

The Rx Report:

The future of community pharmacy
opens doors to healthier communities



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The COVID-19 pandemic demonstrated the impact community pharmacy can have on public health...

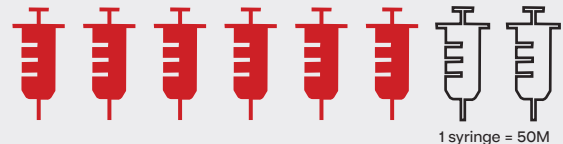
41,000

pharmacies were mobilized to administer vaccines



300M

vaccines were administered across the country



Overview — Today's community pharmacies are well-positioned to help make a difference in the lives of everyday Americans. They can provide convenient access to quality, affordable clinical health care services and help close gaps in care across the country.

More than any other event in recent history, the COVID-19 pandemic clearly demonstrated the positive impact community pharmacies can have on public health. The ease of access, reach and convenient locations, including in underserved areas, was an advantage only community pharmacies could deliver. During the pandemic, some 41,000 pharmacies were mobilized to administer more than 300 million vaccines across the country.¹

This demand, in many ways, has not eased, despite the retreat of the pandemic itself. While it's an exciting time to be working in community pharmacy, it's also time for industry-wide change that evolves how community pharmacy works and supports patient care and the practice of pharmacy in new and important ways.

In addition, the industry needs to inspire more pharmacists and aspiring pharmacists to establish their careers in community pharmacy by demonstrating the meaningful impact they can have on health outcomes in their local communities.

To get there, we must foster an environment that creates sustainable working conditions, including creating more efficiency and capacity for pharmacists to exercise the clinical abilities consumers are asking for, while easing the administrative tasks associated with dispensing medications. This includes deploying consumer-friendly digital tools and efficiency-enabling innovations that create a better experience on the bench, clearing the path for the next generation of community pharmacy to play an even more transformative role in health care. Critical to this is also modernizing the retail pharmacy model to help address challenging market dynamics.

The 2024 Rx Report details the findings from a new CVS Health® survey² of 4,000 adults, on the latest consumer and industry trends affecting community pharmacy.

¹ Centers for Disease Control and Prevention. The Federal Retail Pharmacy Program for COVID-19 Vaccination. August 18, 2023. Available at: <https://www.cdc.gov/vaccines/covid-19/retail-pharmacy-program/index.html>. Accessed September 2023.

² The research was conducted online in the United States as part of the CVS Health Dimensions of Health Care study. The Harris Poll surveyed 4007 US adults aged 18+, 203 US Family/General Practice and Internal Medicine Physicians, and 202 US retail, hospital, and independent Pharmacists. The survey was conducted from March 9-20, 2023.

Consumers are relying on community pharmacy teams now, more than ever

The COVID-19 pandemic left more than one legacy. Widespread recognition of the impact of community pharmacy on public health during the pandemic fundamentally changed the way Americans view their local pharmacy. Data shows that the work of pharmacy teams throughout the pandemic was not only far-reaching but potentially lifesaving for the millions of people they served. In fact, a report conducted by the Global Healthy Living Foundation and IQVIA found that in the last two years, more routine adult vaccinations were administered in pharmacies than in non-pharmacy settings.⁴

Trust runs deep when it comes to consumers and their local pharmacists. Nearly 90% of Americans say they trust their local pharmacist and pharmacy teams², and overall customer satisfaction is higher among customers who say they know their local pharmacy team members by name.² Furthermore, nearly 3 in 4 Americans agree they would feel comfortable discussing their personal health or the health of a family member with a pharmacist.² And while people of color are increasingly placing their trust in local pharmacists, it's important that the industry works to enhance and increase this trust to close care gaps and serve communities more equitably.

Convenience is also key. Almost 90% of the U.S. population is located within five miles of a pharmacy.³ Nearly one in three Americans said they visit a pharmacy or business that contains a pharmacy at least once per week or more, and about seven in 10 say they prefer pharmacies for their health care needs because of the convenient locations with evening and weekend hours of operation.²

In addition, pharmacists can have a tremendous impact on health outcomes beyond filling prescriptions. Eighty-four percent of consumers say pharmacists play a critical role in providing health care services to patients.² This includes improving medication adherence and outcomes in chronic conditions¹ because of their ability to provide quality clinical care and close gaps between regular provider visits.

Convenience is key

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of a retail pharmacy



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7 in 10
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³ Lucas A. Berenbrok, Shangbin Tang, Nico Gabriel, et al. Access to community pharmacies: A nationwide geographic information systems cross-sectional analysis. Journal of the American Pharmacists Association. November – December 2022; Volume 62 (Issue 6): Pages 1816-1822

⁴ IQVIA. Trends in Vaccine Administration in the United States. January 13, 2023. Available at: <https://www.iqvia.com/insights/the-iqvia-institute/reports/trends-in-vaccine-administration-in-the-united-states>. Accessed September 2023.

Pharmacists want to do more for their communities – but they need more support

A majority of pharmacists express interest in performing duties beyond filling prescriptions, including providing immunizations (97%), educating customers on diseases or conditions (96%), counseling about medications or therapeutic alternatives (94%), providing heart health services (89%), sharing practical tips for prescription savings (84%), and offering diagnostic tests for certain illnesses (75%).² And 87% of pharmacists wish their customers would ask more questions about their health needs.²

But the industry is experiencing high levels of workforce burnout. According to a 2023 Pharmacy Times survey of 194 pharmacists, respondents reported an average burnout rating of 5.89 on a scale of 1 to 7, with 1 being “not at all” and 7 being “extremely” burnt out.⁵

There is recognition across the industry that more can and should be done to help address long-standing issues in pharmacy to help foster a more balanced, positive work environment for pharmacy teams. Critical to achieving this is listening to pharmacy teams and making sustainable and scalable changes based on their feedback.

This includes solutions such as enabling teams to schedule additional staffing support as needed, enhancing pharmacist and technician recruitment and hiring, and strengthening pharmacy technician training. In addition, supporting higher wages, benefit enhancements, dedicated daily breaks, new pathways for career advancement, and operational improvements are also key. And digital innovations can support both pharmacy teams and consumers, helping to alleviate administrative tasks and provide more flexibility and capacity for pharmacy teams to be able to focus on providing the meaningful, personalized care patients depend on.

But these solutions alone may not be enough over the long-term to address growing pressures on the industry, including challenging market dynamics and business economics.

That is why CVS Pharmacy is leading the way, by creating a sustainable retail pharmacy reimbursement model, to bring more transparency and simplicity to the system. Specifically, the new model, called CVS CostVantage™, will shift how the pharmacy is compensated by aligning reimbursement to the quality services provided and prescriptions dispensed. The model will also allow for the company to continue to invest in stores and colleagues. Altogether these types of changes will help create a more durable pharmacy industry, further contribute to positive

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Offering diagnostic tests for illnesses
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patient outcomes, enable higher job satisfaction and sense of purpose and a professional career track that offers growth opportunities.

The future of pharmacy is both digital and in-person

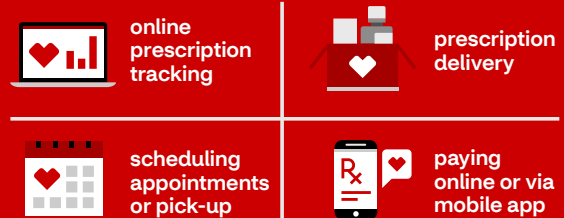
Community pharmacies are innovating to transform pharmacy care to provide consistent and differentiated pharmacy experiences that meet consumers where they are. Advancements in technology and digital health tools can fuel efficiency for patients and pharmacy teams alike, leading to an improved consumer and pharmacy team experience.

Innovative community pharmacies are doing digital in a whole new way. In fact, 81% of consumers say they use digital technology to interact with their pharmacy, through websites, mobile apps, and text messages.⁶ Digital tools, such as online prescription tracking, prescription delivery, scheduling appointments or pick-up and paying online or via mobile app provide patients with options that allow them to receive care at the touch of a button.

The overwhelming majority of Americans – up to 90% – believe that a connected, digital pharmacy experience enhances the overall patient experience.² Doctors and pharmacists agree: three in four physicians and almost all pharmacists (91%) say that better use of technology to connect with patients and customers would improve overall health.² Overall, Americans recognize the growing importance of digital tools in health care since the pandemic and believe a greater use of technology would make the pharmacy experience better.

Up to 90%

of Americans believe that a connected, digitally-led pharmacy experience enhances the overall patient experience



While others in the industry have introduced digital-only initiatives like online care options and generic medication subscription programs, CVS Pharmacy is taking a different approach with its more than 55 million digitally connected customers⁷ – using technological innovation to help enhance, not replace, the important relationship between community pharmacists and their patients. Those personal interactions continue to be highly valued by both consumers and pharmacists; (91%) and over the phone (88%) are important for their experience.²

Digital fuels efficiency and capacity on the bench

While apps and consumer-facing technology are aimed at improving the consumer experience, they also can help improve efficiency behind the pharmacy counter. This is critical to enabling the future of community pharmacy and addressing burnout and workload issues.

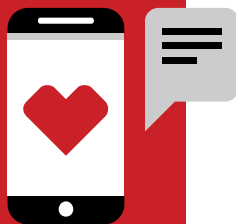
⁶ CVS Health, Redefining health care delivery – Healthier Happens Together, June 2023, Available at: [Investor-Fact-Sheet.pdf](#) (q4cdn.com)

⁷ Aislinn Antrim. Despite Rapid Growth of Institutions, Pharmacy School Applications Decline. Pharmacy Times, April 5, 2023. Available at: <https://www.pharmacytimes.com/view/despite-rapid-growth-of-institutions-pharmacy-school-applications-decline>. Accessed September 2023.

Digital innovations can help. For example, when patients self-service via an app, it often reduces calls to the pharmacy for things like prescription status or initiating a refill that can be easily resolved digitally. Technology can also help pharmacy teams with balancing workloads, enabling them to have more control over their day. The approach is backed by pharmacists – 85% of pharmacists say that digitally automating more processes would improve the quality of interactions with patients.²

Digital automation

85% of pharmacists say that digitally automating more processes would improve the quality of patient interaction



Committed to improving both the consumer and the pharmacist experience, CVS Pharmacy is creating sustainable solutions that position valued pharmacy teams for success, informed by feedback from and built for them. This includes revolutionizing its approach to workflow and Drug Utilization Review (DUR), for example, by embracing digital technology. CVS Pharmacy is also using digital technology for early risk detection, among other things, to add complementary layers of safety and accuracy checks throughout the prescription fulfillment process.

These types of digital pharmacy innovations help ensure consumers receive consistent, personalized, quality care while supporting pharmacists to do their best.

A smarter way to do DUR

CVS Pharmacy is the first in the industry to introduce a reimagined Drug Utilization Review (DUR) system that generates targeted, patient-specific alerts, including recommended “next best actions” and potential therapeutic alternatives for prescribers to consider. The system filters out identical, repetitive alerts that have already been addressed and are associated with subsequent fills, resulting in significant reductions in the total number of DUR alerts – and, consequently, reduces alert fatigue, a recognized challenge across the health care industry. Talking points for reference in conversations with patients and physicians are also provided to support pharmacists. Backed by best-in-class guidance, pharmacists can focus on the personalized interactions patients value.

Supporting workflow and workload

CVS Pharmacy is also introducing a game-changing dynamic workload-sharing model that enables pharmacies to collaborate on the prescription filling process, dispersing and balancing the workload across pharmacies where state law allows.

The approach is aimed at providing pharmacy teams more support, which will create greater flexibility to deliver clinical care and manage the unpredictable nature of customer demand.

Virtual verification

CVS Pharmacy uses an innovation that has earned high praise among its pharmacists for its gains in efficiency and streamlining product verification – traditionally a time-consuming and manual process. The technology enables pharmacists to perform product verification based on an image of the medication captured while the script is being processed, providing an extra layer of validation to prescription production accuracy, saving time and creating more flexibility for pharmacists to perform clinical services.

Community pharmacy can aid in the pursuit of health equity

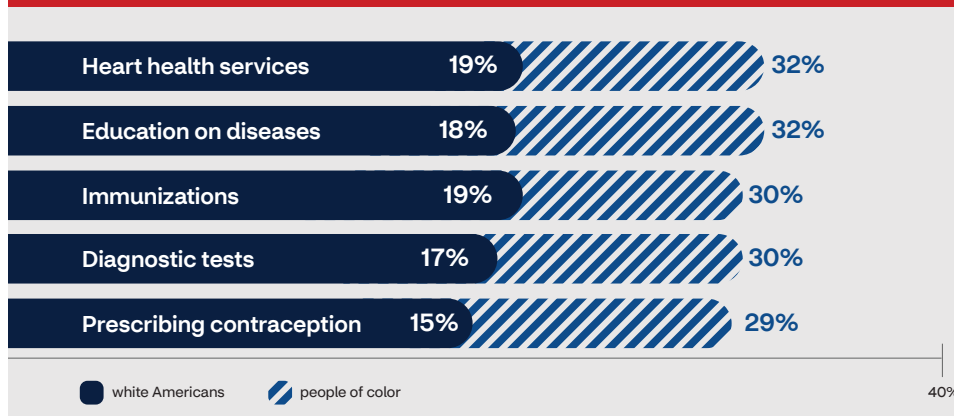
By better supporting our pharmacy teams and implementing some of the sustainable changes previously mentioned, the industry is poised to help close gaps in care for certain populations and have an even greater impact on public health.⁷ That is because pharmacy teams are well-positioned to provide continued access to important services, like vaccination, particularly in medically underserved areas or populations.

Their convenient access makes community pharmacies an ideal setting to help drive equity and fill gaps in patient care. Given continued inequities in health care, pharmacies can offer greater inclusion, as people of color increasingly trust local pharmacists, seek out more affordable

and accessible services, and rely less on traditional health care channels. In fact, people of color visit their local pharmacies more often than white Americans, with more than four in 10 visiting in-person at least a few times per month to speak with a pharmacist about their health care needs.²

In addition, the Centers for Medicare and Medicaid Services (CMS) recently introduced a Health Equity Index Reward as part of its Medicare Advantage Star Ratings program. Starting in 2024, CMS will begin measuring social risk factors and as part of 2027 Star Ratings will incentivize Medicare plans that narrow social disparities and inequities for beneficiaries with certain social risk factors (such as socioeconomic neighborhood deprivation, income, and education). This includes an increased focus on medication adherence and improving health outcomes for high-risk beneficiaries, which provides an important opportunity for local community pharmacies.

People of color use pharmacies for basic health services more frequently than white Americans



People of color visit their local pharmacies more often than white Americans

4 in 10

visit at least a few times per month to speak with a pharmacist about their health care needs

Across its enterprise, CVS Health is focused on providing the highest level of care for all patients, including addressing inequities that directly impact certain patients' ability to access quality health care. Dedicated health equity teams have been launched across its businesses. A new Retail Pharmacy Health Equity team is focused on infusing health equity into everything the company does – building trust in communities, providing tools and resources to reduce cost barriers, promoting healthy behaviors among patients, and integrating culturally-relevant models into the care they provide.

For example, CVS Pharmacy launched a new condition management education pilot program, featuring videos in both English and Spanish that help to simplify clinical information and aim to improve patients' prescription management skills. Since its launch, the company has engaged more than 6 million consumers, 250,000 of whom are Spanish speaking.

Additionally, CVS Pharmacy is also piloting a community immunization program in Atlanta, GA in partnership with trusted residential housing developments in underserved communities. The program helps educate patients and deliver expanded immunizations to close gaps and enhance patient trust to address vaccine hesitancy.

Preparing the next generation of pharmacy teams

Talent acquisition and retention are at the heart of successful community pharmacies. Unfortunately, despite the increasing need and opportunity for pharmacists, in less than a decade, pharmacy school applications have decreased by more than 60%.⁸

Demonstrating the potential impact of community pharmacy and public health as well as supporting the day-to-day and careers of pharmacists and technicians will be the differentiators in attracting and retaining talent. This is crucial to the growth of community pharmacy and community health care as a whole.

“As leaders in community pharmacy, we have an obligation to better support our pharmacy teams today and create a better place for tomorrow’s pharmacists through important and sustained workplace changes and ensuring the momentum toward expanded pharmacy services continues. We also need to raise awareness among students and potential students of the important role community pharmacy plays and the impact they can have on public health.”

— Prem Shah, Executive Vice President and Chief Pharmacy Officer, CVS Health and President, Pharmacy and Consumer Wellness

⁸ Aislinn Antrim, Pharmacists Report High Levels of Burnout, Resulting in Understaffing and Alternative Career Paths. Pharmacy Times. April 26, 2023. Available at: <https://www.pharmacytimes.com/view/pharmacists-report-high-levels-of-burnout-resulting-in-understaffing-and-alternative-career-paths>. Accessed September 2023

This means helping inspire more to consider pharmacy school, and also guiding the nearly 15,000 PharmDs who graduate from pharmacy schools each year⁹ toward a fulfilling and impactful career in community pharmacy. These graduates are the future of the community pharmacy workforce, and it's up to the industry to help guide them into their careers as pharmacists.

Tuition assistance and reimbursement programs are key. For example, CVS Health recently launched a new Rx Tuition Assistance program, alongside similar education assistance programs available from other community pharmacies.

The internship experience is another crucial building block of pharmacy education for students, exposing them to all facets of pharmacy work in a hands-on setting. Similar to other community pharmacies, CVS Pharmacy offers an array of internship and pharmacy rotation programs to ensure students can obtain valuable experience before starting their professional careers. In addition, many pharmacy companies recognize that inspiring future pharmacists may mean engaging and educating students about a career in pharmacy while they are still in high school.

“As the desire for pharmacy care grows, pharmacies must adapt to their patients’ needs, and pharmacy colleges play a critical role in preparing their students for this evolution. In fact, many have already been working to create curriculums based on holistic care to develop the next generation of community pharmacists that can help meet this growing demand while also ensuring the diversity of the workforce that the profession needs.”

— Lee Vermeulen, B.S.Pharm., M.S., FCCP, FFIP
Executive Vice President and CEO of the American Association of Colleges of Pharmacy

⁹ Amir Emamifard, PharmD, MBA. Pharmacist Job Outlook: Supply Versus Demand. Health Care Logistics Inc. September 24, 2021. Available at: <https://gohcl.com/advisory-board-blog/pharmacist-job-outlook-supply-versus-demand#:~:text=Not%20surprisingly%2C%20there%20are%20more,American%20Journal%20of%20Pharmaceutical%20Education>. Accessed September 2023.

Conclusion — Community pharmacists are increasingly seen as true partners in patient care, helping to fill gaps between regular provider visits, addressing health inequities and offering trustworthy, accessible and affordable services when patients need them most. The historic role community pharmacy played during the pandemic placed unprecedented demand on community pharmacies, exacerbating industry issues.

There is recognition that more can and should be done to help address long-standing issues across the industry, stabilize the business economics, and help foster a more balanced, positive work environment for pharmacy teams. The digital innovation taking place behind the pharmacy counter can have a major impact on efficiency and can build capacity for pharmacists and their teams to deliver the personalized care consumers want.

While most Americans want enhanced technology and expanded digital services, they still want to engage with their pharmacist in multiple ways, including both in-person and by phone. The

future of pharmacy integrates a digital-first, but not digital-only, approach to improving the overall patient and pharmacist experience.

The strongest pillar of pharmacy growth is at its root – pharmacy students. Providing comprehensive education and hands-on training helps them prepare for the ever-changing world of community pharmacy. They are the future of the industry, and it's imperative to prepare them with the tools needed for success as well as providing a sustainable, supportive environment that enables continued job satisfaction, balance and quality clinical care when they enter the workforce.

The industry is poised to grow in ways that can have far-reaching effects on public health and transform the meaning of accessible, convenient health care for Americans. It's up to the entire industry to help to make it happen, together. Because the future of community pharmacy can help open doors to healthier communities. And that future is now.

Dimensions of Health Care Research Study Methodology

The research was conducted online in the United States by The Harris Poll on behalf of CVS Health among 4007 US adults aged 18+, 203 US Family/General Practice and Internal Medicine Physicians, and 202 US retail, hospital, and independent Pharmacists. The survey was conducted from March 9-20, 2023.

Data are weighted where necessary to bring them in line with their actual proportions in the population. US adult data were weighted by education, age by gender, race/ethnicity, region, household income, size of household, marital status, and employment status. Physician data were weighted by gender, age, specialty, and race/ethnicity. Pharmacist data were weighted by education, age by gender, race/ethnicity, region, and employment status.

Respondents for this survey were selected from among those who have agreed to participate in our surveys. The sampling precision of Harris online polls is measured by using a Bayesian credible interval. For this study, the sample data is accurate to within +2.0 percentage points for US adults, +8.2 percentage points for Physicians, and +8.4 percentage points for Pharmacists using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest.

All sample surveys and polls, whether or not they use probability sampling, are subject to other multiple sources of error which are most often not possible to quantify or estimate, including, but not limited to coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments.