

*Gerould's Pharmacy has been owned by the Steed family for 70 years. Third generation owner Frank Steed has helped the business grow to multiple locations.*



## Transforming Community Health Through a Regional Accountable Care Organization

by Brian Bowman

As a third generation pharmacy owner, Frank Steed has helped take his family business, Gerould's Pharmacy, to the next level. After graduating from Albany College of Pharmacy in Albany, N.Y., he realized that there was no better time for him to begin his journey as an owner. He began learning the intricacies of the business and the benefits of ownership in the late 1980s. Steed began a junior partnership with his family in 1995 to take over the pharmacy his grand-

**Editor's Note:** "Profit Pearls" is an occasional series of articles focusing on pharmacies who have successfully used innovation, expanded offerings and outstanding customer service to become staples of their community.

**Home health care is the most profitable part of Gerould's pharmacy business.**

father, Francis Steed, purchased from B.P. Gerould in 1945. The junior partnership worked well for both parties, as it minimized risk and stress during the transfer of ownership.

Trends in the health care industry are tipping away from traditional methods, and independent pharmacy is changing swiftly. The past few years have come with challenges, but Steed has gained considerable knowledge through the process. He has been an NCPA member for 30 years, starting during his time as a student pharmacist. Additionally, he is active in the Pharmacists Society of the State of New York (PSSNY) and has held positions on several boards of non-profit organizations and other businesses.

### **SERVING THE NEEDS OF THE LOCAL COMMUNITY**

Today, the Gerould's Pharmacy business is equally owned by Steed and his two cousins in the Elmira, N.Y., area. They each have different sectors of the business that they operate. Altogether, they operate four pharmacies in the area and a home health care facility. The original family pharmacy grew to multiple locations as it saw unmet needs in the community, which helped drive Gerould's success.

Pharmacy services at Gerould's include medication therapy management, immunizations and immunization clinics, non-sterile compounding, and diabetes shoes. They recently expanded into specialty pharmacy, and are looking to gain more specialty patients. Gerould's currently services several long-term care facilities and would like to expand this sector as well. Several years ago, one of their nursing homes continued to ask Gerould's to send grocery items to the



facility along with their medication deliveries. To better serve these patients, Gerould's decided to put a small store in that facility. It sells grocery items, greeting cards, canes, and other mobility equipment.

All of the Gerould's locations carry a rotating selection of small gifts. As a result of patient requests, Gerould's carries a full selection of wound care products at their stores. Their Horseheads (N.Y.) location contains an old-fashioned soda fountain with a counter and stools. It also serves deli foods and ice cream. Steed chose to install the soda fountain when his family opened the Horseheads location as a means to drive traffic. It has been effective, quickly becoming a major community staple.

### **A COMPREHENSIVE COMMUNITY-BASED ACO**

In collaboration with Arnot Health, Gerould's has just launched their regional accountable care organization (ACO). The Affordable Care Act and performance-based metrics have changed the delivery dynamic. Fragmented health care and hospital readmissions have been financially costly to hospitals and the overall health care system, and are a threat to patient quality of life. With Medicare Star Ratings and other performance measures, providers are being evaluated on how well they manage

population health. Health care professionals must focus on the entire care process for the patient, not just the portion in which they have expertise and are directly involved. This calls for a comprehensive, collaborative, and patient-centered approach.

The ACO seeks to be an organization that improves the wellness of the entire community, not just one small group, such as a hospital or employer. Several such groups exist throughout New York that include a section of a community's population. However, Steed saw unmet needs in much of the local population. It seemed as if nobody ensured that discharged patients were being properly monitored. Proper monitoring was not being done to verify that patients discharged with COPD were completing their respiratory therapy, or if a patient's house was safe for return so there was not a fall risk. Steed and his team seek to document clinical data and use it to prevent initial hospitalizations and re-hospitalizations after discharge.

Steed saw a substantial gap that nobody had stepped into previously. "If you sit back and wait, someone is going to do it instead of you," he says. He saw an opportunity to step up as a pharmacist and prove the value pharmacists bring to patient care. This initiative will help advance the pharmacy

profession, as well as provide financial growth for the Gerould's business.

Traditional wellness health care for isolated groups is beneficial, but preventative health care may have eluded patients at that point. Gerould's ACO model aims to address current and preventative needs. This gives them the opportunity to create their own outcomes.

The local hospital system will be a major component of the ACO because it plays a large role. However, there are numerous other essential components. The ACO put together a multi-disciplinary team to manage hospital and nursing home discharges, corporate wellness programs, and other services that are traditionally not in a pharmacist's realm. In addition to the hospital and primary care providers, the ACO includes professionals in pharmacy, nutrition, physical therapy, and respiratory therapy. The two disease states the ACO is beginning their program with are COPD and diabetes. Team members are currently getting certified to provide diabetes education. Steed's hope is to be able to build a community pharmacy residency around the ACO model.

This collaborative opportunity gives Gerould's the ability to partner with many different parties within the system, including providers, health care organizations, insurance companies, and other entities. Steed says it's an exciting time to capitalize on the changing health care system. Many eyes are on Steed and his group as they pilot this program, and they hope to make it a major success.

### **HOME HEALTH CARE**

Currently, the most profitable and popular sector of Frank's business is home health care. The largest percentage of growth in recent years has been in this area, including two business ventures that have started

in the past year alone. Gerould's provides comprehensive home health care products and services that help patients maintain their quality of life as their health situations change. Their selection includes specialty needs products for all types of living, including oxygen equipment, CPAP (continuous positive airway pressure), BiPAP (bilevel positive airway pressure), and traditional power mobility products.

Along with their product offerings, Gerould's offers a home modification business to install the equipment and tailor it to the individual needs of each customer and their living space. Examples include handicapped bathrooms and tracking systems for moving patients who are not ambulatory. Frank saw a substantial business opportunity here, as many patients are living in their own homes or in the home of a caretaker instead of residing in a long-term care facility. Gerould's receives home health care referrals to their stores from across their region. Expertise in the home health care sector will help them launch their new ACO venture.

### **LOCAL COLLEGE CAMPUS INTEGRATION**

Elmira College, founded in 1855, is a staple of the Elmira community and enrolls approximately 1,200 undergraduate students. Frank supports the college, knows many of the deans and professors, and is a preceptor for Elmira College's internship program. But Steed's involvement with the college goes beyond the traditional relationship that most local businesses have with colleges. Gerould's offers comprehensive prescription services for students at the college's health center. In this setup, nurse practitioners see students at the clinic and their new prescriptions are dispensed and delivered hours later. Maintenance prescriptions can also be dispensed through this

delivery service. Gerould's provides about 150 prescriptions per week for Elmira College and offers full access to pharmacist-provided services for all students. This gives the Elmira College health center staff assurance that their students are receiving optimal medication therapy.

### **PEARLS OF WISDOM**

Perhaps his most valuable strategy for Steed's business has been convening with other owners who own multiple pharmacies. This group includes 14 pharmacy owners from different states around the country. It is a peer review group that includes owners of various backgrounds. They meet a couple of times per year and communicate regularly about important issues that are facing the pharmacy industry, and how they can mitigate problems and seize opportunities.

When they meet, they critique each other's businesses and advise each other on what decisions each owner should make. Steed has been a part of this group for more than six years, and many of the business ventures he has started in that time have been a result of meeting with the group. This would not be possible if they did not collaborate. Unity in the pharmacy profession is something Frank would like to see more of in the future. He says any time pharmacists come together as a group, it will generate a strong voice and preserve the vitality and autonomy of the profession.

The numerous successful business ventures that Gerould's has had have stemmed from observing unmet needs in the community and having the entrepreneurial mindset to implement the programs. Multi-disciplinary coordinated care is a space where community pharmacists can make a substantial impact moving forward.

**Brian Bowman is a 2016 PharmD/MBA candidate at The University at Buffalo.**