

## **Ask the Next Generation Pharmacist**

### **Season 1 / Episode 2**

**Chris Miladinovich:** Hello and welcome to ProspHire's Soaring to New Health podcast. This episode is Ask the Next Generation Pharmacist. I'm Chris Miladinovich, Co-Founder and Chief Operating Officer of ProspHire, and your host for today. Today, we are talking with ProspHire's Mark Thomas, an experienced pharmacist and consultant in the healthcare industry and Chris Antypas, a seasoned pharmacist executive, owner and innovator. He's the Chief Strategy Officer for the Pharmacy Marketplace, President of Asti's Pharmacy, President of Paragon Pharmacy 360, Director of Pharmacy, Henderson Brothers Incorporated and one of Prosper's lovingly, Pharmacist consultants. Chris, with your many hats, you are really pushing the boundaries of traditional pharmacy practice in every way. Let's begin with those pharmacy trends that we're seeing today. Can you elaborate?

**Chris Antypas:** Well, let me start by thanking you for inviting me to be here with you today. I'm a huge ProspHire fan. You guys are a shining light in the world of healthcare, and it's truly an honor to be here with you.

So, pharmacy trends. I think that there are so many trends. Number one, pharmacy is at the forefront of everybody's conversation. Drug costs are rising at an unprecedented rate. Employers, employer sponsored plans, it's a major issue, as they are trying to navigate and tackle pharmacy costs. And health plans across this country are really trying to zero in on how to contain costs while also ensuring access to some of these incredibly innovative and incredible therapies that are changing the lives, saving lives of patients everywhere.

The trends today are on two fronts. On the innovation side, we really are seeing some remarkable products being brought to market. Drug manufacturers have found that they can build a financially viable business model around rare disease. So conditions that have had decades or longer without any sort of treatment, we're seeing drug manufacturers bring those products to market. They're able to do so because they charge a crazy amount of money for these therapies.

In some cases we're seeing with some of these Hemophilia therapies, millions of dollars for a single course of therapy; but the one interesting trend that we're seeing is this rare disease proliferation of therapies that are coming to market. We're also seeing a huge priority across all payer types to address rising drug costs and trying to navigate how can we continue to afford to pay for meds and ensure access to these meds without going bankrupt. And that kind of bleeds into this other topic of where Congress is interested in the role of pharmacy benefit managers. We're seeing a lot of press around our friend Mark Cuban and what he's trying to do to disrupt pharmacy and cost. And I think we're also seeing, just to put a bow on this answer, is this is less a formal trend, but it's got to be a part of the conversation in that we spend a lot of time talking about healthcare costs and unfortunately, what I'm seeing is there's really not been enough attention put on the role that medications play in managing total cost of care.

**Chris Miladinovich:** Why do you think that is?

**Chris Antypas:** I think that we're fixated on this notion of what do drugs cost, and how do we keep drug costs low, and who's responsible for high drug costs. And we put that on an island. Pharmacy and pharmacy costs are on an island, and then the mainland is where we really talk about total health care costs, disease, and prevention and all these other elements of what we're spending on health care, surgery, inpatient, outpatient, etc. But we know that chronic disease is a major contributor to health care costs. Right. And I don't see anybody really making the connection between appropriate pharmacy care and pharmacy management and the impact on the total patient experience and their total healthcare cost.

**Chris Miladinovich:** Mark, what do you think about that? You come from a family of pharmacists and have a lot of experience in the independent space. How are those trends impacting the independent space and what are independents doing in response to what's going on in the market?

**Mark Thomas:** I know Chris and some of his channels are doing some very innovative work around creating clinical programs and care models that really emphasize not just the shipping medications out the door but checking in with the patients, creating those trusting relationships with the community. And this is where it ties into the independent aspect of you walk into an independent pharmacy, chances are there is an established relationship between the patients, the community, and that pharmacist and their staff. And growing up in that environment it's been very clear that that dynamic plays a critical role in a member's clinical outcomes in their overall health. They're more willing to listen to their providers. They're more willing to have a trustworthy relationship and come forward with, "hey, this is why I'm missing my medication. This is where I'm struggling to gain access to these medications." That embarrassment or that lack of communication, that barrier starts to unfold. And then you're able to problem solve. So I think that's where that conversation ties into that independent setting.

**Chris Miladinovich:** Thanks for that perspective. And I'll tell you what. I'm sitting in front of two of the most impressive people that I know. I mean, you guys are really changing and impacting members and taking care of them. When it all comes down to health care, it's giving someone medicine. And that's exactly what you guys do. And truthfully, I think you guys are trying to change the world. So let's, now that we've talked about some of these trends, thank you, tell us how you're trying to change the world.

**Chris Antypas:** We often find ourselves looking at health care from this macro level. And it has to happen. It's hard to look at every individual person when you're a health plan that has hundreds of thousands or even millions of members. You have to talk in the macro level. You have to look at trend and population level statistics and you can't be distracted, for lack of a better way to put it, by the individual person. But Healthcare is tough. I don't know if any of you or anybody listening to this, if you've ever had personal experience with healthcare, every little detail matters to you. I really don't think we do a good enough job of really digging in and embracing the journey that everyday human beings, everyday people, what they have to endure to get adequate healthcare.

My personal journey in trying to disrupt health care and improve health care, it begins and ends with the relationship with my patients. Knowing who they are, understanding their personal situation and their journey, having empathy for what they're trying to contend with, what they're dealing with, and providing them with meaningful solutions that I can offer to help make their life just a little bit better, to help them get access to a drug or afford a medication.

**Chris Miladinovich:** I think that's so admirable and I think anybody listening will sit there and reflect on a time that they've been in a situation or their loved one has been in a situation and needed care. And to have somebody that's going to sit there and work with you and own that problem is just honestly magical because that doesn't happen in a lot of pharmacies especially the ones that have mass production of drugs and tens of thousands of customers and they don't have the time for it, quite frankly. So let me ask you, you have two amazing pharmacies. Tell our viewers about these pharmacies: what they do, how they're different, and why should people go to these pharmacies?

**Chris Antypas:** So I've got my Asti pharmacy businesses that were started by my partners, Dan and Jen Asti 2005. My father and I came along 2012 and ultimately became their partners in 2014. Asti's South Hills Pharmacy, located in the South Hills of Pittsburgh, Mt. Lebanon, Castle Shannon area. We are a community pharmacy that provides a myriad of services to our patients. As a business, we have to compete on the basis of service and value to our patients. Nobody's ever forced to come to us, unlike some other pharmacies out there, where you have to go and use this particular pharmacy.

So, we've built our business model on creating an experience that is desired and meaningful to the people that could potentially come and patronize our business. Think about your own personal experience. You have Dr. XYZ. Dr. X is your physician. How much time do you spend with him? How accessible are they to you? You see them, they identify you have this issue, and then they suggest and prescribe medication. A course of treatment that in most cases involves a medication and then you're sent on your way, go take this. And that's tough. It's complicated. It's confusing. "And now I take five meds. I take seven meds. I take 12 meds. Should I be taking all these together?" Who is in your corner helping to advocate for you? And it's that scenario that we want to fill that void in our community pharmacy for our patients to help them. So doing comprehensive medication reviews, offering point of care testing where you can come in and we can check your LDL and HDL right at the pharmacy counter. All the way up to we can do testing. We can do influenza testing or COVID testing. We offer services like adherence packaging, where you simply get a card of medicine that has little blister packs that you just need to puncture that morning blister pack, and all of your morning meds are contained therein.

But maybe the most important, related to our Astis Pharmacy services is the fact that we have highly knowledgeable, capable, and most importantly, compassionate people that really care about the patients we serve. And I'll give you a quick anecdote. I got a voicemail from a patient just over the holiday weekend that says "I was told to call you. I'm having trouble getting access to this particular cancer medication. I take this cancer drug. I need this specific generic manufacturer because all the other ones I can't tolerate and I need help."

And so I simply called this patient back, I spoke to her and I said, "I'm not sure if I can help you yet, but now that I know exactly what's going on, I will find a solution for you. I will not sleep until I know that you're taken care of." And she was in tears. "I can't believe that you would do this for me. Like, why are you helping me?" And I said, "This is just how we do it." I said, "you go back to living your life." I'm talking to her on my cell phone, I said, "you save my phone number in your phone. And just know that I'm taking care of this for you, and I promise you I will not leave you high and dry, even if I can't personally help you, I will find a solution for you." And she was, I can't even describe her gratitude. And that's what we deliver in this pharmacy. That's what people need.

The flip side of that is Paragon Pharmacy, and it is the specialty pharmacy that Dan Asti and I founded several years ago, long story of building relationships and merging and ultimately Paragon Health was born and Paragon Health, under which Paragon Pharmacy is owned, is a 50 state licensed dual accredited specialty pharmacy that since our most recent merger with a good friend and colleague, Ted Mills, a company that he started, which was in the digital health and technology space. We now have a company that is a specialty pharmacy, but also a digital health technology company where we've created tools, both hardware and software, that we're putting in the hands of patients to help them take their medications more accurately and effectively. We have several devices that we've created, we have IP on, that go in the patient's home. We have devices for oral medications that will track and monitor patients adherence to their meds. We actually will package their meds, similar to the adherence packaging example that I gave at Asti's, only these adherence packages are designed to fit in a device that sits on the countertop, smaller than the size of a Keurig. And that device is connected to the cloud, so that device intelligently dispenses to patients their medication in the home. We also have other devices that we use NFC, or near field communication technology, to track injectable devices, or inhaled devices, that when a patient misses a dose, or appears that they've missed a dose, we're sending them what we call digital nudges, like a push notification or a text message, or a phone call to say, "Hey, Chris, we see you may not have taken your meds today. Remember, it's really important to take your meds." And if they continue to miss doses, we're going to call timeout and outreach to them because medications are an investment. If you don't take your meds correctly, bad things happen. And so, Paragon wanted to create a system, an ecosystem, where we can know whether a patient has not taken their meds correctly. And for whatever reason as this happens, we know, our team can jump in, intervene and help that patient to address whatever issue it is. So Paragon is focusing on leveraging the most current advances in technology to deliver patient care in a way that's personal, that's intimate and can deliver meaningful outcomes. We want to be responsible and accountable to the outcome associated with the medications we dispense.

**Chris Miladinovich:** I just love hearing about your business and what you're doing because you're living and breathing responsibility and accountability. Let's talk a little bit about the business side of pharmacy. Insurance companies have a lot of reach on many facets, but they have a lot of reach to the members. And that's a great thing. That's a really great thing to be able to interact with the members, interact with the patients. What are the opportunities that the insurance sector has to make a meaningful impact on pharmacy? And how can they start looking at these initiatives as investments and not black hole cost centers that just cost a lot of money?

**Chris Antypas:** We need to shift how we view pharmacy. I think the health plan market is, from my perspective and engaging with some of ProspHire's clients, they're feeling pressure. The cost of drugs and pharmacy is going nowhere but up. So they're trying to contend with this cost factor. But I think even the most aggressive data continues to show that pharmacy remains a minority of this total healthcare cost picture. And so I think the opportunity for health plans is to de-commoditize pharmacy. They need to view pharmacy as a strategy to manage member health. And I think we need to begin levying some of that accountability to the patient's outcome onto the pharmacy that's dispensing meds. We see this to an extent in Medicare Part D. It's become, I think, mostly a disaster with DIR and DIR fees and how DIR fees are assessed and what those dollars are used for. There is ample evidence to show that the pharmacist dispensing the prescriptions to a patient, to a member; That pharmacist can affect the outcome. They can affect the outcome a number of ways. One is at the outset, a newly prescribed therapy. Does that patient, that member, have the knowledge and information they need to begin that therapy successfully? The pharmacist controls that. So I think the opportunity is to address healthcare gaps. It's to address achieving desired clinical outcomes. It's STAR measures. It's HEDIS measures. And it's rooted in addressing their pharmacy network strategy, ignoring what their PBM is recommending to them.

Talk to your ProspHire pharmacist about how can we improve outcomes, reduce costs. Why don't we look at your pharmacy network strategy and how we can tackle that. So I think that would be an area that I would put a lot of focus on is the pharmacy network and combining pharmacy costs with total costs of care and how do we tell a better picture, a more complete picture in that regard.

**Chris Miladinovich:** Absolutely. It's all about outcomes and how you achieve them. And it's twofold. It's one, you get healthy members, healthy patients. And those outcomes lead to closing gaps, better quality scores, better bottom line. Everybody wins. Everybody wins if the patient and the member is healthier. Isn't that simple?

**Chris Antypas:** It's a beautiful thing.

**Chris Miladinovich:** It's a beautiful thing. Really great stuff. Let's take a quick break. And when we come back, we're going to talk about the competition. We're going to talk a little bit about automation. And we're going to talk about our good friend, Mark Cuban. And what he's doing and what to make of all that.

## **COMMERCIAL**

The ability to evolve is a must in today's healthcare business landscape. At ProspHire, we're 100 percent focused on health care, and we think of ourselves as more than just consultants or a vendor to an organization. We are an extension of your team. No one knows your business, staff, or health care members better than you. And we work alongside you to tailor solutions that help maintain positive morale and increase member experiences. With our team of health care experts, we find ways to adapt and move forward. Embracing innovation and looking ahead to future opportunities for your business. We measure success when our projects transition back to your team as a business as usual operation, not just when we hit

the go live date. For more information on ProspHire's healthcare services, visit [ProspHire.com](http://ProspHire.com).

**Chris Miladinovich:** Welcome back to the Soaring to New Health podcast. I wanted to talk about the rise of several big competitors. Retail Pharmacy certainly is seeing pressure with Mark Cuban's Cost Plus and Amazon competing in that space. Let's start talking about the competition. What are they doing? Why is it disruptive? And why might it be the wrong way to go?

**Chris Antypas:** I field this question on a regular basis. It's gotten a lot of media attention. Talking about pharmacy, you've got these major chains. You've got the Walgreens footprint, you've got the grosser footprint of the likes of Kroger and Giant and Safeway and you name it that are in communities everywhere. And then you have the 20 plus thousand independent pharmacies that typically represent a majority of the rural parts of America. But now we see entrance to the marketplace of Mark Cuban. And prior to that, Amazon Pharmacy, through the acquisition of their original PillPack Pharmacy. Everybody's fighting on this frontier of lowest acquisition drug cost. 80 to 90 percent of all the scripts that are filled in the U. S. represent 10 to 20 percent of all the dollars we spend. And there's a lot of discussion in this space around cost plus and what did drugs cost? And we have some national benchmarks, NADAC being the most well known benchmark for actual drug acquisition costs. But then we have this world of brand name drugs that still represent, even though they're 10 to 20 percent of utilization, 80 to 90 percent of all the dollars that gets spent. And it's kind of confusing because we've got, as Adam Fein says, drug channels this gross to net bubble on- this is the list price, but then this is what is actually paid- and the health plan clients are receiving rebates and we've got all these back end deals that are reducing the cost. I think the competition is kind of stuck in the middle of this whole pricing conundrum of what do actually drugs cost. Yet it's still the center of attention. Absolutely none of these players in the marketplace are talking about how they're improving healthcare outcomes. This is why I think that the notion of pharmacy network strategy has to be at the forefront of the conversation because the major players out there are just not talking about how they're going to be better at achieving a reduction in A1C. What their pharmacists are doing to improve that. So, I think that we've got to keep our eye on the ball. And the ball is the outcome. It's not what we paid for the drug. There are plenty of innovative players out there that can help us get to a quote unquote cost plus. But that, to me, is where the race begins. It's not where it ends, it's where it begins so that you can effectively manage the outcome. And the closing point on this is that medication adherence is not an outcome. I'll concede that to our health plan clients, CMS holds them accountable to that outcome. But it's not really an outcome. It's a means to an outcome. If you take your medication, if you are adherent to your medicine, you may get better.

**Chris Miladinovich:** Very interesting about the companies looking at the almighty dollar and not the outcome or the means to an outcome, as people would consider it. So very good way to look at it. So let's unpack a little bit of what Mark Cuban's doing.

**Chris Antypas:** So from my perspective, and I'm not an expert on his model, but obviously I've put a little bit of time into it, understanding that I compete in this space. Mark is prioritizing transparency, pricing transparency. What he buys the drugs for is what he's

selling them for. Plus, a 15 percent markup plus certain fixed costs for shipping or administrative fees for the actual dispensing. And he's being heralded as a hero, which, to an extent, I do give him credit. He's putting his name out there. He's well known. He's a well known billionaire. Everybody loves him on Shark Tank and he has a very likable personality. I think people assume that he's getting a better deal on drugs than everybody else. And I think that's one of the misconceptions that should be addressed. You walk into my pharmacy and I have access to drug pricing. His prices are no better. There are a few pharmacies, one of which is in Pittsburgh, Blueberry Pharmacy- Kyle McCormick great friend, excellent pharmacist and has a really innovative cost plus model. He was doing cost plus before Mark Cuban was doing cost plus and same deal. When we can get most generic drugs for pretty cheap and there's nothing really magical about that. He's just brought it to the mainstream with his name. And the reality is that pharmacies don't generally make 15 percent gross profit on a lot of prescriptions we dispense. And you wonder, why are drugs so unaffordable for Americans? And it comes back to the use of middlemen. That's why Mark Cuban looks so incredible in the market today. People are paying less with a discount card than the insurance they pay a lot of money for. And it's this notion of the PBM, the middlemen that are transacting these claims have just taken so much money out of the system that when transparency comes a ringing, they will lose big time. That's my take. He's doing good stuff. He's got a lot of media attention.

**Chris Miladinovich:** I think that was a great explanation to our audience as we wind down the conversation, which has been absolutely remarkable and interesting. What would you say to the next generation of people in the business of pharmacy? What's your one piece of advice as we wind out? Mark, let's start with you.

**Mark Thomas:** For our listeners and particularly at the next generation of pharmacists and innovators, it would be to think differently and think outside the box. And I'll just share a quick perspective of perhaps an example of that. And talking about some of these cash models, we look at someone like Amazon and RxPass, who recently launched a program where you could get all of your generic medications for \$5 a month. And that sounds tremendous, but if you stop and think about that, there's a glaring problem. And the problem is, the postal service isn't fit to be a healthcare provider. And so there's a missing link of we've now potentially created more fragmentation in the system than what we should have allotted. And so for the next generation, think differently. Focus on the solutions being brought to the market, but also take time to digest them and not just pile in with a herd. Take time to really unpack what's going on.

**Chris Miladinovich:** That's a great piece of advice, Mark. And Chris, what would you tell our future pharmacists and people in the business of pharmacy? What's the one piece of advice you'd leave with them?

**Chris Antypas:** My advice would be to be brave. Anytime you're trying to suggest or promote or support a pathway that's different than the current accepted paradigm. You've gotta have some guts to do that. I hope there are listeners here that work for these companies, that are in big companies. And you go home and you question, what am I doing every day? Am I making an impact? Don't count yourself short. It takes individuals like you. I'm talking to you. It takes people like you that sit in a meeting and say, "Guys, what we're

doing today is not working." And do your homework. What else do you gotta do? Take an extra hour to go read about CPE SN. Take just a little bit more time. Often times, especially if I'm talking to our clients, these are folks, like I said earlier, that represent hundreds of thousands, if not millions of people. Most of the people that I've talked to that are in managed care, they're rooted in a desire to help people. And I've heard them say this countless times. I like being in managed care because I can touch a lot of people. And help people, but at this higher, this macro scale and the programs that I build and I design improve the lives of countless people. And even though I don't know their name directly, I know that I've affected them and I've helped them. And that's that's their fuel to get up every day and deal with the drudgery of life and work and trying to get everything to to balance out. It takes those individuals to stand up in a room with an unpopular opinion and advocate for something that they know and believe to be true. And you will indeed be blessed with the legacy of being the person. Even if nobody knows about it, you'll know, that you were the catalyst to change the status quo, to change that paradigm. And it takes one step. You just have to start. So my advice is start and be brave because you will ultimately help a lot of people and I think that's something to be very proud of.

**Chris Miladinovich:** Thank you, and you heard it ladies and gentlemen. Chris wants to see you be brave. Guys it's been an insightful truly insightful conversation. Chris, Mark, thank you guys so much for being part of Ask the Next Generation Pharmacist podcast. Until next time keep soaring to new health. That concludes this episode of ProspHire Soaring to New Health Podcast.