

# Adherence Impact Calculator: Making the Business Case

NCPA created the adherence calculator to help pharmacists determine the changes in gross profit for a pharmacy after encouraging a higher medication adherence rate. The following example uses the adherence calculator with real-life scenarios taken from community pharmacies.

“*Patient Centric Model Pilot Data Analysis Report*” by David A. Holdford, RPh, PhD, Virginia Commonwealth University, highlights the improvement made by pharmacists on medication adherence using the appointment based synchronization model. The business case below is based on real data from this report to demonstrate the benefit of a medication synchronization program on gross profit margins.

## PATIENT CENTRIC MODEL PILOT DATA ANALYSIS REPORT

### Calculator Inputs

**Gross profit per prescription: \$13.80** (2010 national average)

**Number of different drugs prescribed per average patient for chronic conditions: 1**

(Any patient with at least one prescription for a medication during this time period was included in the analysis population)

**Number of days it takes the average non-adherent patient to refill a 30 day medication: 36.5**

(Prior to the study intervention, the average possession ratio ranged from 33 to 40; average = 36.5)

**Number of existing patients recruited each business day to join an adherence program: 1.6**

(On average, the program enrolled approximately 48.2 patients per month or 1.6 patients per day)

### Calculator Results

Without an adherence program, each patient over the next 12 months represents a potential gross profit of \$12.65 at 1 month, \$75.90 at 6 months and **\$151.80** at 12 months, before tax.

With an adherence program, each patient measured over a 12 month time frame represents a gross profit to the pharmacy before tax of \$14.95 at 1 month, \$89.70 at 6 months and **\$179.40** at 12 months.

### Sample Business Case

Assume that there are 584 patients each on an average of 1 different chronic medication. Without an adherence program, these patients over the next 12 months will bring in \$88,651.20 in gross profit.

If the pharmacy has an adherence program and is able to recruit 48 patients each month and once recruited the patients practice maximum adherence so that each patient refills all their chronic medications every month, then starting today, over the next 12 months these adherent patients will bring in \$97,428.00 in gross profit.

The increase in gross profit would be **\$8,776.80** greater than what would occur under current adherence practices.

The **long term increase in gross profit** that would result in promoting maximum adherence for just 1.6 patients each day would be **\$34,996.80 over 2 years** and **\$218,316.00 over 5 years**.