





Closing A Door to OPEN others

Neil and Dixie Leikach saw their LTC business grow steadily after opening their retail pharmacy in 1999.

Maryland pharmacy owners Neil and Dixie Leikach expand a successful retail business into a thriving LTC niche

by Chris Linville

Neil Leikach, RPh, likes to tell a story that might be a case study in Long-Term Care 101 under the heading "Ways to Alienate Your Clients."

As he explains, in the metro Baltimore area, there was a small assisted living home (about 20 residents) that had been retrofitted from an old house. One of the rooms was by the front door. Deliveries were made through that front door. No problem, right? Deliveries are always being made during normal business hours. At this facility, however, deliveries were routinely being made at 12 a.m. or later.

"At an assisted living home, at that time of night, everybody is sleeping," Leikach says. "All of a sudden, the doorbell rings at midnight, and what happens? Everybody is awake."

Leikach and his wife, Dixie Leikach, RPh, owners of Catonsville Pharmacy in Catonsville, Md., are in the LTC business, serving more than 50 different assisted living facilities with more than 1,000



beds. Suffice it to say, they DO NOT make deliveries in the middle of the night.

"With us, we try to have it there by 5 in the afternoon, when the full staff is working, because you don't always get the same people working late at night," Dixie says. "There are fewer issues with us. If there are issues, they can call us and we're going to take care of it, hopefully that same day or as soon as we can the next day. That's how we really started this niche – we've tried to take care of the smaller facilities, and as we've grown we've been able to handle the medium to larger sized homes."

Getting involved with LTC wasn't part of the plan when the Leikachs opened their pharmacy just outside of Baltimore in February 1999. "Our goal was to be

a community pharmacy for this part of Catonsville and the surrounding area," Neil says. In October 2003, they opened Finksburg Pharmacy, a retail store about 30 minutes away in Finksburg, Md. Paradise Professional Pharmacy, opened in April 2007, is their LTC entity, a closed door business located within Catonsville Pharmacy but operated separately from the retail side.

NEW PHARMACY AT THE OLD PHARMACY

Neil and Dixie are both native Marylanders, he from Randallstown and she from Salisbury, on the state's eastern shore. They met at the University of Maryland at Baltimore School of Pharmacy, where they each received their degrees in 1992. They were married in October of that year and have two sons, Eric, 20, and Marc, 17.

After graduation Dixie worked at several chains in management positions. She had had been part of the Girl Scout Career Badge program growing up, and working at a local chain pharmacy in Salisbury spurred her interest in the profession.

Neil's father was a pharmacist who owned his own business, though Neil didn't have an initial interest in the profession. Needing employment, he found a job at a deli. Reflecting on that, he starts laughing, recalling that after working there just one day he said, "I'm not doing this anymore." So his father began calling some of his pharmacist friends, asking if they had openings. One in the Catonsville area did, and Neil went to work there, first as a delivery driver, then as a technician, and eventually as a pharmacy

school student. After graduation, the pharmacy had a full-time position available at one of its three locations. He started at one store, and not long after that moved to what eventually would become the current pharmacy in Catonsville. A turning point came in 1997, when Neil went to an NCPA workshop in Memphis, where, he says, "The light bulb went off for me. I said to myself, 'I think I'm ready to take the next step and own my own store.'

There were two owners for the three locations, and Neil went to one of the owners to discuss purchasing one of the pharmacies. He was told that they wanted to see what the chains were offering.

"They got an offer from Rite-Aid that I could not match," he says. "In January 1998, the pharmacy that was here [Catonsville] closed. Rite-Aid bought all of the files, all of the merchandise, and this place was just empty."

The building had been vacant for about 10 months when Neil received a call from one of his former technicians (who still works for him now) telling him that the landlord wanted a pharmacy there again.

"So I called to find out more, and in about four months we re-opened," he

says. "So we started a new pharmacy, but it was at the same location I worked before. It was sort of a combination of opening up a new store and purchasing an old store."

"It was kind of a best-case scenario," Dixie says.

Neil says that the pharmacy now looks nothing like it did prior to their purchase.

"Before it was an old-fashioned 1950s pharmacy; it didn't have a soda fountain but had long gondolas," he says. "It offered everything from cigarettes to 60-foot aisles of school supplies that didn't sell. So I'm like, 'I don't want to do that.' We wanted to make this a professional store. Made sure it was carpeted, made sure we weren't up on a platform, and just changed up what we had."

Catonsville Pharmacy covers about 2,400 square feet. About 1,000 of that is Paradise, with the rest being Catonsville and front end. Finksburg Pharmacy is 1,000 square feet. Combined sales for all three stores is approximately \$8 million annually. Catonsville Pharmacy dispenses 200 prescriptions daily, while Paradise dispenses between 350 and 400 per day.

"Our goal was to be a community pharmacy for this part of Catonsville and the surrounding area..."

LTC BUSINESS GROWS STEADILY

As with many successful enterprises, the LTC business just sort of happened on its own. As Neil explains, "We started to pick up some group homes and assisted living in the area in the first couple of years, and hired some pharmacy technicians who had a background with it, and it just sort of went from there."

He continues, "Assisted living and LTC is very interesting because there seems to be a lot of movement—maybe not with the owners—but with the nursing directors or the managers of the homes. So if we have a good relationship with them and they go to another home, once they get there they may decide that they don't like the job the existing pharmacy is doing, and maybe ask us to help them out. It's kind of snowballed for us in the



Going closed door helps from a credibility standpoint and helps reassure clients, Dixie says.

number of assisted living homes we do in the area.”

For a number of years, the LTC business was simply an additional service of Catonsville Pharmacy’s retail operation. However, about a decade ago they were at the NCPA Annual Convention and met with GeriMed, an LTC group purchasing organization. The GeriMed staff representatives asked the Leikachs how many beds they had, which was about 250 at the time. The next year at the convention they spoke again, and the number had increased to the 300-400 range. GeriMed told them that they should seriously consider making LTC a separate business.

“They said it can really make a difference,” Neil says. “They gave us some information and at that point I said that we needed to do it. They came in to give us some guidance and

advice on how to create a closed door pharmacy. For example, we didn’t have a separate door. So we had to have a contractor come in and knock out a wall and put a door there for a separate entrance to access a closed door pharmacy. You can’t go through a retail store to get there.”

Dixie points out the benefits of being closed door. “If you get to a certain level and you can do it, it makes sense,” she says. “We split it off, and we did it not only because it made sense financially, but it also made sense for marketing reasons. We can market to assisted living homes and say, ‘Look, Paradise Professional Pharmacy is a pharmacy dedicated to meeting the special needs of assisted living homes, group homes, and LTC facilities.’ It’s taken off since then. And it’s made a big difference in how we practice pharmacy now.”



Going closed door helps from a credibility standpoint and helps reassure clients, Dixie says.

“If you don’t split, there might be questions from them about your commitment toward it,” she says. “They might wonder if they are they competing with your retail business, and if retail gets busy, would you have time to address their needs. This way they know that we have dedicated staff, and have been doing this kind of business for a very long time, and they don’t have to go to the retail piece to get to them. It’s still one phone number for both stores, but we have an option where they can get transferred right to the back and reach somebody right away. So it does give us a different level of marketing ability. That particular store is just dedicated to the LTC business.”

Dixie and Neil say that being local does help. “We tell them you will be talking to Rosie or Nikki, our two lead technicians in our LTC division,” Neil says. “When they call, they usually talk to one of them, and that makes a big difference.”

“A lot of the relationships are built over the phone because they get to talk to the same people all of the time,” Dixie points out. “It’s not like we have people working here and they never know who’s going to answer the phone, and people just feel more comfortable with that, having that assurance that Rosie’s going to take care of it or they know Nikki’s going to take care of it.”

Dixie says that even having the same delivery drivers is important in establishing relationships.

“When we do have a change in delivery drivers, I get calls all day asking, ‘Who is this at my door? This isn’t Bill.’ With some places I call ahead and let them know that Bill’s off today, and this is who is going to be coming in his place. Sometimes you have to do that because they get used to the same person.”

STAYING INVOLVED TO STAY INFORMED

For NCPA, a key message to its members is to encourage them to be engaged, especially in an advocacy role. It comes easily for Neil Leikach, RPh, and his wife Dixie Leikach, RPh, owners of two retail pharmacies (Catonsville Pharmacy and Finksburg Pharmacy) and an LTC business (Paradise Professional Pharmacy) near Baltimore. Along with numerous community charitable and volunteer activities, Dixie is president and Neil is past president (2011) of the Maryland Pharmacists Association.

"We want to make sure we are involved," Dixie says. "We have friends who aren't going to these meetings and being engaged with their association and they often don't have a clue about what's coming up. Some people ask, 'What's a synchronization program?' or 'What's a five-star rating?' I look at them, thinking what have you been doing for the last year? It's like you have your head in the sand. Some are doing compounding and some assisted living, but they don't know what's going on around them. We're involved so we can make sure our business is running the way it needs to, and we can help our homes be compliant, as we need to be. We need to make sure we are protecting our interests as well."

The MPhA is part of the Maryland Pharmacy Coalition, an organization of all of the state's pharmacy groups that have come together to advance legislation. Dixie says that several bills have already dropped in the Maryland State Senate and House regarding provider status. The bills are HB 716/SB 347 Health Occupations—Prescribers-Pharmacist Agreements & Therapy Management Contracts. The legislation would expand the drug therapy management program to include all authorized prescribers rather than only licensed physicians. The bill also permits a protocol to authorize the initiation of drug therapy and the substitution of a chemically dissimilar drug product by the pharmacist for the product prescribed by the authorized prescriber.

"Technically in Maryland's insurance code, pharmacists are listed as health care providers," she says. "But in the practice act, [pharmacists] are not, except for a few things. So we're trying to clear up the code between collaborative practice and

some self-administered medication, and really clear up the provider status in Maryland for pharmacists."

Dixie continues, "We've been working for the last year, we've had a provider status task force, and we're working with one of the delegates to actually write the bills. It's one of the first times we can remember where pharmacy has really been the catalyst. It's one thing to support what's been written, but it's one of the few times as a group we've come together and had bills written specifically for our wants. So it will be interesting to watch and I know NCPA is carefully watching what goes on with this, because it's been a lot of groups coming together." (See more about pharmacists getting involved in politics on page 36.)

The Leikachs have also been supporters of NCPA's Long-Term Care Division (www.ncpaltc.org) and its efforts to advance that part of pharmacy.

"I joined and became actively involved in the NCPA LTC Division because, to be the best in our area, I need to be educated and represented," Dixie says. "With the fast pace of changes in long-term care, it is important to have NCPA on the forefront of pharmacy representation and advocacy."

Staying engaged provides some level of control in charting your own course, Neil says.

"If you are on a highway, and you just stop, something is distracting you, or is blocking you, you are going to get run over, because other people are going to figure out how to get around it, or figure out new opportunities," he says. "And that's what you have to do. The way to do that is to be involved. It doesn't matter if it's NCPA or APhA, state, local, or anything else. You can't just do it yourself. You have to talk to other people and figure out what's working in other parts of the country. So we try lots of things. Some things work, and we're very happy, such as with our long-term care, and some things haven't worked, so you move on. You have to take the chance."

—CL

The geographic radius of facilities served by Paradise is about 30 miles, which is about the maximum distance they want to go.

"We've gone further in the past, especially when we were growing, but it wasn't feasible," Dixie says.

"We looked at some places that just didn't make any sense," Neil says. "We couldn't handle it and feel comfortable doing it right."

KEEPING BUSINESS RUNNING SMOOTHLY

To help keep the LTC business running smoothly, Paradise staffs the

business to handle demand. It has five technicians (including two with about 40 years of experience between them). It has two dedicated drivers and at least one full-time pharmacist on duty. Dixie says that Maryland law requires medication chart reviews every six months for assisted living homes. She says that all of her clinical



pharmacists—both retail and LTC—take care of those.

“They all rotate the schedules so they can all take advantage of that experience,” she says. “We have five pharmacists who do the reviews.”

Within the pharmacy, she tries to keep the workload varied between retail and LTC. “The technicians usually stay back there [at Paradise], and the pharmacists tend to rotate between the two,” Neil says. “All of them like that because they aren’t tied to doing one thing. It breaks up the monotony of doing the same thing day after day.

Dixie adds, “If you know you are working Paradise that day, you basically stay there, and with several pharmacists we can have somebody back there and have enough up front, so it allows them to take breaks, and provide help where it’s needed.”

The overall staff includes five pharmacy students. Neil stresses that they aren’t rotation or unpaid internships, but regular paying jobs.

“We started having one work for us at a time, and gradually got a couple of more,” he says. “We thought, ‘Why not get three or four at a time so they can rotate the Saturdays and get that

experience.’ In school you learn a lot from the books, but it’s not enough, you need that hands-on experience. There are externships, but that’s not enough. Having a job where you are working and getting paid is a bit different from an externship. If you learned a bunch of things in school, if you don’t use it, you’re going to lose it. That’s why they do clinical services, to use what they learned in school.”

STAYING WITH TRIED AND TRUE

As far as packaging, Neil says that they have looked at different options, but their homes tend to prefer the traditional blister packs.

“But we’re not doing them by hand,” he says. That’s the result of a stroll through the exhibit hall at the NCPA Convention several years ago.

“We like to go to the convention because you never know what you’ll find,” he says. “One year we were there, and I said, ‘Let’s go through [exhibits] one more time.’”

“It was the last day and the last hour,” Dixie says with a laugh.

Neil says that there was a section they had missed previously, and they discovered a booth for Manchac Technologies, LLC. The company man-

ufactures DOSIS, a robotic product for automating prescription filling, sealing, and patient labeling of 30- or 31-day single medication blister cards.

“It’s no bigger than the table in our office [less than 7 square feet],” Neil says. “It does our bingo cards. It tells us our top 60 prescriptions, and can hold 60 canisters, and we can switch them out if we need to. It’s automation that does about 30-40 percent of our business. It’s labeled, and saves a lot of time. And that made a big difference because with it we picked up more prescription business, and we didn’t have to pick up any more personnel. We were the fifth machine that they put out in the country, so we were one of the early testers, but we’ve been happy with it and their service has been great.”

REMAINING COMPETITIVE

Neil says there is a fair amount of competition in their market with large, national LTC companies and a number of larger independent pharmacies, which can be a challenge at times. Fortunately, their LTC business has been steady enough that they can be somewhat choosy.

“Some of them offer things that we don’t believe are the right things to be offered the way they do it. That’s the

best way I can put it," he says. "And we have lost some business to other pharmacies that way. It seems like most assisted living homes stay with a certain vendor for a while, but there are others that switch all of the time. We try to keep a lookout for those."

And not surprisingly, third party insurance issues can be an issue.

"There are some Part D plans that say, 'Yes, you do offer something that's a bit unique, and that you should be paid more,' and we're thankful for those plans," Dixie says. "But there are other plans that say, 'Nope, you're not servicing a skilled facility, you're not dealing with those, you just get paid regular retail rates, you're sending blister cards and you're delivering everything, you're

doing med reviews and all these other things, but you are just going to get your regular retail rate."

As for the future, Neil and Dixie say their short-term goal is to keep building the business.

"We want to maintain the homes we have and make sure they are happy," Dixie says. "In LTC we want to grow by 10 percent a year. Retail-wise we hope to grow 5 percent per year. As stores mature it gets harder to hit those benchmarks. [But] assisted living is only going to grow. People ask us why we don't want to do nursing homes and skilled nursing. Well, we don't want to be on-call; we don't want to be 24-7. We really feel like assisted living is the niche and where the growth is."

As Neil puts it, "The baby boomers are just hitting that age where they need it. They don't need the skill, but they just need somebody to help them a little bit with daily living."

Dixie sees a continuing expansion of the pharmacist clinical services footprint, and says that will be beneficial to the facilities they serve.

"If we already have a relationship with the home, and we know how it's very difficult for them to get residents off-site to doctor's offices and other health care providers – if we can come in and perform more of those clinical services as we're allowed to and as we get the ability to do so, we'll be well positioned to be that health care professional," she says. "We can do point of care here in the

pharmacy, but we really can't do it off-site yet."

At present, 48 states currently have some form of collaborative practice authority for pharmacists, and 17 allow for pharmacist collaboration with any prescriber, according to the National Alliance of State Pharmacy Associations. Another four allow for collaboration with some combination of providers beyond just physicians. A total of 20 states allow pharmacists to

collaborate with nurse practitioners.

As Neil points out, "The regulations have changed dramatically, at least in Maryland, for an assisted living home. Ten years ago, you could have a home, put up a shingle and say, 'This is our group home,' and that was it. Now you have to be licensed with the state. There are more guidelines that are likely coming down the pipeline from the state and probably nationwide to define a facility. We want to make sure we are

on top of that so we can keep up with the guidelines and help our homes keep up with the guidelines as well."

Neil and Dixie believe that many smaller facilities get lost in the shuffle, and they want to help fill that gap.

"We're giving the homes another option," Neil says. "There are many large corporations that deal with assisted living homes, and some of those homes aren't getting the service that they should be able to receive, maybe because they aren't a large facility with 100-200 beds."

Dixie adds, "I think the smaller homes should get just as much personal attention as the bigger homes, and with some of these bigger companies, it's just harder to do that. It's not worth their time or not worth their resources. We want to try and care for these smaller companies in the same way they try to care for their residents." ■

Chris Linville is managing editor of America's Pharmacist.

