

The Power of Interfaces

Interfaces in pharmacy technology can keep pharmacies humming along.



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The Power of Interfaces



There are powerful tools out there for pharmacies looking to boost efficiency, change the patient care model, and improve patient satisfaction. We'll find out how pharmacies are using the power of interfaces to meet operational and clinical goals.

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TOOLS FOR PHARMACY FINANCIAL HEALTH

Loren Pierce is founder and CEO of Pierce Pharmacy Management, which manages 20 stores in Tennessee, Georgia, Florida, and Texas. His team is just as focused on patients' health as the other pharmacies in this story are, but Pierce also offers an example of using an interface to keep an eye on the pharmacy's health, too.



Loren Pierce
Founder and CEO,
Pierce Pharmacy
Management

Pierce Pharmacy Management operates at a scale of independent pharmacy that requires chain-like back-office tools. Pierce has found one of these in Datarithm's inventory management software, which is interfaced with the Liberty Software pharmacy management system in use at all 10 of the group's Texas locations. "Datarithm gives me data and insights from the group level all the way to drilling down into each store's operations," says Pierce. "Effective inventory management is critical in any pharmacy. Inventory that sits unsold or expires puts a real strain on cash flow and our margins."

INVENTORY INSIGHTS

Pierce implements Datarithm's inventory management system on top

of the perpetual inventory the pharmacies already use. "We needed a tool that would help us keep a close eye on slow-moving stock and drugs at risk for expiring undispensed, and help us improve our turns," says Pierce. "You have to have an accurate perpetual inventory, but I've seen that Datarithm gives me that bigger picture. I don't log into each pharmacy to look at the numbers, but instead Datarithm's interface with Liberty pulls all that data up so I have a dashboard where I can globally see how much inventory in each location is performing and what we can do to do better and be more accurate."

Pierce uses Datarithm to track total inventory at each location and see what Datarithm's algorithms tag as dead. "Then, based on dead inventory," explains Pierce, "it recommends returning the stock to the wholesaler or transferring it to another store." In fact, Pierce is also running Datarithm at a single Pierce Pharmacy Management location outside of Texas, and the recommendations for expiring stock to return have made a noticeable impact on his inventory costs there, too.

BE INFORMED AND DELEGATE

Pierce takes this data and tasks his district managers with researching the dead inventory. "So then my conversation with my managers is: Find out if this product is really there. Are you really not selling it? And if you know that's the case, then we need to take action." If the bottle is still sealed, the

best and easiest path is to return it for credit, according to Pierce.

Pierce is also seeing inventory turns in real time. "You can tell across the board who's managing their inventory and who's not," he says.

GETTING MORE INVENTORY TURNS

Turns are really important, notes Pierce, since turning inventory is what allows you to have cash on hand to pay your bills. "Let's use a simplified example," explains Pierce. "We'll say, hypothetically, that you pay your bills once a month. So what you order in January, you've got to pay for in February. In a perfect world, you will have sold all the January inventory before the bill comes due in February. If you do that every month of the year, that's 12 turns a year. So if we can get 12 turns a year, great. If we can get more, that's even better. But, it's pretty difficult to get 12 turns a year when you're talking about ordering a bottle of 100 and dispense 30. It's not a perfect world."

And that's why you need to keep a close eye on turns and the dead inventory that puts your cash flow at risk. "When you're running on 2% to 3% net margins max," says Pierce, "you can't really afford to let 2% or 3% of inventory get stale on your shelves or go out of date."

Pierce has successfully moved the needle on Pierce Pharmacy Management's Texas locations, going from around 10

MORE ONLINE

A benefit of running Datarithm is that it helps monitor controlled substances for diversion.

— Loren Pierce

turns a year to 11 and sometimes 12. “That’s worked out to be a significant amount for us across all 10 stores,” says Pierce. “It’s a mid-six-figures number, and we’re happy about that.”

MORE TOOLS FOR BETTER PHARMACY

The examples here show just a few ways that getting the right tools interfaced with your pharmacy technology platform can be an important part of your strategy for success.

“Our success at GRX Holdings Medicap Pharmacies comes from taking a great relationship we have with our patients,” says Cheri Schmit, “and then building on the information that the patient is giving us when we ask the right questions. We then use that in the clinical decision-making process, with support from the right decision support tools.”

The impact of new technology on patient satisfaction is paramount in Dishank Patel’s mind. There’s no doubt for Patel that the barcode- and light-driven process of using scripClip for will-call is more efficient for his pharmacy staff, but what makes him happiest with his investment is that it makes his patients happy. “I like that patients can see our will-call technology from the pickup window,” he says. “They can see the investment we’ve made and what makes picking up a prescription at our pharmacy much faster and easier. At the end of the day, everything is about our patients’ happiness and how we can earn their business.”

You will find that one good interface can bring other benefits with it as well, as has been the case at Medical Plaza Pharmacy. There’s much more than just secure texting packed into what Updox brings to Andy Null’s operations — so much so that he is taking steps to make sure his key employees understand what they’ve got now. “I’m setting up a training session for several of our employees with Updox so that everybody can understand what we’ve got, how we can use it, and when to be using it,” says Null.

And in the end good interfaces help patients and help pharmacy. That’s because pharmacies in a strong financial position are best able to make the necessary investments in patient care. “When you’re running on 2% to 3% net margins max,” says Loren Pierce, “you need all the tools you can get to ensure the financial health of your pharmacy.” **CT**

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