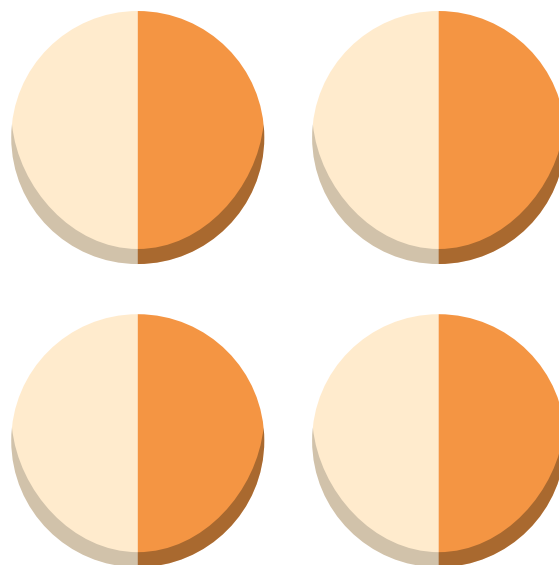


# Rethinking Your Packaging Strategy: Four Key Drivers of Change



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With increased cost pressures and regulatory changes in 2012, many pharmacies began to further analyze and adapt their packaging strategy to help improve profitability and efficiencies. The McKesson Alternate Site Pharmacy team observed four drivers that led innovative customers to explore third-party repackaging options in 2012 to help realize immediate results.

**1 Reduce costs.**  
With third-party repackaging, alternate site pharmacies can meet customer demands and grow their business without added investment in new equipment. As one leading pharmacy in the Northeast stated, “By using an external repackager, we’re eliminating upfront capital investment and are better equipped to support the needs of current and new customers.” What’s more, “We’re converting inefficient fixed costs into variable costs.”

**2 Adapt to short-cycle fill requirements.**  
The new CMS mandate, effective January 1, 2013, is poised to result in operational inefficiencies for long-term care pharmacies working harder to dispense, package and deliver medications under the new mandate. Using a third-party repackaging partner helps a pharmacy increase operations and efficiencies while adapting to the short-cycle fill requirements, allowing staff to focus attention where it matters most — on patient care.

**3 Optimize staff time.**  
Amidst reimbursement and cost pressure, alternate site pharmacies are outsourcing the packaging of low-cost, low margin products that previously required in-house labor. This enables staff to focus on other critical areas of business such as medical record maintenance, utilization review, inventory management, and more complicated medication preparation. As one vice president of a leading LTC pharmacy in the Northwest noted, “We prefer our staff to focus on high-value activities. It’s hard to justify having a skilled technician repackaging a low-cost, low-margin pill.”

**4 Ensure consistent product quality and safety.**  
Given recent complications in compounding and quality of product, pharmacies today are under increased scrutiny. Making decisions to outsource non-sterile packaging to a reputable, trusted partner frees up internal resources to address sterile packaging needs. Choosing the right partner is essential to ensure a high level of quality product for your customers. One customer says, “Earning and keeping the trust of customers is everything. Our repackaging partner provides redundant levels of checking, verification and quality control. I have greater peace of mind knowing that what we provide our customers is right.”