

# Retail Pharmacies are not just any Businesses – The lack of Public Discussion about the Death of Pharmacies (Letter to the Editor)

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## Abstract:

Retail pharmacies have been declining in regard to physical stores as well as value as perceived by the society. Even in the face of their declination there are little amendments or implementations made to avert this, most have turned out to be ineffectual to the occurrence. Alongside primary healthcare facilities such as hospitals, pharmacies can offer a decentralized healthcare system whereby they can divert some of the healthcare services and assist in the development of an effectual healthcare system. To create an effectual healthcare system former policies have to be altered and new ones which promote quality and affordable healthcare.

### **“Retail pharmacies are not just any businesses – The lack of public discussion about the death of pharmacies“**

Pharmacy is a health science tasked with the responsibility of discovering, producing, and determining safe and effective use of medications and drugs. Pharmacies are retail stores or hospital dispensaries where medical drugs are prepared and vended. Medically and health wise, pharmacy is a crucial aspect in the practice of medicine and in offering of health services,<sup>1</sup> however, pharmacy practice is unheeded and paid little attention (Qato et al., 2017). The existence and significance of pharmacies is overlooked in terms of awareness and interest with little discourses about the subject among the public.

### **Decline in Pharmacies**

The decline on pharmacies is due to various reasons which range from non-compliance to medical prescription, unregulated markets, high operation costs, and low reimbursement. There are also instances in which certain regulations have instigated the closure of pharmacies due to the adverse impact on operations related to pharmacy.<sup>2</sup> Such is a case in Germany in which since 2009 there has been a steady decline in the number of pharmacies due to particular legislations<sup>3</sup> imposed on the pharmaceutical sector in the country. Systems such as the Statutory Health Insurance in Germany is one of the reasons the region has experienced a decline in the number of pharmacies. This system entails a number of insurance policies and firms (Busse et al., 2017) and are in a competitive environment due to the country's medical healthcare system, the Bismarck Healthcare model. In 2007, the country's legislators passed a bill that made it mandatory that a pharmacy had to offer a negotiated and

agreed prescription (drug) in accordance to an agreement to a health insurance fund<sup>4</sup>. This adversely impacted the pharmaceuticals as it restricted the scope of operations in terms of resources and market. In addition, pharmacies had to accept a forced discount on medicines and a reduction in the variety of products that are reimbursed by statutory health insurance.

Pharmacies are at times unnotable in terms of their significance. In a circumstance in which a medical products consumer has to make a choice on where to get the medical supplies, they may opt for online or other pharmacy stores with either cheaper drugs or due to a recognized brand name.<sup>5</sup> The preference of the consumers directly influences the sales performance and market performance of pharmacies and if great loss is incurred there is high risk of the closure of a pharmacy retail store.

If the regulations or prevailing healthcare policies in a region limited the operations of the pharmaceutical sector, the pharmacies would indeed deteriorate. According to Müllerschön et al., (2019), in Germany whereby health insurance policies is implemented austere, it has a rebound effect on the pharmaceutical sector. This eventually results to a decline of revenue attained by the retail pharmacies therefore if not substantial there will be not enough funds to run the operations of the stores.

Pharmaceutical competition is one of the reasons which has resulted to the decline of pharmacies. Other than retail pharmacies, there are in many countries chain or online pharmacies which also offer the same services (Pariyal et al., 2020). The various and multiple pharmacy outlets and dispensaries offer similar services resulting in high competition in the pharmaceutical market. Striving to attain the highest possible

<sup>1</sup> The Trustees of Princeton University. *Health Care Reform: Learning from Other Major Health Care Systems* | Princeton Public Health Review. Princeton University. [pphr.princeton.edu](http://pphr.princeton.edu)

<sup>2</sup> Gaebert, T., & Staňková, M. (2020). Efficiency Development in the German Pharmaceutical Market. *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, 68(5), 877-884.

<sup>3</sup> Resulted to the increase in competition.

<sup>4</sup> U.S. National Library of Medicine. (2018, February 8). *Health care in Germany: The German health care system*. InformedHealth.org [Internet]. [www.ncbi.nlm.nih.gov](http://www.ncbi.nlm.nih.gov)

<sup>5</sup> Krinke, K., Borchert, K., Braun, S., & Mittendorf, T. (2017). The impact of patient preference studies in the German healthcare system. *Value in Health*, 20(9), A690.

customer satisfaction, these stores often face competition from each other with private medical institutions offering high competition due to their services while retail stores have a competitive advantage in regard to price of prescriptions, at least in countries facing a part privatized pharmaceutical market.

The quality of services offered at pharmacies is in contention in that there are reports that indicate the services may not be substantial. According to a report by Langer et al., (2018), advice offered at pharmacies on acute diarrhea was found not to be substantial attesting to the questionability of the pharmacies. Such a case contributes to the decline of pharmacies in that the quality of services and medical products offered are questionable and this develops grounds from which the pharmacies are criticized.

Pharmaceutical products pricing is a key issue in the analysis of the cause of decline of pharmacies. In the US, pricing is subjected more to negotiation than regulations hence pharmacies can reap more profits from their sales. In comparison to Germany whereby pricing is done in a cost-sharing approach<sup>6</sup> limiting the profit range which pharmacies could have gained through sales. This limits revenue attainment and the low-profit margin instigates exit of pharmacies from the market resulting in the decline in the number of retail pharmacies.

### Disregarding of the Decline

Despite the immense decline of pharmacies, there is little attention by the public concerning the issue. It can be argued that of the reasons of the public's lenient reaction to the decline of pharmacies, perception is a key concern.<sup>7</sup> The view of the public on the significance of pharmacies is fundamental in that it affects the public's reactions to concerns related to the phar-

macies. This perception will determine the significance of the pharmacies to the public as patients and if not substantially vital, may not pay attention to the decline; what is currently ensuing.

Perception of the pharmacies' significance as well as the pharmacists is an influential factor in the determination of the gravity of the decline of the pharmacies to the public. In a research on the perception on pharmacies and pharmacists documented by Ali et al., (2019), revealed that the significance and value of the community pharmacies was known to the public but with concerns on some aspects of the operations undertaken such as privacy concerns on the status of a patient.<sup>8</sup> In addition to this, there is also a perception that for a more detailed and comprehensive medical advice, a doctor rather than a pharmacist will be more effectual.<sup>9</sup>

'Patient oriented or sales oriented' is a common query by the public in regard to the perception of pharmaceutical operations. In Europe, UK had established and advanced its pharmaceutical operations in that they run on a 7 day-weekly basis to offer services to patients. Relating to the same instance in Germany, the country's pharmacies seem to be underdeveloped with high potential to improve its pharmaceutical operations. If perceived to hold an emphasis on profits rather than services the pharmacies lose face (Nunes et al., 2017). And in Germany where healthcare is a privatized deal, the pharmacies are highly probable to be perceived to be more profit oriented from the sales instead of quality service oriented to patients.

Regions in which the Beveridge healthcare model is applied tend to have higher pharmacy performance compared to a country such as Germany which utilizes the Bismarck healthcare

<sup>6</sup> *Reference Pricing in Germany: Implications for U.S. Pharmaceutical Purchasing*. Reference Pricing in Germany: Implications U.S. Drug Purchasing | Commonwealth Fund. [www.commonwealthfund.org](http://www.commonwealthfund.org)

<sup>7</sup> Ryan, B. L., Brown, J. B., Tremblay, P. F., & Stewart, M. (2019). Measuring Patients' Perceptions of Health Care Encounters: Examining the Factor Structure of the Revised Patient Perception of Patient-Centeredness (PPPC-R) Questionnaire. *Journal of patient-centered research and reviews*, 6(3), 192.

<sup>8</sup> Celdrán, A. H., Pérez, M. G., Clemente, F. J. G., & Pérez, G. M. (2017). Preserving patients' privacy in health scenarios through a multicontext-aware system. *Annals of Telecommunications*, 72(9), 577-587.

<sup>9</sup> Wei, D., Xu, A., & Wu, X. (2020). The mediating effect of trust on the relationship between doctor-patient communication and patients' risk perception during treatment. *PsyCh journal*, 9(3), 383-391.

system. This is because the Beveridge model is patient targeted and results to a reduction in the costs incurred when receiving healthcare services.<sup>10</sup> The reduced costs result to more disposable funds which may be utilized in the purchase of pharmaceutical products from pharmacies. In Germany, due to the Bismarck's' model policies,<sup>11</sup> healthcare is offered by privatized institutions which may be quite expensive discouraging the public from wanting to receive healthcare services as privatized institutions have relatively high cost medical products. This makes the public with a large population who do not seek out these services rule the issue as irrelevant and insignificant in regard to the impact on them. There is a concern on trust and reliability of community pharmacies. The trust and reliability that the public which acts as the market of the products offered by pharmacies hold is influential in the attention towards the pharmacies.<sup>12</sup> This is because in addition to privacy, quality of products and services offered is accountable and liable to evaluation by the public (Pelser, 2018). This issue being a major concern gives little attention and being a key aspect of the pharmacies, influences the overall attention that pharmacies receive from the public.

### Attempts to avert the Circumstance

In Germany, the government imposed certain regulations in a bid to instigate competition among the pharmacies with the aim to increase the quality of the pharmacies in terms of services, products offered, and cost of charges.<sup>13</sup> The Bismarck healthcare system which the company

utilizes funds healthcare services from income-related contributions making it relatively expensive in comparison to other countries such as the US (Gerlinger & Schmucker, 2009). To avert this in relation to also pharmaceuticals due to the link between health insurance firms and drugs offered at the pharmacies, the government passed legislations which would increase the competition in a bid to instigate a decrease in costs charged on the products and services.<sup>14</sup> More pharmacies are operating via online services whereby transactions are facilitated by e-commerce in which IT is integrated and utilized in the pharmaceutical operations.<sup>15</sup> This has resulted in a decline in face-to-face communication which has severed customer-seller relationships such as consumer loyalty (Iardo & Speciale, 2020). By regulating and situating that some products and services will not be offered via online platforms, governments have attempted to halt the decline of pharmacies.

Policies and practices have been established and implemented to foster the position of pharmacy in the healthcare sector. The shift in policy is that pharmacies could offer medical products in relation to chronic diseases in collaboration with primary health services is an example of such an instance (Mubarak et al., 2021). Such an implementation increases the value and significance of pharmacies in the healthcare sector in that they offer vital medical products and services. Community pharmacies profit from such undertakings in that they gain reputation<sup>16</sup> in their diligence in offering healthcare services; increases significance of pharmacies.

<sup>10</sup> By catering for most of the costs, patients spend less on receiving healthcare services.

<sup>11</sup> *Health Care Systems - Four Basic Models*. Health Care Systems - Four Basic Models | Physicians for a National Health Program. [www.pnhp.org](http://www.pnhp.org)

<sup>12</sup> Jobin, J., Irwin, A. N., Pimentel, J., & Tanner, M. C. (2018). Accuracy of medication histories collected by pharmacy technicians during hospital admission. *Research in Social and Administrative Pharmacy*, 14(7), 695-699.

<sup>13</sup> U.S. National Library of Medicine. (2018, February 8). *Health care in Germany: The German health care system*. InformedHealth.org [Internet]. [www.ncbi.nlm.nih.gov](http://www.ncbi.nlm.nih.gov)

<sup>14</sup> Heinsohn, J. G., & Flessa, S. (2013, October 10). *Competition in the German pharmacy market: an empirical analysis*. BMC health services research. [www.ncbi.nlm.nih.gov](http://www.ncbi.nlm.nih.gov)

<sup>15</sup> SV; G. G. E. B. J. N. G. E. C. *Integration of pharmacy into the computerized problem-oriented medical information system (PROMIS)--a demonstration project*. American journal of hospital pharmacy. <https://pubmed.ncbi.nlm.nih.gov/842545/>.

<sup>16</sup> Will be considered vital as they will offer crucial medical products and services.

## Recommendations

To foster and promote health, there is need to emphasize both internal and external factors that influence healthcare.<sup>17</sup> From intersectional policies that affect the healthcare sector to issue based approaches to analyze concerns in regard to effectual healthcare practice, it is a necessity to give the healthcare sectors and health systems immense attention.<sup>18</sup> This will ensure that there is a comprehensive analysis of the issue affecting healthcare and health systems hence an effective conclusion can be made concerning establishing access and healthcare amenities.

Healthcare systems and polices have to be amended to incorporate relevant and appropriate practices which will foster health services with reference to the quality of medical products, medical institutions such as pharmacies, and the issue of charges on the services offered. In addition to the establishment of an effectual healthcare system, there is need to ensure that it encompasses the population in a comprehensive way (Tichenor & Sridhar, 2017). This directive should encompass all inclusive of income, region, and accessibility to set-up a healthcare system which upholds equity. More pronounced and probable medical issues should be assigned more resources<sup>19</sup> to reduce their impact while a substantial backup strategy and resources are improvised in the case of an emergency. Such a practice is currently underway in Germany whereby the Bismarck system policies are being reverted<sup>20</sup> to more relevant and effectual in terms of quality and cost of healthcare services to people.

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- <sup>19</sup> To reduce their effect.
- <sup>20</sup> Light, D. (1985). Values and Structure in the German Health Care Systems. *The Milbank Memorial Fund Quarterly. Health and Society*, 63(4), 615-647. doi:10.2307/3349852

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