

MinuteClinic reaches the 500-unit mark

MINNEAPOLIS — MinuteClinic, a subsidiary of CVS Caremark Corp., has opened its 500th clinic.

The milestone was reached earlier this month, when MinuteClinic opened three health care centers, each situated inside a CVS store. The new clinics are in the Dallas, Los An-

geles and Orlando metro areas.

MinuteClinic, which currently operates clinics in 25 states, says its has about four times the number of clinics as its nearest competitor and has sites in twice as many states.

"By offering high quality, affordable medical services to patients in convenient retail

locations, we have established one of the largest and fastest-growing health care systems in the country," said MinuteClinic chief executive officer Michael Howe. "We're proud to have seen more than 1.8 million patient visits since our inception. This reflects both the growth in our number of clinics as well as the enthusiastic adoption of this model of care by consumers."

The MinuteClinic model is built on health care centers staffed by board-certified practitioners trained to diagnose, treat and prescribe medication for such common illnesses as strep throat, sinusitis and bronchitis. MinuteClinic also offers common vaccinations.

Most MinuteClinic locations are open seven days a week, and appointments are not needed. Visits take about 10 to 15 minutes, and most cost \$59.

The idea of treating patients at walk-in clinics in retail stores has not been embraced by the medical establishment in the

United States, and such medical groups as the American Academy of Family Practice and the American Academy of Pediatrics have expressed concern about the practice. One common objection to the idea of clinics is that patients need a medical "home" where a physician knows about all of their ailments and medical treatments.

MinuteClinic officials say they embrace the idea of a medical home, and say that if a patient doesn't have a primary care provider, MinuteClinic will provide a list of physicians in the area who are accepting new patients. MinuteClinic practitioners use a software program that, in addition to producing educational material, provides an invoice and a possible a prescription for the patient at the conclusion of each visit, and also automatically sends a diagnostic record to the patient's primary care provider's office (with the patient's consent) to facilitate continuity of care.



MinuteClinics are an integral part of CVS Caremark's offerings.

MSI demonstrates its strength in MTM

ST. LOUIS — Medicine Shoppe International (MSI), through its Medicine Shoppe and Medicap Pharmacy stores, continues to be among the leaders in the industry in providing retail-based medication therapy management (MTM) sessions to qualifying Community CCRx patients through Mirixa Corp.

Community CCRx, a prescription drug plan (PDP) under the Medicare program, enables retail pharmacists across the country to complete patients' MTM sessions at the pharmacy using MirixaPro, Mirixa's Web-based clinical management system.

Since the debut of MTM programs under Medicare, the Centers for Medicare and Medicaid Services requires PDPs to provide MTM to patients meeting certain criteria.

According to MSI, Medicine Shoppe and Medicap pharmacies completed the largest number and percentage of available MTM cases in the Community

CCRx program last year (compared with other pharmacy groups in their categories) and achieved about a 20% increase in their performance from 2006 to 2007.

"Our pharmacists are dedicated to helping patients manage their health and medications," notes Bill Rampy, senior vice president of franchise operations at MSI. "The basic principles of MTM parallel the values that define the Medicine Shoppe and Medicap Pharmacy brands and help our pharmacies to continue providing patients with the highest level of personalized care."

MSI franchisees report that

patients value the opportunity to meet one-on-one with their pharmacist and that they benefit from their pharmacy-based MTM session.

During those sessions pharmacists have counseled patients on a variety of vital medication issues, including potentially fatal drug interactions. While providing MTM, pharmacists have also been able to identify patients who are noncompliant with their medications and to suggest ways in which patients can save money on their prescriptions.

Such results have prompted MSI to drive momentum in the program for the future.

Longs appoints Vasos EVP, COO

WALNUT CREEK, Calif. — Longs Drug Stores senior vice president and chief merchandising officer Todd Vasos has been named executive vice president and chief operating officer. He succeeds Karen Stout, who has left the company.

Vasos — who will oversee the drug chain's store operations, marketing, merchandising, construction and loss-prevention efforts — joined Longs in 2001 as senior vice president of marketing. He was named senior vice president and chief merchandising officer in 2005.

Prior to joining Longs, he spent seven years with Phar-Mor, Inc. and 11 years with Eckerd Corp.

Group vice president of marketing Larry Gatta replaces Vasos as senior vice president and chief merchandising officer.

Gatta has been with Longs since 2002, starting as vice president of marketing.

Meanwhile, Linda Voracek, divisional merchandise manager responsible for cosmetics and toiletries, has been promoted to vice president of marketing.

IRI bullish about 'Liquid Data'

CHICAGO — There is no shortage of consumer packaged goods data, but there has been a dearth of unambiguous conclusions from it.

But that's about to change — says Information Resources Inc. (IRI) chairman Romesh Wadhvani — with the launch of the IRI Liquid Data (ILD) end-to-end information management and insights platform.

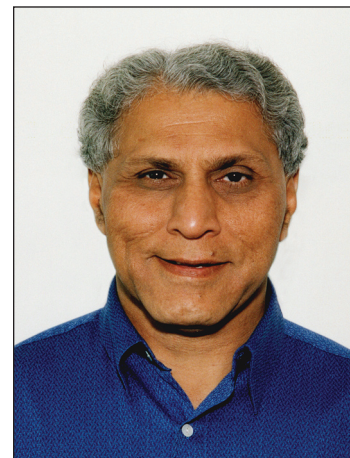
In an age of multiple data sets ILD results in "one version of the truth, one unified platform for sales and marketing that is a repository for all consumer intelligence," asserts Wadhvani. "From that information a manufacturer or retailer can generate any report or analytics and develop any insights on the fly."

Developed in collaboration with IBM Corp., ILD shortens the time needed for such work

from days or weeks to seconds or minutes, he adds. And the platform supports front-office functions in the same way that SAP software underpins the back office, notes Wadhvani.

Providing this power and flexibility in real time required IRI to become "the Google of market and consumer intelligence," he says. In fact, creating ILD was a greater challenge than establishing Google, because the latter searches all web sites in the same way. But IRI was looking to integrate many kinds of information with many different access points.

Meeting the challenge took two and a half years and \$100 million, "but it's done," Wadhvani says. IRI's first two ILD clients, General Mills Inc. and Frito-Lay Inc., will go live with the platform by June.



Romesh Wadhvani

ILD's promised insights range from how to segment shoppers to understanding the implications of loyalty programs. It can provide in-depth assessments

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IRI is bullish about its new 'Liquid Data' technology

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of new product launches or the shopping behavior of different ethnic populations, Wadhvani points out.

For a 1,000-store chain IRI can discern the optimal assortment for outlets based on the demographics of the surrounding neighborhoods, and even factor in the proximity of competitors. That's because if a Wal-Mart store is a mile away from another chain's store it will have a much different impact than if it is four miles away. "Depending on the distance there's a huge gravitational effect on certain categories," Wadhvani remarks.

An issue of concern to both retailers and suppliers that IRI addresses is positioning of private label products versus brands. The platform can set prices for private label items and branded products so that both offer value, notes Wadhvani. That can please both chains and manufacturers, rather than leaving them feel as if they are competing with each other, he says.

"All of those insights require extremely deep analysis of vast amounts of integrated information, which only IRI is able to

do," he comments. "We're able to integrate insights for a holistic picture of brands, neighborhoods, stores and shopper segments."

"It's the first time ever in our industry that one platform allows an across-the-board marketing, consumer or product insight."

It's a far cry, he says, from the status quo of "100 people using 1,000 databases and coming up with 100,000 answers, none of which match each other."

Wadhvani foresees three growth driving processes from IRI: brand building, shopper innovation and in-store dynamics.

Brand building boils down to the right pricing, promotions and advertising, and he maintains that the platform has the capabilities for ensuring that brands are supported the way they should be.

Shopper innovation entails defining potential top customers, and how to reach shoppers who are bypassing one's products.

In-store dynamics addresses what Procter & Gamble Co. chairman and chief executive officer A.G. Lafley has referred to

as "the first moment of truth," namely, when shoppers are in a store to select a product, says Wadhvani. Even though they may be predisposed to one brand, they may be enticed to choose something else, he points out.

"If one doesn't capture their hearts and minds one may lose them for that sale and future sales," he says. "The key question is how does one make sure the store is organized in a way that maximizes success at the first moment of truth."

That takes an in-depth understanding of neighborhoods and communities on the outside of stores, and of aisles and shelves

on the inside, he adds. "With IRI the CPG enterprise can integrate all these kinds of analyses into one database from which it can get insights on the fly that help change product attributes, pricing, assortments, displays or ads — all to increase success."

Gains in each of the growth areas can translate into 2% to 3% annual revenue increases, or up to \$300 million for a \$10 billion manufacturer, Wadhvani says. And hundreds of millions of dollars in sales and marketing outlays could be saved every year for large companies by IRI's efficiencies, he adds.

IRI will be especially valuable in the promotion process, he says,

contending that the more than \$100 billion spent each year on promotions is largely wasted.

Wadhvani says retailers should embrace IRI as much as manufacturers. Chains have almost exactly the same needs as suppliers, he notes, adding, "We are absolutely committed to offering IRI to retailers as well as manufacturers because it can provide revenue growth for both and make them more productive and efficient."

IRI exemplifies IRI's focus on the long-term vision, Wadhvani emphasizes. "We feel that over five to 10 years IRI will become the standard platform for the industry," he says.

New script pad rule is looming

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to a prescription order, often then receiving 100 tablets or capsules of a medication rather than the prescribed 10.

CMS has advised that the use of indelible ink will not meet the legal requirements.

Earlier this year the National Association of Chain Drug Stores

was among 90 state and national pharmacy and medical organizations to send a letter to state Medicaid directors requesting that additional guidance be provided to pharmacies regarding compliance with the federal statute. A second letter was dispatched earlier this month to 16 Medicaid programs that NACDS has identified as having not sent out provider notices since late last year. Also in March, NACDS and the Coalition for Community Pharmacy faxed letters to physicians notifying them of the approaching April 1 implementation date.

NACDS has also reached out to CMS and Congress requesting they encourage states to be more aggressive in notifying prescribers about the upcoming implementation.

Although CMS has outlined three baseline characteristics of tamper-proof pads, each state defines which features it will require to meet those characteristics in order to be considered tamper-resistant.

The baseline characteristics must prevent unauthorized copying of a completed or blank prescription form, must prevent

the erasure or modification of information written on the prescription by the provider, and must prevent the use of counterfeit prescription forms.

According to the letter NACDS and the other groups sent state Medicaid directors, CMS' original guidance allowed states to phase in the requirement over a year's time. In the second and final phase (not later than October 1, 2008) a prescription pad

The regulation is intended to fight fraudulent Rx's.

would have been required to meet all three characteristics.

But in late September, after President Bush signed a law delaying the effective date to April 1 of this year (from October 1, 2007), CMS advised affected stakeholders that, despite the six-month initial implementation delay, all pads would still be required to have all three of the required characteristics by October 1, 2008.

Walgreens hits the capital

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served by 51 CVS stores, a handful of supermarket pharmacies and dozens of independents.

Burgess noted that Walgreens' presence in Washington goes beyond just offering pharmacy customers another choice of where to get their prescriptions filled.

"We felt that with all of the changes at the federal level that it was essential that Walgreens had a presence in D.C. that

would allow the people making the decisions that will shape our future to see the important role Walgreens' pharmacists play in America's health care system," he said. "Having stores here will help us drive the direction of the changes."

Walgreens' first store in the nation's capital represents the latest move in the company's growth strategy for the market that it entered two and a half years ago.

The company plans to open

more than a dozen new outlets in the district and the surrounding suburbs in the next three years, Crawford said, noting it that expected many of those stores to be in Washington.

On a wider scale, Walgreens plans to open more than 40 units across all of Virginia and Maryland during that time.

"With many communities here growing, so are their needs for quality pharmacy services," Crawford said "Patients and caregivers depend on us, not just for convenient access to medications but for information and guidance that can improve the quality of their lives."

Opposition to Medicaid cuts mounts

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new rules mandate potentially devastating reductions in Medicaid reimbursement for generic drugs. The industry won a temporary victory in December when a federal district court enacted a preliminary injunction blocking implementation of the rules, which were scheduled to take effect in late January.

However, as the National Association of Chain Drug Stores has pointed out, legislative action is needed to reverse the cuts and establish reasonable benchmarks for pharmacy reimbursement. NACDS president and chief executive officer Steve Anderson recently wrote to the House and Senate leadership urging pas-

sage of the Fair Medicaid Drug Payment Act of 2007, authored by Sen. Max Baucus (D., Mont.), and a companion measure introduced in the House by Rep. Frank Pallone Jr. (D., N.J.).

In his letter Anderson praises the legislation for creating a fair and reasonable benchmark for Medicaid pharmacy reimbursement by redefining the key concept of average manufacturer price (AMP) to exclude prices paid by retail pharmacy. In addition, he writes, the bill increases the percentage of the AMP used and applies a weighted average AMP rather than the lowest AMP to set reimbursement.

It also restores a delay in calcu-

lating federal upper limits (FULs) to establish reimbursement for generic drugs until there are three or more generic equivalents to a branded drug on the market. The Deficit Reduction Act of 2005 calls for FULs to be set once there are two or more generics on the market.

"Enactment of this legislation is necessary to prevent billions of dollars in reimbursement cuts to the Medicaid program," writes Anderson. "Such cuts in reimbursement could result in low-income Americans across the nation losing access to the medications they need from local pharmacies whose businesses are unable to bear such devastating reductions."

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