

# Kos Sclavos

APP Chairman and Senior Health Strategist.

The Australian Pharmacy Professional Conference and Trade Exhibition (APP) is the largest pharmacy conference and trade show in Australia. The event will be held on March 9-12, 2017 on the Gold Coast, Queensland. *Retail Pharmacy* is proud to support APP by featuring a number of exclusive interviews with APP 2017 speakers.



## You are presenting at APP on 'Performance excellence in your professional services department'. Why is this topic so important?

**KS:** It is my view that, as an overall profession, we don't perform professional pharmacy services well enough. I believe it's because we don't apply the same business principles that are applied in other parts of the pharmacy business. We don't plan effectively enough. We don't market professional services well. Indeed, we don't measure, review and adapt, as we do other departments of a pharmacy business.

One of my presentations at APP will cover how to take a systemised business approach to running professional pharmacy services. If your professional services are performing well, there will be significant flow-on benefits, with more prescription dispensed via increased compliance and patient loyalty. There will also be higher OTC sales and increased 'basket size'.

## How big is the professional-services market for the average pharmacy? The biggest complaint I hear from pharmacists is that it's too hard to plan because of the uncertainty around 6CPA Agreement programs.

**KS:** While every pharmacy is different, we have a situation where some professional programs are capped, and I believe it's relatively easy to set goals. We need to plan for the current environment and if things change then readjust the plan.

Let me walk you through the yearly revenue target for professional pharmacy services. For 6CPA programs, excluding DAAs, the revenue target is \$26,000. Remember, I'm referring to revenue – not gross profit. All professional services have significant costs and they need to be factored in.

That total is made up of two per cent of prescriptions as Clinical Interventions; eight MedsChecks and two Diabetes MedsChecks per month; five Home Medicine Reviews per month; and participation in other agreement



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programs such as Staged Supply, where funding is capped.

For DAAs, where revenue is from 6CPA and consumer payment, the revenue target is an aggressive \$47,000, and that is setting a target of 100 DAA patients. A hundred patients may seem a lot, but double that number is very achievable.

For privately funded professional programs, such as the PharmaPrograms initiatives I have helped develop, the revenue target is \$7,000, excluding flu services. That figure will double in 12 months, based on the professional program I see in the pipeline.

As I said, I exclude flu-vaccination services from the calculation, and will continue to do so until we have uniform national legislation and implementation.

In summary, the target is \$80,000 of revenue for professional services per year, plus flu-vaccination revenue. Less than five per cent of pharmacies hit that target, but, importantly, a significant number do, so I know it's achievable.

## The funds for 6CPA professional programs don't seem to be flowing so far for this agreement. Do you see this as a growth category? Are there manufacturers and third-party payers who are ready, and willing, to pay community pharmacy for professional pharmacy services?

**KS:** To answer the first part of your question, pharmacists are very frustrated at the slowness of new 6CPA funds for professional services. The promised amounts were significant. That issue is a focus for the Guild to address. But

I'm very confident that professional services are a pharmacy department and category that will grow exponentially. I work with PharmaPrograms, and in the first two years of the program, \$1.5 million in professional fees have flowed to pharmacists and more programs are on the way.

There are five main reasons professional pharmacy services remuneration will grow.

First, medicines are becoming more 'complex' and pharmacists are perceived as cost-effective support to facilitate 'Quality Use of Medicines'. I'm working on some exciting professional programs for medicinal cannabis, and we pharmacists are playing a key role.

Second, third-party payers like the accountability of pharmacy programs because patient outcomes can be measured via medication compliance, and pharmacists are in the best position to influence compliance.

Third, more medicines will be launched as private medicines and, for manufacturers, pharmacist-facilitated support can ensure compliance and persistence in those critical first few months.

Fourth, health funds will increasingly use pharmacy for remunerated services.

Fifth and last, pharmacist-led programs are more effective than call centres and direct mail.

## You'll be presenting '21 steps to success' for implementing successful professional services. What approach have you taken to compile this list?

**KS:** I do like lists, and I have set seven key elements in three key categories.

One of the categories is staff-related issues. Professional services rely strongly on the pharmacist, and the key seven elements that will be detailed at APP aim to get the best out of staff.

The second category is systems. The list will cover issues as diverse as goalsetting, IT enablement, marketing, measurement and integration of work flow with the dispensing process.

As a final third category I include best practice, and that is the most important if performance of professional services is to be efficient and effective.

I look forward to presenting at APP, and delegates can pick up the Professional Services Checklist from the PharmaPrograms stand at APP stand numbers 168 & 173. <sup>Rp</sup>

Kos Sclavos is speaking on 'Performance excellence in your professional services department' at 11:25am on Friday March 10.