

Customer Success Story:
**How Health Mart
Pharmacy of Lafayette Is
Pursuing the Specialty at
Retail Opportunity**



WES DAVID

Owner, CEO, Pharm.D
Health Mart Pharmacy
of Lafayette

Entrepreneurial and Clinical

Wes David has always been an entrepreneurial pharmacist, opening or acquiring eight retail pharmacies over the past 20 years; he currently owns four Health Marts® in southern Louisiana. Wes takes advantage of almost every program Health Mart offers, including AccessHealth®, McKesson Reimbursement Advantage,SM and the Health Mart advertising and marketing programs. He offers a broad range of clinical services at his pharmacies, including med sync, MTM, compounding, home medical equipment, IV infusion and long-term care.

Yet, despite the buzz surrounding specialty medications, Wes wasn't necessarily planning on offering specialty drugs through his retail pharmacies — until he acquired Health Mart Pharmacy of Lafayette and found himself inadvertently in the specialty business.

Seeing the Opportunity in Specialty

When Wes acquired Health Mart Pharmacy of Lafayette — a transaction assisted by McKesson's RxOwnership® team — he discovered that this pharmacy had 30 to 40 patients for whom it stocked and provided HIV meds. This piece of business existed even though the previous owner had not marketed specialty services or tried to grow this business. But Wes saw opportunity.

Despite more than 25 pharmacies, most of them chains, in this city of about 120,000, none of these pharmacies provided specialty drugs. The only way for patients in Lafayette to get specialty medications was via mail order, which was impersonal and lacked any face-to-face interaction. Wes believed through focused marketing and personal patient care he could grow this segment of the business.

Health Mart Pharmacy of Lafayette's Specialty Strategy

Wes personally finds offering specialty drugs exciting and “more of what I want to do” because of its clinical focus rather than running a traditional retail pharmacy. There are three main components of his initial strategy.

01 FOCUS ON SPECIFIC DISEASE STATES

Since Health Mart Pharmacy of Lafayette already stocked HIV meds, this is where Wes decided to start. He made sales calls and built relationships with AIDS clinics in the area and then proceeded to offer specialty cancer drugs, which required targeting three oncology clinics in the area.

02 DEVELOP PATIENT-CARE EXPERTISE

Health Mart Pharmacy of Lafayette's value proposition in distributing specialty drugs is being able to provide face-to-face consultations to patients, which mail order companies can't offer, and clinics and physicians' offices lack the time to do.

Because of the pharmacy's personalized care, AIDS and cancer clinics see Health Mart Pharmacy of Lafayette as “taking their headache away.”

03 ACTIVELY MARKET SPECIALTY SERVICES

Wes has hired a new marketing representative to make physicians and clinics aware of Health Mart Pharmacy of Lafayette's specialty services.

Seeking a “Specialty Program” – and Participating in Health Mart Specialty Solutions (HMSS)

Having seen the opportunity in specialty drugs and having had initial success in offering some drugs through his retail location, Wes was looking at ways to offer specialty drugs through his retail location without having to incur the investment or administrative burden necessary to become a specialty pharmacy. He had been looking into the specialty space for about six months when he came to McKesson’s 2014 ideaShare conference. While there he learned about the Health Mart Specialty Solutions program and agreed to serve as a beta user. He saw this as a relatively easy way to achieve his objective of expanding his specialty business without having to become a full-fledged specialty pharmacy. Wes has found the HMSS program allows him to grow this segment of his business to diversify his revenue streams, while allowing him the flexibility to maintain his independence.

Benefits of Health Mart Specialty Solutions

Wes has found the HMSS program to be a great way to offer specialty drugs without having to go through all of the steps to officially become a specialty pharmacy. Through HMSS, which is offered in collaboration with Diplomat, the largest independent specialty pharmacy in the United States, Health Mart Pharmacy of Lafayette has experienced multiple benefits:

✓ SPEED TO MARKET	Working with HMSS and Diplomat enabled Health Mart Pharmacy of Lafayette to quickly pursue the broader specialty opportunity in and around Lafayette. While Health Mart Pharmacy of Lafayette already had a few patients purchasing specialty drugs, HMSS allowed the pharmacy to go to market with a full-scale specialty program.
✓ CUSTOMIZATION OF THE PROGRAM	Since Health Mart Pharmacy of Lafayette already stocked HIV meds and managed the HIV patients at that location, Wes wanted to keep those specific relationships in house and continue to manage those patients day to day. The HMSS program allowed Wes to customize the formulary of specialty drugs. This meant he could continue to manage the HIV patients at his store and leverage the Diplomat partnership for other specialty scripts across therapeutic classes.
✓ MARKETING SUPPORT	Included in the HMSS program is access to specialty prescriber and patient marketing materials. Wes has leveraged the Local Marketing Support site to customize these templates and communicate his specialty pharmacy message in the community. Wes has also hired a new marketing representative to make physicians and clinics aware of Health Mart Pharmacy of Lafayette’s specialty services, and Wes personally spends one day each week “putting on a suit and tie and making calls.”
✓ MINIMAL INVESTMENT	Becoming a specialty pharmacy takes significant time and money. By participating in HMSS, Health Mart Pharmacy of Lafayette could begin more aggressively pursuing the specialty opportunity quickly, with minimal investment required.
✓ ADMINISTRATIVE SIMPLIFICATION	Participating in HMSS saves Wes significant time in getting prior authorizations — which before participating in HMSS, Health Mart Pharmacy of Lafayette could not always get. Also, Wes’ pharmacy is saving significant time administering everything associated with offering specialty drugs, which at times could take half of each day and now takes less than an hour per day, and allows Wes to focus on sales and marketing to grow his specialty business. He views HMSS as extremely simple and sees great value in Diplomat helping with approvals in situations that would otherwise be difficult and time consuming. Assistance with administration has been a huge benefit.

BENEFITS

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As for what I see as the greatest benefit from this program, it is being able to get specialty pharmacy prior authorizations done for us, where before we could not always get those done.

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WES DAVID

Health Mart Pharmacy of Lafayette

As a result of these program benefits, which free Wes up to focus on sales and marketing, Health Mart Pharmacy of Lafayette is currently averaging:

5 NEW SPECIALTY CUSTOMERS PER WEEK

Wes expects this number to increase as his new marketing rep gets up to speed calling on physicians, and as the pharmacy focuses on additional disease states.

Lessons and Advice

Wes has learned a great deal from offering specialty drugs through Health Mart Pharmacy of Lafayette and from participating in the Health Mart Specialty Solutions program. To other owners of independent pharmacies who are contemplating offering specialty products through their retail store, he would say:

- **The opportunity is there.** Wes sees significant opportunity for retail pharmacies to offer specialty drugs, and he suggests “learning your market” as the competitive dynamics will differ in every market. Also, the opportunity is for more than just specialty prescriptions. Wes has found that patients who take a specialty drug typically require two to three other drugs per day, which increases the opportunity.
- **Start small and grow.** Start with just one disease state, build a base of referring physicians, and expand to more disease states over time.
- **Build relationships with physicians.** Physicians and clinics are the key referral sources. Cultivating relationships with them requires earning trust. Trust is built through clinical expertise and outstanding service, which reduces the headaches for physicians and clinics. Health Mart Pharmacy of Lafayette wins over physicians by having expert, dedicated resources who provide face-to-face consults.
- **Have enough cash and don’t grow too fast.** Offering specialty drugs takes significant working capital and requires managing growth. While the margins are good, specialty drugs can create cash flow challenges.
- **Consider a program like Health Mart Specialty Solutions.** A program like HMSS allows a retail pharmacy to tap into the opportunity presented by distributing specialty drugs. Such a program eases administration — particularly in helping with prior authorizations — without the type of investment or effort typically required to become a specialty pharmacy. For Health Mart Pharmacy of Lafayette, HMSS has been an ideal way to participate in the specialty business without a major upfront investment.

FOR MORE INFORMATION:

To learn more about HMSS

Please visit our program page on McKesson Connect.SM

To enroll today

Please visit our program enrollment page on McKesson Connect.

For additional questions

Please contact our customer support partner, EMG3, at 800.212.2606 or specialtysolutions@emg3.com.



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