Profiles of leading pharmacy retailers

With more than $225 billion in pharmacy sales and more than 67,000 stores, the 2015 PoweRx list represents more than 80% of the total retail pharmacy business. And with the implementation of the Affordable Care Act, they are creating innovative programs and entering healthcare partnerships to move beyond dispensing and increase their role in the U.S. healthcare arena.

<table>
<thead>
<tr>
<th>RANK</th>
<th>COMPANY</th>
<th>2014 Rx SALES*</th>
<th>2014 TOTAL CORP. SALES*</th>
<th>TOTAL STORES</th>
<th>STORES WITH Rx PAGE</th>
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* All sales in millions; reflect most recent fiscal year
† Converted to US$ at .793847

FOOTNOTES FOR TOP PHARMACY RETAILERS
1. Includes only retail pharmacies and specialty pharmacies
2. Based on retail sales
3. Includes pharmacy services segment revenue of $88.4 billion and retail sales of $67.8 billion
4. Retail stores
5. Fiscal year 2015 for the 52 weeks ended Feb. 28
6. As of Feb. 28, not including 647 Sam’s Club stores. Total includes 3,407 supercenters, 470 discount stores, 603 Neighborhood Markets and 40 smaller-format units
7. DSN estimates for independent network sales
8. Excluding Medicine Shoppe and Medicap stores
9. Includes results from Shoppers Drug Mart and Loblaw pharmacy locations
10. Includes total Loblaw sales plus Shoppers Drug Mart revenues
11. 2014 sales are lower due to fewer stores (had to sell about 300 stores to complete merger)
12. Diplomat operates nine regional fill centers
13. U.S. stores only, including Medicine Shoppe and Medicap pharmacies
14. U.S. operations
15. Proposed for fiscal year ended March 1, 2015
16. Including in-store pharmacies, offsite clinics, specialty pharmacy and central-fill center
17. 256 ShopRite stores, 56 Price Rite stores and six The Fresh Grocer stores
18. Excludes Save-A-Lot and supply chain sales; projected for fiscal year 2015
19. Thrifty White operates a drug warehouse, which is included in the total sales number, but is not included in the Rx sales number
20. For fiscal 2014 ended Dec. 27
New name reflects broad care commitment

By Antoinette Alexander

With a new moniker designed to reflect its broader commitment to health care, CVS Health is “positioned for today, preparing for tomorrow,” executives told Wall Street during its 2014 Analyst Day in December.

“We expect that reform and demographic changes will increase the number of [insured] lives, and that will provide a long-term secular tailwind for the industry,” Larry Merlo, president and CEO of CVS Health, told analysts.

For 2014, total revenue in the pharmacy services segment increased 16.1% to $88.4 billion, fueled in part by specialty pharmacy, including the acquisition of Coram and the impact of CVS Health’s Specialty Connect offering rolled out in May 2014. Like Maintenance Choice, Specialty Connect connects mail and retail to provide choice and convenience for members.

For 2015, the company expects to generate roughly $37 billion in specialty revenues, up from an estimated $31 billion in 2014, Merlo explained.

CVS Health’s integrated PBM offerings are not only resonating with payers and translating into a growing list of new healthcare alliances, but the PBM business model has afforded the company a lever to help offset lost sales at retail, following its decision last year to pull the plug on all tobacco sales.

Despite the tobacco headwind, the impact on front-end sales was less than company executives anticipated and resulted in “no discernible” impact on its pharmacy business, the company stated in February.

The bold move to exit speaks to CVS Health’s larger mission as a health-and-beauty destination. Health and beauty has grown rapidly for the company with overall sales up more than 30% over the past five years.

“Looking ahead, there are significant health-and-beauty opportunities we can tap into in the drug channel. Our market is poised between two worlds: the convenience sphere, which is the quick foods and general merchandise we sell, and the destinations sphere, which is all the health-and-beauty products that people associate with a drug store,” Helena Foulkes, EVP and president of CVS/pharmacy, told analysts.

Foulkes said the company has outlined five strategic themes to drive growth:

- Better health made easy
- Elevate beauty
- Customer-driven personalization
- MyCVS store
- Digital innovation

As part of the strategy, the company is looking to deliver a better in-store experience and showcase its healthcare expertise. For example, it is expanding OTC and making it an integral part of adherence and post-care support.

CVS/pharmacy also is bolstering its selection of on-the-go healthy food.

Beauty will get a facelift with exclusive offerings and enhanced merchandising. Over the next year, shoppers will see an upgraded cosmetics wall in many stores, a stepped up facial care look and feel, endcaps dedicated to beauty elevation, and an increased focus on naturals and healthy solutions.

“Our very best stores are going to get the full effect and a total revamp with all of the above and much more,” Foulkes told analysts.

The company also is leveraging MinuteClinic in beauty, offering, for example, eyelash lengthening consultations and services.

The company’s MinuteClinic business operates 960 clinics, and over the past two years has opened more than 340 clinics, while entering 20 new markets. The goal is to operate 1,500 clinics by 2017.

In addition to the ongoing clinic growth, the company also is expanding its scope of services. Along with preventive and acute care services, MinuteClinic also is looking to provide chronic condition monitoring and various wellness programs.
Walgreens forever changed its corporate trajectory with the execution of its “step 2” merger and acquisition of Boots Alliance, creating a truly international retail pharmacy operator with the restructured and rebranded Walgreens Boots Alliance.

But here in the United States, Walgreens’ core go-to-market strategies remain the same. Walgreens still excels at a healthcare offering, which not only enables its pharmacists to practice at the top of their license, but also positions Walgreens as an optimal partner to health systems interested in improving the health outcomes of their patients; Walgreens is still a master at pushing the envelope of what the average consumer thinks they can find at their typical drug store with both a eye-catching prestige and masstige beauty offering and a focus on both fresh foods and products unique to the local markets; and Walgreens still helps pave the way toward a comprehensive omnichannel offering that delivers more experiences to consumers when, where and how they want.

As an example of how Walgreens is helping to improve health outcomes metrics, Walgreens WellTransitions program has successfully reduced hospital readmission by some 47% in more than a dozen communities nationwide, said Richard Ashworth, Walgreens president pharmacy and retail operations. “[The program] is designed to help patients as they’re transitioning from the hospital out into the community that ensures that they get their medication before they leave the hospital, so [it’s] really focused on that primary nonadherence gap,” he said. “We’re also focused on special conditions, or rare diseases and conditions, [with] specialty pharmacies [across] the country — somewhere near 1,000 in total that have extra training and extra capabilities in terms of taking care of these defined populations.”

But it’s that patient experience across the backbench that continues to distinguish Walgreens as a premier pharmacy offering. “We’ve got a designated strategy and approach to free up pharmacists to spend more time with patients, [and] we’ve got technological capabilities that centralize some of the tasks that occur within pharmacies,” Ashworth told Drug Store News. The end result is a pharmacy operation primed to position a pharmacist in front of the drug store counter.

As outlined in Drug Store News’ special March 9 report “Walgreens goes BIG in Beauty” that showcases Walgreens’ unique beauty position, Walgreens has become a “loved” destination center for men and women aspiring to live happier lives. Walgreens is fusing the best in prestige beauty brand offerings with the flavor of its U.K. Boots beauty business and the exclusive, iconic No7 beauty brand. And Walgreens’ more than 26,000 Beauty Advisors help solidify that in-store beauty experience with a personal, educated touch.

“We’re also focused a lot on technology,” Ashworth noted. “We’ve got the Walgreens app, so we have refill by scan, we have our immunization record that you can pull up on your phone, you can also chat from the phone as well,” he said. “We’ve also got some new partnerships that we announced on that front … like MDLive, WebMD and our Balance Rewards for Healthy Choices, which is a digital platform to connect people’s daily behaviors and actions to be healthier.” Walgreens partnerships with MDLive brings to Walgreens’ patients a telehealth offering launched in December that will give Walgreens app users 24/7 access to U.S. board-certified doctors.

And with WebMD, the companies are working together to provide WebMD’s virtual wellness-coaching programs directly to Walgreens customers. Walgreens also has incorporated WebMD content on a variety of health topics, co-branded by WebMD and Walgreens, into its digital experience and stores.
When news of Rite Aid’s acquisition of the $5 billion-large PBM EnvisionRx broke on Feb. 11, the company’s shares closed 6.6% higher that day at $8.08. That’s because Wall Street knows a good deal when it sees one, and the acquisition of EnvisionRx is a good deal. Rite Aid’s new PBM will enhance the chain’s ability to provide a higher level of care to the patients and communities served by the Pennsylvania-based retailer.

In fact, Rite Aid in the past year has acquired a number of health offerings that put the retail pharmacy operator in a position to succeed in what has become a fast-moving healthcare marketplace. Rite Aid’s healthcare offerings include RediClinics inside select stores and its innovative Rite Aid Health Alliance program, both of which help maintain Rite Aid’s continued focus on health-and-wellness initiatives, enhance value and choice for customers, expand Rite Aid’s role in healthcare delivery, address needs of growing market segments and leverage Rite Aid’s existing store base to deliver growth.

“Over the past few years, we have made tremendous progress in strengthening Rite Aid,” Standley told investors when sharing the news of the EnvisionRx deal. “We built a strong foundation from which we are expanding our presence as a retail healthcare company. [The] announcement of our acquisition of EnvisionRx is the logical next step in our plans to enhance our ability to serve patients and drive growth.”

Rite Aid’s transformation into a comprehensive healthcare solution is felt through its stores, too. When you pair Rite Aid’s ability to better manage the overall health of a patient with such propositions as its 1,500-strong Genuine Well Being store format — including the company’s just-opened store in Harrisburg, Pa., its first net-new store since 2010 — such out-of-the-box customer engagement initiatives as the Rite Aid Innovation Challenge and an enhanced beauty offering, you have a pretty compelling retail solution that’s going to attract the best kind of customers — sticky ones.

And then there’s the expansion of RediClinics within Rite Aid stores. Beginning in the Philadelphia and Washington, D.C./Baltimore markets, Rite Aid’s 24 RediClinics will be able to treat patients for more than 30 common medical conditions. Rite Aid will field some 35 additional RediClinics within Rite Aid stores by year-end by expanding RediClinic into the Seattle market.

Another initiative that is squarely positioning Rite Aid as a provider is its recent partnership with HealthSpot on its telehealth kiosks, which will be piloted in three Ohio markets. Visitors to the HealthSpot station will be able to connect with a network of board-certified medical professionals, such as Cleveland Clinic and other major health systems across Ohio, through the HealthSpot Network.

Rite Aid’s new beauty look builds on innovations featured in previous Wellness remodels — such as illuminated displays and a free-standing nail bar — by incorporating premium brands into an expanded product mix. Stores piloting this concept also have specially trained beauty advisors who can demonstrate how products are used and help customers learn about new brands, color-matching and other current trends. “We now have 50 Wellness stores with expanded beauty departments that feature a broader selection of prestige brands and specially trained beauty advisors,” Ken Martindale, Rite Aid president and COO, told investors during the company’s third-quarter conference call in late December.

And in February, Rite Aid launched in some markets Receutics Active Skin Repairs exclusive 10-piece collection of dermatologist-strength skin care products that helps address skin care concerns. The line is expected to be available companywide by January 2016.

Augmenting Rite Aid’s health and beauty proposition to its consumer base, Rite Aid in March announced its participation in a first for the U.S. retail industry — a coalition loyalty card program that in addition to Rite Aid includes such iconic brands as Macy’s, AT&T and Hulu. The new loyalty program, called Plenti, is additive to Rite Aid’s already-robust loyalty card program wellness+, which boasts more than 25 million active cardholders.
Aligning health services, nutrition

By Jim Frederick

“Our health-and-wellness experts are leading the way for the future of health care in our stores and beyond.”

For any retail pharmacy provider, that would be a bold, perhaps even overly confident, assertion. But coming as it does from Walmart, it’s something that both the U.S. healthcare system and Walmart’s competitors are taking seriously.

Walmart’s goal, said Labeed Diab, president of health-and-wellness, is to be nothing less than “the No. 1 U.S. portable healthcare provider.” The world’s largest retailer is throwing its vast arsenal of resources behind that effort with a fast-expanding network of smaller stores with pharmacies; new pharmacy-based health services, such as immunizations, health screenings, insurance services and smoking cessation programs; a radically new concept for in-store walk-in clinics; a line of low-priced diabetic-care products called ReliOn; and a growing commitment to provide healthier nutritional choices.

“Whether it’s a small or large format, we have 140 million Americans who walk through our doors every single week,” Diab said. “In health-and-wellness, [we’re looking to be] a one-stop shop that American consumers can leverage.”

To that end, Walmart is taking big steps to make itself the destination of choice for virtually every facet of front-line, primary health services. That includes the care programs and prescription services developed by 53 U.S. clinical service managers and delivered by its 17,000 pharmacists, vision center services provided by some 4,000 opticians and optometrists, and expanding efforts to align all its health care and nutritional programs more seamlessly under one roof, according to Diab and other Walmart health-and-wellness leaders.

One major spearhead of Walmart’s campaign debuted in 2014 with the launch of a new in-store clinic format under the banner Walmart Care Clinic. The company opened 17 of the new care centers last year, positioning them as a full-service alternative to a visit with a primary care physician with a range of health services, including urgent and preventive care, as well as management of such chronic diseases as diabetes and hypertension.

With its ambitious menu of primary health services and its radical payment structure — virtually free for employees and $40 for all customers regardless of service — the new clinic could be a disruptive force in U.S. health care if it’s rolled out nationally. “It’s just like going to your primary care physician,” Diab said.

Meanwhile, Walmart continues to drive home its message of “affordability and accessibility … the building blocks of our success.” Since the advent of its $4 generic drug pricing strategy in 2006, the company said it has saved shoppers a total of $4.9 billion in prescription medication costs alone by switching from branded to generics.” And “the ability to walk into our stores and find affordable food [has] saved our customers $2.3 billion by offering low prices on fruits and vegetables,” to date, Walmart reported.

In addition, customers with diabetes “can save up to $784 on testing supplies per year” with the private label ReliOn brand of diabetic testing strips and other supplies, the company asserted.

On the broader front, Walmart is focusing heavily on the rapid rollout of such highly fruitful smaller store formats as Neighborhood Market, whose concentrated mix of groceries, general merchandise and pharmacy have been a hit with consumers. “Neighborhood Markets delivered approximately a 7.7% comp during the [fourth] quarter,” said Greg Foran, Walmart U.S. president and CEO. “We opened 233 Neighborhood Markets during the year, and customers like their easy and convenient access to fresh foods, pharmacy and services.”

The company also is steadily ramping up its automation, online marketing and distribution capabilities. “We’re also leveraging global best practices to increase site visits and add services such as the Asda Direct kiosk — which allows customers to order from online catalogs while they’re still in the store — to grocery delivery and drive-through pickup, which we’re testing in Denver,” Walmart Stores EVP and CFO Charles Holley Jr. reported.
Target sharpens focus on core priorities

By Antonette Alexander

Today, Target has moved beyond the data breach of late 2013, recording a 4.1% lift in fourth-quarter sales for the period ended Jan. 31, and discontinued its Canadian operations. With these weights lifted, Target will focus on core priorities, as outlined by chairman and CEO Brian Cornell, including:

• A channel-agnostic approach to growth, driving a total Target experience across stores, online and mobile. Guests who shop Target in stores and online generate three times the sales compared with guests who shop in stores only. Continued enhancements in technology, supply chain and inventory management will create a shopping experience that is rooted in ease and inspiration. “Now, almost 75% of our guests begin their shopping experience on a mobile device,” said Kathryn Tesija, EVP, chief merchandising and supply chain officer. Target executives expect this channel-agnostic focus to drive annual growth of 2% to 3% in digital sales.

• Elevating its core signature categories: style, baby, kids and wellness. Signature categories account for $20 billion in sales, representing more than one-quarter of its total sales in the United States. One key driver of its wellness platform has been the “Made to Matter – Handpicked by Target” collection of natural, organic and sustainable brands. In 2014, sales of the Made to Matter brands grew twice as fast at Target compared with the overall market, according to executives. In 2015, Target will double the size of the collection with more than 200 new and exclusive products. Sales are expected to hit $1 billion this year.

• Target will create a more guest-centric experience by tailoring its assortment and offering more locally relevant products with demographics, climate, location and other guest-led factors driving merchandising decisions. “We’ll be investing to build the capabilities to deliver a much more relevant in-store and online experience. Similarly, today’s consumer expects to receive relevant, personal offers and experiences, and we’re investing to build digital capabilities to make Target a leader in this space,” Cornell said.

• Target’s store opening plans will increasingly focus on new, more flexible formats, such as TargetExpress and CityTarget. These smaller formats enable Target to serve dense urban areas and, judging by the numbers, the concept is winning. At the CityTarget formats, for example, sales productivity is roughly double the average of its larger stores, and gross margin rates are nearly 10 points higher than the rest of the chain. As for TargetExpress, the company is seeing “strong early results” and will continue to test this format in 2015, with plans to open eight locations across the country.

Target continues to make dramatic improvements to the digital experience. More than 70% of its digital platform is new, including new mobile apps, desktop and the registry experience. This year alone, Target expects to invest $1 billion in technology and supply chain.

“Digital sales are growing at a breakneck pace. We delivered a 50% increase in digital conversion last year, and sales grew three-times faster than the industry average,” said Casey Carl, chief strategy and innovation officer. “Not only are we closing the gap, but digital sales are beginning to play a meaningful role in achieving our overall financial goals. Digital sales account for more than half of our total comp growth last year.”

As for mobile, in particular, it has truly become the “front door to Target,” Carl said. Today, 98% of Target guests shop digitally, and the vast majority of that shopping occurs on a mobile device. Last year, mobile traffic grew 44%, and conversions shot up 69%. Looking to further drive mobile, Target plans to evolve the user experience by improving its in-store location and navigation capabilities, provide greater mobile payments integration and test such new technologies as iBeacons to make shopping even more personalized.
Growing an independent network

By Jim Frederick

Measured by sheer number of stores in its service network, geographic reach and market penetration, Cardinal Health wields enormous clout as an independent pharmacy provider. The healthcare giant now distributes pharmaceuticals and provides marketing and support services to more than 8,400 independent pharmacies.

“We’ve continued to grow our position with independent pharmacies and other pharmacy channels over the year,” Cardinal noted. “Our portfolio of solutions for these customers has never been more comprehensive, and the response of retailers has never been more enthusiastic. Our focus remains to help these critical members of the healthcare system improve patient care, broaden their products and services, and increase the efficiency and profitability of their businesses.”

One newer addition to that portfolio is a turnkey medication therapy management solution to help retail pharmacies boost patients’ prescription adherence rates and outcomes. “Our goal is to make it as easy and time efficient as possible for pharmacies to deliver the MTM services that address these important patient needs,” said Brad Tice, Cardinal’s MTM solution product leader.

Through the program, MTM-certified pharmacists from Cardinal act as an extension of a participating pharmacy’s team, working directly with patients on a comprehensive medication review and sharing the results with the pharmacy. Both patient and pharmacy are given a “medication action plan” that highlights recommended changes in therapy, adherence issues that need to be addressed through clinical intervention, suggestions for medications the patient should consider taking or stop taking and opportunities for generic substitutions, according to Cardinal.

Cardinal reported that “the more than 180 retail pharmacies that … participated in the company’s pilot MTM program have delivered nearly four times as many comprehensive medication reviews as the industry average.”

Riding momentum, customer loyalty

The supermarket industry’s biggest engine appears to be firing on nearly all cylinders.

Kroger has become one of the nation’s leading operators of in-store clinics. “Due to years of strong growth, The Little Clinic expansion is becoming more aggressive,” Kroger reported last year, “with 55 clinic openings … in 2014, including expansion into two new divisions [Central and Mid-Atlantic].” That aggressive strategy boosted The Little Clinic network to 165 units in eight states, including Colorado, Arizona, Ohio, Indiana, Virginia and Georgia.

Kroger’s pharmacies also continue to reach customers with new preventive health-and-wellness services. “Everyday pharmacy services include vaccinations, medication therapy management and a variety of health screenings,” the company reported. “Many locations offer more intensive education and management programs, such as diabetes and heart-healthy coaching, diabetes self-management education, fitness, nutrition and weight management, and smoking cessation. Kroger also is utilizing innovative methods to improve medication adherence, reduce hospital readmissions and lower total healthcare costs.”

“Collaboration has been a key to our success,” said Kroger clinical coordinator Jim Kirby. “Partnering with organizations like the APhA Foundation, health systems and universities has enabled us to develop and test unique interventions. These programs are using a team-based approach to provide patient-centered care and improve health outcomes.”

Key to Kroger’s overall success has been its ability to tailor its customer loyalty and health-and-wellness programs to local markets and regional preferences. “We continue to differentiate ourselves through customer insights gained by analyzing customer shopping habits and behavior,” Kroger reported. “Years of experience in data analytics have made us exponentially better at personalization and individualized rewards.”
Enhancing front end, clinical work

By Michael Johnsen

In the past year, AmerisourceBergen has introduced a number of initiatives to help their Good Neighbor Pharmacy franchisees not only build out the clinical aspects of their business, but also develop the front ends of the pharmacy business and better connect to the patient.

“Access to patient care is extremely important,” David Neu, EVP retail strategy at AmerisourceBergen and president of Good Neighbor Pharmacy, told Drug Store News. “We do a lot to make sure that we help the pharmacist with some of their clinical needs,” he said. “We’re trying to find the balance between the training that we do on the clinical side … and what we are trying to do on the front end by giving them support from the supplier community,” Neu added.

To help improve front-end performance, Good Neighbor Pharmacy introduced its Pharmacy Transformation Services program, in which they remake a pharmacy’s front end to better meet the demands of today’s business. “This has really taken off,” Neu said, pointing to the overall 20% lift in front-end sales across the stores that had been transformed. Other benchmarks of success include a 2.7% lift in gross margin and an overall 8% increase in prescription volume.

Supplementing that program is another true differentiator for GNP — the company’s 20 business coaches deployed across the nation. “They really just look at the overall financial health and ways to improve it,” Neu said.

To help support pharmacists’ clinical work, AmerisourceBergen recently introduced its GNP University, which so far features 11 interactive training modules. More than 25% of GNP University users are enrolled in a course bundle regarding compliance, Neu noted, offering them a one-stop-shop for the most prevalent compliance issues they face.

To better connect GNP pharmacies to patients, AmerisourceBergen boosted its social media offering with a newly refaced GNP Facebook and GNP website, and a new GNP app. “We see this as a platform for growth,” Neu said.

Gaining insight on quality measures

Picking up almost 600 new stores in 2014, McKesson’s Health Mart is a forward-thinking pharmacy franchisor that focuses on a key component of community pharmacy success — the pharmacist-patient relationship. That personal relationship is becoming more important as the industry moves toward value-based reimbursements influenced by measured patient outcomes.

“To help our Health Mart pharmacies get more insights into their performance on the important quality measures, Health Mart has provided our members access to EQuIPP, an online platform that makes pharmacy performance data available to health plans and community pharmacy organizations,” Sarah Torbin, McKesson spokeswoman, told Drug Store News. “Using this platform, the stores can review their performance data, compare their performance to industry benchmarks and identify areas in patient care and clinical outcomes that could be improved.”

To help pharmacists build relationships with healthcare professionals in their community, McKesson offers its Physician Outreach Program that provides physician-specific data on more than 1.5 million prescribers, identifies high-opportunity prescribers and determines the best mix of services to offer. Last year, McKesson added patient visibility to the program, where users are able to see aggregated de-identified patient data.

And Health Mart in 2014 added more flexibility to its Local Marketing Support program in an effort to make marketing efforts more local. Health Mart pharmacies now have access to the Marketing Hub, Health Mart’s marketing portal designed to give owners the flexibility to promote their specific service offerings.

Health Mart also expanded Your Pharmacy Online, a consumer-facing customizable pharmacy website and mobile application that offers pharmacies a suite of services to support patient medication adherence and positive health outcomes, while driving prescription refills.
Grocery giants complete merger

BY BARBARA WHITE-SAX

Albertsons (AB Acquisition LLC) and Safeway completed their merger in early 2015, creating a new, privately owned supermarket pharmacy giant. The combined company should place Safeway/Albertsons among the top five supermarket retailers in the country.

At press time, Bob Miller was named CEO of the new company. Robert Edwards, former Safeway president and CEO, will continue as vice chairman.

The new company will be comprised of three regions and 14 retail divisions, supported by corporate offices in Boise, Idaho; Pleasanton, Calif.; and Phoenix. Banners will include Safeway, Vons, Pavilions, Randalls, Tom Thumb, Carrs, Albertsons, ACME, Jewel-Osco, Lucky, Shaw’s, Star Market, Super Saver, United Supermarkets, Market Street and Amigos. The company has not indicated that it will change the names of any of its stores.

Today, the company operates 2,230 grocery stores in 34 states and the District of Columbia.

In a statement at the time of the merger, Edwards said the larger company planned to continue its active local community focus, which will likely have a pharmacy concentration. In recognition of its outstanding immunization services, the American Pharmacists Association awarded Safeway its Corporate Immunization Champion award in 2014. APhA recognized the chain for its leading-edge position in immunization practice since the supermarket chain began offering immunization services in 2000.

The two chains offer a wide range of immunizations, health screenings and prescription savings programs. Safeway and Albertsons also have added Stayhealthy health kiosks to a number of locations. The combined company will likely extend Albertsons’ successful Diabetes Care Program to selected Safeway locations. The program enrolls patients with diabetes in diabetes seminars, diabetes management classes, or a six-month program of education and follow-up to encourage sustainable healthy lifestyle choices.
Building marketing clout

By Jim Frederick

Created in September 2009 with the merger of Phoenix-based United Drugs and Scottsboro, Ala.-based Associated Pharmacies, AAP remains a member-owned cooperative and buying group offering independent operators the negotiating power of a national pharmacy network “working together like a chain.”

Last year, marketing director Emily Marino said, the cooperative “focused on three main initiatives that would align our members’ goals with that of the industry.”

To that end, AAP beefed up its Quality Center, an online resource for members that analyzes claims against Medicare’s Star ratings criteria and provides pharmacies with a daily activity list to improve adherence and medication safety scores.

“To ensure our pharmacies stay ahead of the curve, we designed tools and programs, such as the Quality Center, that help our pharmacies continue to provide superior quality service and participate effectively in these pay-for-performance programs,” said Rob McMahan, president of AAP’s United Drugs division.

In 2014, AAP also launched a major campaign to help its members gain entry into specialty medicines. “AAP launched AAP Specialty in 2014 for our pharmacies to be trained in-house and given the tools they need to become a specialty pharmacy,” Marino said.

The new specialty unit “provides a centralized hub service for our member pharmacies, and manages the clinical, financial, prior authorization, data aggregation, medication safety and adherence services,” Marino said.

AAP’s third major initiative has been “focused on enhancing our member-owned warehouse capabilities,” Marino told DSN. “In 2014, AAP developed a more streamlined process by installing automation equipment located in our Memphis distribution center,” she said. “This allows the API warehouse to continue providing next-day delivery at the best prices for our members.”

Increasing focus on diabetes care

By Michael Johnsen

Ahold USA’s COO James McCann earlier this year outlined the driving force behind the supermarket operator’s overarching initiatives — improve customer perceptions of its U.S. operations across quality and service, as well as price. Operating under the Stop & Shop, Giant/Martin’s and Giant Landover banners, Ahold USA’s high-touch pharmacy business aims to do just that through its focus on diabetes care, Brad Dayton, Ahold USA VP pharmacy, told Drug Store News. “[Through these initiatives], we believe that we can influence customers’ health outcomes and, consequently, their overall healthcare spend,” he said.

Today, more than 400 Ahold USA pharmacists are specially trained and certified in patient-centered diabetes care, and that will extend to all of Ahold USA’s pharmacy operations by year-end. “These pharmacists are engaging their patients in ways we’ve never done before,” Dayton said. “From one-on-one consultations to in-store diabetes management classes, we’re reaching patients in innovative and relevant ways.”

Joining Ahold USA pharmacists on the frontline of health delivery is the company’s in-store nutritionists. “We’re fortunate to have an ever-growing stable of nutritionists in the stores, and we’re leveraging their expertise in unique ways,” Dayton said. For example, many nutritionists and diabetes care pharmacists are teaming up to lead diabetes management classes at their stores and in the community.

Additionally, Ahold USA nutritionists recently created a web-based learning module to give pharmacists practical nutritional advice that they can incorporate into conversations with their patients about heart disease and diabetes.

“Maintaining a proper diet is as important as medication for conditions like heart disease and diabetes. The unfortunate reality, however, is that many pharmacists feel uncomfortable discussing nutrition with their patients. We’ve taken some steps to build our pharmacists’ nutritional IQ, and, as a result, their confidence,” Dayton said.
Personalizing pharmacy experience

By Jim Frederick

With 544 pharmacies in 44 states — as well as more than 230 stores in Canada, China, India, Japan and the United Arab Emirates — Medicine Shoppe International has carved a niche in community pharmacy as an apothecary-style source for both personalized prescription counseling and specialized disease management expertise.

Last fall, Cardinal cast a wider net to prospective franchise owners by launching a co-branding option that allows independent pharmacies joining the network to maintain their own store identity and still gain the benefits of franchise membership. Among those benefits is enrollment in MSI’s Pharmacy Services Administration Organization, along with related managed care services to help them gain access to commercial, Medicare and long-term care; immunization; and rural payer networks, according to MSI VP John Fiacco. They also qualify for other Cardinal and Medicine Shoppe resources, including the EQuIPP and LearnSomething software programs to track and measure performance.

The co-branding option “brings the best of both worlds to independent pharmacy,” Fiacco said. “Now, community pharmacies can continue to maintain the local store names their patients have come to know and trust, while also tapping into the equity and awareness of a national brand.”

Among the basic services offered by Medicine Shoppe and Medicap pharmacy owners are health screenings without an appointment, comprehensive medication reviews and “robust, two-way communication” with patients, Cardinal reported, as well as home delivery of prescriptions.

Some Medicine Shoppe pharmacies go further, setting themselves up as Specialized Care Centers, which “concentrate their care on a particular health focus — such as diabetes, heart health, immunizations, home health care or long-term care — to help patients manage their unique healthcare needs,” according to Medicine Shoppe.

MEDICINE SHOPPE

HQ: Dublin, Ohio
2014 sales: $2 billion*  
% change vs. 2013: 1%  
No. of stores: 544  
No. of stores with Rx: 544  
Avg. store size: 2,500 sq. ft.  
Rx sales: $1.9 billion*  
% of sales from Rx: 93%  
Sales per store: $3.6 million  

*U.S. stores only, including Medicine Shoppe and Medicap pharmacies
Source: Company reports, DSN estimates

JEAN COUTU

HQ: Longueuil, Quebec  
2014 sales: $2.2 billion†  
% change vs. 2013: 2.5%  
No. of stores: 416  
No. of stores with Rx: 416  
Avg. store size: 13,000 sq. ft.  
Rx sales: $1.4 billion*  
% of sales from Rx: 63%  
Sales per store: $5.3 million*  

*Converted to U.S.$ at .793847  
†Projected for fiscal year ended March 1, 2015
Source: Company reports, DSN estimates
Technology, personnel growth eyed

BY ANTONETTE ALEXANDER

With its treasure-hunt style shopping and broad array of brand and private-label products at attractive prices, Costco has successfully carved out a unique business model that resonates with its 76 million cardholders. As the company continues to expand its merchandise offerings on the front end, its pharmacy operations remain a critical piece of the business.

“I’m always on the lookout for models in which you can make the pharmacist more forward-facing. I feel like the future of the pharmacy will be more patient centered,” Michael Mastromonica, Costco’s assistant VP pharmacy services, told Drug Store News.

As healthcare reform gives rise to new models of care and new quality standards, Costco is stepping up to meet patient needs. As part of the effort, Costco is preparing to implement in the pharmacy in the coming months a new technology tool for outcomes management, with a specific focus on the Centers for Medicare and Medicaid Services’ Star Ratings. The software will allow the retailer to, for example, identify those pharmacy patients who are at risk and nonadherent.

In addition, Costco is looking to hire a clinical pharmacist, who will be solely focused on outcomes opportunities and Star ratings.

Meanwhile, Costco’s travel medicine pilot continues to take flight. The program is currently in operation in about 18 beta sites along the West Coast, and will further expand to additional locations in 2015 and 2016.

Costco contracts with a physician group to handle the analytics and make the recommendations. Costco pharmacists administer the vaccines for its travel vaccination program.

The company also is looking to broaden its long-standing health screening initiative, which has included osteoporosis, cardiovascular and lung health screenings, to add A1C testing to the mix for those with diabetes.

Building loyalty through satisfaction

BY JIM FREDERICK

What supermarket pharmacy provider scores highest in consumer satisfaction? That would be Lakeland, Fla.-based Publix Super Markets, the largest employee-owned U.S. grocery chain.

In the annual J.D. Power and Associate Satisfaction Survey, released in December 2014, Publix Pharmacy ranked highest in overall customer satisfaction in the supermarket segment for the fifth year in a row. Publix spokeswoman Maria Brous said the survey “validates our focus on the customer experience within our stores. We are committed to exceeding our customers’ expectations and helping them achieve their health-and-wellness goals.”

Publix also earned the top score among all large food and drug retailers in the 2015 Temkin Experience Ratings, which ranks quality of customer experience across 20 industries.

The chain’s pharmacies offer a growing battery of preventive services, including low-cost, five-minute cholesterol screenings by appointment; free blood-pressure screenings with counseling; vaccinations for a variety of conditions; and free pharmacist-led mini-seminars on good nutritional choices, understanding food labels and monitoring glucose levels.

Publix also has built a deep reservoir of goodwill through its prescription giveaway program, which provides free 30-day supplies of several widely used medications, including antibiotics, metformin and lisinopril. By the end of April of this year, Brous said, “we will have filled more than 50 million free prescription medications during our free script program.”

In addition, Publix is among the growing army of pharmacy operators that have embraced medication synchronization as a tool for boosting drug adherence and pharmacist counseling.

Publix also continues its steady expansion across the Southeast. “Overall, we are on target to open approximately 20 new stores in 2015,” Brous told Drug Store News.
Offering infusion, specialty services

By Jim Frederick

The past year has been eventful for Diplomat. In October 2014, the company went public with its first initial stock offering. But as it shifts its financial structure, Diplomat retains its core focus: Providing “medication management programs for people with complex chronic diseases, including oncology, immunology, hepatitis, multiple sclerosis, HIV, specialized infusion therapy and many other serious or long-term conditions” in all 50 states.

In March of this year, Diplomat acquired BioRx, a highly specialized pharmacy and infusion services company that provides treatments for patients with ultra-orphan and rare, chronic diseases. “The combined resources of both companies will make us much stronger and unique within the infusion services industry,” said chairman and CEO Phil Hagerman. The purchase, for $315 million in cash and Diplomat stock, gave a big boost to the company’s growing presence in drug infusion therapy.

Diplomat has been on a mission to vastly extend its reach into the infusion services market since December 2013, when it acquired AHF, which provides specialty drugs and infusion services for bleeding disorders. In June 2014, Diplomat also bought out MedPro, another specialty pharmacy focused on infusion for hemophilia and immune globulin.

Diplomat’s retail service division positions itself securely in that difficult terrain that lies between patients with serious chronic conditions who depend on complex, hands-on drug treatment regimens, and traditional pharmacy retailers that need outside expertise and help to serve those special-needs patients.

“Retail specialty services connects a retail pharmacy business to the specialty arena,” Diplomat stated. “Based on our broad industry experience, infrastructure and unique treatment-tracking software, retail specialty services.”

Expanding digital resources

By Richard Monks

Kmart has diligently worked to ensure that its pharmacies are the outlets of choice for customers. “Our pharmacists take a different approach,” VP of public relations and member communications Jamie Stein said. “Kmart pharmacists are member- and patient-centric, providing differentiated personalized service. They are well connected in their communities, are medication therapy management-trained and immunization-certified. We are focused on healthcare content, products and personalized attention that, when combined, provide ‘Service with a Healthy Dose of Care,’” she said.

Among the more unique offerings at Kmart pharmacies are a free flavoring for liquid prescriptions or over-the-counter medications; free, no-appointment immunization screenings; the Shop Your Way pharmacy rewards program, giving patients who fill five prescriptions $10 in reward points that can be redeemed for non-pharmacy merchandise at any Kmart or Sears store or online; and an auto refill service that is helping the company move towards offering full medication synchronization.

Last year, Kmart pharmacy expanded its offering by entered the specialty pharmacy sector through a partnership with Diplomat Specialty Pharmacy.

This year, Stein said, Kmart is introducing a mobile app that makes it easier for pharmacy patients to manage their prescriptions on the go. The app will remind users when a prescription is ready for pickup, when to take medication and when a refill is due.

In an effort to make its pharmacists more accessible, Kmart recently added an Ask a Pharmacist feature to kmartpharmacy.com, allowing patients to get free advice 24 hours a day.

The company’s position in the discount space also has allowed it to partner with a variety of other online health-and-wellness providers — including JillianMichaels.com, Lose It!, Snap Fitness, Care.com, Doctor on Demand and American Well.
More and more, Sam’s Club as a brand is becoming associated with health care, and not just through its 604 pharmacy operations, 567 optical locations and 420 hearing facilities. Sam’s Club made headlines in the past year by becoming the first retailer to complement its full suite of healthcare offerings with a health exchange solution created in partnership with health insurer Aetna.

Sam’s Club pharmacies continue to host 10 free monthly health screenings nationwide each year for members and non-members. “Offering free screenings for the fifth consecutive year is part of our commitment to improve the lives and well-being of people in the communities we serve,” said Jill Turner-Mitchael, SVP Sam’s Club health and wellness. “We’re determined to continue finding ways to make health care accessible.”

Sam’s Club prides itself on its suite of immunization offerings, which include the ability for small business members to schedule in-office flu vaccinations for their employees at select locations. Such services are communicated to members through Sam’s Club’s bi-monthly wellness magazine, Healthy Living Made Simple, which in its fourth year reaches 8 million members.

“Whenever people visit Sam’s Club at all, I want them to be able to experience health-and-wellness in a way that they leave healthier no matter how they engage with us,” said Sherri Thomas, director, managed care services for Sam’s Club, in discussing the health exchange launch with Drug Store News. “If it’s through our pharmacy, optical or hearing services, if they’re engaged in the exchange, if it’s through our health screenings — I want them to be a healthier person because they’re engaged with Sam’s Club.”

That focus on member health is paying dividends: A J.D. Power 2014 U.S. Pharmacy Study ranked Sam’s Club Pharmacy “Highest in Customer Satisfaction with Mass Merchandiser Pharmacies.”

Now in its 110th year, H-E-B is a pioneer in food-store pharmacy retailing. Beginning with its first in-store prescription center in the 1950s, the chain now offers full pharmacy departments in 245 of its more than 350 stores, according to its SVP pharmacy Craig Norman.

Those pharmacies offer an expanding menu of immunizations, health screenings and long-term disease management programs. Through its ongoing “Second Saturday” health-and-wellness initiative, H-E-B pharmacies offer free screenings for blood glucose and blood pressure, as well as cholesterol testing for under $4 on the second Saturday of every month. Also available for $29.99: quarterly A1C testing for diabetics to help them manage their conditions long-term, and a complete cholesterol blood test measuring HDL and LDL levels.

Diabetes is a prime focus of its health-and-wellness efforts. Based in a state where more than 10% of adults have the condition, H-E-B offers diabetes monitoring and patient education, as well as its own line of glucose monitors and testing strips under the H-E-B inControl label. Supplementing those efforts: the “My H-E-B Health & Wellness” program, which includes weekly meal plans and shopping lists for healthier eating, shopping tours with dietitians, exercise tips and a shelf-tag program to identify products for special dietary needs.

“Our focus is to continue to develop our outreach to customers, building on being recognized as a destination for health and wellness,” Norman told DSN. Among the company’s newest innovations: free or low-cost prescription deliveries in many Texas markets. The pharmacy delivery service is now available weekdays in nearly 100 H-E-B stores.

“For two or more prescriptions, this service is completely free, and it’s only $5 if the order is for one prescription,” the company noted. Deliveries normally occur within four hours or less, according to H-E-B’s pharmacy division.
Innovating, freshening up offerings

By Antoinette Alexander

With a new president and CEO at the helm, Uniprix is looking to “shake things up a bit.”

On Feb. 2, Philippe Duval officially assumed the role of president and CEO of the Uniprix Group — just the third person to hold that title in the 35 year history of the company — succeeding François Castonguay, who stepped down last August after 20 years.

Having served as president and CEO of the The Société des alcools du Québec (SAQ) until 2013 and as GM of the Society for the Celebration of Montréal’s 375th Anniversary until January of this year, Duval brings to the table a wealth of management and retail experience.

“I came on board on Feb. 2,” he told DSN. “Let’s just say I’m in listening mode, and there’s plenty to learn,” Duval said. “It’s a very competitive market out there right now. No one can afford to run on autopilot because market share doesn’t come easily. That’s why the Uniprix Group has chosen to innovate [and] freshen up our offering and shake things up a bit.”

One development that Duval is especially excited about is its exclusive agreement to bring the Daniele Henkel To Go beauty concept to Uniprix.

The concept launched in February in Kirkland and is now available in 20 locations with more planned in coming months.

A free-standing space featuring a lounge chair invites men and women to relax and enjoy 10- to 30-minute sessions for the face, décolleté or hands.

The Daniele Henkel To Go franchise features the anti-aging LPG Endermolift technology. Certified and trained at the Daniele Henkel Academy, Uniprix beauty consultants service their clientele by evaluating their skin, and prescribing and providing targeted, express anti-aging treatments.

Rx programs, services play key role

By Richard Monks

With more than 1,500 supermarkets and stand-alone drug stores, Sobey’s Inc. plays a critical role in helping people across Canada stay healthy.

The company, which operates food stores under five different banners — including the Canada Safeway business it acquired in November 2013 — from Nova Scotia to British Columbia, has prescription counters in 335 of its supermarkets and all 70 of its Lawton’s Drug stores in New Brunswick, Newfoundland, Nova Scotia and Prince Edward Island.

Dubbed PROfile pharmacists, the pharmacy professionals in the company’s stores offer a comprehensive roster of services to patients, ranging from prescription reviews to ensure each script is filled with the right medication in the proper dosage to one-on-one counseling on new prescriptions.

With so many prescriptions taken incorrectly, Sobey’s and Lawtons have implemented several programs and services aimed at ensuring that patients get the most from their medications.

The company’s AutoFill Plus program, for instance, ensures that patients do not miss doses, make fewer trips to the pharmacy and spend less time waiting for their prescriptions to be filled.

Under the Pill Pack Plus program, Sobey’s and Lawtons pharmacists work with patients to manage dose changes and ensure that patients are taking their medications at the right times. In addition, patients participating in the program are notified when they need to contact their physician for renewals.

Because it is often difficult for patients to stay on top of product recalls and health warnings, PROfile pharmacists monitor Health Canada and manufacturer information for medication-related advisories and drug recalls.
Chain adds mobile pharmacy app

By Richard Monks

For the past 35 years, Giant Eagle has not wavered from its commitment to provide its customers with the utmost in convenient pharmacy care. At the same time, however, the way the 223-store grocery chain attains that goal has changed to keep pace with the evolving nature of community pharmacy.

“Since opening the first pharmacy in Pittsburgh in 1980, Giant Eagle’s guiding philosophy has evolved from improving customers’ everyday access to health information and prescriptions to providing caring services that drive adherence and improve quality of life,” spokesman Dan Donovan said.

Like many of its competitors, the company has used low-cost and free prescription programs to attract customers. Patients can receive 30-day supplies of certain generic drugs for $4 and 90-day supplies of those same drugs for $10. In addition, Giant Eagle offers free prescriptions for generic antibiotics and two blood-pressure medications.

Recognizing what Donovan calls “a strong need for continuity of care among chronically ill patients,” Giant Eagle added specialty pharmacy services in 2011. In 2013, the company added to that with the acquisition of Rx21 Specialty Pharmacy.

The emphasis on convenience is crucial to the company’s pharmacies remaining a viable option for shoppers who have myriad choices of where to fill their prescriptions, he noted.

In an effort to ensure that its pharmacies are among the most convenient for patients in its area, Giant Eagle added a mobile pharmacy app to its offering last year.

The app allows customers to use their smartphones to refill prescriptions, set refill and medication reminders and receive alerts when prescriptions are available for pickup.

Donovan noted that the app is among the most recent steps in Giant Eagle’s ongoing effort to meet customers’ needs by offering unique, convenience-based services and innovative technological advances.

Linking pharmacy and nutrition

By Jim Frederick

The past year has been an eventful one for Hy-Vee.

The Iowa-based supermarket chain made news early last year by announcing it would enter, for the first time, the Twin Cities market of Minneapolis/St. Paul. Hy-Vee locked down two store locations in the area before year’s end, and laid out a fairly aggressive expansion plan that will add several new stores to the Twin Cities market per year, over the next several years.

Hy-Vee also expanded its reach into community health care and specialty pharmacy, finalizing its purchase last year of Amber Pharmacy.

Now in its 85th year, Hy-Vee thrives by catering to a fiercely loyal customer base with a homegrown brand of personal service and a steadily expanding menu of health-and-wellness offerings, served up by more than 900 pharmacists and some 200 dietitians offering advice on healthy eating in so-called “Health-Market” departments in most Hy-Vee stores.

The company’s commitment to health-and-wellness is further reflected in such programs as NuVal nutritional scoring system and wellness programs for consumers and employees.

Dietitians and pharmacists provide scheduled group biometric screenings, both within the stores and at local employers’ workplaces, as well as counseling on weight loss, diabetes management and other topics.

The company also partners with such regional health entities as the University of Nebraska Medical Center to offer customers rapid-diagnostic tests, conducted by Hy-Vee pharmacists, for such conditions as influenza and strep.

Earlier this year, the chain revealed it would discontinue its Hy-Vee Triathlon events, and “shift its efforts to create a new event series promoting health-and-wellness in children.”
New leadership steers the helm

By Michael Johnsen

Retail pharmacy is becoming increasingly global. Bi-Lo Holdings in March brought turnaround expert Ian McLeod to the helm. McLeod, who also has experience in the United Kingdom and Germany, most recently served as managing director for Australia’s 2,200 Coles food, liquor and convenience stores, including more than 760 full-service supermarkets, growing sales from $23.2 billion to $35.2 billion, doubling profits over six years and outperforming the market for 20 consecutive quarters.

And now he will try his hand at improving Bi-Lo’s business. Last year, Bi-Lo completed its 2013 acquisition of nearly 165 Sweetbay, Harveys and Reid’s stores from Delhaize, and over the course of the year converted those banners to Winn-Dixie, BI-LO and Harveys. Today, Bi-Lo Holdings operates approximately 800 supermarkets, including 527 pharmacies.

Bi-Lo Holdings’ pharmacy operations are performing well under the guidance of John Fegan, Bi-Lo Holdings’ VP pharmacy. The grocer last year implemented its Refill Sync program and now boasts more than 40,000 enrollees. “Our pharmacists did a great job of talking to the patients we serve,” Fegan said. “The average patient has about five prescriptions that they put into this program. The goal is to improve the overall health of the patients that we serve by having them be compliant and persistent on the medications they’re supposed to be taking.”

“It’s a win-win,” Fegan added. “We as a company win because it improves our bottom line, [and] the patients win because their health is being improved by the fact that they’re taking their prescriptions.”

More than 85% of U.S. prescriptions are filled with generic drugs, saving Americans more than $200 billion in healthcare costs annually.

Source: 2014 GPhA

BI-LO
HQ: Jacksonville, Fla.
2014 sales: $11.3 billion
% change vs. 2013: -2.6%
No. of stores: 800
No. of stores with Rx: 527
Avg. store size: 46,000 sq. ft.
Rx sales: $926.6 million
% of sales from Rx: 8.2%
Sales per store: $13.5 million

Source: DSN estimates
Rexall rebranding well underway

By Antonette Alexander

Still fresh from its rebranding, Canada’s Rexall remains in the midst of change as it awaits the arrival of a new CEO.

“Rexall and our pharmacists are industry leaders when it comes to providing patient-focused services, and we look forward to the opportunity to play an even larger role in the delivery of primary care services to Canadians,” said Warren Jeffery, COO, who has assumed day-to-day operational responsibilities in the wake of the departure of former CEO Frank Scorpiniti last October.

Since the 2012 opening of its first re-brand store, the company has opened more than 50 locations under the new design. And, all of its 460-plus stores have received elements of the rebranding, including new private-label products, refreshed marketing and more health-and-wellness services like its new Blood Pressure Kiosk Blood Pressure Check Card program, which enables patients to record and store their last 10 results.

At the front end, much of the reinvention is playing out in the form of enhanced product offerings, such as its exclusive beauty line called Kit and its flagship private brand, Be.better.

In addition to household, snacks and vitamins, the Be.better collection also includes beauty products that are paraben-free and enriched with natural ingredients.

In other executive news, the company recently welcomed Erik Botines as its new VP pharmacy, responsible for pharmacy programs and initiatives, pharmacy category management and professional programs.

Most recently, Botines was responsible for pharmacy business development, pricing and patient services at Shoppers Drug Mart.
Customizing services for each locale

By Richard Monks

With more than 520 independently owned stores in nine provinces, Pharmasave has a solid reputation as one of Canada’s most-trusted community drug stores.

“At the core of our strategy is a personalized, customer-centric approach to healthcare services delivery,” national CEO Carmen Churcott said. “We differentiate ourselves by embracing growing patient expectations for convenient, expanded healthcare services, knowledge and technology and through world-class customer service.”

Pharmasave offers independent pharmacy owners a full suite of operations, merchandising, private label, marketing, human resources and business technology support, as well as professional services, programs and products.

Being a group of independent stores that range in size from small apothecaries to large stores with a broad front-end mix and a brisk dispensary business means that each store owner can tailor its store to the community.

In recent months, Pharmasave has embraced the opportunities presented by the ongoing broadening of pharmacists’ role in patient care and the changes in the way patients interact with healthcare providers.

“This represents a significant opportunity for us to diversify marketing to further drive brand differentiation with consumers,” Churcott said. “Specifically, we have a strong focus on enhancing our digital engagement strategy, with new and more immediate ways of connecting with customers online.”

As part of that effort, Pharmasave last year launched Pharmasave eCare, providing patients with online access to medication records, e-refills, email reminders, personalized health recommendations and a comprehensive library of health information.

Services like this, Churcott said, are helping position Pharmasave to play a more integral role in Canadians’ lives.

Implementing MTM, med sync services

Privately held since 2005, Shopko operates a wide range of store formats with healthcare offerings, ranging from full-service pharmacies to optical centers. Nearly 30% of Shopko’s sales come from these health-related services.

Since its inception in 1962, the company has continued to grow and expand its reach, tailoring its various formats to meet the needs of different markets. The 133 stores it operates under the Shopko banner offer shoppers in small and mid-size cities and their suburbs a mixture of general merchandise and pharmacy and optical services across an 80,000-sq.-ft. footprint. Meanwhile, the company’s 178 Shopko Hometown stores average between 15,000 sq. ft. and 35,000 sq. ft., and operate in more rural locations. Most of these stores also offer pharmacy services.

Shopko fills more than 14 million pharmacy prescriptions and in excess of 525,000 optical prescriptions every year, spokeswoman Michelle Hansen said.

Founded by a pharmacist, Shopko has continued to evolve its pharmacy business over the past half century, most recently focusing on professional and personalized services, targeting both acute and chronic patients.

For example, Shopko is committed to medication therapy management at both state and national levels, and was the first chain pharmacy to join the Wisconsin Pharmacy Quality Collaborative, a group of pharmacists and healthcare plans working to create a reimbursement system based on pharmacists’ ability to drive outcomes.

In addition, Shopko’s pharmacies are moving to an appointment-based model by implementing a medication synchronization system.

In March, the company debuted 20 new Shopko Hometown outlets, converting outlets in nine states that it acquired from Alco Stores Inc.

That expansion is only the beginning. “We plan to accelerate new store growth in the second half of 2015 and 2016,” Hansen said.
Health in a high-gloss setting

By Jim Frederick

Building on its strong service reputation and a solid foundation of loyal shoppers in the Northeast and Mid-Atlantic region, Wegmans will continue its slow but steady expansion as it extends its menu of health-and-wellness offerings.

Even though Wegmans reports that it opens “just two or three new stores each year,” at least another 10 new openings are planned, including stores in Alexandria, Va.; Concordville, Pa.; and Westwood, Mass. Longer term, another four new supermarkets with pharmacies are in the development pipeline for Virginia, along with two more in New Jersey and another new store in Maryland, according to the company.

Driving the company’s success: a solid reputation for delivering what it calls “a nearly telepathic level of customer service,” provided by motivated employees. Wegmans scored No. 7 on Fortune Magazine’s list of the 100 best companies to work for in 2015. In February, the company also scored No. 1 for corporate reputation among the 100 most visible companies in the 16th annual Harris Poll Reputation Quotient study.

Wegmans’ 85 in-store pharmacies extend its service reputation with a battery of new and ongoing preventive care programs, including adult immunizations; nearly 60 generic drugs offered at $4 for a 30-day supply; free home shipping of prescriptions; an auto-refill program; and a Wegmans Pharmacy Online service that gives customers “quick and easy access to prescription information,” according to the company.

Also available: a disease management program for Type 2 diabetics launched in 2014, and an individualized pharmacist consultation and screening program for patients with hypertension. Under its ongoing “Eat Well Live Well” program, Wegmans also offers healthy-eating store tours, special dietary advice and nutritional choices for customers dealing with diabetes, high blood pressure, food allergies, gluten intolerance and other conditions.

Becoming a stronger pharmacy player

By Michael Johnsen

A year ago, Fred’s Super Dollar was looking for buyers. Today, Fred’s Super Dollar has become the buyer having most recently acquired the specialty pharmacy business EntrustRx. While the southeast discounter generated moderate year-over-year sales growth of 1.6% for fiscal 2014, the company has its future square in its sites with an emphasis on pharmacy and specialty pharmacy. Fred’s has projected sales growth in the coming fiscal year to eclipse 10%.

Pharmacy is integral to those growth projections and today accounts for 44% of Fred’s business. In 2015, Jerry Shore, Fred’s Super Dollar’s freshman CEO, expected Fred’s pharmacy business, both retail and specialty, to make up more than 50% of Fred’s revenues.

“Our pharmacy business, which continues to be our most profitable department of Fred’s, grew at an even faster pace in 2014,” Shore told analysts in March. “During the year, we improved our penetration of stores with pharmacy sales from 52% to 58% at year end,” he said. Ultimately, Fred’s wants a store base that consists between 65% and 70% retail pharmacies.

To that end, in the past six months Shore has amassed a team of proven retail executives, with experience spanning across the dollar channel, retail pharmacy and mass. Fred’s named Mike Bloom president and COO in January. Bloom comes to Fred’s from Family Dollar and CVS Health. In March, Shore and Bloom rounded out the senior executive management team with the addition of Walgreens veteran Bryan Pugh and the promotions of Craig Barnes, a one-time AutoZone executive, and Mike Holligan, who got his start with Walmart.

Fred’s isn’t forgetting its dollar channel heritage. “We perform a role in these rural markets that is very important for the consumer,” Bloom said. “I see us being a very strong [dollar store/pharmacy] hybrid model, with a great pharmacy business [and] a strong health-and-beauty aid business. But it’s very important that we balance that with that general merchandise [selection].”
Rolling out diabetes center, app

By Antonette Alexander

In line with industry trends, Wakefern’s ShopRite continues to sharpen its focus on health and wellness. Among the most recent developments is a Diabetes Center at its Flemington, N.J., location that was developed in collaboration with Johnson & Johnson. The Flemington ShopRite marks the first location to feature the center, but the company plans to implement it in additional stores in the near future.

With the new Diabetes Center, Wakefern’s ShopRite and J&J are striving to care for the customer as a whole, with a focus on reinforcing all aspects of diabetic care from monitoring and nutrition management to medication, education and total body care, Kimberly Gallene, category manager in HBC, and Natalie Menza, manager of health and wellness at Wakefern, recently told Drug Store News.

Opened on Feb. 25, the Diabetes Center includes more than 100 items across seven categories, including pharmacy. It is strategically located next to the pharmacy and the dietitian’s office so that store health professionals are easily accessible to answer specific questions that customers may have.

In addition to products, the destination delivers education in the form of signage, brochures and an onsite tablet that links directly to the ShopRite.com/diabetes Web page for additional information.

Customers also can benefit from ShopRite’s in-store dietitian’s free services to help manage their dietary restrictions. ShopRite dietitians offer one-on-one consultation, as well as group workshops and seminars on many health-related topics.

In pharmacy, ShopRite is promoting its new pharmacy app to help patients manage their prescriptions through their iPhone, iPad or Android device. The free app enables users to refill prescriptions, view prescription profiles, transfer a prescription, get drug information and find the nearest ShopRite pharmacy.

Expanding the in-store experience

By Richard Monks

At more than twice the size of a typical drug store, London Drugs outlets offer shoppers in Canada’s four westernmost provinces one of the trade class’ most extensive selection of products.

While executives stress that pharmacy is still at the heart of the chain’s business, London Drugs also has established itself as the retailer consumers turn to for such big-ticket items as computers, home entertainment systems and cameras.

Offering such a broad range of merchandise while never losing sight of its roots as a full-service drug store also has helped the company become one of the most highly regarded retailers in all of Canada. Last year, a consumer poll found that the company — which marks its 70th anniversary this year — was the most-trusted brand in British Columbia. Other consumer surveys over the years have put London Drugs at or near the top of Canadians’ favorite places to shop.

Committed to slow and steady growth, the company has been diligent about keeping its store base fresh, periodically remodeling older stores and opening one or two new units a year.

Earlier this year, for example, London Drugs debuted a new outlet in Chilliwack, British Columbia. Expanded from 28,500 sq. ft. to the company’s current prototype of 37,000 sq. ft., the remodeled store includes skylights for increased daylight and the addition of a 244 sq. ft. classroom-style Learning Lab that offers training sessions, clinics, workshops and education seminars on such topics as computers, cameras, nutrition and wellness.

A pharmacy consultation room in the new store allows patients to have one-on-one consultations and medication reviews.

The efforts to enhance its in-store shopping experience also have extended to London Drugs’ online offering. One of the first Canadian drug chains to provide an e-commerce site, London Drugs bolstered its online services last winter when it began offering same-day delivery for customers living in the Greater Vancouver area.
Bolstering compliance efforts

By Barbara White-Sax

Kinney Drugs, the New York and Vermont drug store division of KPH Healthcare Services Inc., continues to roll out innovative health programs.

This summer, Kinney partnered with the American Cancer Society and Upstate Cancer Center for a free colorectal cancer screening kit initiative at 77 of its New York locations. Free screening kits were available for customers ages 50 years or older to complete in their own home and mail directly to Upstate Cancer Center.

And last year, Kinney launched EZSync, a tool to synchronize prescription refills. “Compliance is supported by convenience, and it’s easy for people to be noncompliant when their prescriptions are on different schedules and individual refills are scattered throughout the month,” said David Adsit, director of pharmacy services at Kinney Drugs. “With EZSync, our pharmacists can help their patients better manage their medications.”

This new tool complements such existing services as ReadyScripts automatic refills; EZRefill, the mobile, online and phone-in refill service; free prescription delivery; and immunizations. The chain’s new HeartSmart Club helps patients manage their blood pressure with a Smart Card that stores and tracks blood pressure readings, a Heart Health Report Card and pharmacist consultation, a monthly newsletter with heart healthy tips and recipes, and exclusive savings on heart healthy products.

Kinney also operates a Healthy You Wellness Center at one of its Syracuse locations. Opened in partnership with Pulmonary Health Physicians, PC and Franciscan Companies, the Wellness Center is staffed with specialists from Pulmonary Health Physicians and focuses on disease state management and immediate care for specific health concerns. With Franciscan Companies, Kinney created an Online Home Health Store that offers online shopping and in-home delivery for home medical and respiratory equipment.

Offering world-class pharmacy service

Raley’s celebrated its 80th year in business and lived up to its reputation as one of the best pharmacies in the western United States. The chain was recognized in 2014 by Consumer Reports in the magazine’s top pharmacies and drug stores list, which ranked pharmacies of all sizes on a variety of consumer experiences.

Raley’s VP of pharmacy Lee Worthy said the company was proud to earn a place on the list and continues to work hard to keep its customers happy and healthy. “Raley’s takes great pride in world-class service, and infusing our customers’ lives with health-and-wellness,” he said. “Our remodeled locations feature a patient care area designed for a private, professional location for consultations, as well as performing procedures in our pharmacies.”

After announcing that the chain was removing tobacco products from its stores in early 2015, Raley’s expanded its smoking cessation offerings in its pharmacy department. Citing a “very strong correlation between tobacco use and many serious health issues,” the chain said that the decision to no longer sell tobacco products “is a part our continuing effort to raise awareness about health-and-wellness.”

Worthy said that in addition to traditional medical offerings at its pharmacy, the chain continues to add natural offerings and alternative supplement options for its customers.

The chain also has a thriving compounding business, including hormone replacement therapies; special dosing for the young, elderly or pets; and alternative delivery for patients who can’t tolerate oral medications.

In March 2015, Raley’s became the first retailer in the United States to roll out a new, environmentally friendly food safety program. The program, called Ecolab, focuses on simplifying food safety processes to ensure proper cleaning and delivering operational savings through the use of less labor, water, energy and waste.

Raley’s operates stores under the Raley’s Superstores, Bel Air Markets, Nob Hill Foods and Food Source banners.
Improving business performance

By Barbara White-Sax

Sam Duncan, Supervalu president and CEO, had a challenging year in 2014, but the chain managed to improve business performance after several years of declining revenues and market capitalization. “We passed an important milestone this quarter delivering positive sales increases in all three of our business segments for the first time in many years,” Duncan said in a statement issued in January 2015.

The company operates retail supermarkets under five banners — Cub Foods, Shoppers Food & Pharmacy, Shop ‘n Save, Farm Fresh and Hornbacher’s — across seven states and Washington, D.C.

Supervalu repositioned its Wild Harvest private-label brand in early 2015 with a new logo and packaging graphics, and is supporting the new look with a fully integrated marketing campaign, “Eat Free. Go Wild.” New packaging will include “free from” messaging that addresses consumers’ desire for clearer ingredient labeling. The company plans to extend product offerings under the brand with more than 200 new products planned for 2015.

In its pharmacy departments, the company is committed to providing clinical programs and positive patient experiences within convenient supermarket locations.

“We continue to focus on assisting our diabetic customers in managing their disease while focusing on improving compliance with all of our customers,” said Luke Friedrich, a spokesman for the company. Stores offer personalized clinical services to help manage diabetes, diabetic education in a classroom setting and grocery store tours focused on diabetes.

Friedrich said that the company had a strong year in pharmacy. “We developed an HRME pilot with a local managed care provider, opened our first in-store clinic and administered a record number of adult immunizations,” he said.

Expanding a regional drug chain

By Michael Johnsen

Care Pharmacies now boasts 79 affiliates, three more than last year, but grew its 2014 sales by almost $100 million. That’s not as much attracting larger operators to the consortium’s business model, where each of the independent operators own a stake in the parent company, as much as it is attracting operators pre-positioned for growth.

“Bigger is not better for us, better is better,” Michael Wysong, Care CEO, told Drug Store News. Care Pharmacies has stores operating in 10 states, including Washington, D.C., and currently is looking to expand its East Coast regional drug chain model to the West Coast with additions of several California specialty pharmacy retailers in the year ahead, he said. “We want the very best community retail and specialty pharmacies in our organization because we know the changing reform is going to require the right groups of people working collaboratively in the service of the customers. If you can do that, and you can do that under the premise of taking advantage of what the independent community pharmacies do very well, and you can do that under an umbrella of continuity — I think that is a powerful combination.”

In 2014, Care Pharmacies continued its evolution toward a regional drug chain functionality with an independent’s flair for service and quality. “When you look at reform and what’s coming with the move from fee-for-service to fee-for-value, a lot of the local acute care institutions are looking for that solution. So in 2014, we’re really in the early seeds of our Transition for Care [hospital readmission] program. That’s why the quality piece has really become front and center for us as we head into 2015.”

The other big initiative headed into 2015 is Care Pharmacies’ transition to McKesson as its wholesaler.
By Jim Frederick

Welcome to the big leagues, Haggen Food & Pharmacy.

In a transformative and bold stroke, the owners of Bellingham, Wash.-based Haggen Inc. bought a big chunk of former Albertsons and Safeway stores in the western United States early this year, vastly expanding the chain’s size and reach. The buyout also vaulted the company into the ranks of top U.S. pharmacy retailers for the first time in its 82-year history.

Haggen’s aggressive expansion was triggered by the Albertsons and Safeway merger, and a ruling by the Federal Trade Commission that the two companies shed a significant number of stores to complete the merger. As part of the divestment process, Haggen is buying and converting 146 of those stores operating under the Albertsons, Safeway, Pavilions and Vons brands.

“With this acquisition, Haggen will expand from 18 stores with 16 pharmacies to 164 stores with 106 pharmacies; from 2,000 employees to more than 10,000 employees; and from a Pacific Northwest company with locations in Oregon and Washington to a major regional grocery chain with locations in Washington, Oregon, California, Nevada and Arizona,” Haggen reported on Feb. 11.

Haggen chairman John Caple called the deal a “momentous acquisition” and “a once-in-a-lifetime opportunity to rapidly expand the Haggen brand across the West Coast.”

The takeover and store conversion process will be complete by mid-2015. “Each week, between one and 12 stores will be converted,” Haggen spokeswoman Deborah Pleva reported.

“We’re excited about the changes we’re making to enhance these stores with more locally sourced food offerings, genuine service and homemade quality,” said Bill Shaner, CEO of Haggen’s new Pacific Southwest division.

Other services include wine tastings and nutritional education programs.

By Antoinette Alexander

With a new store format rolling out across its network and a successful medication synchronization program well underway, Thrifty White is working hard to stay abreast of the changing retail pharmacy landscape.

One of the major initiatives underway at Thrifty White is the continued rollout of its Healthy Outcomes pharmacy design. There are currently 24 locations that have been converted to the Healthy Outcomes model, and the company plans to have another 12 locations converted by the end of 2015. Going forward, the company looks to convert 10 to 12 stores a year.

Thrifty White’s Healthy Outcomes pharmacy features a new design with kiosk drop-off and pickup counters, ask your pharmacist desk, patient wellness rooms, patient education kiosk, a digital television for patient programs and services, and a pharmacy drive-through. The interior finishes include a maple-wood look throughout the store.

Meanwhile, Thrifty White continues to see great success with its medication synchronization program, which launched in November 2011. Today, about 57,000 patients are enrolled in the program.

Under this program, all of a patient’s prescriptions are synchronized. So patients on multiple medications can pick up all of their prescriptions at once. On pickup day, the pharmacist will review the prescription regimen, monitor changes from any doctor or hospital visits and check for any possible drug interactions.

In-store immunizations continue to be an important — and growing — service offering for Thrifty White as its immunization business more than doubled last year. And all of the stores now have a clear waiver to perform biometric screenings either on-demand at the store or off-site at, for example, an employer’s business.

New store design concept rolls out

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Joining the regional chain power list

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PowerRx Report

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Promotional push on new services

By Barbara White-Sax

Discount Drug Mart made two key acquisitions last year that strengthened the chain’s position as a locally owned, full-service specialty pharmacy chain that can meet an array of consumer health needs.

Its acquisition of Hastings, a professional medical equipment supplier, allowed the chain to increase its selection of durable medical equipment and offer new services to its customers. "Many of these items are for customers who have recently been in the hospital and are still in need of some of the assistance provided there. Our customers are now able to visit our stores and speak to a home health care specialist to order the products they need, from hospital beds to oxygen tanks," said Amanda Akin, marketing specialist at the chain. "Hastings will deliver the equipment to their homes and set it up. The acquisition helps Discount Drug Mart be a one-stop shop for consumers.”

The chain also acquired Gentry Health Services specialty pharmacy service. The acquisition allows the chain to provide specialty prescriptions to its customers chainwide, particularly to patients with AIDS and cancer.

Discount Drug Mart is focused on promoting the new services through in-store signage, promotional mailers, and circular and television, radio and digital media ads. "We like to advertise ourselves as the ‘hometown pharmacy,’ focusing on the idea that we don’t have large stores, and customers don’t have to park too far away from the front door,” said Akin. “We stress convenience for older generations and parents with young children.”

The company continued to emphasize its immunization program, which includes flu, shingles, pneumonia and other vaccines. The chain also focused on expanding its Pets Meds program, which offers pet medications often below veterinarian prices.

Improving the shopper experience

By Michael Johnsen

Weis Markets earlier this year named longtime pharmacy veteran Rick Bhandari — who has helped manage pharmacy for Bi-Lo Holdings, CVS Health and Rite Aid over the course of his career — as director pharmacy operations. He’s assuming the day-to-day responsibilities for a burgeoning pharmacy business — Weis’ comparable pharmacy sales increased 8.5% in 2014 compared with 2013, according to Weis’ 2014 annual report, and this is following a year in which same-store pharmacy sales were down 2.2%.

A lot of that can be attributed to more patients filling prescriptions, the company said. In addition to picking up more patients across its pharmacy operations, Weis has successfully implemented in-store pet medication, emphasized a continued focus on immunization and implemented a successful medication synchronization program to help drive the back-bench business. “Also contributing to the increase are some of the company’s stores having expanded pharmacy hours,” the company stated in its 10-K.

The grocer is looking to build on its 2014 success with a continued focus on value and customer experience. “Over the past year, we steadily invested in our pricing programs and successfully executed our strategy, which has produced consistent sales increases in key center store and fresh departments,” said Jonathan Weis, Weis Markets’ president and CEO, regarding the company’s year-end results. “We also improved our in-store customer experience and increased our customer service focus. As a result of our investments and customer service programs, we are well-positioned to build on our success in 2015.”

As one example of their drive to improve the shopper experience, Weis launched an online shopping service with in-store pickup through 20 locations earlier this year. “Weis Online Shopping works particularly well for customers who don’t have the time or ability to shop, including double-income households, families with small children and customers with mobility issues,” said Kurt Schertle, Weis Markets’ COO.
Supporting succession plans

BY BARBARA WHITE-SAX

In early 2015, Bartell Drugs celebrated its 125th anniversary and named a new president. Brian Unmacht took the helm as president of the family-owned chain in the first quarter of 2015 after serving as a member of Bartell Drugs’ board of directors since 2011. Previously, Unmacht was executive VP and COO at REI.

Bartell Drugs’ chairman and CEO George D. Bartell said that filling the position at the 63-store chain supports future succession plans. Bartell Drugs is the oldest and largest family-owned drug store chain in the United States.

Last year, Bartell added a Group Health CareClinic to an additional location, bringing the total to three. The CareClinics, opened in partnership with Group Health and staffed with Group Health nurse practitioners and physician assistants, will get a wider rollout, with four to five added in additional Bartell locations in 2015. The clinics are open on evenings and weekends.

Adding CareClinic facilities is one way Bartell employs “high touch, high service” features to differentiate itself from competitors. Services that can only be offered in store allow the chain to compete with online channels.

In 2016, the chain will open a new store in the Ballard area of Seattle. The 14,000-sq.-ft. location will be a “next generation” store that will introduce new services, product offerings and customer convenience features.

Through its pharmacies, Bartell offers a variety of immunizations and health screening services. The chain offers pharmacy refill and reminder services with its MyAutoScript program, and allows patients to sync their prescription refills with its MyRxSync service.

Bartell offers in-store health and beauty events twice a year, during which it offers digital mammography screenings in cooperation with Evergreen Medical Hospital and a variety of other health and beauty offers.

Bridging pharmacy, nutrition

BY RICHARD MONKS

With a vast network of supermarkets and a variety of stand-alone drug store formats, Metro Inc. has carved out a strong position in Ontario and Quebec by stressing the crucial link between pharmacies, nutrition and overall wellness.

All of its pharmacists in Ontario, for example, have completed an accredited continuing education course on nutrition.

“The nutrition initiatives that our pharmacists have been able to implement into their pharmacy’s service offering enable them to enhance the patient care provided,” she said. “These programs empower patients to better manage their own health as it relates to their medications and health conditions.”

In some instances, the spokeswoman noted, Metro pharmacies have offered specialized clinics catering to specific patient populations in collaboration with other health professionals. One of the more visible of these efforts has been pharmacists’ collaboration with a registered dietitian on diabetes screening clinics, helping to raise awareness of the disease and root out undiagnosed cases.

Metro’s 71 Ontario-based pharmacies, operating under the Pharmacy and Drug Basics banners, also have been at the heart of a government-funded smoking cessation program for patients covered by the province’s drug benefit system.

“The program contains all of the elements required by the Ontario Ministry of Health, but is enhanced with the addition of a lung function assessment to screen enrolled customers for COPD and to determine their lung age,” the spokeswoman said. “This assessment is valuable to ensure those with possible COPD receive the appropriate follow-up, along with providing measurable variables that can help educate and motivate individuals toward a smoke-free lifestyle.”

Many of these efforts also have extended to the company’s pharmacy network in Quebec, where it is the franchisor and distributor for 194 franchised Brunet Plus, Brunet, Brunet Clinique, Brunet Target, and Clini Plus drug stores.
Enhancing medication adherence

BY ANTOINETTE ALEXANDER

Established in 1942, Lewis Drug made its mark as the first self-service drug store in South Dakota. Today, Lewis continues to go strong with an even greater emphasis on improving patient health outcomes.

“Our focus is really going to be on the patient and the customer, and their healthcare needs,” said Scott Cross, EVP at Lewis Drug.

In pharmacy, Lewis Drug has several initiatives in place aimed at improving medication adherence, including its Smart Sync program, which enables enrolled patients to have their prescriptions filled on the same day each month.

Each month, a Lewis pharmacist reviews patients’ prescriptions, monitors changes after any doctor or hospital visits, and checks for possible drug interactions.

The program is now in its third year but, according to Cross, the company is now actively marketing it through television spots and pharmacy brochures. In addition, pharmacists and pharmacy technicians are calling their patients to inform them of the program and encouraging them to enroll.

Cross said the company also is exploring unit-dose packaging for its retail prescriptions as a way to help improve adherence. “We are testing several different types to find out which one works the best,” Cross said.

Lewis Drug has offered unit-dosing for its mental health and long-term care patients for several years.

Meanwhile, the company is working to become even more of a wellness destination at the front end by providing customers with greater healthy alternatives in its food and beverage departments, including gluten-free and organic products and nutritional supplements.

Cross said Lewis is exploring different merchandising display options and may even create an entire wellness department within the store with hopes to implement by the third quarter.

Fruth Pharmacy focused on improvements to its core pharmacy business in 2014.

While the company focuses on “good, old-fashioned service,” its pharmacy services are state-of-the-art.

“We’ve also been focusing on clinical aspects of the pharmacy and driving completion of MTMs and TIPS (Targeted Intervention Programs),” said Fruth president and chairman Lynne Fruth. “Our pharmacy system, PDX-EPS, has allowed us to integrate clinical and adherence programs, as well as CoverMyMeds to help with prior authorizations.”

The chain has achieved incremental prescription growth as a result of a major promotional push to enroll patients in its mobile app refill and pick-up reminders. More than 9,000 patients have enrolled in Fruth’s text-reminder service.

The company also has increased its television, radio and print advertising in 2014 and continues to expand its presence on social media with special offers, contests and human interest stories.

Last year, to help its home state fight the growing incidence of meth labs, the chain was the first in West Virginia to stop selling non-tamper resistant OTC pseudoephedrine products.

Rite Aid, Walgreens and CVS soon followed Fruth’s lead to great success. “Today, 62% of the single ingredient PSE sold in West Virginia is tamper resistant, and West Virginia meth labs were down by 40%,” Fruth said. “Fruth Pharmacy, a small regional chain, led the way.”

The chain continues its efforts to reach its community through public health programs and immunizations. Last year, the company doubled its flu immunizations over 2013.

The company relocated and completely redesigned two stores last year and added diabetic sections to all stores to better merchandise a full array of offerings for patients with diabetes.

Several locations also were redesigned to better accommodate onsite clinic and Express Care programs the chain offers in partnership with local hospitals and mid-level providers.
Adding vaccines to services

By Michael Johnsen

From the beginning, Pharmaca’s format has included expert health advocates — professionals licensed in such fields as nutrition, skin care, homeopathy, naturopathy and herbal studies — who work in conjunction with pharmacists to develop health treatments and regimens unique to each customer and patient. And that personal level of care and expertise extends to the chain’s expanding beauty selection, as well.

“With our staff of estheticians and expanding number of Natural Beauty Bars, customers can shop for spa-quality beauty brands and enjoy the convenience of in-store beauty services like brow waxing, makeup application [and] makeovers,” Mark Panzer, Pharmaca president and CEO, told Drug Store News.

In the past year, Pharmaca has expanded its portfolio of health-and-beauty services to include immunizations for influenza, pneumonia, shingles and whooping cough on a walk-in basis. To help promote that new offering, members of Pharmaca’s Feel Better Rewards loyalty program this fall received a gift coupon for $5 worth of retail shopping when they get their flu shot at Pharmaca.

That loyalty program is another differentiator that helps distinguish the Pacific Northwest pharmacy chain. “We use our Feel Better Rewards loyalty program to maintain direct contact with our customers, which helps us grow both in brick-and-mortar business and e-commerce,” Panzer said. “Our loyalty program has been growing rapidly over the past two years and continues to be a great benefit in driving loyalty, but most importantly, driving basket-size and customer transactions.”

Pharmaca currently operates 29 stores (two were opened recently) and expects to open two additional new stores this year. “Our newest northern California (Los Altos) location will open in April 2015 and will also follow the non-pharmacy format,” Panzer said. “We’re planning additional fill-ins to existing markets, which includes the Pacific Northwest market, the Bay Area and also the San Diego-Los Angeles market.”

New look, new leadership

Ritzman Pharmacies is getting a new look in 2015 after the recent appointment of pharmaceutical industry veteran George Glatcz as COO.

“We are very excited to launch a new brand and look,” Christina Cyrus, Ritzman spokeswoman, told Drug Store News. “At the same time, we are working very hard to remove operational burdens from our associates so that they can spend as much time as possible serving our patients and communities. We are excited to launch more services and programs that will help our communities with their overall wellness, active living and simplify the prescription services we currently offer.”

Last year, Ritzman introduced immunizations and medication therapy management into its pharmacy service portfolio. The chain also rolled out its med-sync program across its pharmacy base and added automation to its compliance packaging. Ritzman also operates a compliance packaging pharmacy, a home infusion pharmacy and a specialty care service.

“As Ritzman continues to grow and look for new avenues to provide pharmacy services to our customers, George’s … leadership will bring Ritzman to the forefront of community pharmacy,” said Eric Graf, CEO of Ritzman, when Glatcz joined the company this past fall.

Glatcz began his career as a practicing nuclear pharmacist and has experience working in pharmaceutical product development and marketing. Glatcz also has consulted with healthcare marketing services on brand strategy development and product commercialization.

In addition to delivering on that small-town pharmacy promise of personalized service, Ritzman specializes in its own Ritzman brand line of supplements.