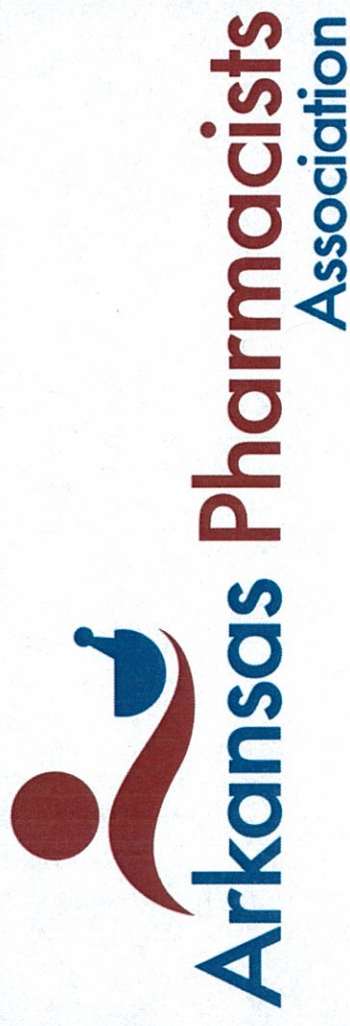




Mark Riley, Pharm.D., CEO

Arkansas Pharmacists:
Medication Experts, Trusted Providers

Pharmacists are interested in:

- Taking care of their patients
- Stability, predictability and cost control in the marketplace
- Being able to practice at the top of their license
- Having incentives to use the most effective, lowest cost medications
- Having local control of benefit administration
- Creating a win-win-win for patients-pharmacists-payers

State of the Arkansas Pharmacy Industry

- Pharmacists are the most assessable healthcare provider in AR
 - There is at least one pharmacy in every AR county
 - In many smaller communities, they are the only healthcare provider
 - Viability of these pharmacies is essential to preserve healthcare access
- Access makes pharmacies uniquely situated to be a “home base” for patients and other providers

Arkansas Pharmacy Economic Impact

- 791 Retail Pharmacies in Arkansas: 415 – Independent; 376 Chain
- \$2.4 Billion in annual revenue; 50 Million annual Rxs
- ~9000 Arkansans are employed by retail pharmacy in Arkansas
- Avg. employee salary \$45,919

Arkansas Pharmacy Marketplace

- ~90% of all prescriptions are paid for by a third party payer
- ~14% of all prescriptions are Arkansas Medicaid
- Generic medications are responsible for ~85% of all prescriptions filled in Arkansas
- Reductions in generic reimbursements have caused over 90% of pharmacies to make changes in their operations, including delaying hiring and laying off employees
- Aligning payment so that patients, pharmacists and payers win by using the most effective, least expensive drug is essential to long-term healthcare viability

Additional Pharmacist Services for Payer Consideration

- Appointment-based Adherence Model (Face to Face Med Sync)
 - Pharmacist & Patient partnership to assist in refill compliance with regular medications; not just a refill program, regular conversation throughout the month about changes in health.
- Medication Therapy Management (MTM)
 - Multiple levels of MTM:
 - Targeted Medication Reviews to deal with complex patients
 - Comprehensive Medication Reviews to provide full medication analysis
 - Discharge medication reconciliation
- If we all believe that medications are important to the healthcare system, then we need to take every step to ensure proper use with the help of the medication experts to maximize the investment in medications

Additional Services: Immunizations

- ~70% of pharmacies offer immunizations
- Arkansas ranks among the lowest for infant, pediatric and adolescent vaccines
- Pharmacists can administer from ages 7 and above
- Arkansas pharmacists are currently collaborating with the physician community on adult immunizations, and are prepared to assist with the 7-17 years population

Single Administration of State Programs

- Combine state programs into a single pharmacy program: Medicaid, Private Option Population, State Employees, etc....
- Use Evidence-based Prescription Drug Program (EBRx) model for formulary development, exceptions administration, and rebating
- Use pure fiscal intermediary for claims processing, much like Arkansas Medicaid does today
- Provides for best clinical product selection at the lowest price
- Process should be used across all available drug classes
- Gives predictability for prescribers, dispensers, patients and payers

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Follow up

- APA stands ready to assist the committee in any way
- Experts on staff who are available to help the committee
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