Closures affect one in eight pharmacies in the US

21 October 2019

Credit: CC0 Public Domain

In a report published in *JAMA Internal Medicine*, researchers from the University of Illinois at Chicago found that despite an overall increase in the number of pharmacies in the U.S. from 2009 to 2015, one in eight pharmacies, or 9,654, had closed during this period.

The researchers examined how pharmacy, community and market characteristics influenced the risk of a pharmacy closing.

According to their analyses, independent pharmacies in both urban and rural areas were three times more likely to close than chain pharmacies.

"Independent pharmacies are often excluded from preferred pharmacy networks and 340B contracts, which are both increasingly important aspects of the pharmacy market, so it is not surprising that independent stores are at greater risk for closure," said Dima Mazen Qato, senior author of the study and associate professor of pharmacy systems, outcomes and policy at the UIC College of Pharmacy.

"Efforts to improve access to prescription drugs have focused almost exclusively on reducing drug costs, but affordable medications aren't easily accessible when a local pharmacy closes. We need policies that specifically address pharmacy closures because such closures negatively impact access and adherence to prescription drugs," Qato said.

In prior studies, Qato and her colleagues have shown that pharmacy closures are associated with non-adherence to prescription medications. These declines in adherence also were shown to be worse in patients using independent pharmacies that subsequently closed.

"Although efforts to promote pharmacy access have focused on addressing pharmacy closures in rural areas, we found that pharmacies located in low-income, urban areas are at greater risk for closure," she said.

They report that approximately one in four pharmacies located in urban, low-income neighborhoods closed, compared with one in seven pharmacies located in rural, low-income neighborhoods.

In urban areas, pharmacies serving disproportionately more uninsured or publicly insured residents with Medicare or Medicaid were two times more likely to close than other pharmacies. These market factors did not influence the risk of closure in rural areas.

"Pharmacies located in rural areas may have financial incentives, including tiered pharmacy reimbursement rates for Medicaid prescriptions and critical access pharmacy payments, that are lacking in urban areas," Qato said.

The researchers say these analyses have important implications for policymakers seeking to address barriers in access to prescription drugs in the U.S.

According to Qato and her colleagues, payment reforms—including increasing reimbursement rates for Medicaid and Medicare prescriptions—and strengthening the regulation of pharmacy access standards, preferred pharmacy networks and the 340B Drug Pricing Program are necessary in order to protect pharmacies most at-risk for closure, specifically in urban areas.

"Such policies may also protect pharmacies in predominately black and Latino communities and reduce disparities in access to prescription medications in urban areas," said Jenny Guadamuz, first author of the study and UIC graduate student.

"Our findings also indicate that pharmacy retailers, in partnership with health plans and pharmacy benefit managers, may need to consider more innovative, targeted and efficient strategies in the delivery of pharmacy services," Qato said.

More information: *JAMA Internal Medicine* (2019). DOI: 10.1001/jamainternmed.2019.4588

Provided by University of Illinois at Chicago

APA citation: Closures affect one in eight pharmacies in the US (2019, October 21) retrieved 29 October 2022 from https://medicalxpress.com/news/2019-10-closures-affect-pharmacies.html