

# Give It *a*



# SHOT

Turning an independent pharmacy into an 'immunization destination'

By Chris Linville

Photography by Jeannette Zimmer

To say that the last few years have been challenging for independent community pharmacists goes without saying. The forces seemingly conspiring against the profession have been well documented, making it clear that business as usual is no longer a successful model.

So, what to do? Beverly Schaefer, RPh, insists that it's a simple answer: Give it a shot. Or, more specifically, give a LOT of shots.

"Pharmacists need to think of their locations as immunization destinations," says Schaefer, co-owner of 42-year-old Katterman's Sand Point Pharmacy in Seattle. "I'm going to keep using that term until people are sick of it. It's a perfect term for what pharmacy should be."

For Schaefer and fellow co-owner Steve Cone, RPh, the immunization program begun at Katterman's more than a decade ago has helped serve as a buffer





against the various peaks and valleys that come with running a business. She says immunizations constitute 10 percent of the pharmacy's sales volume and 18 percent of its profit.

"And anyone who comes for travel vaccines probably spends a minimum of \$30 additional dollars in my store," Schaefer points out. "They get things such as malaria meds, anti-diarrheas, seasickness meds, hats, sunscreen, bug repellent—travel-related items. And out of that (\$30 extra dollars), I'm probably making a 40 percent markup on those items. So yeah, it's extra profit every time they come in."

Last year, Schaefer says the pharmacy provided about 4,500 vaccinations, and has done approximately 30,000 since the program started.

"It's been profitable from day one," she says. "It's often a cash business, and not entangled with third parties. If a third party covers the vaccine, then that's all they cover—then we charge an administrative fee. So, for all vaccines, we make a minimum of at least a \$20 administration fee—and we fill a lot of prescriptions where we don't make \$20."

## Origins

Schaefer, raised in Seattle, knew from an early age that she wanted to become a pharmacist. She began working for owner Don Katterman some 40 years ago while a student, and was hired full-time after graduating from pharmacy school at the University of Washington. After Katterman died in the early 1980s, his wife Beverley continued to own the store, with Schaefer and Cone in charge of daily operations.

In 1994, they made a decision that set in motion a chain of events that eventually evolved into a lucrative niche. "Steve and I turned down the two major prescription drug contacts in the area," she says. "We ended up sending out about 300 families out of the store, so we had to figure out how we were going to continue to make the store profitable while we sent all of these families with their prescriptions out. So we began looking for patient care services. The first one that we hit on was immunizations."

As both Schaefer and Cone were trained to do immunizations, it seemed to be a potentially good idea. By the summer of 1996, after purchasing the pharmacy

from Beverley Katterman, they began promoting their flu and pneumonia immunization program, slated to begin that fall. After factoring in costs such as training and vaccine acquisition, they figured that 300 shots in the first month would give them a profit.

“We ended up doing more than 300 in the first 10 days, more than 1,000 in first month, and 1,200 in the first year,” Schaefer says.

It was a pleasant surprise, especially as they had no idea how it would be received.

“It was nerve wracking right up until the time we started,” she says. “We didn’t know how people would respond to this new offering. We didn’t know how it was going to mesh with our workflow. This was ground-breaking territory. Are people going to do flu shots in the pharmacy? Would they pay cash? We had no clue.

“But we marched forward,” she adds with a laugh. “We had reached the point of no return.”

Besides the financial rewards, Schaefer says the first year provided a valuable learning experience.

“We did all of it without a Medicare contract—it was strictly a cash business,” she says. “We discovered that a lot of people who wanted immunizations didn’t have a doctor. They wanted to stay healthy, but they didn’t have a regular doctor. So we were providing greater access to people seeking health care.”

The impact of Katterman’s immunization program was noticed quickly. According to Schaefer, in 1995 there were only a handful of Washington pharmacies doing vaccinations, and the numbers were modest. At the end of 1996, the state pharmacy association was collecting data about immunizations, and sent out a questionnaire.

“We told them we did 1,200, and faxed the info to them,” she says. “About two minutes later I get a call, asking, ‘How many did you do?!’ And I said, 1,200. I think they might have thought it was a typo.”

Schaefer says that there are four people on staff handling immunizations (herself and Cone, and two interns). No extra staff was needed, and, she says, “It takes about the same amount of time to do an immunization that it does to fill a new prescription. In fact, we treat all immunizations like a new prescription—they get entered as a patient into the computer database, and run through with a prescription receipt. That’s very handy for record keeping.”

Patients can either make an appointment or simply drop by if they would like a vaccination. Prior to any immunization, Katterman’s gives patients a detailed form that they must fill out that is specific for each immunization that the pharmacy offers, explaining what it does, what it protects against, what risks are involved, any potential side effects, and any factors that may restrict a patient’s ability to receive a particular immunization.

“They read it over and sign it,” Schaefer says of the form. “Then we discuss that before we give the immunization. We ask things such as, ‘Are you pregnant?’ ‘Are you allergic to eggs?’ ‘Are you taking any kind of antibiotics?’” For these types of counseling sessions, the pharmacy created a 6-foot by 8-foot booth (48 square feet) with a table and two chairs

“We’re just following up on the same things that are already on the protocol that they’ve signed, just to make sure.”

## Branching Out

Once people discovered that Katterman’s was providing flu and pneumonia immunizations, they started asking if they could do other kinds of shots.

“We said, ‘Okay, we’ll order those. We can do that.’”

However, Schaefer said it quickly became apparent that they couldn’t just order one shot—they had to order a box of five or a vial of 10.

“We wanted to do it, but we didn’t want to have a lot of excess inventory sitting around either,” she said. “So we did the same thing we did with flu and pneumonia shots—we began talking about immunizations to people, and letting them know we could do other immunizations.”

Schaefer says a key part of expanding the program was to get local physicians on board.

“One of the mistakes I think we as pharmacists make is that we go to the doctors office and just tell them what we do,” she says. “We did just the opposite. We went to the doctors offices and asked, ‘What are your problems? What are your challenges? What could we be helping you solve?’”

An example of the frustration expressed by doctors was the roundabout between patients and insurers regarding payment for hepatitis A vaccines. They would try to bill patients, but they balked, saying their

insurance would pay, but then the insurer would reject the bill.

“We told them that the way we get paid is that we treat it like a prescription and we just have them pay for it like a prescription—they pay for it right on the spot.”

Schaefer mimics the exclamation of the doctors’ reaction, saying they ask, “Wow, can we send our patients there?” And we say, “Sure, send them over.”

She also says that for anyone who receives an immunization at Katterman’s, the patient’s primary care provider is faxed with the date and the vaccine that they received, allowing it to be inserted into their permanent medical record.

“And what do you think happens when the doctor gets that fax that lists all of the immunizations that we do?” Schaefer asks. “It reinforces with them that we do it, and reinforces to them that they can send their patients to us for immunizations. They like it because it closes the circle between patient care.”

She adds, “Usually the doctor will tell them (patients) to come to our store because they know that we can offer everything that they need, and when they get here, we treat them well. I think they’re astounded at the personal service they get when they arrive.”

After flu and pneumonia, hepatitis A became another vaccine that Katterman’s offered, as it was a major request from doctors’ offices. Then they began looking at meningitis. The vaccine for meningitis was available in a vial of 10 doses, and had to be used within 14 days of reconstituting it. This put a time crunch on doctors, as they had to schedule patients within two weeks, or the vaccine went to waste. It was also fairly expensive, and insurers weren’t always willing to pay for it. So Katterman’s eventually picked up a lot of those vaccinations.

“We decided to do it for college-bound high school seniors,” Schaefer says. “We faxed all of the pediatricians and family practitioners in the area to say that we were doing that. The first year we did about 80. And what that does is it lets all the offices around know that you are doing immunizations, and so then it just kind of continued to grow—people would call and ask about other vaccines. So if we didn’t have it, we would order it.”

Schaefer says the vaccine market is continuing to grow. A couple that have become particularly popular for

Katterman’s is shingles (Zostavax) and HPV (Gardasil). She says that Zostavax is fairly expensive, and doctors are reluctant to keep it in their inventory, so they are usually happy to refer patients to Katterman’s.

“That vaccine is covered under Medicare Part D, and only pharmacies can bill for Medicare Part D,” Schaefer says. “Doctors’ offices can’t bill for the vaccine. And shingles vaccine is recommended for people 60 and older. The bulk of people who are candidates for this vaccine are seniors. And of those seniors, how many million of them have Part D as their benefit? So that puts pharmacies at an advantage over any other immunizing entity. And all baby boomers are going to be interested in this product. Adult immunization is an area that’s going to continue to grow.”

### Creating a Program

Schaefer says that establishing an immunization program is straightforward and can be implemented fairly quickly if you do the groundwork. She says that the foundation of any plan is rooted in a prescriptive protocol (basically a plan outlining objectives and details such as rules, regulations, and emergency procedures).

Schaefer says that prior to starting their program, they intentionally submitted their protocol to a doctor that they knew who might object to it.

“We prepared ourselves to answer any argument that he might have,” she says. “And because we were so well prepared, we could say that we’re offering expanded access to health care. We’re offering it to people who aren’t his patients. We’re not fighting over the same patient pool. There are lots of people out there that want this immunization that don’t have access to a physician in a timely manner. It’s a patient access issue.”

She continues, “He was worried that it would increase his liability. It doesn’t, it’s our liability, not his. He was worried that other physicians in the area would have problems with his planning the protocol. So we went out and asked other physicians if they were O.K. with him signing the protocol and they were fine with that. It took about three weeks to convince him to sign, but he did, and continues to sign to this day.”

Schaefer admits that “getting the protocol in place was the hardest part about getting started. That’s

*Continued on page 26*

because you are moving out of a comfort zone; you're moving out of a traditional role into an expanded role. And it was very daunting to take that first step. It was daunting to go out and seek that protocol."

Schaefer says that prior to implementing a program, pharmacists should look into the various laws, rules, and regulations in their state regarding immunizations. A handful of states still restrict pharmacist vaccinations completely. Others may limit vaccinations to only flu and pneumonia. Some restrict giving shots to children under 18. Another issue to consider, she says, is "Who grants the authority to immunize?" In many cases it might be the state board of pharmacy, but it's something that should be verified.

Fortunately, says Schaefer, her native state makes things easier for her.

"A lot of good ideas come out of Washington because we have a highly progressive pharmacy practices act," she says. "Ours is written that pharmacists may dispense or administer drugs, and we broadly interpret (immunizations) as administering drugs."

For storing vaccines, Schaefer says that a small dormitory-style refrigerator is adequate, but she prefers a full-size refrigerator with a quality freezer compartment.

Anticipating and maintaining inventory can be tricky, especially with flu vaccines. "Flu season is like a craps game every year," Schaefer says with a sigh. "It's different every year, there are different issues every year, different supply problems, recommendations—there is no hard and fast rule for flu vaccines."

She says she would like to promote flu program to more small and mid-sized businesses, but because of the intermittent supply issues, she hasn't really been able to do that in recent years.

With other vaccines, Schaefer says the demand is not as high, but points out that a lot of different groups are using vaccines, such as students and church groups on missions.

Having too much of a particular vaccine has not really been an issue, she says.

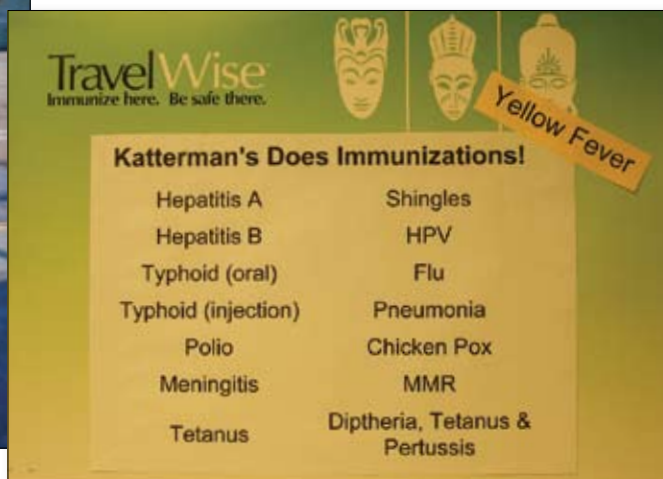
"Most vaccines other than flu have one-to-two year dating on them. I can't recall having excess outdated vaccines. We have just enough volume that we use it up."

Obviously, any pharmacy that starts an immunization program needs to establish a safety protocol. Schaefer says that staff should be trained and certified in areas such as CPR, and emergency supplies should be in place and up to date. She says a lot of information on safety is available through programs offered by state and national pharmacy associations. "It's out there and fairly readily available."

For the most part, the primary complications an immunizing pharmacist might face are fainting episodes and injection site reactions. Schaefer recalls only two patients fainting in the 10-plus years of the program.



Signs posted on the front entrance help Katterman's promote its immunization program.



*Continued on page 29*

## SPREADING THE WORD ON IMMUNIZATION

Beverly Schaefer is such a proponent of immunization programs that she is working to help others get started. She's spearheading the "VIP Group" (Vaccinations in Pharmacies) in the Seattle area. It consists of 10 other pharmacies.

"I'm holding their hand and teaching them how to do it," she says. "We're all doing flu and pneumonia, so let's move on to others."

Schaefer says she has also applied for and been tentatively awarded a grant from the Community Phar-

macy Foundation to help other pharmacists create immunization destinations. The primary objectives consist of setting up four regional meetings and showing other pharmacies marketing materials and marketing plans for increasing their immunization business, creating an online newsletter for participating pharmacies, and creating a network of immunizing pharmacists. Schaefer is encouraging pharmacies who might have an interest in being part of an immunizing network to e-mail her at [immunproject@gmail.com](mailto:immunproject@gmail.com).

Medication mix-ups are not a major issue as vaccinations are typically well labeled with clear instructions. There is the risk, however unlikely, of cardiac anaphylactic events.

"It's extremely rare, but you need to be aware that it's out there," says Schaefer. "That's why you need an emergency protocol. That's why our patient form is so important. It's been the key to our success."

### Selling the Program

Marketing an immunization program can be fairly easy, Schaefer says. At Katterman's, they posted a sign on the front door saying that they do immunizations, and listed every type of immunization that they offered.

"As people come in the front door, they will look at that sign and say, 'I didn't know you did all of those immunizations,'" she says. "It increases your own customers' knowledge of what you do, and it gives your store a new identity also because you are offering all of those immunizations."

Schaefer says that after the pharmacy added yellow fever to its list of immunizations, a customer stopped by the next day asking for it. When asked how he found out so quickly, he responded, "My travel agent went to dinner at the restaurant next door, and he saw the sign up in the window, and he told me to come here."

"So it has surprising results that you don't even know about," Schaefer says. "You're educating your customers, you're educating people who happen to be walking by, and they're going to go back and talking to their doctor."

Schaefer says Katterman's recently implemented a

travel consultation service. With it, a patient can enter a specific itinerary—for example, South America, Africa and Cambodia—to find out what vaccines would be needed and what health issues might need to be addressed. "So it's essentially a personalized health advisory itinerary."


To help market the service, they have generated a brochure about our travel immunizations and services and are using it as a marketing tool. Schaefer says, "It's too early to measure any definitive results, but it has been well received by travel agents and places that sell maps."

For Schaefer, it's yet another avenue for providing patient services care and being a proactive and integral part of the health care system.

"Most physicians don't know much about travel medicine," she says. "They don't really know what to do or where to send people when they want travel information. They'll try to send them to a travel clinic or somebody that specializes in travel medicine."

"But if the pharmacy was there and could provide the same information, they (doctors) would be happy to send them there. We have about six medical practices in the area that send all of their travel patients to us, because they know that we are going to take care of them."

Schaefer says that immunization is a niche where independents can establish a leadership position.

"People need to decide to do it—that they want to own this part of this business. Once you take ownership, it's easy. To me, this is opportunity knocking." 

---

Chris Linville is managing editor for *America's Pharmacist*.