



The Economic Perspective Of Pharmacy Between Jobs and Costs

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About AFCPR

- Founded in 1956
- We are dedicated to the continuing growth and prosperity of the Community Pharmacies in Puerto Rico.
- We are the voice of Community Pharmacies in the Legislative & Regulatory bodies of the Government.
- We are committed to high-quality care and restoring, maintaining, promoting and educating the well being of the public we serve.



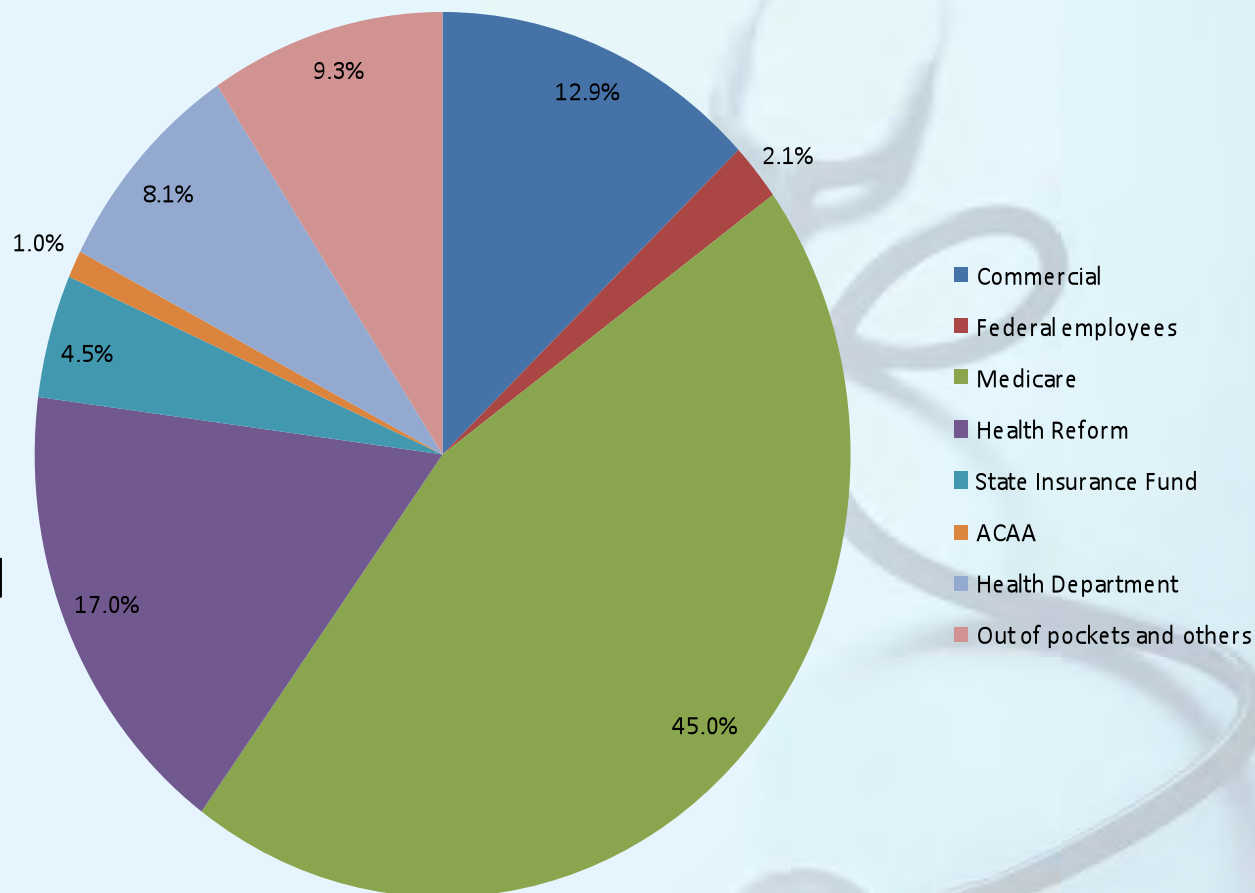
What do you picture when you think of Community Pharmacy?





Healthcare Expenditures in PR

- Total Healthcare Market estimated at \$8.00 Billion
- RX Total Sales are estimated at \$2.65 Billion (33%)
- RX Retail Sales are estimated at \$1.66 Billion (21%)

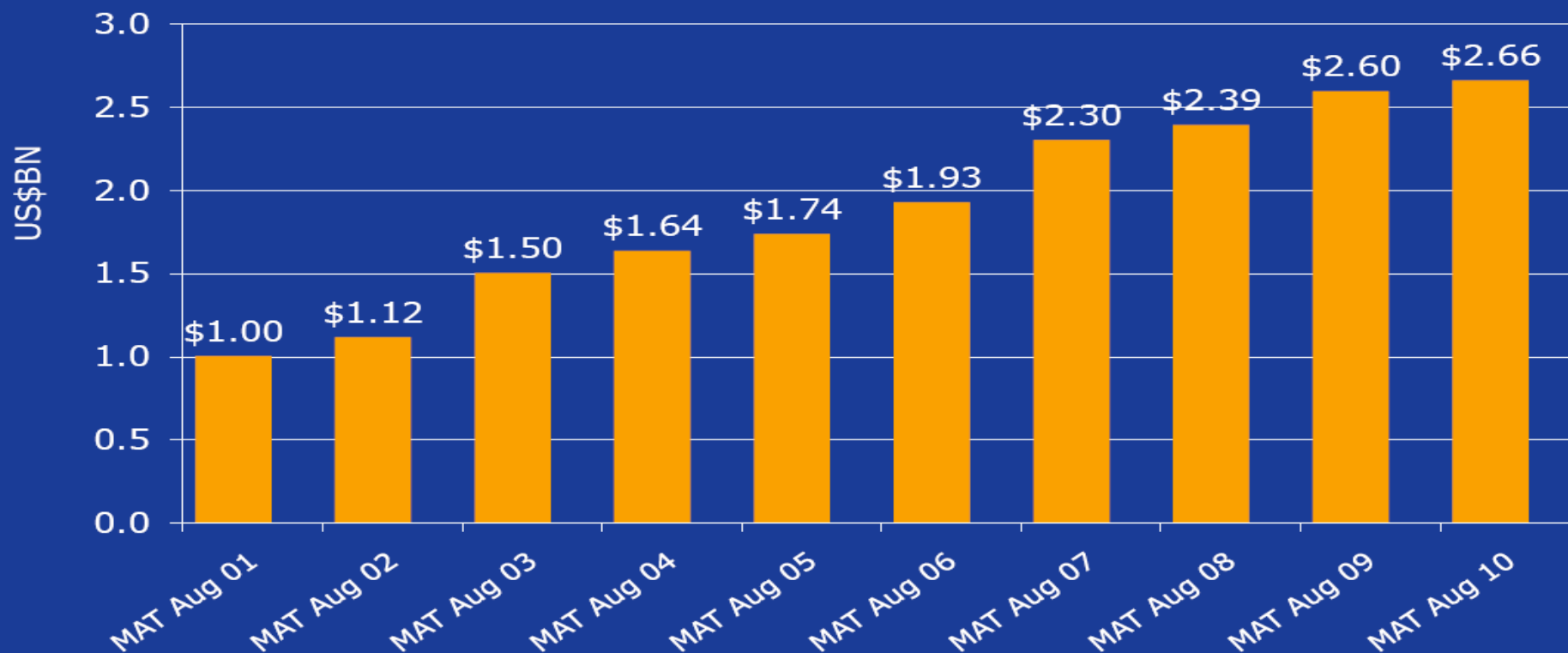


Source: Caribbean Business July 16, 2009



PR – Pharma Sales Growth

Puerto Rico pharmaceutical sales from 2001 to 2010



Source: PRSA (Puerto Rico Sales Audit)



PR– Pharma Sales Growth by Product (Retail & Hospitals)

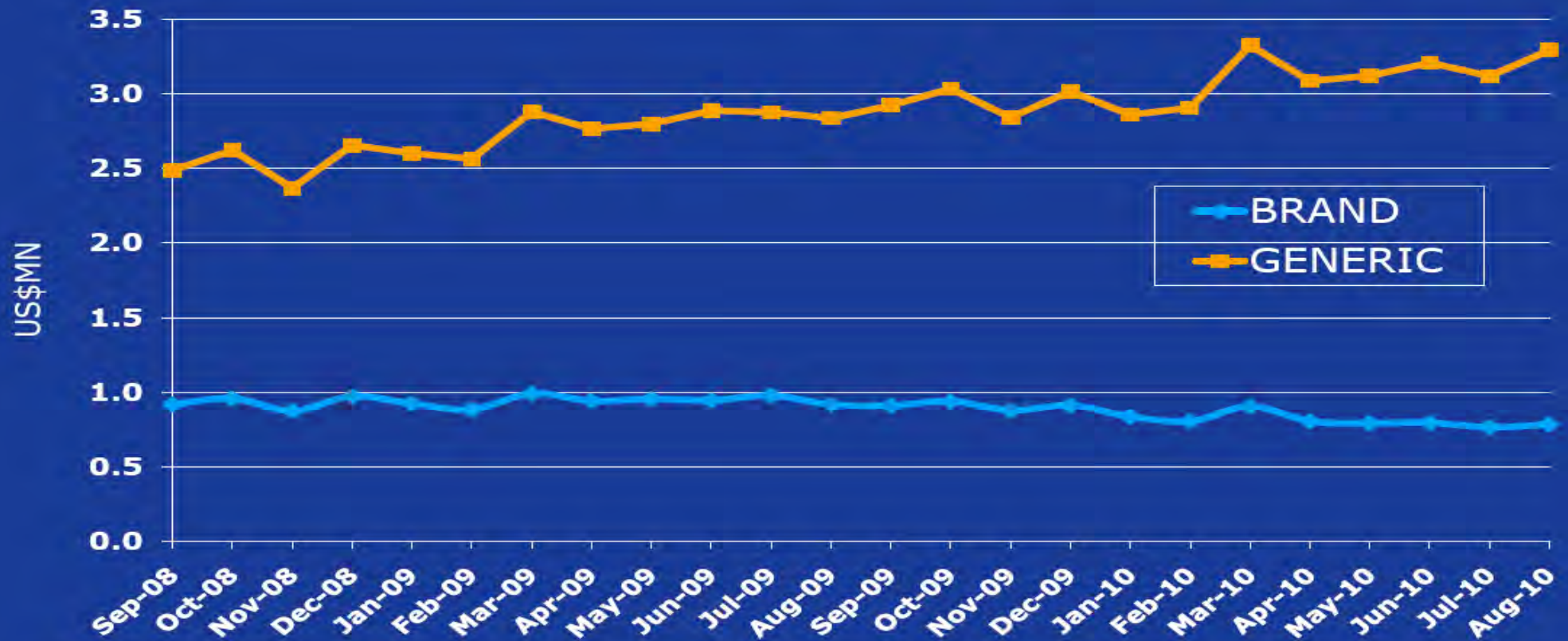
IMPACT TYPE	2010	2009	Growth
TOTAL SALES \$	\$2,662,981,624	\$2,597,577,845	2.52%
BRAND	\$1,840,131,775	\$1,872,388,130	-1.72%
GENERIC	\$582,431,056	\$487,258,014	19.53%
BRANDED GENERIC	\$161,735,798	\$165,319,340	-2.17%
OTHER-BRAND/GENERIC	\$78,682,994	\$72,612,361	8.36%

Source: PRSA (Puerto Rico Sales Audit)– Aug 2010 data month



Generic Growth Opportunity

TOTAL Rx's for generics continuing growing



Source: PRRX (Puerto Rico Prescription Audit) – Aug 2010 data month



\$98.7 Billion in Brand Off Patent from 2009-2015

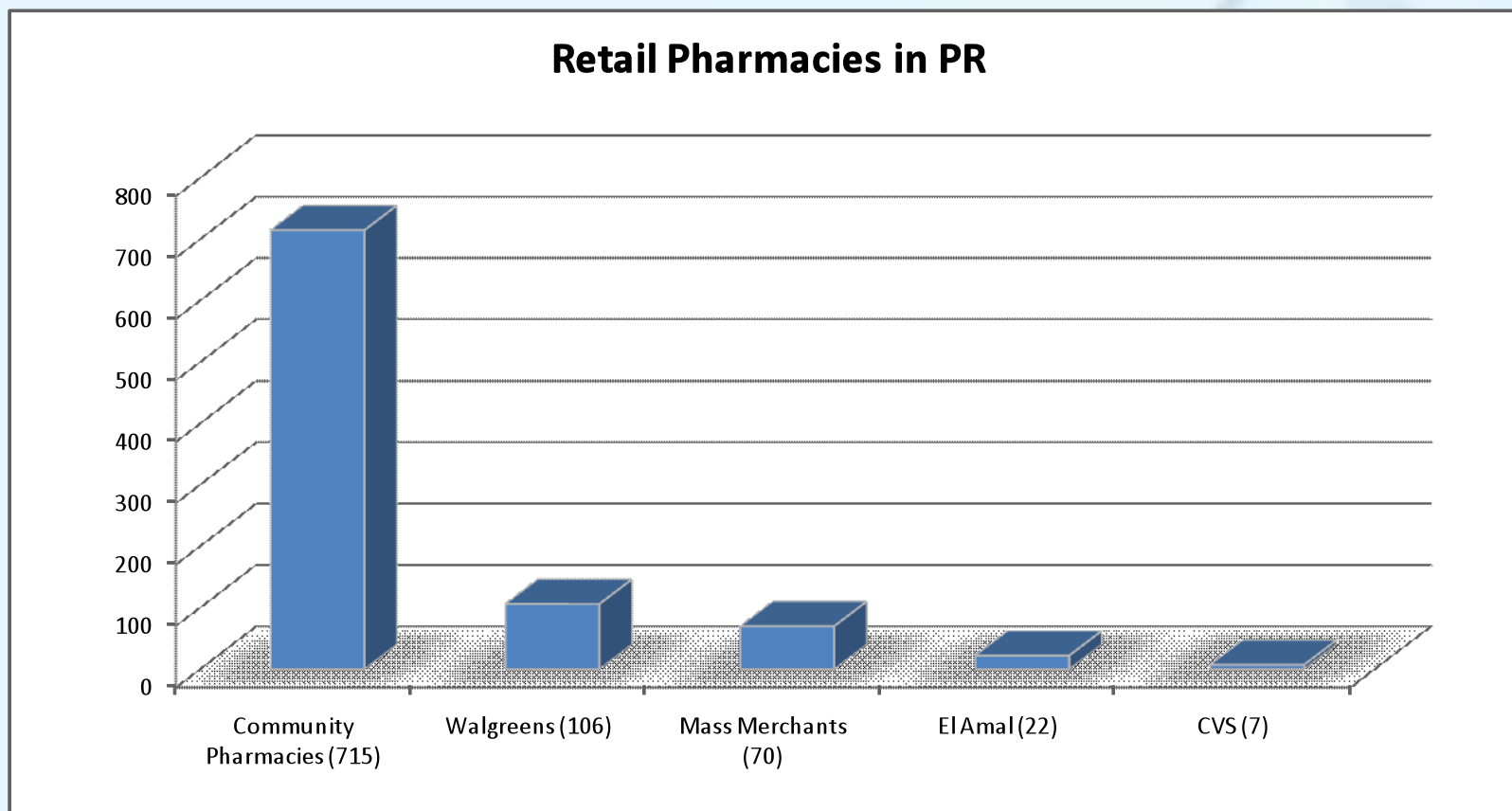




Pharmacies in Puerto Rico : Retail Market

Total
Retail
Pharmacies
920

Community
Pharmacies
Represent
78%
(Retail Market)



Source: El Nuevo Día- 7/13/2010



Community Pharmacies Market PR

- 715 Pharmacies in Puerto Rico.
 - 78% of the Retail Outlets.
- We represent \$1.2 billion (18%) of the total in Healthcare expenditures.
- Community Pharmacies sell \$ 1.95 M per store (YR)
 - RX Sales \$ 1.7 million
 - Generic Dispensing Rate are between 70%-80%, exceeding the 60% GDR of most National Chains & Mail Order Pharmacies.
 - Front End Sales \$250k



Community Pharmacies Market PR (cont)

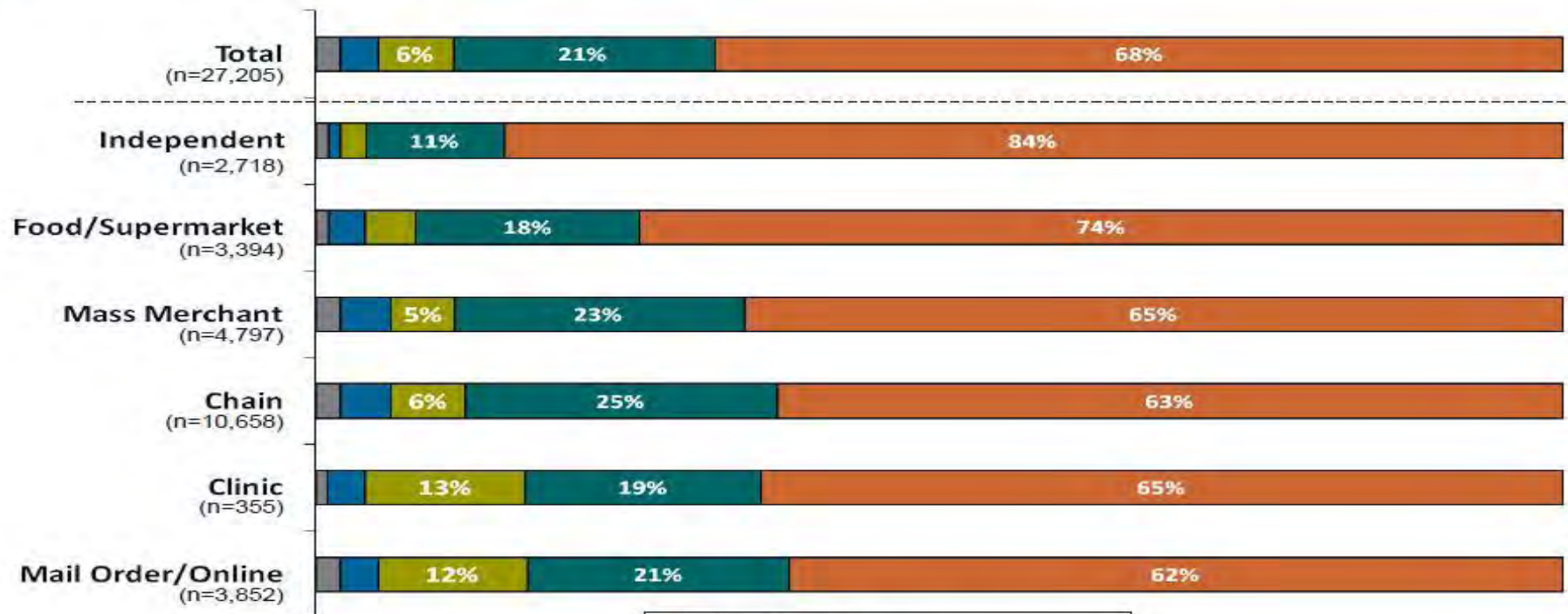
- According to ASES : Community pharmacies dispense 85% of all prescriptions processed through the Government Health Plan (Mi Salud).
- We represent a significant portion of the health care delivery system, and we are the most accessible and trusted source of information for many patients across the island.
- Job Created 9,000 (Direct)
- Community Pharmacies have been certified to provide:
 - DME, MTM & Immunization



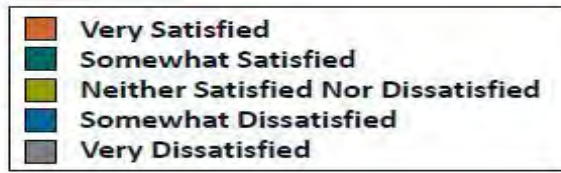
Overall Patient Satisfaction

Satisfaction with Pharmacists and Pharmacy Staff

Overall, patient attitudes about their pharmacy staff are positive, with those using independent pharmacies being most satisfied.



Base: Spoken with Pharmacist in Past Year
 Q16. With respect to the pharmacist and pharmacy staff, how would you rate your level of satisfaction with each of the following at [PHARMACY USED MOST OFTEN]?
 *1,576 respondents remain to be coded. As such, the numbers may change slightly.





How can Community Pharmacies Help Reduce Cost?

- Maintain Generic Dispensing Rate (GDR) with us:
 - The generic boom will turn the pharmaceutical economics upside down. The costs of distributing and dispensing a traditional generic drug far exceed the actual cost of the medicine, which is the opposite of brand name drugs.
 - In 2009, the average Community Pharmacies GDR was 70%.
 - In 2009, the comparable numbers for Medco and CVS/Caremark were 58% and 57%, respectively.
 - Community Pharmacies GDR are consistently 10% - 20% higher than Chain Pharmacies & Mail Order facilities.
 - The difference can be attributed to the brand name rebates, which discourage them from dispensing lower-cost generics.

Source: NCPA



How can Community Pharmacies Help Reduce Cost?

Centers for Medicare and Medicaid Services (CMS):

"... we believe that MTM [medication therapy management programs] must evolve and Become a cornerstone of the Medicare Prescription Drug Benefit." More recently, CMS stated that in their ongoing attempt "to maximize access to MTM", the Agency wants to "raise the level of the MTM interventions offered to positively impact medication use."

*Final CMS Rules Published in Federal Register January 28, 2005 (70 FR 4280)

*CMS 2010 Call Letter

George Halverson, Chairman and CEO of Kaiser Foundation Health Plan, Inc. and Kaiser Foundation Hospitals:

"...because pharmacists are the most underutilized resource in health care, use[d] pharmacists to help advise if patients were not taking the drug, what the right drug would be, and the result of that was 73% reduction in deaths for heart disease and coronary heart disease for the entire heart population that we have in Colorado."

* HIMSS09 Keynote Address, accessed May 18, 2009 at <http://www.himssconference.org/general/videos.aspx>



How can Community Pharmacies Help Reduce Cost? (cont)

- What is MTM (Medication Therapy Management)
 - MTM is a program that provides face-to-face appointments with a clinical pharmacist to review your medications.
 - Educating the patient on the benefits to adhering to the prescribed medication regimens.
 - The pharmacist will work closely with you, your doctor(s), and your family to understand the issues and concerns you face with your medications and your health – and help you to feel your best by getting the most out of your medications.



How can Community Pharmacies Help Reduce Cost? (cont)

How MTM has helped Reduce Cost?

- **Minnesota MTM Care Program:** estimated annual cost savings amount of \$403.30 per patient for MN adults achieving the "optimal care" benchmark for diabetes.
- **Limited Health Literacy in Ambulatory Care Settings:** annual savings attributable to pharmacists include \$3.5 billion in hospital cost avoidance by coordinating medications from multiple prescribers.

Persell SD, Osborn CY, Richard R, et al. Limited health literacy is a barrier to medication reconciliation in ambulatory care.. J Gen Intern Med. 2007

- **Community Pharmacies:** Pharmacist interventions for nearly 24,000 patients during a 7-year duration prevented over \$7.1 million in additional health care expenses by avoiding costly hospital admissions, emergency room visits, unnecessary prescriptions and expensive medications.

Barnett MJ, Frank J, Wehring H, Newland B, VonMuenster S, Kumbera P, et al. J Manag Care Pharm 2009;15(1):18-31



Thanks!

