Cost Analysis and Benefits of Implementation of a Community Pharmacy Resident

Sara Rhymer, PharmD Candidate, Harry Zollars, PharmD, CEO

Introduction

- PGY1 Residencies are common for hospital settings, but in the community setting they could be beneficial in developing young pharmacists into a well diverse clinicians.

Objective

- The purpose of my research is to explore why community pharmacy residencies aren’t more common, whether that be for lack of interest or from profitability reasons.
- Identify different types of costs associated with a pharmacy resident.

Methods

- Identify different types of costs associated with employing a Community Pharmacy Resident.
  - Direct and Indirect Costs
  - Variable Costs
- Compare Accumulated Costs with Amount of Revenue needed to be considered “Profitable” and run a Break-Even Analysis

<table>
<thead>
<tr>
<th>Direct</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident Salary</td>
<td>Recruitment</td>
</tr>
<tr>
<td>Benefits</td>
<td>Continuing Education Classes</td>
</tr>
<tr>
<td>• Medical/Dental/Vision</td>
<td>Background Check</td>
</tr>
<tr>
<td>• 401K Matchting</td>
<td>Drug Test Screening</td>
</tr>
<tr>
<td>• Gas and Travel Expenses</td>
<td>Training Time</td>
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<tr>
<td>• Phone Plan</td>
<td>ASHP-APhA Accreditation</td>
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</tbody>
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Table 1. Types of Cost for a Pharmacy Resident

- Est. $50,000-$58,500
- Est. $26,500
- Est. $12,000

Results

- Revenue, in this scenario, is associated with average profit on compounded medications at $20.50 per prescription.
- “Profitable” Revenue would be estimated at $120,000.
  - A growth of 16 prescriptions per day is needed to achieve this goal.
- A Break-Even Analysis of $90,000
  - A growth of 14 prescriptions per day is needed to achieve this goal.

Conclusions

- A substantial amount of growth is required to make a community pharmacy resident profitable.
- With incorporation of a community pharmacy resident in other practice settings like veterinarian pharmacy and acute care settings could generate enough revenue to be profitable.

References

- Rupp, Micheal T. BPharm, PhD, FAPhA. (2011). Analyzing the costs to deliver medication therapy management services. Pharmacy Today. Pages from 56 to 63.

Disclosures

- Ms. Rhymer makes no financial conflicts of interest.
- Dr. Zollars discloses partial ownership of Maryville Pharmacy.

Contact

srhymer@siue.edu for Ms. Rhymer
harry@maryvillepharmacy.com for Dr. Zollars