



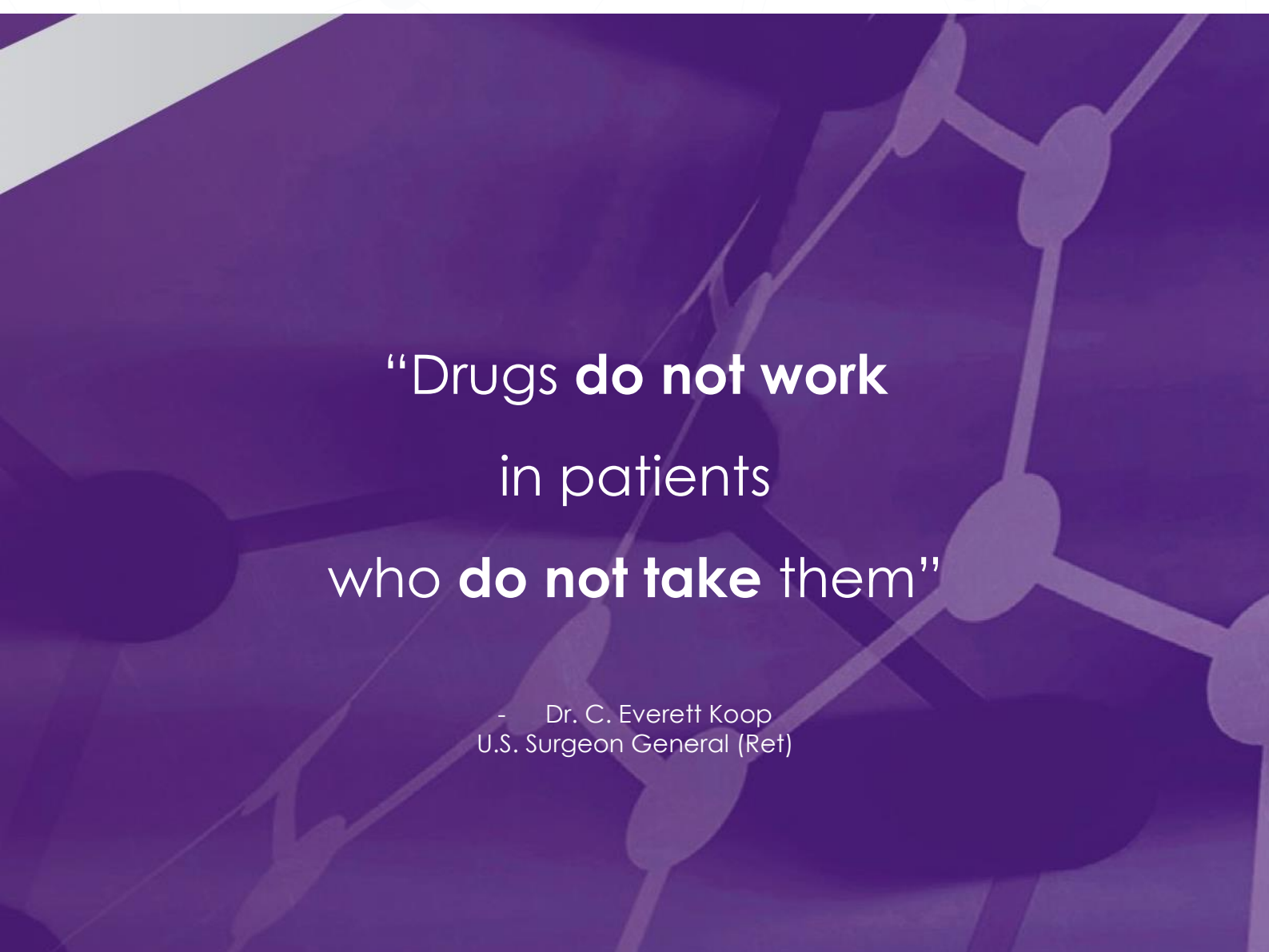

# Medication Adherence

## Pharmacy's Biggest Problem

A look at the carnage it inflicts  
on our patients & health care system,  
and the amazing value of the solution  
to your community pharmacy

By Jim Danahy

AdhereRx The Future  
of Pharmacy



**“Drugs do not work  
in patients  
who do not take them”**

- Dr. C. Everett Koop  
U.S. Surgeon General (Ret)

# Medication Adherence

## Pharmacy's Biggest Problem

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## The size of the patient care problem

The problem is huge and global. Half of all the medications prescribed for chronic conditions are not being taken six months after the first dispensation.

50%



World Health Organization 2003

## People suffer & die needlessly

Non-adherence accounts for a third of medication-related hospital admissions and is the fourth leading cause of accidental deaths - more than auto accidents and HIV/Aids deaths combined. And AdhereRx Inc. estimates that for cardiovascular medications alone, non-adherence kills more than 12,500 Canadians annually. That's 1.5 preventable patient deaths in every pharmacy every year.

33%

Of Rx-Related  
hospital  
admissions

4th

Leading cause  
of accidental  
death (US)

12,500+

Preventable deaths  
every year from  
non-adherence to  
cardiovascular  
meds alone

= 1.5

Deaths in every  
pharmacy every  
year

How many patients are suffering or dying on your watch?

# The patient care evidence is definitive

Quite simply, there is no higher patient care priority for any community pharmacy than improving medication adherence.

**The World Health Organization (W.H.O)** has declared non-adherence to be “a worldwide problem of striking magnitude... studies have shown medication non-adherence to be rampant... one out of every two individuals beginning a new chronic disease medication will fail to consume at least 80% of prescribed doses during their first year of therapy”

W.H.O. goes on to assert that “Increasing the effectiveness of adherence Interventions may have a far greater impact on the health of the population than any improvement in specific medical treatments”

**The American Heart Association** declared “The #1 problem in treating illness today is patients’ failure to take prescription medication correctly”

## And there’s more...

Medication non-adherence has been linked to:

- 48% of asthma deaths;
- 80% increased risk of death in diabetes;
- 3.8-fold increased risk of death in the year following a heart attack.

Are you convinced of the importance of adherence to patient care?

Now let’s examine the financial impact...

## The cost to society

Based on an analysis of US and Canadian data, we estimate that non-adherence costs the public healthcare system \$15 – 19 billion in totally preventable remedial visits to doctors offices, emergency departments, hospital admissions, surgeries and other treatments.

\$15-19  
Billion

Cost of Rx non-adherence in  
preventable remedial care

## The cost to pharmacies

Medication non-adherence costs Canadian pharmacies and the pharma manufacturing sector \$12.5 Billion in lost sales every year.

Even so, the cost of the additional medicine would be substantially less than what we pay today in remedial care, not to mention the patient suffering and capacity demands on Canadian doctors and hospitals.

\$12.5  
Billion

Lost sales by Canadian pharmacies



## The value of a solution to every Canadian pharmacy

The average Canadian pharmacy dispensing about 1,000 prescriptions per week will lose over 1.25 million dollars this year (and every year) in prescription sales due to non-adherence to the prescriptions for chronic meds already written for their current patients.

Can your business afford to lose that much money every year?

\$1.25  
Million

Lost sales at **every** pharmacy in Canada

## Each percentage point of adherence improvement is money in your pocket

Perfection isn't necessary. Every percentage point of adherence improvement not only represents better patient health outcomes, it is incremental money in your pocket from existing customers without discounting or advertising.

Adherence Rate	Incr. Rx sales (\$)	Increase GP (\$)
60%	\$510,000	\$153,000
70%	\$1,020,000	\$306,000
75%	\$1,275,000	\$382,500
80%	\$1,530,000	\$459,000
85%	\$1,785,000	\$535,000

*And if there ever was a win/ win/ win/ win opportunity, medication adherence is it!*

Helping each patient overcome their barriers to medication adherence benefits all stakeholders:

- Patients live longer, healthier lives
- Overall healthcare costs less
- Pharmacists experience improved patient relationships and rewarding practices
- Pharmacy businesses become more profitable

## The value of better adherence to individual Canadian pharmacies

The average Canadian pharmacy filling 1,000 prescriptions per week does about \$4 million in total sales. The average front shop is 15% of total and chronic prescriptions account for about 75% of total Rx.

As this example shows, if this pharmacy has the average 50% adherence to chronic meds, another \$2.55 million in prescriptions have already been written but not filled for the pharmacy's existing customers!

Total Sales	\$4,000,000
Rx sales: (85% of total)	\$3,400,000
Chronic Rx (75% of Rx) (@ 50% adherence)	<u>\$2,550,000</u>
Growth potential	<b>\$2,550,000</b>

**100% from  
EXISTING  
Customers**

## Why don't people take their medicine?

Research tells us the reasons for non-adherence.

The most surprising fact is that most non-adherence to prescription medications for chronic conditions is intentional!

75%

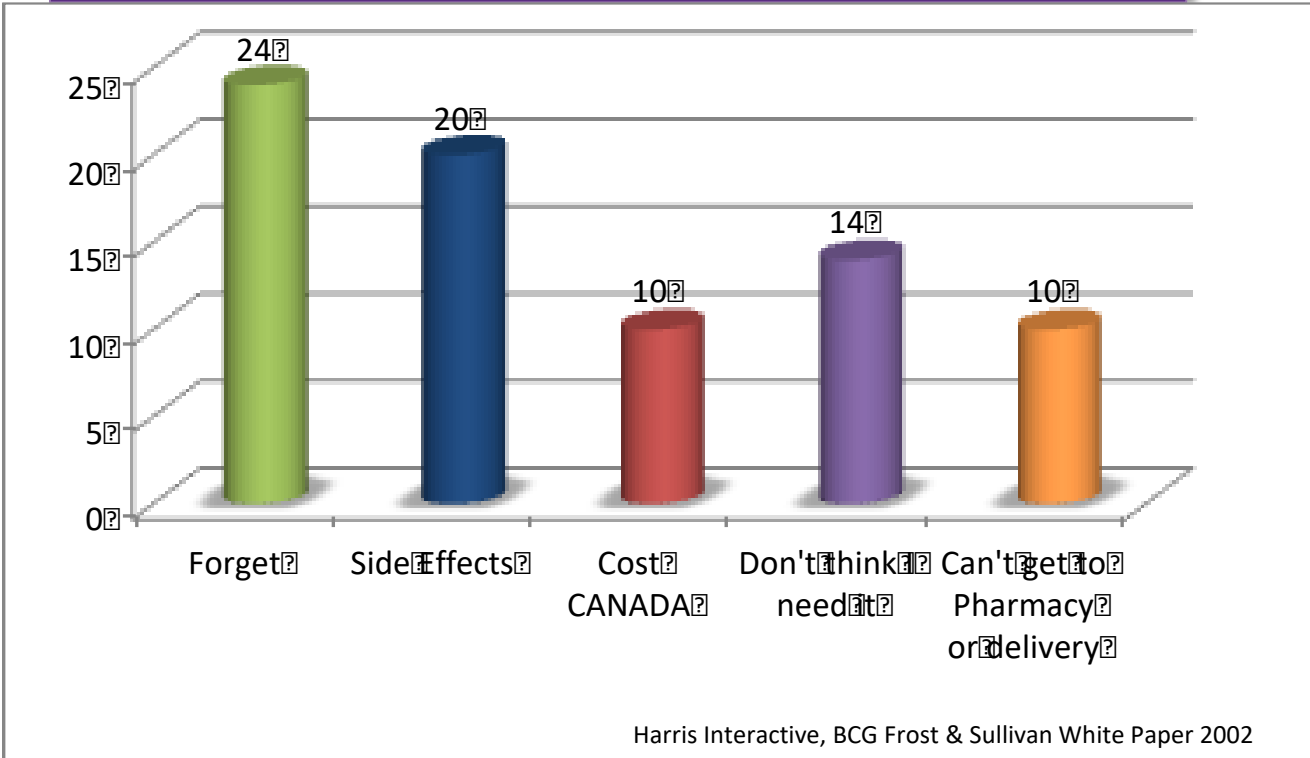
of non-adherence  
is **intentional**

# 75% of non-adherence is intentional!

Three quarters of non-adherence may be by choice, but those choices are neither simple nor frivolous.

Beyond forgetting to take their meds, many patients face other barriers that lead to the majority of non-adherence. Barriers include prescription side effects, out of pocket costs, the absence of symptoms and poor access to a pharmacy or delivery.

## Top 5 reasons for Non-Adherence



Armed with these insights and the latest practice tools, pharmacists can work with their patients to identify and help remove these barriers to help patients take their meds and achieve better outcomes.

Are you ready to deliver better patient care and make more money?

## Conclusion

The evidence is conclusive and global healthcare leaders agree, medication non-adherence is the developed world's biggest medication-related problem. And, as we have shown, the continuing financial impact of non-adherence on both the healthcare system and on every community pharmacy is catastrophic.

By implication, there is no greater business opportunity for any pharmacy than improving the medication adherence of their existing patients. Period.

So whether you have formal Vision & Mission statements or an unwritten philosophy that guides your daily priorities, now would be a good time to review them with this proposition in mind:

“ Proposition:

**Medication adherence** should be  
every community pharmacy's

**highest priority** to improve both public **health**

and **business** viability”

## Stay Tuned...

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Jim Danahy has been researching the medication adherence problem and devising pharmacy performance solutions for 25 years.

He is a co-creator of the AdhereRx Boot Camp for intensive Medication Management training and coaches pharmacy owners, executives and teams. He is a co-developer of the CAR adherence measurement standard (Clinical Adherence Ratio, published in CPJ 2014) and AdherenceTRACK®, the world's first software to accurately measure adherence and provide clinical guidance to front-line pharmacists. Jim leads AdhereRx Inc. and plays an active role in the operations of Howe Sound Pharmacy. A third generation retailer who grew up around his family's pharmacy, Jim has led teams of pharmacists and technical experts to implement scores of innovative adherence and profit improvement initiatives for pharmacies across North & South America.

Mr. Danahy speaks at pharmacy and retail conferences from Vancouver to Halifax and from Miami to São Paulo. He is frequently quoted on related topics in US and Canadian business media including the New York Times, Globe & Mail, CBC, CTV, and Macleans. He is the founding Director of the Center of Excellence in Retail Leadership at York University's Schulich Executive Education Center and currently sits on advisory boards for the Retail Council of Canada and the international merchandise licensing body, LIMA. Jim holds a degree from Ryerson University.





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better pharmacy performance

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