



Background Briefing:

Access to Pharmacy Services in Virginia

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Briefing Purpose

- Define major study questions and research methods
- Describe the current landscape of pharmacy services in Virginia
- Discuss priorities for policy option development phase

Final report with policy options presented during October 2025 JCHC Full Commission Meeting

Agenda

Study questions and methods

Statewide trends in pharmacy services

Conditions that contribute to pharmacy closure

Next steps

Study purpose

- Describe how access to pharmacy services has changed over time
- Identify and describe areas that constitute pharmacy deserts
- Identify factors that impact access to pharmacy services
- Describe strategies to ensure access to pharmacy services, including strategies implemented in other states
- Recommend policy options to ensure access to pharmacy services

Study approved by Commission for the 2025 workplan on December 17, 2024.

Major study questions

- What are the trends in changes in pharmacy access in Virginia?
- Who is impacted by changes in pharmacy access?
- What are the key drivers of pharmacy closure?
- How can the state ensure access to pharmacy services?

Research Methods

- Data analysis: to analyze trends in pharmacy openings and closings
- Literature review: to summarize the impact of changes in pharmacy access nationally and in Virginia
- Document review: to identify state and federal policies impacting access
- Stakeholder interview: to obtain perspective from agencies, associations, health systems, and pharmacists impacted

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Pharmacy services are a critical part of the health care system

- A pharmacist may
 - Dispense drugs and devices
 - Counsel patients about drugs and devices dispensed
 - Manage patient care pursuant to collaborative agreements
 - Initiate treatment with drugs and devices pursuant to § 54.1-3303.1 and statewide protocols

Pharmacy services can be accessed in a variety of ways

- Patients may access pharmacy services through community pharmacies at various locations
- Some pharmacy services may be obtained online or via mail
- Some pharmacy services may be delivered by other providers in the community

Community pharmacies have the greatest potential to offer the full array of pharmacy services

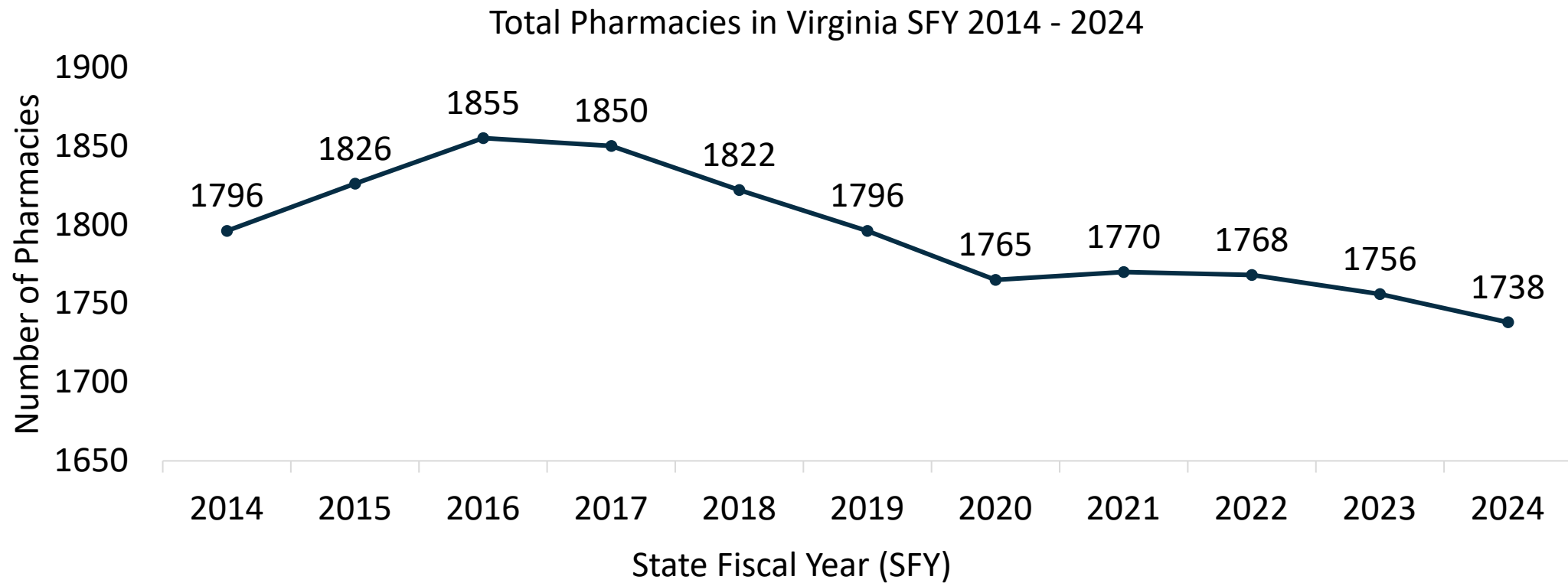
- Community pharmacists are well positioned to:
 - Educate and engage with patients
 - Extend limited primary care services in a low-cost setting
 - Support chronic disease management

Community pharmacies vary in size and ownership

- Independent pharmacies operate fewer than five locations and are most commonly owned by individual pharmacists
- Chain pharmacies operate five or more locations and are most commonly owned by:
 - Mass retailers
 - Hospital and health care delivery systems
 - Private equity firms
 - Pharmacy benefit managers

NOTE: Inpatient hospital pharmacies are outside the scope of this study.

The total number of pharmacies in Virginia has decreased since 2014



SOURCE: JCHC analysis of Virginia Board of Pharmacy data.

Trends in the number of operating pharmacies vary by locality

- Between FY 2016 and FY 2024, the total number of operating pharmacies:
 - Increased in 30 localities
 - Did not change in 36 localities
 - Decreased in 61 localities
- Twenty-five localities experienced a decrease in the total number of operating pharmacies by 25 percent or more

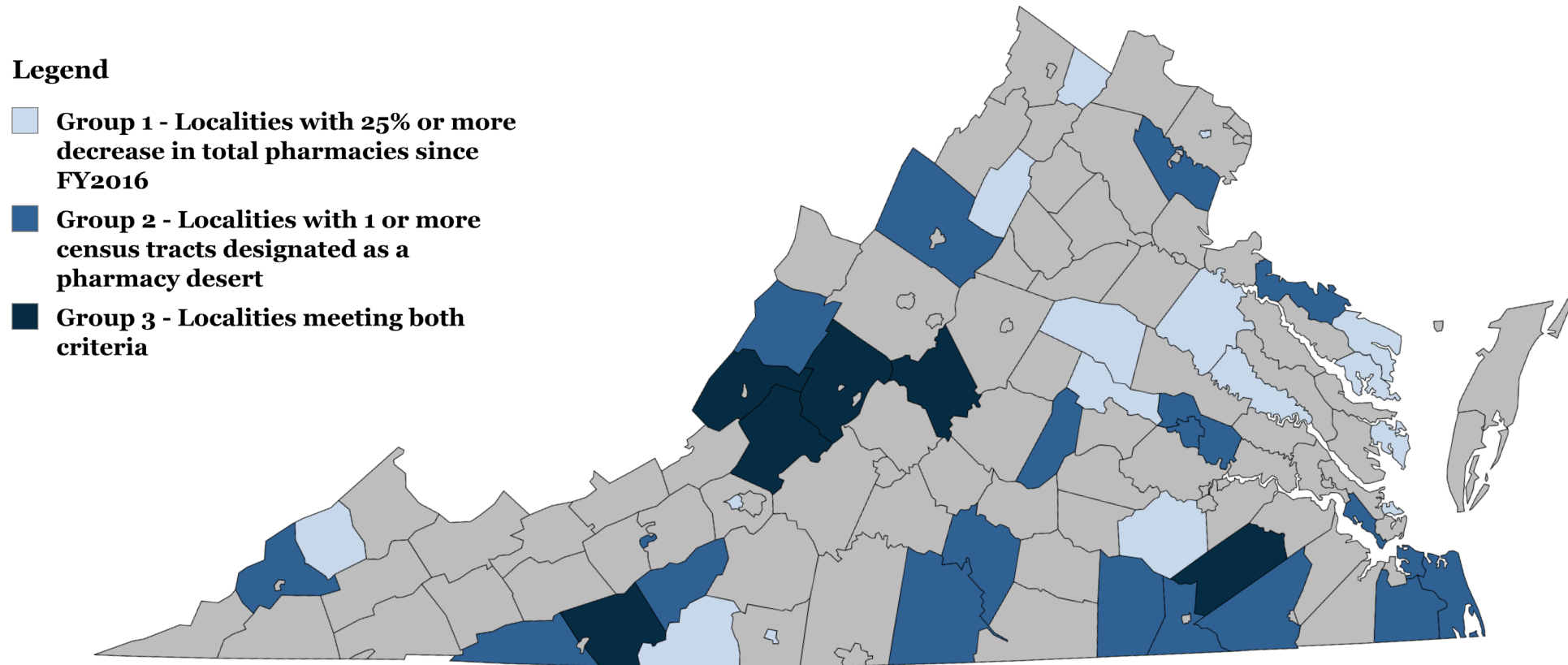
NOTE: Six localities did not have enough data to report for this time period.

Fifty-one census tracts in 28 localities in Virginia are pharmacy deserts

- A pharmacy desert is defined as a census tract that is both low-income and low access
 - Low-income means 20% or more of residents are living below the federal poverty line
 - Low access means the distance to a pharmacy was greater than 1, 5, or 10 miles for areas designated as urban, suburban, and rural census tracts, respectively

NOTE: A census tract is small subdivision of a county or locality that is used to provide a stable unit of measurement for analysis. Virginia has a total of 2,198 census tracts according to the United State Census Bureau.

Changes in pharmacy access impact some localities more significantly than others



SOURCE: JCHC analysis of Virginia Board of Pharmacy data and interpretation of VCU Center for Pharmacy Practice Innovation results.

Pharmacy closures have negative impacts on people and communities

- Reduced pharmacy access is associated with reduced medication adherence, leading to more expensive health care utilization and unnecessary emergency department use
- Pharmacy closures have greater impacts on certain patient populations:
 - Patients living with one or more chronic diseases
 - Patients living in rural areas are more likely to travel farther distances to next nearest pharmacy compared to those in other areas
 - Patients facing other socioeconomic challenges particularly those who are elderly or low-income

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Increasing expenses and reduced revenues contribute to the risk of pharmacy closure

- Drug inventory is the largest operating expense, and dispensing medications is the largest source of revenue
- Pharmacists have little control over:
 - Costs of medications
 - Reimbursement for dispensing medication
 - Negotiating power to increase reimbursement

Pharmacies could offer additional services to increase revenue but face barriers

- Pharmacy billing systems are not integrated into medical billing services and require new investments
- Reimbursement opportunities from Medicare and commercial insurance are limited
- Reimbursement for patient care services must outweigh the time and revenue lost from dispensing medications

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Final study phase will explore options to address conditions contributing to closure

- Low reimbursement rates for dispensing
- Barriers to offering additional patient care services in community pharmacies

Final report with policy options presented during October 2025 JCHC Full Commission Meeting

Questions/Discussion

Opportunity for public comment

- Submit written public comments by close of business on Friday, June 27th

Email: jchcpubliccomments@jchc.virginia.gov

Mail: 411 E. Franklin Street, Suite 505
Richmond, VA 23219

NOTE: All public comments are subject to FOIA and must be released upon request.