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WALGREENS TURNS TO PRESCRIPTION-FILLING ROBOTS TO FREE UP PHARMACISTS

Chain says automated drug-filling centers cut pharmacist workloads by 25% and ease pressure on understaffed stores

By Sharon Terlep
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Walgreens Boots Alliance Inc. is turning to robots to ease workloads at drugstores as it grapples with a nationwide shortage of pharmacists and pharmacist technicians.

The nation's second-largest pharmacy chain is setting up a network of automated, centralized drug-filling centers that could fill a city block. Rows of yellow robotic arms bend and rotate as they sort and bottle multicolored pills, sending them down conveyor belts. The company says the setup cuts pharmacist workloads by at least 25% and will save Walgreens more than \$1 billion a year.

The ultimate goal: give pharmacists more time to provide medical services such as vaccinations, patient outreach and prescribing of some medications. Those services are a relatively new and growing revenue stream for drugstores, which are increasingly able to bill insurers for some clinical services.

"This frees up the capacity of our most skilled professionals," said Rina Shah, a group vice president overseeing pharmacy strategy at Walgreens. "We looked at our system and said, 'Why are we filling prescriptions the way we did in 1995?'"

Covid-19 increased the demands on pharmacies as they expanded into testing and vaccinations, putting pressure on staff and creating a shortfall of pharmacists that many chains have struggled to fill. Walgreens has reduced pharmacy hours at a third of its nearly 9,000 U.S. stores, and in some markets is offering signing bonuses of up to \$75,000 to fill pharmacist jobs.

The centers employ anywhere from dozens to hundreds of workers, who oversee the process or handle prescriptions for medications that can't be filled by robot, such as inhalers used to treat asthma.

Prescriptions that are time-sensitive or for controlled substances are still filled by pharmacists in stores. Those filled at the automated centers are delivered to stores by AmerisourceBergen Corp.'s wholesale distribution unit alongside shipments of medications that are sorted and filled in stores.

More drugstores, including smaller chains and independent pharmacies, are looking to automate and centralize drug fulfillment, said Alecia Lashier, chief automation officer at iA, a provider of pharmacy automation software and technology. Walgreens is a majority investor in Indianapolis-based iA and uses the company's technology in its fulfillment centers.

"Small chains up through the larger chains are all facing the labor shortage as well as increased demand for services," Ms. Lashier said. She said the company operates about 1,000 fulfillment sites in the U.S. for chains encompassing hundreds of entities, which include hospitals as well as pharmacies. Prescription volume has roughly doubled from before the pandemic, she said. "They're looking to remove these routine tasks from stores."

CVS Health Corp., the largest U.S. drug chain by number of locations, employs robotics to streamline fulfillment in stores, a spokesman said. He declined to say whether CVS has or is looking to add centralized operations.

At Walgreens, the operations were in the works before a shortage of pharmacy workers became acute during the pandemic. The company paid \$450 million for its stake in iA. A spokeswoman declined to disclose the cost of the fulfillment centers.

Walgreens's Ms. Shah said that in some cases, automated filling allows time for pharmacists to complete basic tasks that they couldn't get done before.

For locations with healthier staffing levels, she said, pharmacists are able to provide an array of medical services that bring in revenue and improve patient health, namely encouraging customers with chronic conditions to better comply with their medical regimens. The company aims to eventually fill 40% to 50% of all prescriptions at centralized sites.

Pharmacist Adolf Makia, who works at a Walgreens in North Richland Hills, Texas, that is serviced by the Dallas fulfillment center, said the setup has cut his workload by about 40%. He spends the newly open time calling patients who are starting new medical regimens and helping connect patients with physicians working in a VillageMD medical office that adjoins the pharmacy. Walgreens last year acquired a majority stake in the VillageMD primary-care network as part of a broader effort to remodel itself as a healthcare provider.

"We can do the things we're supposed to be doing professionally," Dr. Makia said. He said that sometimes when he calls the patient for the first time, they assume he is a telemarketer because receiving a call from a pharmacist is unexpected. "This process improves compliance; we have them picking up medications on time; we can have one-on-one conversations," he said.

Walgreens's Ms. Shah said the company experimented with automated fulfillment before, as the fundamental technology isn't new. But before the pandemic, there wasn't a sense of urgency to pursue automation. Beyond filling prescriptions and answering customer questions, pharmacists had little other demands on their time. The technology has also become quicker and more efficient, she said.

"We found that when we freed up the pharmacists' time and there weren't reimbursable services, there was nothing for them to do in the store," she said.

That has changed in recent years. The nation's retail pharmacies have had a major role in administering Covid vaccines and tests. As part of Covid emergency provisions, the Centers for Medicare and Medicaid Services reimbursed pharmacists and pharmacy technicians for providing vaccinations and some treatments. The pharmacy industry is lobbying to make that provision permanent and expand it to cover similar care for conditions beyond Covid, such as monkeypox.