

RUPRI Center for Rural Health Policy Analysis

Rural Policy Brief

Brief No. 2009-3

April 2009

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Loss of Community Pharmacies Since 2006: State Experiences

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Introduction

This brief presents the latest data from a continuous monitoring of the status of rural pharmacies by the RUPRI Center. We have previously reported trends in the closure of rural independent pharmacies (Klepser et al., [Independently Owned Pharmacy Closures in Rural America](#) [Policy Brief 2008-2]) from May 2006 to April 2008, finding a net loss of 503 independently owned rural pharmacies during those years. We continue a focus on local access to pharmacy services, using newer available National Council for Prescription Drug Programs (NCPDP) data. We report the number of rural places¹ that lost their only pharmacy between May 2006 and December 2008 and the number of rural places that had more than one pharmacy in May 2006 but only one in December 2008.

National Findings

Data from the NCPDP, which provides monthly reports on the number and location of all U.S. pharmacies, was used to compare presence of retail pharmacies in rural places at two points in time: May 2006 and December 2008. The first data point coincides with the full implementation of the Part D program following an extended time for open enrollment; the end point follows three cycles of enrollment (including switches between plans) in Medicare Part D. The 13,945 rural retail pharmacies in May 2006 were located in 5,246 ZIP codes. We are especially interested in those places where the number of retail pharmacies dropped to zero by December 2008 or where there had been multiple pharmacies, and in December 2008 there was only one (making them vulnerable to a loss in access should the remaining pharmacy close). The table on page 2 shows the data by state. The national summary is as follows:

- In 213 rural places, the number of retail pharmacies dropped from one to zero.
- In 118 rural places, the number of retail pharmacies dropped from more than one to only one.
- In 3 rural places, the number of retail pharmacies dropped from more than one to zero.

Implications

Local rural pharmacies continue to serve many of the nation's communities as the sole provider of pharmacy services. However, the loss of over 200 such providers within the past three years and the reduction to just one pharmacy in an additional 118 communities are reasons to monitor the data and consider the future of access to this element of health care services. Continuation of local independent pharmacies is affected by multiple factors, including the advent of Medicare Part D, population loss, and policies of private insurers and Medicaid. Given the importance of pharmacies in the local health care system (working with hospitals, nursing homes, and home health agencies), the role of public policy in helping to maintain access warrants discussion, including payment policies, promoting use of technology in local pharmacies (e.g., telepharmacy, telemedicine), and workforce policies encouraging rural practice.

¹Rural places are defined as ZIP codes in rural (nonmetropolitan and nonmicropolitan) counties or ZIP codes within metropolitan or micropolitan counties with Rural-Urban Commuting Area (RUCA) codes of 4.0 or higher.

Loss of Retail Pharmacies in Rural Areas from May 2006 through December 2008, by State

State	Number of rural ZIP codes with 1 retail pharmacy in May 2006 Zero in December 2008	Number of rural ZIP codes with more than 1 retail pharmacy in May 2006 1 in December 2008
AL	9	6
AR	3	1
AZ	1	3
CA	8	3
CO	5	2
CT	3*	0
FL	6	0
GA	6	5
HI	0	1
IA	3	2
ID	2	1
IL	4	6
IN	11	4
KS	4	4
KY	7	3
LA	12	3
ME	5	3
MI	11	5
MN	4	6
MO	1	5
MS	6	4
MT	4	2
NC	5	6
ND	3	4
NE	7*	2
NH	0	1
NM	2	1
NY	6	5
OH	4	2
OK	10	2
OR	3	3
PA	8	2
SC	2	0
SD	6	1
TN	3	2
TX	17	7
UT	3	0
VA	4	4
VT	2	1
WA	2	1
WI	6	3
WV	5	1
WY	0*	1
Total	213	118

*In addition, Connecticut, Nebraska, and Wyoming each had 1 rural ZIP code that had multiple retail pharmacies in May 2006 and no retail pharmacies in December 2008.

*Funded by the Federal Office of Rural Health Policy, Health Resources and Services Administration,
U.S. Department of Health and Human Services (Grant #1-U1G RH07633-02-00)*

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