

# Pharmacy operators on chain drug industry's 2021 outlook

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By Chain Drug Review

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*The year that was like no other is over, and pharmacy operators are looking forward to more normal times, at least starting around summer. One question is how much the elevated status of pharmacists during the pandemic will propel long-term gains for the profession. On the following pages top industry executives address that question and others in discussing the prospects for their businesses and the sector as a whole for 2021.*

## **George Coleman** **Senior Vice President of Merchandising** **CVS Health**

With a backdrop of a global pandemic, 2020 was unprecedented in challenging our nation and the retail industry. Chains large and small had to quickly innovate to meet rapidly changing customer needs, while promoting the safety of customers and employees.

As an essential business providing critical health and pharmacy services, CVS Pharmacy's doors never closed, even during the spring lockdown. And we continue to be there for our customers, whether they are coming in to fill a routine prescription, take advantage of health services, stock up on pantry staples for their family, or purchase beauty and hygiene products to help them look and feel their best.

With the pandemic pushing more online and mobile transactions, we've leaned heavily into our digital capabilities and leveraged strategic partnerships to expand our offerings. For example, we recently launched a new touch-free payment method in our stores, allowing CVS customers to pay straight from their smartphones using PayPal or Venmo QR codes. Back in June, we also expanded our same-day home delivery options to include DoorDash, in addition to partnerships with Instacart and Shipt. In fact, as consumers look for easy and convenient ways to keep their pantries stocked, we've doubled the number of food products customers can have delivered via DoorDash.

As we move into 2021, we're very focused on our COVID-19 testing and vaccine distribution efforts. We also continue our rollout of the new HealthHUB format. Our HealthHUBs redefine the role our retail stores play in connecting consumers to affordable and accessible services and resources that can help them on their path to better health. You can expect to see us have 1,500 of these locations in service by the end of 2021.

From a merchandising perspective, our customers will rely on us for continued access to everyday health products, including vitamins, immunity support supplements, hand sanitizer and face coverings, popular self-care items, and grocery needs. We are expanding our proactive wellness assortment and introducing new brands across health, beauty and consumables that our customers will be delighted to see in their local CVS Pharmacy.



George Coleman

Over the last year, we've seen double-digit increases in downloads and engagement with the CVS Pharmacy app, which can be attributed in part to higher engagement with our ExtraCare Rewards loyalty program. Our loyalty strategy delivers value in two different ways: ExtraCare gives our customers valuable and highly relevant coupons every day just for being a member, along with various opportunities to earn rewards. On the other hand, CarePass is a subscription program that delivers simplified value in the form of a \$10 coupon every month along with a range of other benefits such as free prescription delivery, 24-hour access to a pharmacist or nurse practitioner, and 20% off qualifying CVS Health brand products. Since its nationwide rollout in 2019, CarePass has been a great addition to our loyalty portfolio and particularly appeals to our younger shoppers. In general, however, all of our customers appreciate getting deals and rewards on their favorite products and appreciate that they're easily accessible via our app, as well as through personalized emails and text messages.

I'm personally excited and humbled by what we've accomplished in 2020, and we look forward to greeting the new year with a continued focus on innovation and the customer experience.

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**Alex Gourlay**  
**Co-Chief Operating Officer**  
**Walgreens Boots Alliance**



Alex Gourlay

First and foremost, I'd like to extend my sincere thanks and gratitude to all pharmacists, technicians, associates and support office teams across the drug store industry for taking care of customers and patients across America under extraordinarily trying circumstances. Our industry mobilized to meet the challenges posed by a global pandemic in a response that I'd characterize as nothing short of heroic. There has never been a more challenging and rewarding time to be a part of the retail pharmacy industry. I am truly inspired and proud for what has been achieved in 2020 and what is to come in 2021.

The pandemic has given health and well-being an even greater sense of importance for consumers. Consequently, the role pharmacy plays in the nation's health care delivery system has never been clearer. Americans are seeking health and expertise to protect their families and loved ones while demanding digital experiences to meet their needs.

The world enters 2021 with a general sense of hope and optimism that the distribution of COVID-19 vaccine will help curb the pandemic. As vaccines come to market, it will be critically important for health officials to transparently communicate updates regarding distribution availability and safety.

Walgreens is making efforts to ensure COVID vaccines are available and accessible in all communities, especially those that are most vulnerable. With Walgreens stores located within five miles of 78% of Americans, our vaccine expertise and our trusted community pharmacists, we are well positioned to help accelerate the availability of COVID vaccines.

Walgreens is also building on our experience of establishing COVID-19 testing, which has come a long way since we opened our first COVID testing location in Bolingbrook, Ill., almost a year ago. We continue to expand efforts to increase access to COVID-19 testing across the country by adding additional options for patients to receive tests at drive-thru locations or delivered directly to their homes. I'm proud the majority of our COVID-19 testing sites across the country are serving socially vulnerable areas identified by the Centers for Disease Control and Prevention.

While we remain focused on supporting people, families and communities through the pandemic, we are also focused on addressing health disparities, particularly in minority communities. In Chicago, we continue to see encouraging results from our community-pharmacy based efforts and health initiatives to educate patients in underserved neighborhoods, where statistics indicate a higher prevalence of pediatric asthma and diabetes, through proactive outreach and high-touch consultations.

Furthermore, Walgreens and Walgreens Boots Alliance continue to have meaningful conversations with our team members and community stakeholders on how we can work together to build bridges and foster change in all our communities. We are committed to advancing inclusion as a WBA value and increasing our efforts to create a diverse workforce, beginning with our board of directors and continuing throughout our entire organization.

Well before the pandemic, consumers were redefining value and convenience, evolving the way they shop and adopting new technologies. And to meet their changing needs, consumers are actually starting to feel and experience the benefits of our focused efforts on accelerating the digitalization and modernization of the company.

Customers have told us they want advice on health and well-being to help them take care of their families, and they are looking for more convenient and personalized shopping experiences, whether in-store, online or in the palm of their hand.

To that end, last fall's reinvention of our loyalty program and launch of myWalgreens has allowed us to deliver customers a personalized retail shopping and pharmacy experience and make it easier to stay well, shop, and save money and time. The first-of-its-kind customer experience includes shopping online and through the Walgreens mobile app with the option to pick up items in-store, at curbside or in the drive-thru in as little as 30 minutes.

We're able to do all this with myWalgreens because it now seamlessly integrates our more than 9,000 stores nationwide, the expertise of more than 25,000 pharmacists, our website and digital channels, and our redesigned mobile app, which has more than 65 million downloads.

At a time when access to care is more important than ever before, we've created a "pharmacy-in-your-pocket" digital experience, increasing the patient's interaction with their pharmacy team, both in-person and digitally, to help improve their health outcomes. We've built on our popular 24/7 pharmacy chat feature within our app and added new features such as access to finding and booking medical care, the ability to make vaccination appointments and receive personalized health and wellness advice, including real-time flu alerts.

We also continue to expand Walgreens Find Care, one of the most comprehensive and integrated health care and pharmacy experiences. The platform gives patients access to pharmacy, telehealth and in-person health care services at their fingertips, all through the convenience of the Walgreens mobile app or online at [Walgreens.com/findcare](https://www.walgreens.com/findcare).

Walgreens is continuing to maximize the power of our partnerships to drive pharmacy-anchored primary care. Our recent expansion with VillageMD will result in more than 40 new Village Medical at Walgreens clinics by the end of summer as we begin to make progress on our goal to open between 500 and 700 clinics in 30 markets over the next five years. Patients can receive physician-led primary care services, enabling us

to provide more people with convenient access to high-quality, affordable care embedded in their communities. As we strive to be America's first choice for pharmacy, health and well-being, our north star as always will be what is in the best interest of our customer, patients and the communities we proudly serve.

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**Debbie Weitzman**  
**President, Pharmaceutical Distribution**  
**Medicine Shoppe International, Cardinal Health**

During the COVID-19 pandemic, pharmacists have become more embedded in the health care system than ever before, serving as a critical part of the frontline fight to stop the spread in their communities. In 2021, COVID-19 will remain the top priority for pharmacists, as state licensed pharmacists across the country will be administering COVID-19 vaccines when they become available. Cardinal Health is working with all stakeholders in the pharmaceutical supply chain, including our customers; suppliers; employees; and federal, state and local government partners, to build distribution processes that will help ensure the success of vaccine administration. We are participating in the CDC's Federal Pharmacy Partnership Strategy to enable retail independent, small-chain and long-term-care pharmacies to participate in vaccine administration.



Debbie Weitzman

As we have seen with past public health emergencies, pharmacists will likely run into administrative hurdles when seeking reimbursement for providing this crucially important service, which is why there has never been a more important time to grant pharmacists provider status under Medicare Part B. Provider status would enable pharmacists to be reimbursed for the critically important services they are providing during this crisis. Many industry organizations, including Cardinal Health, are supporting legislation and advocating for pharmacists to be granted provider status.

Pharmacists have provided much-needed relief for the strain the pandemic has placed on the health care system, providing point-of-care testing, delivering medications to patients and adapting quickly to provide services virtually. After the pandemic, payers and providers will likely come away with a deeper understanding of the additional value and enhanced patient care pharmacies can provide, which may have a lasting impact on the role of the pharmacist.

Already a fast-growing sector of the point-of-care testing market, demand for infectious disease testing, particularly rapid antibody testing, has increased. Now is an ideal time for community pharmacies to offer point-of-care testing as a clinical service. Point-of-care testing can often serve as an entry point for new customers and raises the visibility of community pharmacies as health care destinations, in addition to adding a new revenue source. The convenience of point-of-care testing in the community pharmacy benefits several patient demographics, including Millennial patients who seek out care close to home; rural patients who may not have access to a local hospital or physician office; and low-income patients who see it as a cost-effective option.

To help minimize the risk of exposure for their patients and staff, many pharmacies have pivoted during the pandemic to offer additional delivery options, such as curbside pickup or drive thru, with some pharmacies even making over-the-counter and front-end products available through these contactless services. While pharmacists have been offering home delivery of prescriptions for many years, this service has only

increased in popularity as a result of the COVID-19 pandemic. After the public health emergency, pharmacies can continue to add value and increase the level of service they offer to patients by adding additional delivery methods, such as e-commerce.

Beyond COVID-19, pharmacists can expect that clinical and patient care services will continue to expand as the population of older Americans continues to grow and physician shortfalls are on the horizon. These trends present an opportunity for pharmacists to expand their scope to meet increased demand for health care services. Medication therapy management is one such service pharmacies can offer to drive improvements in disease management outcomes, cost savings and quality-of-life measures. Multidose packaging is another valuable service that can be effective in helping to ensure patients are taking the right dosage at the right times, especially older adults who take an average of six to eight medications.

Throughout the COVID-19 pandemic, pharmacists have proven their resiliency and the valuable role they play in the health care ecosystem. In the future, pharmacists will continue to strive for improved patient outcomes, greater efficiency and business growth, and Cardinal Health will be there to assist them in pursuit of their goals.

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**Geo Rafferty**  
**President of Corporate Partnerships**  
**AmerisourceBergen**

In late 2019, AmerisourceBergen evolved its partnership approach for its largest retail pharmacy customers in order to provide a more unified, value-driving experience. Through extensive research to gain a deep understanding of customer's operational and strategic needs, AmerisourceBergen created the new Corporate Partnerships team and evolved its coverage model to facilitate a more customized approach for each customer. The approach also includes additional resources to ensure the day-to-day execution is seamless, but there's also time for strategic thinking and planning alongside the customer.



George Rafferty

The evolution of the Corporate Partnerships team came at a pertinent time, just before the country began experiencing a significant uptick in COVID-19 cases. Under the old model, balancing the day-to-day needs of customers amid COVID-19, while also having the necessary conversations to plan for the year ahead, would have been nearly impossible. Today, the team has the right resources and people in place to meet customers' needs during the pandemic and simultaneously plan for long-term growth.

Alongside the new coverage model, the Corporate Partnerships team also made a commitment to foster an environment of co-creation. In other words, rather than steering customers toward a predetermined strategy, it's a collaborative process to identify and deliver on the strategies that make the most sense for the business. In 2021, the team is focused on redefining the customer experience and finding ways to drive real value.

Patients' needs are evolving rapidly and, at the same time, retailers have to deal with short-term supply chain challenges while working to stay ahead of shifting patient and caregiver needs. As a strategic partner, AmerisourceBergen is committed to growing and evolving alongside its customers, especially in this difficult

time. The Corporate Partnerships team is working with urgency to expand the services provided to pharmacies. The ultimate goal is to build customized solutions that harness and augment the capabilities of AmerisourceBergen while creating growth opportunities for customers.

Currently, the team is working on a massive project to map out how its largest customers interact with AmerisourceBergen at every touchpoint. These insights will help identify process and system improvement opportunities that will cumulatively drive tangible value today and beyond. Sometimes, it's a single efficiency that helps get the job done in less time. What can be considered the smallest update or marginal adjustment can have a significant impact across the distribution network and help deliver a better patient experience.

Working shoulder to shoulder with key partners over the last several months has helped the Corporate Partnerships team understand the services and solutions that deliver the most impact for their customers. In the end, innovation only matters if it leads to the launch of solutions that create business value. In fiscal year 2021, the team will be focused on designing, building and launching pilots to further strengthen their ability to serve large pharmacy customers.

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**Jim Peters**  
**Chief Operating Officer**  
**Rite Aid**

Even before the COVID-19 pandemic, we knew our health care system was in dire need of a fresh approach. Obesity, anxiety, depression and mental health issues, among many other health challenges, had been pervasive for too long.

At the same time, access to care had grown increasingly fragmented and costly while consumer expectations were reshaped by retailers like Starbucks and Apple. It had become seamless to get your iPhone fixed, and increasingly difficult to go to get basic medical care. The health care industry wasn't optimized to address the most pressing health needs of our communities in the most effective, relevant ways. Clearly, we had to do better.

In order to serve the critical mission of keeping our communities healthy and to meet evolving consumer preferences, we knew that something had to be done differently — and that pharmacy would play a starring role in the revolution of health care.

That's why we've embarked upon a new RxEvolution strategy for Rite Aid that elevates pharmacists as the everyday weapon that can help better connect patients to their care teams, and better inform patients about the traditional medicines and alternative remedies that can help them go beyond healthy and get thriving.

As some of the most trusted and accessible clinical providers, pharmacists hold the key to change — they are truly the missing link in the last mile of health care. In fact, I believe they are the single most underutilized providers, and pharmacist's role in COVID-19 testing and vaccine distribution has only further validated that idea.

Pharmacists have been on the front lines of the pandemic since the beginning — Rite Aid pharmacists alone have overseen administration of more than 1.2 million COVID-19 tests, helping to relieve the strain on an overburdened health,care system grappling with the scale of the pandemic. All while continuing to provide



Jim Peters

trusted care and advice on medications and everyday health issues.

Now, we're finally starting to see the light at the end of the pandemic tunnel as the first COVID-19 vaccines are being administered — but we're far from declaring, "Mission accomplished." It will be a Herculean effort to vaccinate the entire population in such short order, and pharmacists must continue to play a central role to make that happen, by administering vaccines while also continuing to help people get tested.

We also haven't lost sight of a future, post-COVID-19 world in which many health care challenges still remain. At Rite Aid, each neighborhood pharmacist stands ready to meet that challenge head on, with a renewed whole-health approach that helps people get better sleep and better manage mental health, and educates them on a broader spectrum of traditional medications and alternative remedies.

In addition to freeing up the pharmacist to spend more time advising customers on whole health, we're piloting a new vision for the chain drug store itself. Our Store of the Future pilot locations showcase our vision for how the tired drug store of the past can be reinvented as a neighborhood destination for health and wellness. The feel and function is more like an Apple store, and less like a convenience store.

While we're excited to update our in-store experience, and believe that our retail locations will continue to play a central role in our customer experience, we're not holding onto brick-and-mortar with a white-knuckle grasp. We're building a unified shopping experience that reflects the evolving needs of our customers that includes a refreshed digital experience and expanded options for delivery and in-store pickup.

We are also doubling down on our pharmacy benefit management company Elixir, and our suite of pharmacy service solutions — including technology solutions, mail-order delivery, specialty pharmacies, network and rebate administration, and claims adjudication, as well as prescription discount programs and groups. Elixir is the only payer-agnostic PBM with a retail pharmacy footprint, with connection points that will support the health system in ways we can't even imagine today. We have big plans for the future of Elixir.

We will continue to lead by example as we chart a new course for how pharmacists fit into the broader health care landscape — both during and after the pandemic. Despite facing one of the most challenging public-health crises in history, I believe the future is bright — and Rite Aid is proud to help effect the changes needed to get our neighborhoods thriving again.

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**Eyad Farah**  
**President, Health Mart & Health Mart Atlas**

First, let me just share how very proud I am of community pharmacies and pharmacists who have stepped forward to serve as vital frontline health care providers during the pandemic. Pharmacists have continued to evolve their role from just dispensing medications to taking on greater responsibility in the patient care continuum. In addition, the Department of Health and Human Services (HHS) recently expanded testing and immunization capabilities for pharmacists.

Beyond the pandemic, though, I want to acknowledge that 2020 was a banner year in a few other ways. It was truly transformational for retail pharmacy and industry entrants. While announcements from Amazon,



GoodRx, Teladoc and Livongo come to mind, I frankly feel pharmacy will never be the same. The shift we've seen is — and I'll use the word of the year — unprecedented.

Eyad Farah

So much changed. From physical and workflow changes to providing care safely during a pandemic, to a shift in the patient-pharmacy relationship from transactional to one of value as a primary member of the clinical care team. With that backdrop, here's my take on the key issues facing the industry in 2021:

- Testing and immunizations

There was never a doubt, but community pharmacies have been leaders in providing access to COVID-19 testing in their communities. As of December 2020, Health Mart pharmacies across the U.S. have completed more than 300,000 COVID-19 test collections through a public-private partnership with HHS and eTrueNorth. And when faced with planning a national vaccination effort in 2021, the U.S. government said, "We need pharmacists." Pharmacists stepped up to help in 2020, and they will further protect patients in 2021.

- Digital offerings key for the future

While e-commerce was a nice-to-have, it's now a must-have. Count it as a silver lining, but the pandemic initiated innovation and change — causing pharmacies to rethink their digital capabilities. Pharmacies must continue to holistically, consistently and carefully address their omnichannel experience in 2021. A pharmacy that can create an omnichannel experience will drive better patient outcomes and better business for itself. They will need to offer patients multiple ways to access services and information that help them manage their health. It's what they need, when they need it, where they need it and how they need it. It could be as simple as ordering refills online, getting your drugs delivered to your home or creating a two-way digital communication with your pharmacist via an app.

- Telehealth and remote monitoring

Consumers are using virtual visits more than ever before, and they plan to continue using them. According to a recent Deloitte study, 80% are likely to have another virtual visit, even post COVID-19. This one seems obvious right? But this will greatly impact our interaction with patients. Whether your phone number is still listed in the phone book is more and more irrelevant. But if you can Facetime with a patient — especially in rural areas — now that's next level patient engagement.

- Pharmacies as care destinations

Community pharmacies are often found in health care deserts or underserved communities. The wants and needs in these communities are different than for patients living in large, accessible metro areas. There are many places in this country that, because of the logistics involved, your local and trusted pharmacist is the only provider available — serving not only as a solution center for the sick but also as a destination for the healthy. What we've experienced in 2020 will become the foundation of how pharmacies will serve customers in the future, and I hope that this will result in pharmacists finally achieving full provider status in all 50 states.

- Transparency and reimbursements

Like so many, we look forward to the possible positive implications of the Supreme Court's ruling on *Rutledge v. PCMA*. Ask independent pharmacists to name their biggest struggle today, and without skipping a beat, they'll say, "Reimbursement." Community pharmacy owners need a clear understanding of revenue and costs. We believe the ruling could shake up the status quo and provide long-overdue transparency for community pharmacies.

The industry's rapid evolution has been inspiring to watch. With that said, there's one long-standing truth I want to underscore: The caring heart of your local pharmacist is still the most important piece to patient care. To stay competitive, community pharmacies must continue to distinguish themselves by providing a personalized patient experience — to know the patient and not only care for their health, but also their well-being. I'm in no way surprised this industry stepped up in 2020. It's what we do. We care. And I expect more of the same in 2021.

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**Chris Chiew**  
**General Manager, Pharmacy**  
**London Drugs**

As physicians moved towards virtual visits, pharmacies remained open, further establishing themselves as an essential service. We needed to be and continue to be there to answer questions about COVID and fill their essential medications. We took the opportunity to shine as a profession.

COVID-19 has transformed how we care for our patients. Prior to March 2020, our patients came into our private counselling room for a one-on-one consult with our pharmacist for their disease states. For the newly diagnosed, we would take the time to explain what it meant, how it would impact their lives and how therapy would help them manage. Today, patients do not want to come in for fear of contracting COVID-19 but they still need our care, so we offer Telecare.



Chris Chiew

London Drugs has always offered prescription delivery service to our patients. COVID-19 has made this service an essential offering. Even though we significantly increased the number of drivers, our delivery service could not keep up. We quickly added curbside pickup, which was a safe alternative for many of our patients still willing and able to drive to our stores.

From the start of the pandemic until today, doctors are seeing their patients virtually. We are helping. Because the doctors still need vitals such as blood pressure, weight and temperature to make therapeutic decisions, our pharmacists are taking these readings, entering the data in via the telemedicine platform and then allowing the patients to use our private counselling room to virtually see their doctor. After the virtual visit, the doctor e-faxes the prescription to us to quickly fill and have them on their way.

More than ever, the complex-care patient needs our help. With all the attention on preventing the spread of COVID-19 and how to care for those who contract the virus, patients with chronic disease states have been left to care on their own. This is a dangerous situation with severe long-term implications on our health care system. To help solve this, we use a secure virtual platform that allows us to virtually see the patient to discuss their disease state, develop therapeutic goals and teach them how to properly use their monitoring devices. We understand not all patients are tech savvy or have the means to afford the technology for virtual visits. For these patients, we will use a combination of phone and in-home visits while ensuring COVID protocols are being met.

The mental toll continues to have significant negative effects on all our well-being due to all the COVID safety measures in place. We put physical barriers such as Plexiglass between the patient and the pharmacy staff. We all don masks so our patients cannot see our smile. We keep physical distance to ensure droplets are not passed from person to person. Our pharmacies do not feel as welcoming as before. Layer on the missed family vacations to warmer climates, the cancelled barbecues with friends and the hugs we received from our grandparents the COVID mountain seems insurmountable. If we all remember to continue to be patient and kind with each other, we will get through this.

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**Joe Douglas**  
**Chief Executive Officer**  
**Genoa Healthcare**



Joe Douglas

Emerging from 2020, a year shadowed by the COVID-19 pandemic, the need for quality health care for people with mental health, substance use and other complex health issues has never been greater. Genoa Healthcare, the country's leading provider of behavioral health pharmacy services, is laser focused on improving access to a higher level of pharmacy care for those we serve.

Mental illness and substance use issues have soared throughout the pandemic, just as federal, state and local safety requirements have obliged many clinics to move services to telehealth and temporarily shutter some programs. To help address barriers to care, Genoa Healthcare, whose more than 550 pharmacies are primarily located in community mental health centers, has taken active measures to ensure that consumers relying on complex medication regimens remain on their medication plans.

Virtually all of Genoa's pharmacies have remained open and serving consumers throughout the pandemic. In locations where foot traffic is down due to safety measures, Genoa has ensured access to medications by providing curbside pickup, mail services and courier delivery directly to consumers' homes.

In addition, Genoa's pharmacies have ramped up engagement efforts. For example, when consumers stop filling their medications, Genoa has built in several layers of outreach to ensure they don't fall through the cracks, including phone calls to consumers' homes and ongoing communication with their care team. Genoa's high-touch, tailored approach to pharmacy care contributes to a more than 90% medication adherence rate and reduces the rate of hospitalizations and emergency visits, according to peer-reviewed research.

Genoa's Clinical Services division, which provides comprehensive medication management services to help high-risk patients improve medication use, has also developed new outreach programs to promote medication adherence that have helped consumers overcome pandemic-related medication challenges.

In one promising program launched in 2020, Genoa's clinical pharmacists work with nonadherent patients to identify barriers to staying on their medication plans, and partner with case managers and other providers to address social determinants of health that may be getting in the way.

Another way Genoa is serving our consumers is through greatly increasing access to immunizations administered through our pharmacies. Immunization for influenza and other preventable disease has taken on an even greater relevance during the COVID-19 pandemic, when health care providers in many communities found themselves stretched to the limit.

In late 2020, influenza immunizations were up nearly 40% over the prior year, and we anticipate that growth to continue through 2021 and beyond. To promote safety for our consumers and our pharmacy teams, Genoa pharmacists providing immunizations take significant safety measures, such as administering shots curbside and providing personal protective equipment to both staff and consumers.

With all eyes on the development and administration of COVID-19 vaccines, Genoa teams have prepared for deployment to health care providers and the public. Among other critical steps, Genoa coordinated with state and federal officials to be prepared to administer COVID-19 vaccines as quickly and efficiently as possible.

Throughout the pandemic, Genoa has focused on maintaining superb consumer experience — the vital third leg of the triple aim of health care, in addition to improved outcomes and lower cost. By consistently delivering patient-focused, compassionate pharmacy care, Genoa's consumer net promoter satisfaction score remained in the mid-90s — an astounding testament to the value of the services provided. In addition, providers rated Genoa an 81.

The development of vaccines suggests that there is reason to be optimistic about putting the worst of the pandemic behind us in the year ahead. What won't change is Genoa's commitment to both serving the behavioral health community and collaborating closely with the dedicated health care providers that serve them.

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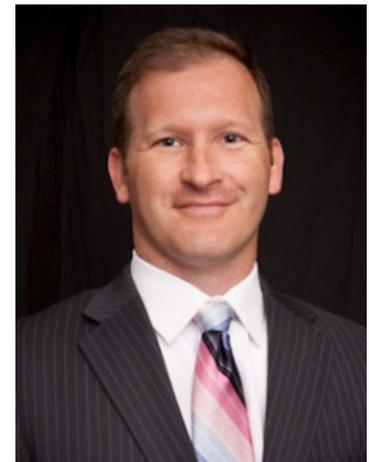
**Mike Wysong**  
**Chief Executive Officer**  
**CARE Pharmacies**

It is hard to comprehend that a year has elapsed since the initial onset of COVID-19 and the resulting impact that the virus has had on friends, families and our collective marketplace. It was inspiring to work alongside other providers, who worked feverishly preparing for the safe reopening of their communities and whose focus was squarely on meeting the needs of their customers.

There continue to be an enormous number of challenges, but with those challenges come lessons learned and opportunities to improve aspects of our profession that we have been unable to change because of tradition, existing infrastructure and an antiquated service model.

This challenging environment has highlighted the need to do a better job of educating and improving the health outcomes for the most vulnerable of patients and those most in need of our services. This opportunity will allow all of us to refine our strategies, improve our services and have a greater impact on those in the communities that we serve.

Today's retail pharmacy landscape continues to be the most dynamic environment in our marketplace's history. With the perpetual changes occurring in the supply chain, the growing digital pharmacy space, the unpredictable legislative and political arenas, and the ever-changing COVID-19 response initiatives, there will likely be a myriad of uncertainty running well into 2021.



Mike Wysong

This uncertainty only underscores the necessity for providers to demonstrate flexibility and to make sure that they are doing everything they can to ensure their customers' experiences match their expectations. As technology continues to advance at a blinding rate, shaped by the pandemic and social transformation, retailers will need to find a harmonic balance between purpose and profit, and digital versus physical.

At CARE Pharmacies, we are doing everything we can to balance these priorities appropriately. This includes working alongside of the COVID-19 vaccine manufacturers in ensuring that our most vulnerable patients are properly represented in their Phase 3 clinical trials, and that our stores are providing accessible COVID-19 testing that our communities need to have access to.

Additionally, we are focused on making sure that our stores are properly positioned to participate in Operation Warp Speed once it formally launches. As we continue to prepare for 2021, we will have several announcements surrounding the advancement of our IT data infrastructure and several new sourcing agreements designed to help offset the declining margins felt by falling reimbursement and increasing DIR (direct and indirect remuneration) fees.

We are expecting 2021 to be a year of great transformation and change. We will likely see the transition of a new administration into the White House, bringing political uncertainty with it for our industry. We will also likely see a material mitigation of the pandemic due to the wide release of the vaccine due in the second quarter, bringing some level of return to normalcy for the American public.

As the Supreme Court weighs in on the *Rutledge v. PCMA* case, we will also likely see the beginning of meaningful PBM reform. In '21 there will continue to be enormous pressure to control the ongoing and unsustainable costs of health care, especially as the social debate of health care as a right continues to be a topic of focus.

We continue to believe that community pharmacy and community-based care providers are favorably positioned to organize the short-term chaos caused by the virus, and the longer-term stability and sustainability of providers will be contingent on their ability to build relationships with local physicians, prescribers, manufacturers, wholesalers and their drug chain partners.

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**Carmen Churcott**  
**Chief Executive Officer**  
**Pharmasave National**

The past year has revealed important insights that promise to shape the pharmacy industry in 2021 and beyond. For one, the COVID-19 pandemic created an opportunity for community pharmacies to shine, as we quickly pivoted to keep customers and employees healthy and safe. It also shed light on areas where there's work to be done within our sector.

First and foremost, the pandemic demonstrated the pitfalls of relying on a global supply chain for critical medicines and pharmaceutical ingredients required to manufacture and distribute the drugs needed by millions of Canadians each day. Our pharmaceutical industry relies heavily on imports, and it's no secret that when the world's supply chain was disrupted, the situation here became tenuous. To help ease the strain, some provinces enacted regulations temporarily limiting prescription refills to 30 days.



Carmen Churcott

The pandemic showed us that above all, consumers are looking for a safe and convenient retail pharmacy experience. Pharmasave stores across the country continue to incorporate social distancing, signage, protective shields, employee screening, increased cleaning and sanitization, and face masks to ensure a safe physical store environment. To this end, many of our stores are also taking advantage of our newly launched e-commerce platform, a fully integrated and supported program that makes it easy for pharmacists to transition to online retail — a trend that has surged as a result of the pandemic.

As the first independent drug store chain in Canada to introduce e-commerce, Pharmasave is committed to helping our member owners embrace this rapidly growing channel in a way that goes hand in hand with our business model. Our integrated — yet independent — platform is unique in the industry. Not only does it come preloaded with our core product offerings, but we also make it easy for our members to tailor their websites according to their own specialty items, maintaining the community-centric focus that is the backbone of our business.

Early on in the pandemic, e-commerce sales nearly doubled in just three months, and forecasts show that online shopping is going to be a lasting trend. Pharmasave strongly believes that our e-commerce will continue to be a key differentiator. Our goal is to have 100% of Pharmasave stores participating in e-commerce, with the decision to go online resting with each location. We also aim to attract new independent pharmacy retailers, including those who want to offer e-commerce to maintain a competitive edge, but who don't have the resources to do it on their own.

As we advance our digital strategy, we will also continue to evolve existing programs such as [email protected], which enables pharmacists to perform medication reviews and manage patient medications, and [email protected], allowing patients and caregivers to view and refill prescriptions from their devices.

Propelled by the initial nationwide lockdown, when pharmacists were often the most accessible health care professionals, the scope of services and programs provided by local pharmacies are also expected to continue to broaden. Many of our member pharmacists are now offering secure virtual appointments as a way to maintain delivery of personalized care. Others are offering innovative programs such as chronic disease prevention; diabetes risk assessment and prevention; travel health and vaccination services; smoking cessation; opioid dependency management; and nutrition.

Our sector is facing a new operating normal, and with it comes opportunity. Virtual care and e-commerce are here to stay, and that means the role of the pharmacist will be forever changed. Importantly, as COVID-19 vaccines become available, pharmacists will be uniquely poised to provide a practical and effective solution for administering them to all Canadians.

The pandemic demonstrated just how important the local pharmacy is. Now it's time to focus our efforts on achieving and maintaining industrywide improvements so we can continue to build on the great work we do to keep Canadian communities healthy and safe.

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**Calvin LeRoux**  
**Grady Brown**  
**Co-CEOs**  
**PharmaChoice Canada**

For both the PharmaChoice and RxHealthMed banner formats, it is our expectation that 2021 will be a challenging and interesting year. While the pandemic has forced all retailers to rethink their “go to market” strategies to accommodate new shopping habits, we have found that our member pharmacies have been extremely adaptive, and our customers/patients have quickly come to enjoy the safety of shopping smaller but also have been very supportive of supporting local independent businesses. Our owners have shared many stories of how long-standing and new customers have shared that their shopping experiences at our locations have been comforting, noting that the protocols we have taken make them feel safe. We expect that as we move through the second wave of COVID-19 we will be able to adapt to any government regulations and advice to ensure we respect the safety measures required to operate.



Calvin LeRoux

Notwithstanding a major shutdown from governments during the second wave, we do see opportunity for our member pharmacies. The shift in shopping habits has had a very positive impact on our same-store sales. Shopping smaller, shopping local and buying more per trip has fueled our sales over the past nine months, and we expect that to continue. We are fortunate that our split of stores is more rural than urban, and this has helped us achieve growth in same-store system sales.

We have implemented several initiatives to support this change, including promoting curbside pickup and delivery for both pharmacy and front-store products. In some busier pharmacies and provinces where COVID cases are more prevalent, we have restricted the number of customers in-store at one time. Our pharmacy staffs have taken this huge challenge on with a positive attitude, and our customers notice. Our staffs have been nothing short of heroes, and the appreciation from our customers is obvious.



Grady Brown

We are making a big effort to reward our customers by strengthening our loyalty offers thorough our Perks loyalty program. Not only are we seeing a big uptake, but we hope that more new customers will shop our member pharmacies and enjoy these rewards as well. We have focused to ensure we communicate effectively with all customers through digital promotional formats like Flipp and Reebee as print flyer distribution had been disrupted during the first COVID wave.

Our private label category has seen tremendous sales growth even though the supply challenges have been difficult, especially in paper categories. Not only have our customers come to trust our private label products but they are also enjoying the value they provide to meet their family’s monthly budget — especially in cases where people have lost their jobs and are working through the various government programs. We anticipate more growth on private label, and we intend to focus on private label in an even bigger way, supported with more promotions and more Perks loyalty offers.

Even as patients come to adapt to visiting doctors via telehealth platforms, we have seen the traffic for prescriptions normalize, and as the 30-day supply rule has been lifted in provinces that had 90-day supply regimens. With the pandemic, patients are more open to new technologies than ever, and more are using our refill app to fill their prescriptions. At the same time, supply challenges, especially on generic drugs, have

made our patient care more than challenging. This year's flu vaccination programs were extremely difficult to manage with the new demand created from the pandemic. COVID testing being piloted in pharmacy is still going through growing pains and is not nationwide. But we expect that learnings from these events will assist us and the industry to be better prepared for 2021.

While our banner growth has slowed due the pandemic and our ability to recruit new pharmacies into our system has lessened due to reduction of in-person meetings, we will add over 20 new stores on a net basis under both the PharmaChoice and RxHealthMed banners for 2020. Our expectation is that 2021 will provide a bigger opportunity to add more pharmacies to our system. We expect that we will pass the 1,000-store count in our system by the end of 2021.

We are positioned extremely well as providers of a wide range of tools for independents to compete, delivering incremental sales and giving each of our members maximum value for their commitment to our program.

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**Rich Tremonte**  
**EVP and President of Community and Specialty Pharmacy**  
**AmerisourceBergen**

Rich Tremonte

This past year brought significant changes to the health care industry, impacting not only how our independent and retail pharmacies conduct day-to-day business, but also how pharmaceutical distributors interact with downstream customers. As the fight against COVID-19 carries into 2021, pharmacies are poised to continue playing a crucial role in supporting the long-term health of our population. AmerisourceBergen, a global health care solutions company, remains committed to driving access, efficiency and reliability across the supply chain to ensure all pharmacy customers can provide essential care and services to patients across the country in this pivotal next phase.

Throughout the last nine months, tens of thousands of pharmacists, pharmacy technicians and staff members have been working tirelessly on the front lines to ensure their communities are supported and their patients can continue accessing care during the pandemic. AmerisourceBergen has stayed in constant contact with downstream customers to reiterate that as their wholesale distribution partner, the safety and security of the supply chain continue to be a top priority.

The company has invested \$800 million in its Distribution Services and Business Continuity planning capabilities over the last 10 years. The COVID-19 pandemic undoubtedly pressure-tested those investments, but the systems AmerisourceBergen has in place have proven resilient and nimble in the face of unprecedented challenges. None of this would have been possible without the essential associates across all of AmerisourceBergen's Distribution Centers, who come into work each and every day to ensure pharmacies get products and patients get the medications they need.

Through daily interactions with pharmacy customers — from large retail pharmacies to independents who are a part of the Good Neighbor Pharmacy (GNP) network — AmerisourceBergen sees firsthand the essential support they provide patients needs, above and beyond filling prescriptions. The coronavirus has undoubtedly emphasized and accelerated the need for certain clinical services within community pharmacies — and AmerisourceBergen and GNP have been working with customers to meet that demand.

With the approval of COVID-19 vaccines, pharmacies are set to play an even bigger role in patient's lives. The Department of Health and Human Services (HHS) and the broader U.S. government have recently taken important steps in acknowledging pharmacy as a site of care and an essential component in the national

vaccine strategy. That said, the long-term viability of pharmacies is at stake, and more is needed from a legislative perspective to ensure they can be recognized and reimbursed appropriately for providing this critical health service.

AmerisourceBergen continues to advocate for reforms on the state and federal levels, specifically in pursuit of fair reimbursement, recognition of pharmacists as providers under the Medicare program, and greater transparency on direct and indirect remuneration (DIR) fees. As the pandemic continues to threaten the health of our nation, it's time to enact policies that will protect pharmacies' bottom line and strengthen their ability to serve patients for years to come.

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**Brent Stutz**  
**Senior Vice President, Commercial Technology**  
**Cardinal Health**

Brent Stutz

Today's health care landscape is constantly evolving at a rapid pace. This evolution is being driven by several forces — a transformation from fee-for-service to value-based care models, a need for greater efficiency, digital innovation and the potential for data to transform care. The convergence of these forces is serving as a catalyst for the creation of health care ecosystems — networks that connect payer, provider and pharma stakeholders for the purposes of improved patient outcomes; more personalized, integrated care; and greater efficiency. While health care ecosystems were already being formed prior to COVID-19, the impact of the global pandemic has only accelerated the pace of change.

Pharmacists are a critical stakeholder within the health care ecosystem. They are consistently ranked among the most trusted professions. They are highly accessible — nine in 10 Americans live within five miles of a community pharmacy — and patients visit them frequently, up to eight times more frequently than their primary care provider. Additionally, the scope of pharmacy practice is continually expanding to include more clinical services. However, in order for their clinical capabilities to be fully realized within the health care ecosystem, pharmacies will need to ensure that they have the right technology infrastructure and patient engagement tools at their disposal.

Connectivity between the technology tools used in the pharmacy will be essential. Currently, many pharmacies are operating using disconnected systems, which may cause difficulty in identifying patients in need of intervention and also adds complexity to workflow operations. The ability to transfer data back and forth within the health care ecosystem is critical. Having a more integrated, patient-focused “stack” of technology solutions can help streamline work flow, create efficiencies and establish greater connectivity between other key stakeholders in the health care ecosystem.

Because pharmacists interact with patients frequently and are accessible within the community, they play a critical role in addressing medication nonadherence within the health care ecosystem. Using medication therapy management tools, pharmacists can connect with payers and other stakeholders to identify opportunities for intervention and document them in a central location. This level of connectivity between pharmacists, payers and other stakeholders can help to improve adherence and ultimately lead to improved outcomes for the patient.

As technology continues to advance, pharmacists can expect that their ability to pinpoint patients in need of intervention will improve, specifically through the use of artificial intelligence and machine learning. Within a health care ecosystem that allows for more digital innovation and greater connectivity, there is great

potential to use patient and environmental data to better understand which patients are most at risk for nonadherence and, over time, to gain a better understanding of the factors that lead to nonadherence.

During the pandemic period, maintaining engagement with patients virtually has become more important, especially as limited in-person exposure is needed for patients most at risk for infection. Pharmacies can stay connected to their patients using telepharmacy services and digital communication tools for sending automated reminders, on-demand messaging, pre-fill alerts and medication delivery management. Reaching patients with the right touchpoints, delivered through their preferred communications channel, is vitally important during this time.

Community pharmacists are essential to the success of the health care ecosystem and serve as a valuable connectivity point to patients. As innovation in digital health continues to produce greater insights and solutions to some of our most complex health care challenges, community pharmacists will be able to drive more optimized medication therapy, better outcomes and lower costs with the right technology at their disposal.

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**Eric Kinariwala**  
**Founder and CEO**  
**Capsule**

Eric Kinariwala

2020 was an unprecedented year for Americans everywhere. Overnight, the COVID-19 pandemic upended the way each of us lives, works, plays and maintains our health. And overnight, the entire health care system was forced to digitize. Digital pharmacy went from something that was a convenience to an essential part of the health care infrastructure. Capsule has been at the forefront of partnering across local communities, governments, physicians and health systems to ensure everyone has uninterrupted access to their medications and expert advice from a pharmacist, all from the safety of their home and on their phone.

In 2021, we expect consumers to continue rapidly shifting to digital pharmacies and other forms of digital health and choosing companies and brands which have carefully crafted their consumer experiences digitally natively providing the best, most seamless experience to manage their health. Capsule has built an end-to-end technology platform enabling consumers real-time price transparency, access to expert advice from a pharmacy, the ability to manage medications on an ongoing basis, and free same-day delivery from three clicks on a mobile phone.

We also expect the traditional health care system to continue reevaluating its own digital experience and seeking partners to support their efforts to provide seamless, mobile-first experiences. Over the past 12 months Capsule has harnessed its proprietary technology platform and APIs to partner broadly across health, care — with thousands of physician practices, Oscar Health, Hims & Hers, and Healthpartners/Virtuwell to support a better, safer and modern health care journey.

When consumers have seamless digital health care experiences, they're more likely to engage with their health and adhere to their medications. One out of two prescriptions in America go unfilled. By reducing the multiple points of friction that exist for consumers, at Capsule that figure is substantially higher. Better health care experiences create value for the entire health care system — doctors, hospitals, insurers and drug makers — highlighting the critical role the pharmacy plays to deliver better health outcomes for all.

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**Lynne Fruth**  
**Chairman and President**  
**Fruth Pharmacy**

Lynne Fruth

The uncertainty that COVID has created continues to impact retail pharmacy in both positive and negative ways.

Looking forward to 2021, there are both challenges and opportunities that lie ahead. We will be challenged with declining script counts as a result of the pandemic and additional competitors, the unsustainable continued erosion of reimbursement levels, and the uncertainty around the 340B program and the role of contracted pharmacies. This triple threat hits at a time when pharmacy services are needed the most. The need for fair and sustainable reimbursement must be addressed at both the federal and state level through legislation. The Rutledge decision provides some hope, but there is much more work for the pharmacy industry to complete.

A strong response to the manufacturers' decision to stop supporting 340B programs is also critical. The revenue provided for hospitals and clinics has never been more important. Pharmacies also depend on these dispensing fees to provide rural care to underserved patients. As an industry, pharmacy must work together to address these two critical issues. Fruth will continue to educate state and federal lawmakers about the need for reform in these areas.

With crisis comes opportunity. Throughout the pandemic, Fruth Pharmacy has demonstrated that pharmacists serve a vital role in the community and pharmacy care is more than just pills in a bottle. Our pharmacists have been the most accessible health care providers, especially in rural areas. Our pharmacists were quick to respond to the call to provide testing in our stores on an everyday basis. Generally performed through the drive-thru, even our pharmacists at locations without a drive-thru offered to go outside to the car and test patients.

Looking forward to 2021, Fruth will be active in the continuation of COVID-19 testing, which provides a great service to our communities and a positive revenue opportunity. This along with other point-of-care testing such as hepatitis C and HIV screening as well as COVID antibody testing has positioned Fruth to expand the role of pharmacists.

Fruth will be participating in Phase 1 of the COVID-19 vaccine assisting West Virginia with nursing home facilities. Providing clinical services and immunizations helps highlight the need for increased opportunities for pharmacists to practice at the top of their profession. These are the opportunities that must be seized following the pandemic.

Retail pharmacies like Fruth also demonstrated the ability to quickly add the rollout of curbside pickup and increased capacity for delivery. These services and increased traffic at local stores have provided positive retail sales growth, and Fruth will look to expand these services in 2021.

Finally, Fruth will look to join other pharmacies in seeking legislative changes to address the reimbursement challenges facing retail pharmacy. Fair reimbursement in both Medicare/Medicaid and commercial payers is critical. We must use our industry's response to the pandemic to drive positive change. Pharmacies and pharmacists across the nation have stepped up in the time of need to provide additional services to our communities. Pharmacies have been instrumental in providing adequate testing, and now stand ready to help assist in timely and effective vaccine plans. Fruth believes the partnership with West Virginia and our local communities provides a platform to initiate change.

The current uncertainty around the future of 340B will require Fruth to work with state and federal representatives to resolve this situation. The current stress on health care providers and hospitals helps place a spotlight on the 340B issue, and the potential negative impact to the health care system. Fruth will use this opportunity to provide guidance to our representatives about the current impact and possible solutions.

2021 is the time for all pharmacies to work together to secure a future for this wonderful profession. It is time for pharmacies and pharmacists to fight for the changes needed to save our industry.