Project Destiny

American Association of Colleges of Pharmacy
February 5, 2008

- CONFIDENTIAL -
Delivering Value to Our Customers

Value

Pharmacy
A Complex and Diverse Customer Base

- Patients/Consumers
- Physicians
- Health Care Funders
- Payers

Value

Community Pharmacy

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Genesis of Project Destiny
The Need for Project Destiny

Now is the Time for Community Pharmacy to Take Control of their Destiny

- Escalating health care costs and controls
- Proactive healthcare management is now accepted as a way to improve patient outcomes and manage healthcare costs
- Leverage the expertise of the pharmacist
- Community Pharmacy needs to seize the opportunity before other healthcare providers fill the gap to provide services
The Market Motivation

Increase in Chronic Conditions and Polypharmacy

Need for Improved Medication Management

Need to Augment Dispensing Services

Improved Medication Adherence and Positive Health Outcomes

New Community Pharmacy Service Model
Project Destiny Goal

Project Destiny will deliver strategic business, practice and financial plans that will establish community pharmacy’s role as a valued, necessary health care provider and key component of the nation’s health care system.
Who is Driving Project Destiny?

Leadership Team
- T. Civello, Kerr Drug
- S. Anderson, NACDS
- B. Roberts, NCPA
- J. Gans, APhA

Project Management Team
- E. Rosato, NACDS
- M. Gregory, Kerr Drug
- D. Hoey, NCPA
- M. Rothholtz, APhA

Project Coordination
- B. Hannan

Industry Advisory Committee & Extended Team Members

Funding Committee
- P. Schneider, NACDS
- T. Dankmyer, NCPA
- J. Appleby, APhA

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Project Approach
Project Destiny-Key Activities

Current State Assessment

Practice Model Development

Stakeholder Interviews

Model Refinement

Business Plan Development

Communication Plan Implementation

Stakeholder Assessment

Business Model Development

Communication Plan Development

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Project Destiny Work Streams

Interoperability

- Stakeholders
- Health Information Exchange

Practice Model

Business Model

Communications Plan

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Current State Assessment
# Current State Assessment

## Current

### Strategy
- Rx-centric
- Dispensing efficiency
- Cost control
- Reactive
- Single Sale

### Services
- Dispensing
- Variable level of MTM, clinical services
- Volume: Rx’s filled
- Efficiency: Rx’s per hr/day
- Spread
- Revenue and profitability

### Metrics
- Little professional differentiation between B.S. Pharm and PharmD in marketplace
- Little functional differentiation between pharmacists and technicians
- Job satisfaction generally low
- Based on transactions (dispensing fee)
- Based on margin
- Based on customer mix
- Economic pressure and declining viability of dispensing only model

### Image
- Customers trust, but have limited view and understanding of pharmacist role and value
- Pharmacists are marginalized

### Labor Model
- Technology enabled
- Clinical acumen variable
- Operationally focused
- Little structure to post-graduate professional development
- No new B.S. Pharm graduates; all PharmDs

### Reimbursement
- Pay-for-Performance / Outcomes
- Based on dispensing and other clinical services
- Based on leveraged assets (e.g., data)
- Increased economic opportunities

### Capabilities
- Technology enabled
- Clinical acumen variable
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- Little structure to post-graduate professional development
- No new B.S. Pharm graduates; all PharmDs

### Professional Development
- Little structure to post-graduate professional development
- No new B.S. Pharm graduates; all PharmDs

### Enablers/HIT
- Rx-centric at point of sale
- Data driven
- EDI

## Future

### Strategy
- Patient -centric
- Informed and focused patient services
- Proactive
- Cross-selling
- Integrated with continuum of care

### Services
- Dispensing plus clinical/patient care services
- Patient self-care and medication management
- Enhanced patient outcomes
- Health economics focused on total cost of care
- Customer revenue and profitability

### Metrics
- Greater professional differentiation between pharmacists and technicians
- Automation of repetitive activities
- Redistribution of functions across team (non-cognitive functions to technicians)
- Pay-for-Performance / Outcomes
- Based on dispensing and other clinical services
- Based on leveraged assets (e.g., data)
- Increased economic opportunities

### Image
- Customers view pharmacists as trusted medication advisor
- Industry views pharmacy as an integrated and necessary part of health care delivery network

### Labor Model
- Greater professional differentiation between pharmacists and technicians
- Automation of repetitive activities
- Redistribution of functions across team (non-cognitive functions to technicians)
- Clinical knowledge with decision support
- Increasing specialization and basic patient care services
- Increasingly relationship focused

### Reimbursement
- Broader opportunity for professional development with structured specialization
- Differentiated / Competency based
- Aligned with future service model

### Capabilities
- Broader opportunity for professional development with structured specialization
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### Professional Development
- Broader opportunity for professional development with structured specialization
- Differentiated / Competency based
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### Enablers/HIT
- Patient-centric
- Information driven
- E-enabled technologies (eRx, EHR, PHR)
- Increased decision making based on patient value and outcomes

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Current State Summary Observations

Community Pharmacy’s role in the healthcare system has become dominated by medication dispensing, with only a minor level of patient care/MTM services.

- Pharmacists rely on dispensing margins and funders/payers are increasing pressure to reduce pharmacy costs
- Community pharmacy is under attack from low cost competitors and substitutes such as mail order pharmacies
- Little differentiation between the tasks performed by pharmacists and pharmacist extenders
- Growing demand for core dispensing services limiting pharmacists’ time to offer additional services to their patients
Stakeholder Assessment /Outreach
Who are the Stakeholders?

Understanding the view of the Future State Practice model from the perspective of each Stakeholder Group is critical.
### Key Stakeholder Metrics (Collective)

<table>
<thead>
<tr>
<th>Questions to Identify Trends</th>
<th>Top Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Market Issues</td>
<td>▪ Improving MTM</td>
</tr>
<tr>
<td></td>
<td>▪ Public Perception of Health Care</td>
</tr>
<tr>
<td></td>
<td>▪ Lack of Economic Stability</td>
</tr>
<tr>
<td>Top Barriers to Vision</td>
<td>▪ Funding/Reimbursement</td>
</tr>
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<td></td>
<td>▪ Public Perception</td>
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<tr>
<td></td>
<td>▪ Limits to Pharmacists time</td>
</tr>
<tr>
<td></td>
<td>▪ Turf Battles with MD’s, Nurses, PBM’s</td>
</tr>
<tr>
<td>Key Conditions for Realizing Vision</td>
<td>▪ Coordination/ Communication between stakeholders</td>
</tr>
<tr>
<td></td>
<td>▪ Change Market Perception</td>
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<tr>
<td></td>
<td>▪ Identify Funding/Reimbursement Source</td>
</tr>
<tr>
<td></td>
<td>▪ Establish Delivery Model Roadmap</td>
</tr>
<tr>
<td></td>
<td>▪ Strengthen Patient /Pharmacist Relationship</td>
</tr>
<tr>
<td></td>
<td>▪ Demonstrate Value</td>
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The New Community Pharmacy Model
A Primary Care Pharmacist is:
- A trusted and effective resource
- Valued by consumers, prescribers, healthcare funders and payers

Primary care pharmacists will work collaboratively with the consumer, healthcare delivery and financing systems to:
- Manage medications
- Positively impact health outcomes
- Reduce overall healthcare system costs
- Empower consumers to actively manage their health.
Expanded Service Offering

The foundation of the Future State is an expanded service offering that can be grouped into four distinct categories based on the associated activities, customers and revenue sources.

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dispensing &amp; Administering Services</strong></td>
<td>Preparation, filling, delivery and administrative processing of a prescription as well as coordinated preparation, filling, and delivery of a customer’s total prescription medication experience - the focus of the existing service offering</td>
</tr>
<tr>
<td><strong>Patient Care Management Services</strong></td>
<td>Meeting a need for a customer’s health issues or concerns which leverages the pharmacist’s clinical knowledge and understanding of medication management. This category includes reporting on the outcomes and system benefit of these services</td>
</tr>
<tr>
<td><strong>Related Health Product Recommendations</strong></td>
<td>Pharmacist directing customers towards consumer/healthcare products and services that could augment healthcare outcomes aligned with their prescription, purchase or customer profile. The goal is to increase the value of the customer interaction and to retain customers</td>
</tr>
<tr>
<td><strong>Derivative Services</strong></td>
<td>Pharmacies utilizing their customer assets in a compliant manner by leveraging their customer base and corresponding data to support research, public health, and other secondary uses of data and patient access not directly related to patient care</td>
</tr>
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</table>
**Targeted Consumer Segments**

**The Expanded Service Offering targets three consumer segments:**

<table>
<thead>
<tr>
<th>Health &amp; Wellness</th>
<th>Future Chronics</th>
<th>High Utilizers</th>
</tr>
</thead>
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<tr>
<td><strong>Selection Criteria:</strong></td>
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<td><strong>Selection Criteria:</strong></td>
</tr>
<tr>
<td>Committed to health and wellness with a strong probability of willingness to pay for services based on high derived value</td>
<td>Consumers over 41 years, not otherwise included, that have an increased likelihood to have a chronic condition in the near to mid term and increased risk factors for the target conditions</td>
<td>Consumers with chronic conditions which drive the majority of the healthcare spend and utilizers with healthcare status that drives avoidable spending</td>
</tr>
<tr>
<td>Health Status: Healthy</td>
<td>Health Status: Borderline Utilizers</td>
<td>Health Status: Utilizers</td>
</tr>
<tr>
<td>Consumer Age: 19-40 yrs</td>
<td>Consumer Age: 41+ yrs (Emerging)</td>
<td>Consumer Age: All</td>
</tr>
</tbody>
</table>

**Additional Focus Criteria:**

<table>
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<th><strong>Health &amp; Wellness</strong></th>
<th><strong>Future Chronics</strong></th>
<th><strong>High Utilizers</strong></th>
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</thead>
<tbody>
<tr>
<td><strong>Subset Focused on Proactive Health &amp; Wellness</strong></td>
<td><strong>Risk/Probability for Becoming a Utilizer in the Near- to Mid-term</strong></td>
<td><strong>Target Conditions</strong></td>
</tr>
<tr>
<td>1. Estimated at 10%</td>
<td>All of the emerging population (46M) has potential as Future Chronics</td>
<td>Diabetes</td>
</tr>
<tr>
<td>Estimate of Subset Likely to patronize retail pharmacy</td>
<td>High Risk/Probability Sub-Segment (35%) is group that will present with a target conditions in the next twelve months</td>
<td>COPD</td>
</tr>
<tr>
<td>1. Estimated at 60%</td>
<td></td>
<td>Hyperlipidemia</td>
</tr>
</tbody>
</table>

**Size (est.):**

<table>
<thead>
<tr>
<th>Health &amp; Wellness</th>
<th>Future Chronics</th>
<th>High Utilizers</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5 M People</td>
<td>46.0 M People (Mid-Term)</td>
<td>101 M People</td>
</tr>
<tr>
<td>~2% of population</td>
<td>~15% of population</td>
<td>~36% of population</td>
</tr>
<tr>
<td>16.0 M People (Near Term)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>~5% of population</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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The New Community Service Model

**Consumer Segments**

- **Health & Wellness**
- **Chronic Conditions**
  1. Diabetes
  2. Asthma
  3. COPD
  4. Hypertension
  5. Hyperlipidemia
  6. Osteoarthritis
  7. Heart Failure
  8. Back Problems
  9. Thyroid Disease
  10. Circulatory
  11. Kidney Disease
  12. Depression
  13. Rheumatoid
  14. Osteoporosis
  15. Neurological
  16. Polypharmacy

**Future Chronics**

**Medication Management Services**

1. Medication Management
2. Medication Adherence Support
3. Condition/Disease Education & Management
4. Screening Services & Interval Monitoring
5. Clinical Reminders

**Chronic Condition Education and Prevention**

**Health & Wellness Counseling**

**Health Outcomes and Service Delivery Reporting**
Developing the Service Offering

- Joint Branding
- Primary Care Pharmacist
- Patient Care Management Services
- Personal Health Record
- Patient Care Management Reports
- Individual Pharmacy Initiatives
- Expanded Service Offering
- Service Delivery Differentiation
- Pricing and Contracting Strategy

- Joint Standards Development
- PCM Service Offering Core Elements
- Health Outcomes Measures
- Coverage, Billing and Coding
- Health Information Exchange
- PCM Operational Core Elements
- PCM Services Documentation, Data Aggregation and Reporting
- Personal Health Record Core Elements
- Operational Service Delivery Metrics

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The Payer View of Patient Care Management Services

Community Pharmacy PCM Marketing Coordination

Health Plan

Covered Benefit for Patient Care Management Services

Contract

Chain Pharmacy # 1

Independent Pharmacy # 1

Chain Pharmacy # 2

Group of Independent Pharmacies

Data Aggregation and Health Outcomes and Service Offering Reporting

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Delivering Patient Care Management Services

1. Consumer with Target Condition
2. Member of Health Plan with Covered Benefit for PCM
3. Health Plan Service Delivery Collaboration
4. Health Plan

- Community Pharmacy/Primary Care Pharmacist
- Consumer Recruitment into Patient Care Management
- PCM Consumer Orientation Delivered by Primary Care Pharmacists
- Face to Face Interventions Delivered by Pharmacists in the Community Pharmacy
- IVR
- Website
- Mail/E-Mail

- Health Outcomes and Service Delivery Documentation and Reporting
- PCM Workflow Integrated Into Pharmacy Management System

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Patient Care Management Service Development and Delivery Infrastructure

- All Participating Pharmacies
- Optional Services for Participating Pharmacies

- Data Aggregation and Consolidating Reporting
- Business Development

- PCM Marketing Coordination
- Service Delivery Technology

- Standards Development and Management
- Data Services and Reporting

- Stakeholder Communication
- Network Development and Management

- Cooperative Initiative with Participating Associations and Stakeholder Representation
- Leverage Existing Entities and Capabilities such as Mirixa

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The Business Model for the New Community Pharmacy Service Model

Revenue and cost projection tool developed to demonstrate the economic viability of the new service offering and identify consumer volume projections based on population and condition prevalence.

Increased Medication and Medication Management Costs with Corresponding Impact on Overall Health Spending and Avoidable Savings.

PCM

Payer Subsidized FFS and Case Rate

Payer Subsidized Pay for Performance

CPT Codes

Related Health Products

Patient Self Pay/ Payer Subsidized/ HSAs

Future Chronics Education

Patient Self Pay/ Payer Subsidized/ HSAs

Personal Health Records

Patient Self Pay/ Payer Subsidized / Pharmacy Investment

Health & Wellness Services

Patient Self Pay/ Payer Subsidized / HSAs
Health Information Exchange Landscape
Health Information Exchange Landscape

Vendor-Led Efforts

- **Integrating the Healthcare Enterprise (IHE):** Build integration profiles for various interoperability use cases. 2007 demonstrations focused on pharma issues- patient registry, electronic data capture for clinical trials, adverse event reporting, and connecting with EHRs.
**Key Market Trends: E-prescribing**

Medication history is critical for clinical decision-making and e-prescribing is a great first step for prescribers to adopt HIT without impacting their entire practice.

<table>
<thead>
<tr>
<th>Current State</th>
<th>Trajectory</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Applications and communications mechanisms for ERx are separate from other clinical processes</td>
<td></td>
</tr>
<tr>
<td>▪ MMA mandated progressive development and adoption of standards for e-prescribing</td>
<td></td>
</tr>
<tr>
<td>▪ Utility of e-prescribing has been demonstrated in a number of pilots and clinical practice settings</td>
<td></td>
</tr>
<tr>
<td>▪ NEPSI-Aetna, Allscripts, Cisco, Dell, Fujitsu, Google, Intel, Microsoft, Sprint Nextel, SureScripts, WellPoint, Wolters Kluwer Health invest $100M to implement free e-prescribing to physicians across the country</td>
<td></td>
</tr>
<tr>
<td>▪ MTM is gaining recognition as a method for providing a high-impact intervention that can be supported through HIE and e-prescribing</td>
<td></td>
</tr>
<tr>
<td>▪ Ability to prescribe controlled substances is a rate limiting factor and preventing current e-prescribing practices from becoming a comprehensive solution</td>
<td></td>
</tr>
</tbody>
</table>

**Key Considerations for Community Pharmacy**

▪ Partnership opportunities exist to leverage the work of other stakeholders in e-prescribing to demonstrate the value of community pharmacy

▪ Community pharmacy (through SureScripts) could offer a straightforward method for obtaining evidence (one-stop shopping for audit trails, etc) and tools for conducting searches of prescribing behavior

▪ Differentiator for community pharmacy, “we accept electronic scheduled drug prescriptions”
Key Market Trends: Electronic Health Records

Ambulatory care has been slow to adopt EHRs and won’t tip soon. Ubiquitous Pharmacy Information Systems give Community Pharmacy a distinct advantage over other sectors.

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<td>▪ Slowly gaining a foothold in clinical settings</td>
<td>▪ Hospitals/large integrated delivery networks continuing to adopt at a higher rate than physicians offices despite increased awareness</td>
</tr>
<tr>
<td>▪ Key drivers for adoption: ROI, regulatory mandate, evidence for efficiency, improved quality</td>
<td>▪ Many organizations are positioning themselves to be in this space</td>
</tr>
<tr>
<td>▪ EHR systems are expensive and complex to implement</td>
<td>▪ Payers, providers want to be the home of the PHR</td>
</tr>
<tr>
<td>▪ Networks already in place (e.g., SureScripts)</td>
<td>- Other stakeholders do not want payers to be the home</td>
</tr>
<tr>
<td></td>
<td>▪ Little evidence EHRs reduce total costs or increase quality</td>
</tr>
</tbody>
</table>

**Key Consideration for Community Pharmacy**

- Pharmacy interactions generate key data for medication records associated with EHRs
- Can serve as an important way to differentiate pharmacies as a network of clinical information exchange data providers
- PHR is the value that pharmacies can currently provide and can be integrated into future EHR implementations
- Significant number of efforts to aggregate community based data
- Shared data model can help improve outcomes and reduce service duplication
Key Market Trends: Regional Health Information Exchanges (RHIOs)

False starts and uncertain models for sustainability means that RHIOs will take years to take hold. Community pharmacy needs a flexible strategy that can mature over time.

- **Current State**
  - Part of the federal strategy to support a Nationwide Health Information Network (NHIN)
  - Out of 390 active RHIOs, there are only a handful of notable RHIOs that have developed a sufficient model for sustainability
    - MA-SHARE
    - Health Bridge (Cincinnati)
    - Inland Northwest Health Services
    - Indiana Network for Patient Care

- **Trajectory**
  - Santa Barbara Project, an early RHIO effort led by Dr. David Brailer, recently closed its doors, drawing much attention and raising concerns that RHIOs do not have a sustainable business model
  - ONC continues to drive the creation of the NHIN as a network of networks that connects RHIOs and other Health Information Exchanges (HIEs) through trial implementations. These trials will shape the ultimate design of RHIOs.

**Key Consideration for Community Pharmacy**

- Focus on creating solutions that can take advantage of RHIOs and Health Information Exchange, but are not dependent on them
- Partner with some of the more established RHIO organizations to develop targeted pilots that demonstrate the pharmacy service offerings
**Key Market Trends:**

**Core Technology Approaches**

New technology approaches lower cost of ownership and time to implement while allowing Community Pharmacy to leverage existing applications.

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<td><strong>Service Oriented Architecture (SOA)</strong></td>
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<tr>
<td>- Allows for the orchestration of a series of services that align with a business process or workflow without having to create new code or custom interfaces</td>
<td></td>
</tr>
<tr>
<td><strong>Open Source Software (OSS)</strong></td>
<td></td>
</tr>
<tr>
<td>- Part of CDC’s strategic framework for active surveillance and adverse event reporting</td>
<td></td>
</tr>
<tr>
<td>- Mirth is used as an interface engine for HL7, NCPDP, X12 messages</td>
<td></td>
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<tr>
<td><strong>Service Oriented Architecture (SOA)</strong></td>
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<tr>
<td>- Trend in IT toward distributed computing and modular programming where components of applications are built as discreet modules and then called up as services</td>
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<tr>
<td>- CDC is drastically changing its approach to incorporate service oriented architecture</td>
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<td><strong>Open Source Software (OSS)</strong></td>
<td></td>
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<td>- Increasing interest in OSS for infrastructure efforts</td>
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**Key Consideration for Community Pharmacy**

- Since many of the service offerings that Project Destiny is considering will need to be integrated into various existing enterprise applications (e.g. Pharmacy Management System), service oriented architecture may represent the best approach to creating these offerings so they can be called up within existing applications
Health Information Exchange Landscape Summary

- The healthcare information technology environment is exceedingly fragmented and impacted by regulatory issues.

- The marketplace is crowded with competition with few dominant market leaders in the clinical space.

- Community pharmacy has an opportunity to present itself with a singular voice and point of connection on the front end of care.
## Key Market Trends

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| E-Prescribing                 | ▪ Medication history critical for clinical decision making  
▪ Viewed as first step for physician adoption of HIT  
▪ Community pharmacy in leadership position |
| Electronic Health Records     | ▪ Slow gain in clinical settings, expensive/not proven  
▪ PHR’s offer opportunity for pharmacy to enter EHR arena |
| Regional Health Information Exchanges | ▪ Uncertainty exists in the viability of RHIO’s  
▪ Partner with notable RHIO’s to develop pilots |
| Core Technology               | Service oriented architecture (SOA) can integrate into existing enterprise applications for delivery of patient care service offerings |
Personal Health Records Development and Implementation Plan

Coverage, Billing and Coding Standards Development, Integration and Implementation

PCM and Related Health Products Decision Support Tools, Documentation and Integrated Workflow Development and Implementation

Integration with Market e-Prescribing and e-Health Record Initiatives
Health Information Exchange Recommendations

- Conduct pilots that demonstrate the role HIE plays in enabling community pharmacy to providing advanced clinical services
- Explore the development and use of SOA and open source software to support community pharmacy service offerings
- Deepen community pharmacy involvement in standards development
- Seek larger role in AHIC as the community transitions into its new form
Transforming Community Pharmacy
## Significant Strategic Transformation Across Multiple Community Pharmacy Components

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<th>Future</th>
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<td>Revenue and profitability</td>
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<td><strong>Image</strong></td>
<td><strong>Customers view pharmacists as trusted medication advisor</strong></td>
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<td>Based on margin</td>
<td>Based on customer potential</td>
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<td>Based on customer mix</td>
<td>Based on leveraging assets (e.g. data)</td>
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<td>Economic pressure and declining viability of dispensing only model</td>
<td>Increased economic opportunities</td>
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<td><strong>Capabilities</strong></td>
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<td>Technology enabled</td>
<td>Increasing specialization and basic patient care services</td>
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<td>Clinical acumen variable</td>
<td>Increasingly relationship focused</td>
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<td>Operationally focused</td>
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<td><strong>Professional Development</strong></td>
<td><strong>Broader opportunity for professional development with structured specialization</strong></td>
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<td>No new B.S. Pharm graduates; all PharmDs</td>
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</tr>
<tr>
<td><strong>Enablers/HIT</strong></td>
<td><strong>Patient-centric</strong></td>
</tr>
<tr>
<td>Rx-centric at point of sale</td>
<td>Information driven</td>
</tr>
<tr>
<td>Data driven</td>
<td>EDI</td>
</tr>
<tr>
<td>EDI</td>
<td>MTM</td>
</tr>
<tr>
<td></td>
<td>HC System cost focus</td>
</tr>
</tbody>
</table>

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## Market Observations and Our Strategic Imperatives

<table>
<thead>
<tr>
<th>Market Observations</th>
<th>Strategic Imperatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payers and healthcare funders are interested in medication management services and their positive impact</td>
<td>➢ Demonstrate community pharmacy’s commitment to move quickly to participate in the medication management market activity</td>
</tr>
<tr>
<td>Multiple entities are pursuing the medication management market many with remote non-pharmacist-led clinical interventions</td>
<td>➢ Demonstrate the value of pharmacist-led face to face clinical interventions</td>
</tr>
<tr>
<td>Community pharmacy has been talking about but not taking action for years</td>
<td>➢ Demonstrate community pharmacy’s commitment to take action</td>
</tr>
<tr>
<td>Community pharmacy will try to regulate a market offering as opposed to collaborating with its stakeholders</td>
<td>➢ Demonstrate community pharmacy’s willingness to collaborate with payers and healthcare funders</td>
</tr>
<tr>
<td>Pharmacy Owners and Operators will not support the delivery of clinical services by community pharmacists</td>
<td>➢ Demonstrate pharmacy owner and operators willingness to invest in a community pharmacy led clinical service offering</td>
</tr>
<tr>
<td>Key stakeholders do not believe community pharmacies of different types will collaborate on a market offering</td>
<td>➢ Demonstrate the ability of community pharmacies to work together regardless of type of pharmacy entity</td>
</tr>
</tbody>
</table>
### Changing Stakeholder Perception

In all stakeholder categories there are perception changes required to achieve the desired state.

<table>
<thead>
<tr>
<th>Category</th>
<th>Current</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmacists &amp; Extenders</td>
<td>Interested</td>
<td>Ambassadors</td>
</tr>
<tr>
<td>Pharmacy Owners &amp; Operators</td>
<td>Hesitant</td>
<td>Champions</td>
</tr>
<tr>
<td>Funders</td>
<td>Distant</td>
<td>Supporter</td>
</tr>
<tr>
<td>Payers</td>
<td>Skeptic</td>
<td>Partner</td>
</tr>
<tr>
<td>Prescribers</td>
<td>Concerned</td>
<td>Accepting</td>
</tr>
<tr>
<td>Patient Groups</td>
<td>Unaware</td>
<td>Empowered</td>
</tr>
<tr>
<td>Academia, Associations, &amp; Nonprofits</td>
<td>Enabler</td>
<td>Collaborator</td>
</tr>
<tr>
<td>Manufacturers</td>
<td>Hesitant</td>
<td>Collaborator</td>
</tr>
<tr>
<td>Technology Enablers</td>
<td>Interested</td>
<td>Partner</td>
</tr>
<tr>
<td>Legislators, Regulators, &amp; Policy Makers</td>
<td>Not Engaged</td>
<td>Advocate</td>
</tr>
</tbody>
</table>

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Challenges to Transformation

- Negative biases and perceptions of community pharmacists’ inability to offer expanded services
- Commitment to change from a transaction-based to a relationship-based model
- Challenge in uniting community pharmacy to offer a common service offering
- Regulatory restrictions
- Lack of needed infrastructure to support the expanded offerings
- Significant level of investment required to build market offering
- Lack of relationships between pharmacists and consumers
- Time constraints due to increasing demand for prescriptions
Project Destiny Accomplishments

- Identified community pharmacy assets that need to preserved and leveraged
- Developed models to support a scalable and economically viable community pharmacy service offering
- Developed an approach for a HIE interoperability plan
- Conducted over 40 stakeholder interviews across ten stakeholder categories
- Developed a strategic journey map through 2017
- Developed a short term implementation/communication action plan to internal and external stakeholders
The Communications Strategy includes 4 integrated tracks that support the transformation of community pharmacy

**Association Member Commitment**
- Compel pharmacists and pharmacy owners to embrace changes within the profession and business model
- Establish a change management program that positions pharmacists as ambassadors and pharmacy owners as champions

**Healthcare Industry Positioning**
- Establish a thought leadership platform to raise the visibility of community pharmacy
- Demonstrate outcomes based on pharmacist led, face-to-face interactions are superior to other forms of Patient Care Management services

**Stakeholder Collaboration & Adoption**
- Reach out proactively to key stakeholder groups to build a network of advocates and supporters
- Establish partnerships to define collaboration
- Ignite demand for expanded services

**Legislative, Regulatory, & Policy Acceptance and Support**
- Establish coordinated government relations and public affairs program to fuel acceptance and support for the vision of a primary care pharmacist delivering medication management services

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Entering the Patient Care Management Market

Payers, Funder and Pharmacy Identification for Pilot Initiatives

Pilot # 1

Pilot # 2

Pilot # 3

Pilots to Demonstrate:
- Value of Face to Face Interventions
- Value of Medication Management
- Viability of Practice Model
- Viability of Health Outcomes Metrics and Processes

Short Term Communication Plan

Funding Source Assessment and Plan

Standards Development

2007 2008

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The journey map provides direction to measure progress, realize benefits, and manage risks while pursuing the vision for community pharmacy.

**Credible & Prepared**
At the End of 2009
- A critical mass of Pharmacists and Pharmacy Owner/Operators are willing to participate in a patient care management network
- A scalable patient care management offering across multiple pharmacy types can be implemented
- Face-to-face, pharmacist led interventions are able to be differentiated
- Collaboration mechanisms with stakeholders have been defined to facilitate reimbursement and market adoption
- Health information exchange and workflow for expanded services have been defined to facilitate implementation

**Proven & Mobilized**
At the End of 2011
- Infrastructure and support system implemented across a critical mass of community pharmacies to deliver a consistent set of services
- Active, broad network of community pharmacies providing patient care management services to multiple payers
- Growing base of outcomes data that demonstrates value of medication management
- Expansive participation of community pharmacies in network
- Growing base of consumers utilizing patient care management services
- Critical mass of data participants to launch derivative services

**Recognized & Integrated**
At the End of 2013
- Stakeholders (e.g., payers & funders) are actively seeking patient care management services as covered benefit
- Consumers are actively seeking patient care management and expanded services
- Lack of pharmacy participation in network is an exception
- Broad acceptance of pharmacists that services are an integrated component of professional delivery responsibilities
- Coordinated health information exchange that leverages e-prescribing and EHR across stakeholders
- Robust data analytics that demonstrate value of medication management through refined models

**Healthcare Delivery Partner**
At the End of 2017
- Working with healthcare stakeholders to move to the next generation of medication management
- Broad use of consumer and outcomes data for derivatives services
- Routine coverage and contracting of patient care management services across payer membership
- Growing base of outcomes data that demonstrates value of medication management
- Expansive participation of community pharmacies in network
- Growing base of consumers utilizing patient care management services
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What Community Pharmacy Needs To Do

Maintain Momentum and Visibility with Key Stakeholders

- Establish an infrastructure that can drive the ongoing activities
- Implementation of the various identified programs:
  - Stakeholder communication plan
  - Pilots/Demonstrations to demonstrate the value of face-to-face and other clinical interventions
  - Strategy for engagement in HIE space
  - Strategy for development of standards
  - Strategy for legal/regulatory needs to facilitate transformation
  - Identify/develop tools to enable quick adoption
The Transformation of Community Pharmacy Practice will require a journey over several years

- Success will be defined when pharmacy operators and owners buy-in philosophically to the new model and embrace its tenets.
- Community pharmacy must be unified to offset the cynicism that exists among stakeholders.
- Communication and execution are important to the successful roll-out of Project Destiny.
- The new model will allow for scalability and replicability across any practice setting and will be a significant paradigm shift from the current models.
How Can Academia Help?

Collaborate with Community Pharmacy in Realizing our Vision

- Prepare students for the Future Vision of Pharmacy Practice
  - Stimulate and excite the profession
  - Educational courses
  - Experiential sites
  - Develop advocacy skills
- Provide research activities for demonstrations
- Dialogue
- Other ideas
Project Destiny

Edith Rosato, Sr. VP Pharmacy Affairs NACDS
Project Team Leader Project Destiny

-Confidential-