

By Jamie Reno

David Post went out on a limb when he purchased the bankrupt MedExpress, a specialty HIV/AIDS pharmacy marketing firm, based in Washington D.C., in early 2001. The business had steadily declined since its founding in 1995 by a national non-profit HIV/AIDS association. Post had taken over its management in October 1999 and led it through Chapter 11. Where others saw failure, Post saw a promising opportunity.

After managing MedExpress as the marketing arm for another pharmacy for two years, Post moved the operation to Salisbury, North Carolina, and opened it as a closed-door pharmacy. At that time, his brother Jon joined the company and in August 2002 Post purchased Salisbury Pharmacy, a declining community pharmacy. The key element of the purchase was Salisbury's experienced pharmacy staff, along with the potential to rekindle both businesses using a unique business model. A little over a year later, the brothers moved both businesses to a new location in Salisbury, and thus began the official union of their community and closed-door pharmacies.

In today's difficult economy, community pharmacies have focused on the need to diversify and differentiate their businesses to compete. The Posts recognized this early on. They saw the combination as a two-pronged approach that enabled them to share resources and technologies, and to garner different patient populations. Their forward thinking has resulted in 40-fold growth in sales and a 20-fold increase in employees over the last seven years.

Caring for the Patient

Making the relationship between MedExpress and Salisbury Pharmacy work wasn't an overnight success story. Both businesses were struggling to survive and the Posts knew they needed a fresh marketing and business strategy to jumpstart and maintain sales.

Going back to its inception, MedExpress' marketing strategy had centered on advertising in national magazines and exhibiting at industry trade shows. "We were basically chasing one customer at a time which was difficult and expensive," says David, the company's chief executive officer. "Our research showed that only one-third of prescriptions are taken properly, and



given our small size we were convinced that providing strong patient compliance services and convenience was the key to keeping new patients. Therefore, we changed our marketing focus from the patient to the doctor because it made his or her life easier and better if we could help keep our mutual patients healthy."

MedExpress developed proprietary software called MedExpress Information System (MedIS), a customer relationship management (CRM) application with patient compliance functionality, along with various other tools.

"MedIS is a great system for us, but the backbone of our patient management is our dedicated staff who constantly follow up with our patients," says Jon Post,



JON LAKEY

Brothers David (left) and Jon Post at MedExpress Pharmacy in Salisbury, North Carolina

Two *for* Two

Brothers join forces in union of community and closed-door pharmacy



chief operations officer.

“We contact our patients on a regular basis. We know when their refills are due; we don’t wait for them to come to us, we go to them. And by doing that we know whether they’re taking their drugs or not.”

MedExpress’ differentiation was taking shape. “You walk into most pharmacies and they have more people touching drugs than touching people. We have more people touching people than touching the drugs,” says David.

Making the Leap to Automation

As their business and prescription volumes at both pharmacies steadily grew, the Posts knew that pharmacy automation would play a key role.

“We went to a number of technology conferences, and with our growth and our desire to continue to grow, it made perfect sense for what we were trying to do,” says Jon. “And when we started to contemplate responding to various contracts, we knew that to be strongly considered, automation would be a big boost and show folks we were ready for higher volumes.”

Added David, “We knew we had to stay on the cutting edge of what was out there. We just had to jump and hope the net would show up.”

The Posts decided that they needed robotics and workflow, and they wanted one system that could separately track both pharmacies’ inventories and growing volumes. “When we were considering which

robot to purchase, that was one of our concerns. We didn’t want to make such a large purchase and not have both pharmacies utilize the asset,” says Jon.

After carefully evaluating their options, they decided on Innovation’s PharmASSIST™ ROBOTx™ and Symphony™ workflow in mid-2007, even though it didn’t offer the split inventory option at the time. “Innovation’s robot didn’t originally have the ability to have separate inventory pools but they offered to work with us to develop that functionality,” says Jon. “We were very involved in the requirements and development process and they delivered on their commitment.”

Their ROBOTx system contains 140 dispensers with 50 dedicated to MedExpress and 90 to Salisbury Pharmacy. The Symphony workflow is used throughout both pharmacies with workstations handling all tasks from prescription scanning straight through to patient pick up, including a wireless signature pad for Salisbury Pharmacy’s drive-up window and a shipping option for MedExpress. The overall system is integrated with Rx30, their pharmacy management software.

“We have two pharmacy licenses with the state of North Carolina and we have set guidelines on keeping track of the separate inventories. We run a daily inventory report at the end of each day that tells us what dispensers are low, and we either refill them right then if we have time or we do it the next morning,” says Jon.

Since the Posts installed the system, their sales have grown 30 percent and they haven’t hired any additional fulfillment staff. “We have the same number of pharmacists and techs, and we sometimes use certified ‘pinch-hitters’ if we have really busy days. So the robot has proven itself on the labor side,” says Jon.

Along with labor savings, the pharmacies have realized the benefits of reduced staff strain because of improved quality control, and the ease of handling audits. “You’re stressed less because you know that you have checks and balances in place that help you make sure you’re taking care of the patient in the right way,” says Jon.

Bidding for Large Contracts

The Posts have experienced several years of steady growth, and have successfully rolled out patient compliance and pharmacy automation. They believe they have positioned themselves well to compete for various

large contracts. Thus, just last year they responded to a request for proposal for the state of North Carolina's AIDS Drug Assistance Program (ADAP) contract.

Four years earlier, the state had decided to go with a single-source provider and awarded a one-year contract, with two one-year renewals, to an out of state closed-door pharmacy. In June 2008, the state once again awarded the contract to the same pharmacy. This time the Posts objected, filing a formal protest and lawsuit. MedExpress says the state's RFP process calls for bids that are fair, impartial, comprehensive, and "in the best interest of North Carolina."

The Posts have protested that the ADAP contract fails on each of these counts, and oddly doesn't ask, "What do you do for the patient?" says David. "Essentially, we think we take better care of the patient because of our commitment to patient compliance."

Jon chimed in, "Many people under the ADAP program need help with managing their disease, and we work closely with client management advocates to make sure that happens." He added, "We're within a two-hour drive of 80 percent of North Carolina's ADAP clients and within an hour's drive of 60 percent. We provide next-day delivery to all patients in North Carolina and can provide same-day delivery in an emergency."

In July, the state ruled that the MedExpress protest was valid and that the existing contract should be canceled and rebid.

Preparing for the Next Challenge

Besides serving the HIV/AIDS patient community, MedExpress now serves members with various chronic problems such as diabetes, fertility, transplant, and oncology treatments, as well as seniors who often face hundreds of dollars each month in medication costs. And with health care reform such a central and controversial issue in the country, the MedExpress/Salisbury Pharmacy duo tout their patient compliance programs as key to helping their members stay healthier and out of the hospital, which helps to control overall health care costs.

"The problem is there is no incentive in the marketplace to keep patients compliant, and there should be. Statistics show that you can keep an HIV/AIDS patient properly medicated for \$1,500-\$2,000 a month, yet it cost more than that for one day in the hospital," says David. "Still there's so little attention given to patient compliance. The key is keeping your finger on the pulse

of your patient and that's what we do... and we are constantly developing new tools to help us do that."

As they look to the future, the Posts believe they can compete at a high level, even taking on the government and national PBMs when they believe it's appropriate and justified. Their unique business model enables them to share essential resources and technologies between pharmacies. And their combination of advanced technologies and proactive patient compliance has put them at the forefront of pharmacy practice.



Pharmacist Joe Hager works with the robotics system.

"Our automation technology is a key component of making us more efficient and providing our patients with the highest possible quality. And our MedIS system is at the heart of our charter," says Jon.

"Because of our patient compliance, one of our competitive advantages is that we really get to know our customers. We help them lead healthier and more productive lives, and they appreciate that," says David. "We get hundreds of Christmas cards and gifts from our patients every year. How many people do you know who go out of their way to send or give their pharmacists a Christmas card or gift each year?" **ap**

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