



**Challenges for Pharmacies in 2025:**

# **What to Expect and How to Prepare**



Pharmacy professionals are used to overcoming obstacles in this competitive, dynamic field. But the coming year will bring challenges affecting patient care, the industry workforce and their business. Pharmacies must be ready to do more than weather the storm; they need deliberate strategy and sophisticated tools to thrive amidst these obstacles.

This white paper will discuss the issues and solutions that should be at the top of every pharmacy professional's mind as they start the new year.

## What to Expect in 2025

Next year promises to be a complex mix of familiar issues, new challenges and unexpected variables driving long-standing problems. This section will outline what pharmacies should prepare for in 2025.

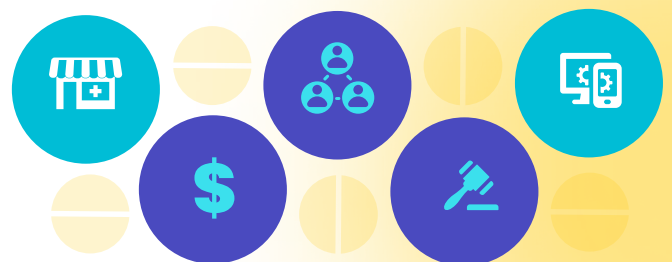
### Lower Margins on Medicare Drugs

The Inflation Reduction Act (IRA) helps Medicare recipients, but its impact on drug manufacturers will create new challenges for pharmacies.

Enacted in 2022, the IRA aims to reduce the cost of prescription drugs for Medicare patients by capping their out-of-pocket costs for **specific** medications. If a drug manufacturer raises prices on these products faster than the inflation rate, that company must pay a rebate to Medicare. These measures are intended to reduce the cost of prescription drugs while supporting the Medicare program.

To offset losses due to these price adjustments, drug manufacturers will launch new drugs with higher prices. They will also modify production based on which products are more (or less) profitable in the market. That leads to fewer sources for products, which changes availability and compresses the market for certain items.

The IRA's impact on drug prices will likely extend outside drug manufacturers. Commercial insurance plans will also adjust their coverage to gain similar advantages in the face of rising drug costs. Pharmacy benefits managers (PBMs) will change formularies to compensate for lower margins.



Unfortunately, pharmacies are already familiar with rising prescription drug costs. The IRA is another factor in tighter product margins. However, it will also change product availability and the amount patients pay for newly launched drugs. Pharmacies must use every means to **quickly and easily find the best purchasing options while making better decisions for their patients and their business.**

## Worsening Drug Shortages

Drug shortages are another well-known challenge for pharmacies. Raw material shortages and insufficient production are material drivers of drug shortages. Overseas volatility, global supply chain issues and regulatory backlog as drugs wait to be approved mean supply cannot meet demand.

“Artificial drivers” are just as detrimental as real-world variables. For example, even if there is enough supply, one company stockpiling inventory can create the impression of scarcity, shaking prices and expectations throughout the market. As discussed above, drug companies adjust their portfolios in response to the market and to maximize profits, changing which products they make and their production levels.

Real or artificial, based on a materials deficit or deliberately restricted supply, all of these factors drive record-breaking drug shortages. As discussed in a recent SureCost [white paper](#), drug shortages reached new records by the first quarter of 2023. However, a single drug shortage can interrupt a patient’s vital care, shake their confidence in their pharmacy and motivate them to use another provider.

Pharmacies must maintain high-quality patient care and business solvency despite rising drug shortages. That means adopting **solutions and strategies to mitigate the impact of drug shortages through an expanded vendor portfolio.** At the same time, they need to maintain primary vendor compliance without complicating their operations or inundating their teams.

## Rising Staff Shortages

### The Daily Pharmacy Workload

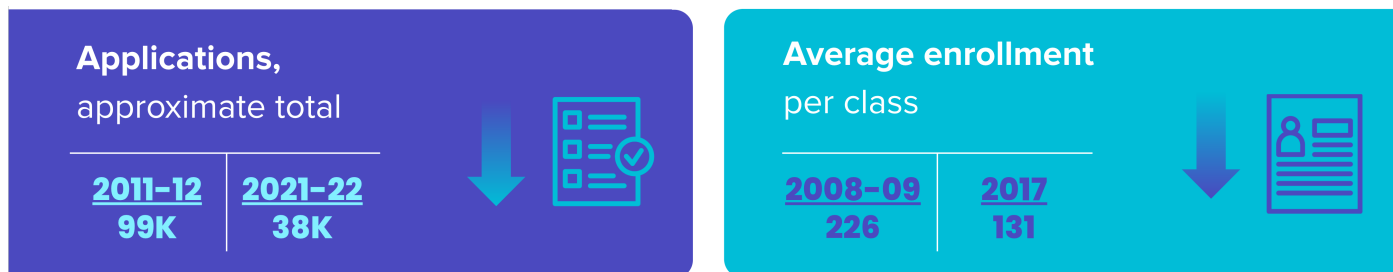
- Filling prescriptions
- Advising patients onsite
- Counseling patients remotely
- Administering vaccines
- Keeping up with an aging population
- Meeting fill rate quotas
- Managing complex purchasing
  - Comparing multiple catalogs
  - Ordering through different interfaces
  - Receiving across multiple sources
  - Ensuring primary vendor compliance
  - Adhering to internal purchasing strategy
- Verifying DSCSA data
- Managing siloed inventory
  - Conducting physical inventories
  - Manually updating counts
  - Tracking and confirming transfers/returns

Pharmacy teams are stretched thin as their daily workload grows in terms of tasks and complexity. As the above table shows, there’s more work to do than ever (much of it unrelated to patient care). But statistics say there are fewer people around to do it.

A University of Washington [study](#) showed that 37% of pharmacy professionals surveyed reported an employment change in 2022 alone. Health systems and hospitals are experiencing particularly severe shortages of pharmacy technicians. A recent [survey](#) from the American Society of Health-System Pharmacists reported turnover rates of at least 21% in 2021, with nearly 10% reporting they lost at least 41% of their technicians.

Unfortunately, it's also getting harder to refill the talent pool. The same University of Washington study found that declining college enrollment and unaffordable tuition have led to a *35% reduction in applications to pharmacy schools and colleges over the last decade*. Average enrollment decreased by nearly 60% between 2008 and 2017. In 2019, *83% of pharmacy schools couldn't fill all seats in their entering cohort*.

## Pharmacy School Trends



An increased workload and smaller teams have led to severe burnout throughout the pharmacy workforce. A 2023 *Pharmacy Times* survey reported that burnout more than doubled after the COVID-19 pandemic, with the majority of respondents indicating severe burnout and 76% reporting that burnout contributed to understaffing at their organization.

Overwork leads to burnout, which (as shown above) often leads to staff departures. That means even fewer individuals to meet all those patients' needs. It also requires expensive and time-consuming onboarding of new staff.

With teams getting smaller and their responsibilities growing, pharmacies feel pressure to build workplace satisfaction by alleviating the burden on their staff. These pharmacies must **streamline processes and eliminate repetitive, time-consuming tasks**. Most people joined the pharmacy workforce to help people, so pharmacies must find ways to get staff away from the terminal and back to assisting patients.

## Increasing DSCSA Complexity

The FDA announced new requirements under the Drug Supply Chain Security Act (see the table below) that would take effect in November 2023, which were then postponed to 2024. The FDA recently added exemption deadlines for DSCSA starting next year:

- Dispensers with 25 or fewer full-time licensed employees until November 27, 2026
- Dispensers with 26 or more full-time licensed employees until November 27, 2025
- Manufacturers and repackagers until May 27, 2025
- Wholesale distributors until August 27, 2025

### Delayed DSCSA Requirements\*

- Package-level T2 product-tracing data
- EPCIS standard
- Six years of data in electronic format
- Updated procedures checking for suspicious products at the package level
- Ability to quarantine and report suspect product within 24 hours
- Respond to audit requests within 48 hours

*\*Pharmacies should consult the latest regulations and requirements as well as the advice of a licensed attorney for the full scope and their responsibilities under DSCSA.*

Regardless of when the regulations take effect, pharmacies should act now to prepare for these changes. They should use this time to work with distributors and dispensers and ensure their protocols and teams are ready. Otherwise, they *risk falling behind, failing to meet requirements and incurring costly penalties and possible legal issues.*

### DSCSA Preparation Essentials

- Acquire GLNs and share with vendors
- Encourage trading partners to be EPCIS-compliant
- Ensure staff and SOPs are ready for new requirements
- Consider delaying scanning until wholesalers update all products
- Determine eligibility for exemptions
- Apply for an FDA waiver if you're not ready
- Review all regulations and updates
- Consult a licensed attorney

DSCSA compliance requires tracking, verifying and storing massive quantities of electronic data throughout the purchasing process. Multiple processes and data sources confuse things, putting greater stress on teams and risking severe consequences for failing to comply. Instead, pharmacies should **opt for a single process that easily integrates into their existing operations and automates the capture and storage of DSCSA data.**

## How to Overcome These Challenges

In the face of all these challenges, pharmacies need to implement strategies and harness solutions to mitigate the impact on patients, staff, operations and their business. Here are three essential approaches to adapt in the coming year.

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### Consolidate Purchasing

Drug costs will continue to rise while supply will continue to be uncertain. Pharmacies must meet the dual challenge of saving more while expanding their purchasing opportunities. They need more options for available products and alternatives to compensate for rising costs and respond to product shortages. In 2025, the ability to compare an expanded vendor portfolio might mean the difference between losses and solvency or between keeping patients versus watching them go to other pharmacies.

The pharmacy purchasing ecosystem is a web of vendors, catalogs, interfaces, categories, groups, prices and other data points; it is opaque by design. *No team has the time or energy to spare* comparing thousands of products across multiple vendors. It's tedious and time-consuming, two factors to avoid in the age of increasing burnout.

By **centralizing purchasing processes with a purchasing management solution**, pharmacies can control all aspects of procurement and optimize their purchasing. They can now **shop all vendor catalogs through a single interface**, driving savings and efficiency.

It also opens up a wider range of vendors besides their primary without impacting compliance. The system checks for the impact of purchases based on the pharmacy's agreements *before they make a purchase*. It also saves time



by automatically comparing unit price, alternates, packaging options, availability, quantities offered, rebates and other variables to analyze the true best purchasing option.



### Checklist for Purchasing Consolidation

A best-in-class purchasing management solution unifies all aspects of procurement:

- ✓ Compare products based on price, availability, quantity and other variables
- ✓ Analyze all purchasing options from all catalogs and flag the best option
- ✓ Find comparable and alternative items quickly and easily
- ✓ Submit purchase orders for all vendors through a single interface
- ✓ Check for compliance with primary vendor
- ✓ Model rebates—pre-purchase—to show potential reimbursement
- ✓ Receive products to confirm correct item, quantity and price
- ✓ Verify and store DSCSA and other regulatory data at receiving
- ✓ Track transfers and expedite returns

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### Enable Data-driven Decisions

With so many challenges in the coming year, pharmacies have to understand every decision they make and how it impacts patients, staff, efficiency and their bottom line. Data-driven cost management and streamlined processes are crucial.

With a unified purchasing management solution in place, pharmacies can use real-time information to enhance purchasing decisions. Optimizing compliance with primary vendor agreements alone can drive significant savings while removing a significant pain point. By setting compliance targets within the system, pharmacies can drive to the right items and align teams on purchasing strategy. They can now **make the right decisions to meet compliance while taking advantage of better deals on other items.**

“Knowledge is power” may sound like a cliché, but pharmacies must consider their **purchasing data as the knowledge they use to build and improve strategy.** That’s why reporting features are key. Instead of crunching numbers or manually comparing dense spreadsheets, robust configurable reports and built-in dashboards **visualize real-time data when needed.** Instead of manually calculating key metrics or relying on vendor reports, pharmacies have all the data they need at their fingertips with a unified purchasing management solution.

In addition to optimizing primary vendor compliance and harnessing improved business intelligence, these solutions empower pharmacies to resolve pricing and availability issues immediately. For example, the system flags the problem if they receive the wrong item or are invoiced incorrectly. With all data consolidated into a single interface, the pharmacy now has a virtual “paper trail” they can use to quickly reconcile the issue with the vendor (rather than waiting for the vendor to notice the problem or missing the discrepancy entirely).



### Checklist for Compliance Optimization

A purchasing management solution should instantly analyze and report on:

- ✓ Minimum purchase volume for tiered pricing
- ✓ Compliance rate for source items
- ✓ Included/excluded items from cost plus
- ✓ GCR calculations
- ✓ Source products to PBM contract items





## Leverage Technology and Automation

Easing the burden on overworked staff is now crucial to pharmacy operations. Otherwise, pharmacies risk compromising patient care as their teams have less time and focus on patients. They also risk losing team members to burnout.

By harnessing the right technology, pharmacies can mitigate the impact of staffing shortages, drug shortages and other challenges. Streamlining procurement with a single purchasing management system **reduces the time staff spend on those tasks**. Technology also allows them to accomplish those tasks without resorting to tedious manual processes. With purchasing, inventory, primary vendor compliance, receiving and DSCSA verification consolidated into a single interface, teams can focus on serving patients and other high-value work.

For example, rather than saddling teams with inefficient manual record keeping, purchasing management software organizes and digitizes all transactions to make them easily accessible and searchable. This **saves time, allows robust reporting and enables efficient retrieval during audits and inspections**.

Alongside the benefits for staff, technology and automation improve business outcomes for the pharmacy, driving efficiency and greater accountability. Manual record keeping is also prone to costly manual errors that can result in violations, fines and damage to the pharmacy's reputation.

Pharmacy compliance software **automates many compliance-related tasks**, reducing the risk of human error. It **ensures consistent, accurate, real-time data**. With an integrated purchasing management solution securely organizing all data, pharmacies can uphold strict security standards (which is especially important in the face of cybersecurity threats).

Investing in a pharmacy purchasing management solution also generates product savings because teams can easily find and compare purchasing options. By continually analyzing purchasing decisions, the solution ensures teams are aligned with system configurations and procurement strategy. Reports then highlight exceptions so leadership can understand these deviations and correct any issues.



## Facing New and Familiar Challenges Next Year

In 2025, consolidating purchasing, enabling data-driven decisions and leveraging best-in-class technology will shield pharmacies from the myriad challenges to come. It's uncertain if or when issues with drug prices, staffing shortages or drug shortages might improve. Barring a significant turn of events, these strategies, alongside an integrated purchasing management solution, will remain sound pharmacy practices for the foreseeable future.

**Book a 30-minute introductory meeting today.  
Let's talk.**

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