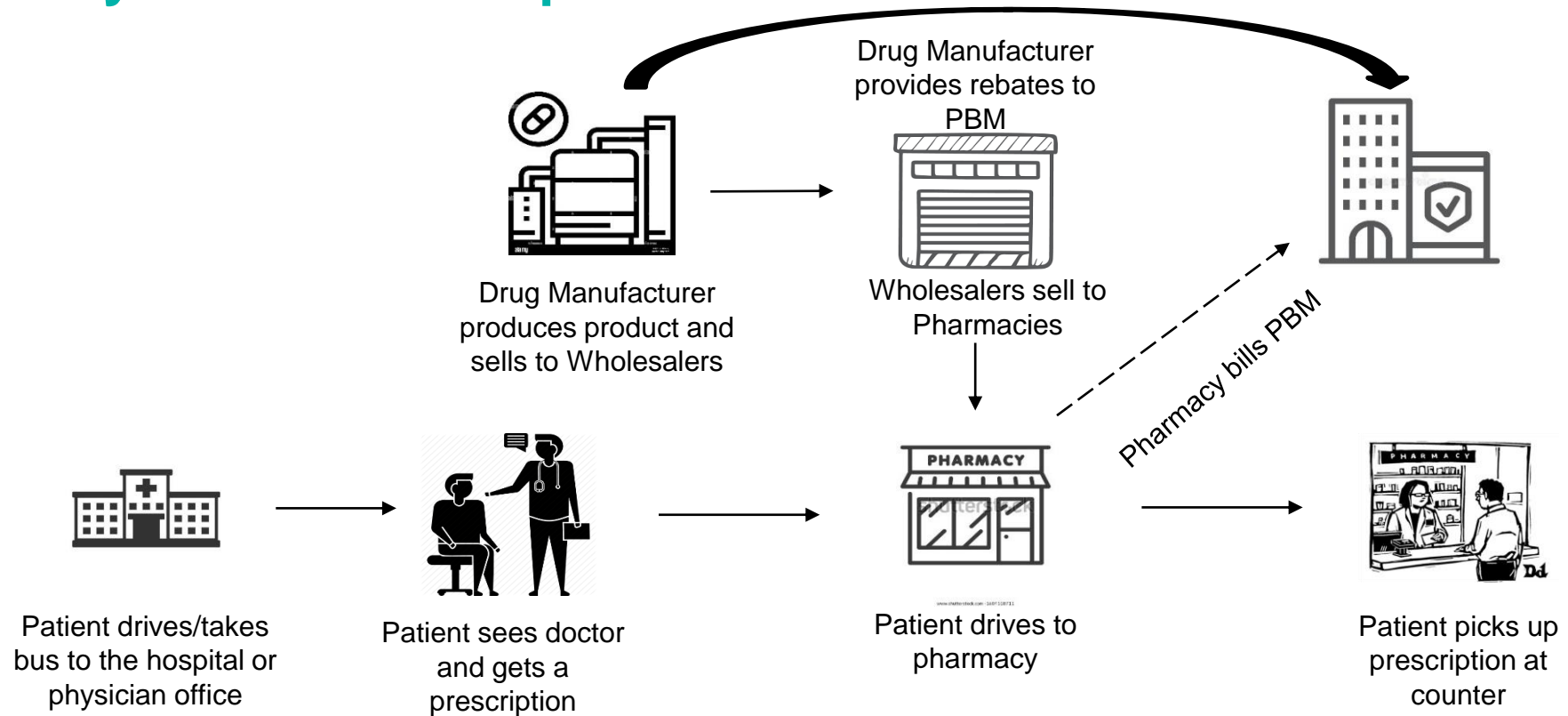
galileo



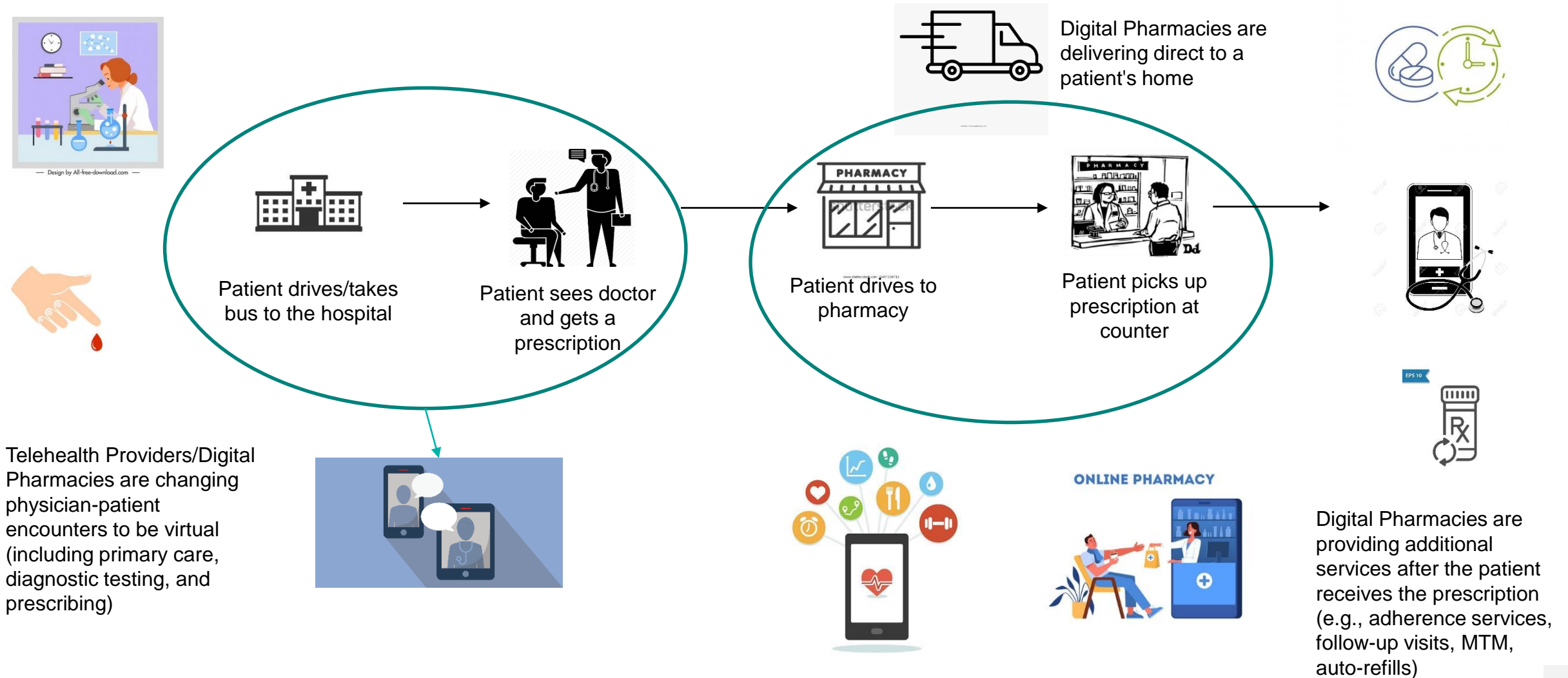
HeyJane

Traditional Life-Cycle of a Prescription

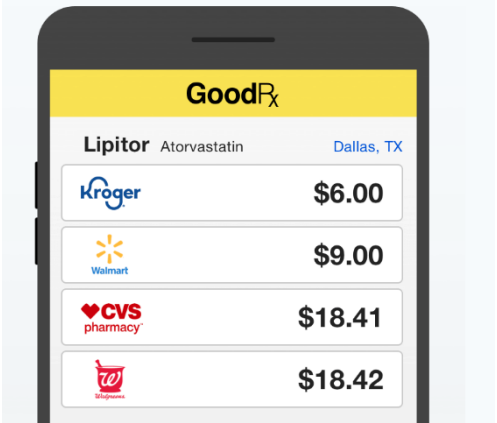
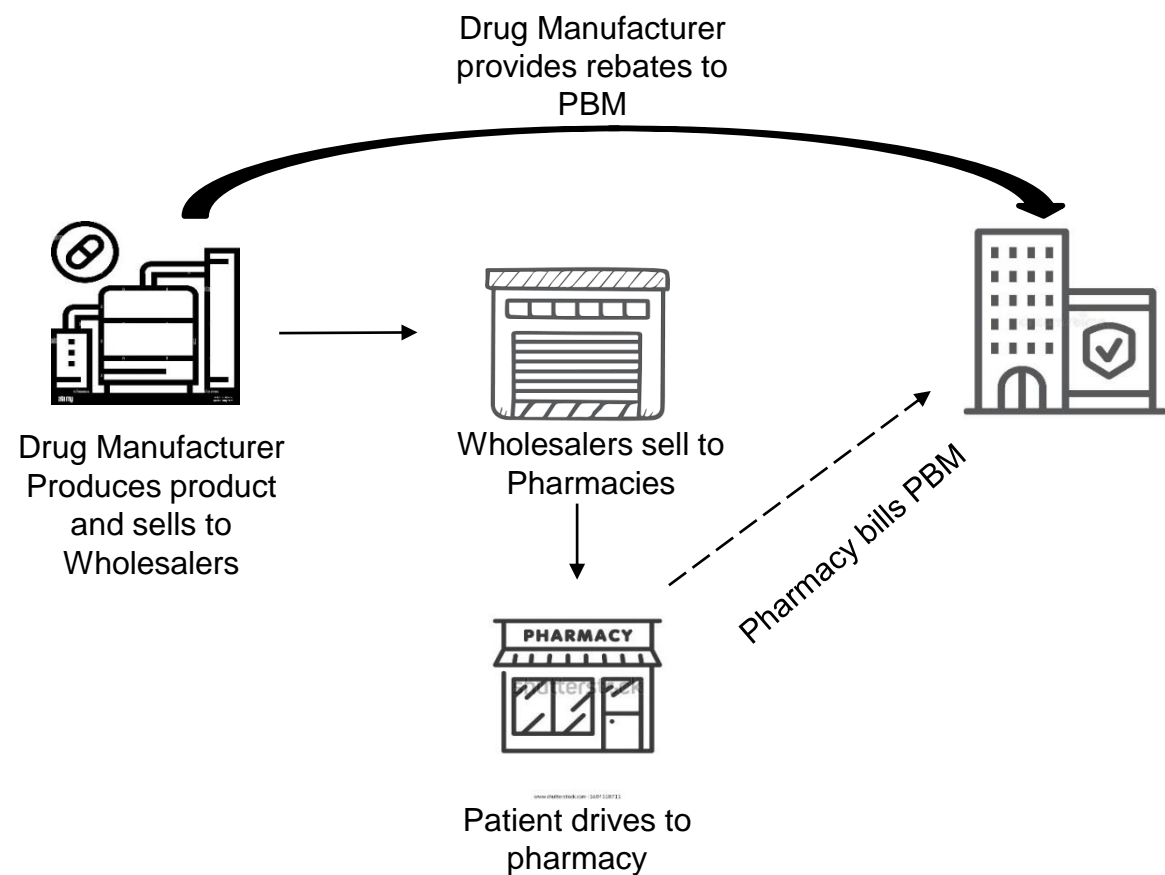
Traditional Patient Model



Digital Health Providers are Targeting Every Step of the Prescription Life-Cycle



Disruption of Traditional Pharmaceutical Supply Chain



Regulatory Challenges for Digital Health Providers and Digital Pharmacies

- Corporate Practice of Medicine Laws
 - Which states will require the use of an Affiliated Professional Corporation (“PC”)?
 - Can that PC foreign qualify in other states?
 - Does the Friendly-Physician need to be licensed in the state?
 - If Nurse Practitioners will be prescribing, what are the state supervision requirements?
- Anti-Kickback Statute
 - If the Telehealth Provider and Pharmacy will bill federal healthcare payors, is there a way to ensure compliance with the Anti-Kickback Statute?
- State Pharmacy Law
 - Are any of the owners of the pharmacy physicians? What percentage do they own?

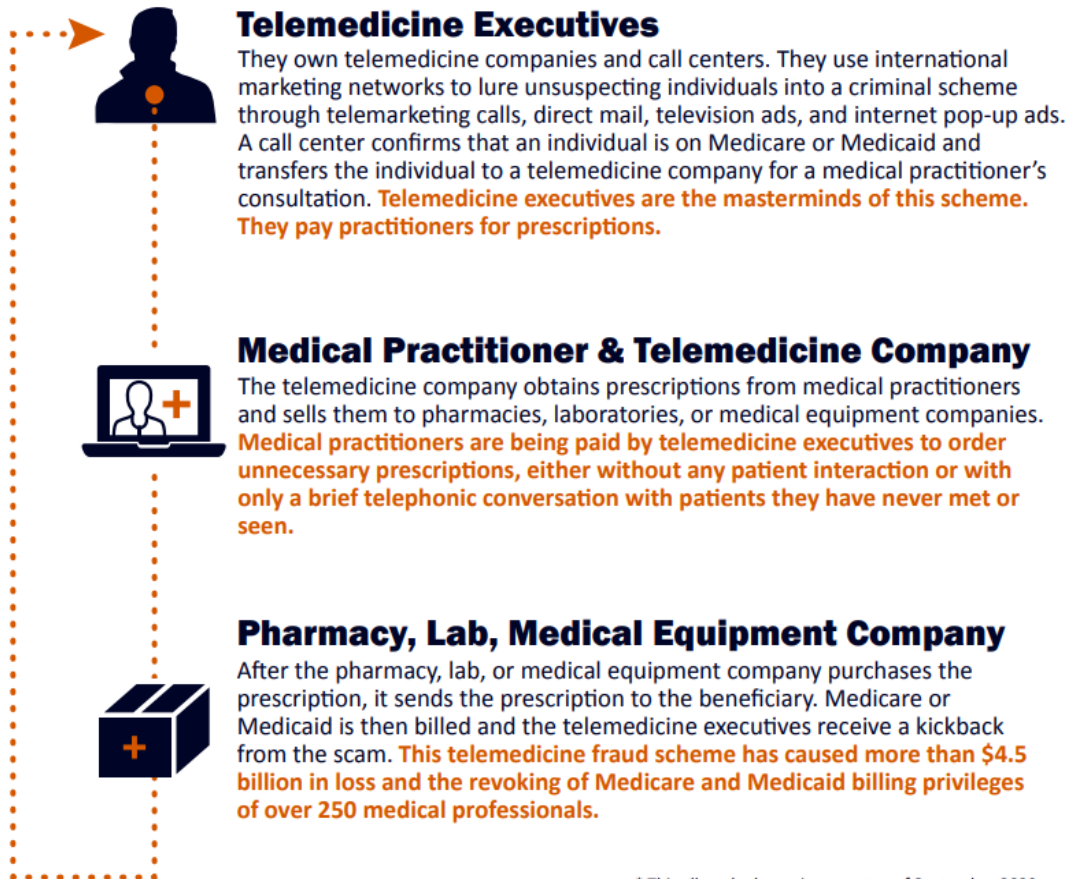
LegitScript and NABP Certification

- LegitScript Certification or NABP's Digital Pharmacy Accreditation is required for digital pharmacies to advertise on Google and work with major banks/credit card companies
- Involves an in-depth review of the Company's registration and compliance, internal policies, and external practices, including a close look at the Company's affiliates.



Enforcement of Telemedicine Provider

- Traditional fraud schemes involving telehealth
 - Ordering of medically unnecessary products or services in connection with a sham telemedicine consult (and sometimes no consult at all)
 - Pursued by multiple state and federal agencies (DOJ, CMS, HHS OIG, state medical boards, etc.)
 - Typically involve multiple criminal prosecutions of health care professionals, telemedicine executives, and other individuals



U.S. Department of Health and Human Services Office of Inspector General. (12.6.21). *The Alleged Scheme and Key Players*. U.S. Department of Health and Human Services Office of Inspector General. https://oig.hhs.gov/documents/root/232/telemed-scheme-print_Ckljtht.pdf

Don't Fear the Future!



* Source: Conde Nast





Questions?