



What Is Home Delivery Pharmacy?

All types of pharmacies—retail, home delivery, and specialty—play an important role providing patients access to drugs for acute and chronic health conditions. Local retail pharmacies are essential for dispensing medications that must be taken right away. On the other hand, it may make more sense for drugs that are taken regularly as part of a regimen treating a chronic or longer-term health care issue to be delivered right to the patient's door. Home delivery pharmacies provide this service at great value to patients and plan sponsors.

Are drugs delivered by mail safe?

Receiving medications by mail can be more convenient, particularly for individuals with chronic conditions and those in rural communities. "Consistent and convenient access to chronic medications is noted as one of the key drivers of medication adherence, which is linked to improved outcomes."¹ Before a home delivery pharmacy mails a prescription, pharmacists review the patient's current medications to detect any potentially harmful drug interactions—visible to the pharmacy benefit company (also known as pharmacy benefit manager or PBM) even when the patient uses several different pharmacies. Pharmacists staffed by the home delivery pharmacy also provide clinical care management, patient education, and round-the-clock support. In 2021, an independent pharmacy accrediting body named URAC stated that accredited home delivery pharmacies filled prescriptions in 1.5 days on average, with 99.99% dispensing accuracy and 99.97% distribution accuracy.²

Are there cost differences between Home Delivery Pharmacy and Retail Pharmacies?

For patients, home delivery pharmacies can be a more affordable and convenient way to get the medications they need. Plan sponsors can also save with home delivery and where permitted, plans will typically share

the savings with patients by offering reduced cost sharing for drugs filled through home delivery pharmacies.

Are there different licensure requirements for home delivery pharmacies?

No. Nearly all states have licensure requirements for home delivery pharmacies to ship into their state. These requirements are similar to, and in some instances more stringent than, licensure for in-state pharmacies. If a home delivery pharmacy dispenses controlled substances, they will be licensed by the Drug Enforcement Agency (DEA) and are subject to the same inspections as any other pharmacy.

Are home delivery pharmacies threatening the business of independent pharmacies?

While home delivery pharmacies are an important piece of the prescription drug access puzzle, they "remain a small part of the total prescription market."³ In 2021, data analytics firm IQVIA reported that "over the past four years, prescriptions at retail pharmacies have risen faster than mail order," and that there has been a slight decline in prescriptions dispensed by mail.⁴ There was a brief spike in the use of home delivery during the pandemic, but it has since declined. While chain pharmacies have dipped in numbers over the past several years, the

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number of independent pharmacies in the U.S. have remained steady, and in fact grew by 7.5% over the last 10 years.⁵ There is no shortage of retail pharmacies. Conveniently, 9 out of 10 Americans live within one mile of a community retail pharmacy.⁶

Who determines which pharmacies will be in the plan network?

When a PBM develops and presents a bid for services to an insurer, government program, union, or other plan sponsor, it proposes a "network" of pharmacies that have agreed to serve patients or to provide favorable pricing and a list of contracted services for the plan. The PBM may offer multiple pharmacy network options with varying costs depending on the breadth of the network. The network offerings must meet the plan's regulatory and contract requirements, such as geographic access or Medicaid rules. When determining the PBM's services and offerings, the plan may make changes to the network that may or may not affect the pricing of the services. The plan sponsor always has the final say on all plan benefits, including the network.



Plans or PBMs might also require accreditation to become part of the pharmacy network. Accreditation requires a pharmacy to demonstrate they meet nationally recognized standards of care and strict delivery of medications.

- 1 "The Use of Medications in the U.S." p. 15. IQVIA. 2021. <https://www.iqvia.com/insights/the-iqvia-institute/reports/the-use-of-medicines-in-the-us>.
- 2 URAC. 2022. "2021 Mail Service Pharmacy Aggregate Summary Performance Report." https://www.urac.org/wp-content/uploads/2022/02/2021_Mail-Service-Pharmacy_Aggregate-Report-1.pdf.
- 3 Drug Channels. Five Surprising Facts about COVID-19 Prescription Trends for Retail and Mail Pharmacies. <https://www.drugchannels.net/2020/08/five-surprising-facts-about-covid-19.html>.
- 4 "The Use of Medications in the U.S.," p. 15. IQVIA.
- 5 PCMA. The Independent Pharmacy Market is Stable. <https://www.pcmnet.org/the-independent-pharmacy-marketplace-is-stable-2023/>.
- 6 Drug Channels. "Five Surprising Facts about COVID-19 Prescription Trends for Retail and Mail Pharmacies."

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