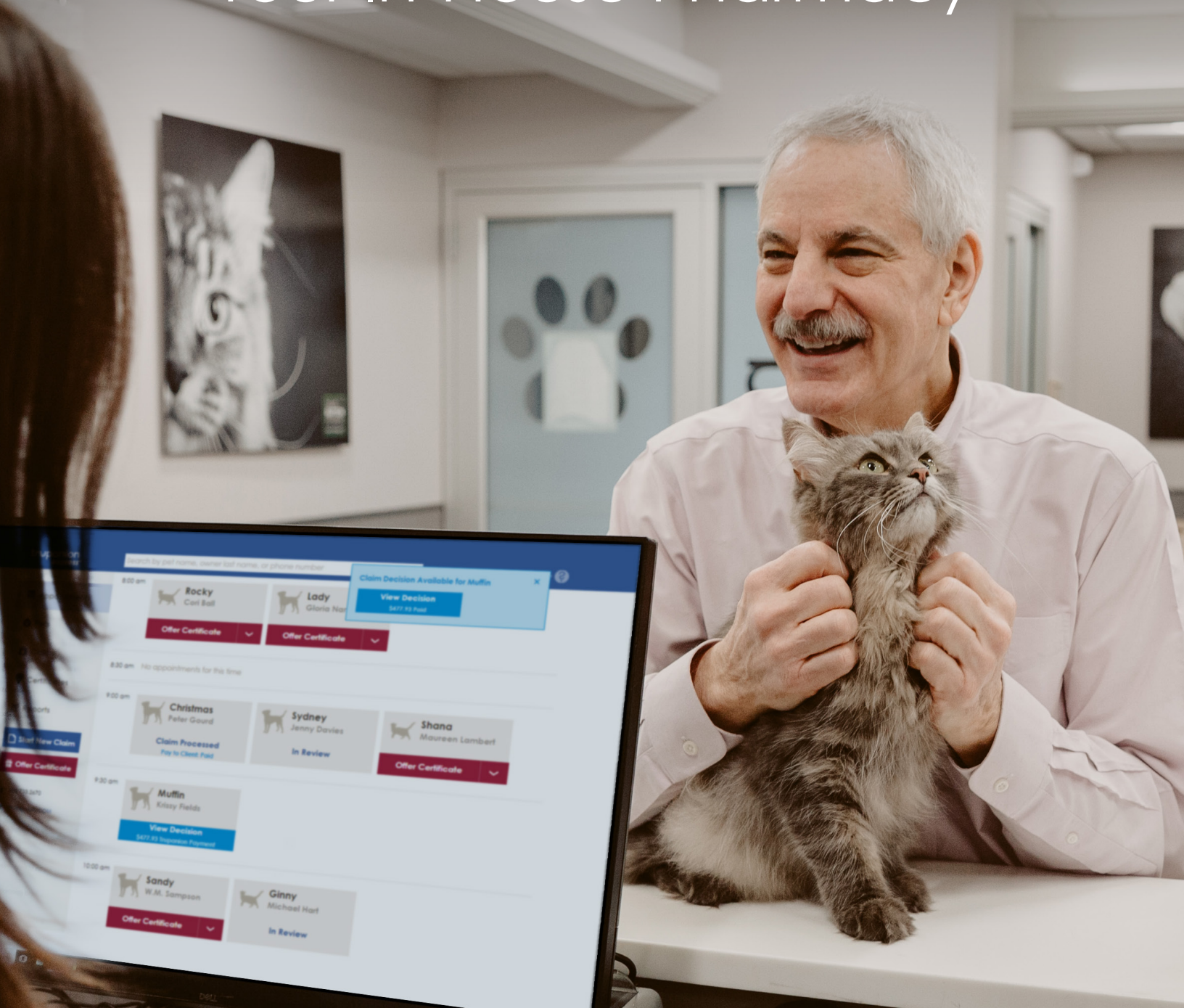


Three Steps for Growing Your In-House Pharmacy



trupanionTM
Medical insurance for the life of your pet.



The benefits of having an in-house veterinary pharmacy are numerous.

Not only is it convenient for clients, it's the most efficient way to ensure appropriate sourcing, accurate dosing, direct communication, and immediate treatment, all without needing to write a script which may or may not be filled as intended.

It's important for a patient's treatment success and provides another (often recurring and with more touch points) stream of revenue for your hospital. And yet, even with all the perks, most hospitals struggle to grow their in-house pharmacy.

Unfortunately, challenges from third-party, non-veterinarian pharmacists, often selling gray-market pharmaceuticals online or from big-box stores, can make growing—or even maintaining—the pharmacy line of business difficult.

In fact, nearly 75% of hospital pharmacies have seen their revenue drop in the last two years,¹ and the industry standard for in-house pharmacy revenue is only between 20 and 25% of total revenue.²

There is, however, a huge opportunity to reverse this trend and grow your share while providing both better care and immediate, personalized service—with the right tools.

READ ON TO LEARN THREE STEPS FOR GROWING YOUR IN-HOUSE PHARMACY:

- 1. Learn from industry trends.**
- 2. Use this tool to help grow your pharmacy.**
- 3. Put it all together and get growing.**

Plus, find out how a hospital doubled the care provided through its in-house pharmacy in just three years.

STEP 01:

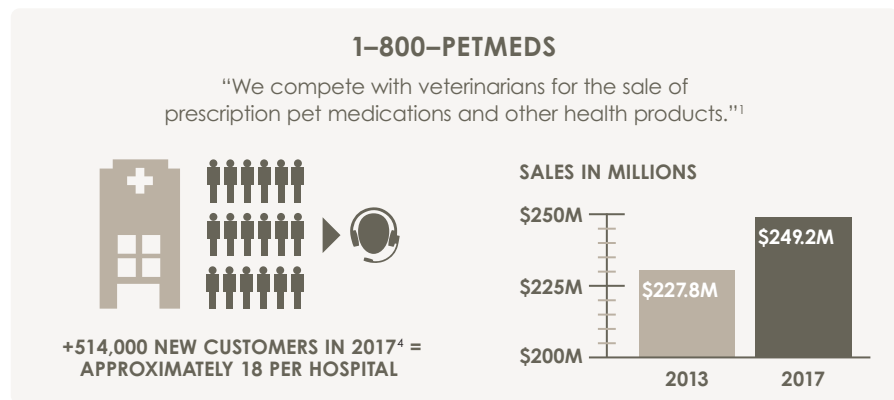
Learn from Industry Trends

Knowledge about what's going on in the veterinary industry is a powerful tool. Current-state knowledge and future projections can help inform your decisions, strategy, and plans for your pharmacy.

CURRENT STATE

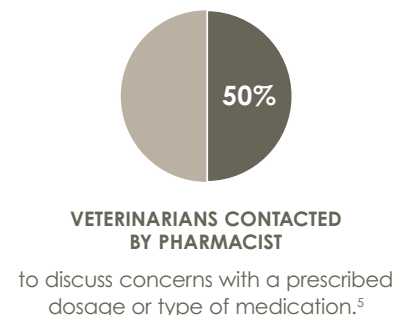
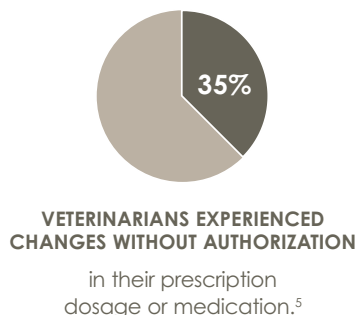
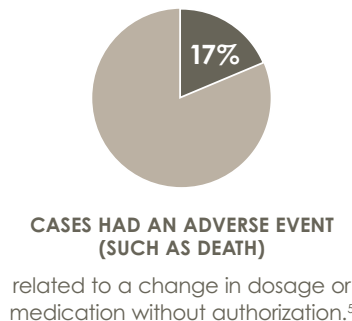
Veterinarians are losing the opportunity to provide the best care to third-party, non-veterinarian pharmacists and gray-market suppliers. 1-800-PetMeds increased sales significantly from 2013³ to 2017,⁴ no doubt contributing to the steep decline in pharmacy sales experienced in veterinary hospitals.

US VETERINARY PHARMACY SALES: 2013–2017



The accuracy—or rather, inaccuracy—of pet prescriptions is a systemic problem. Up to 35% of veterinarians report that an outside pharmacy has altered a prescription.⁵ Although alarming, this isn't surprising. These pharmacies often don't have the training or experience to make these decisions. As the veterinarian, you know your patient best. You also know the appropriate dosages, possible drug interactions, and any adverse side effects of a prescription for your specific patient. This makes it even more important that the pharmacy is kept in-house or virtually implemented by your practice—not just for the bottom line but for pets' well-being.

PROBLEMS OF OUTSIDE PHARMACY PET PRESCRIPTIONS

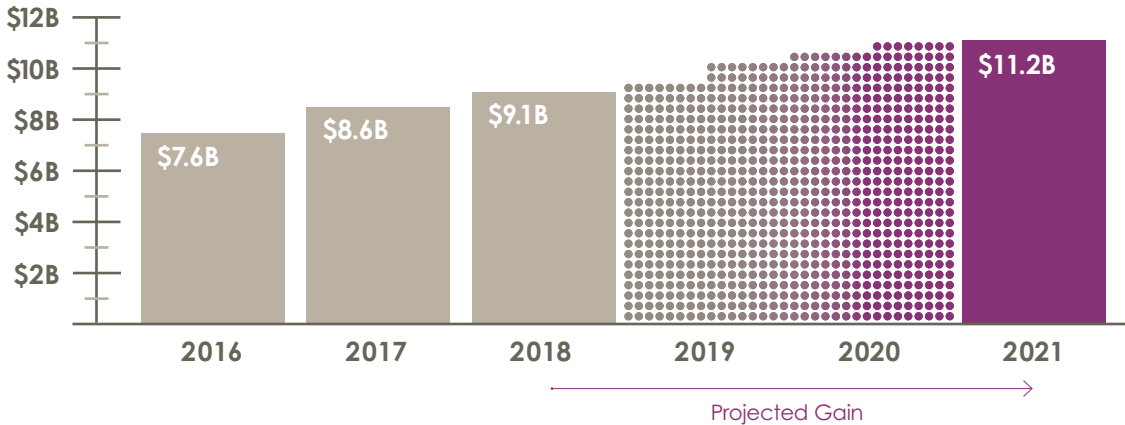


FUTURE PROJECTIONS

The pet medication industry will grow by \$2 billion by 2021. According to Packaged Facts, in 2017, pet medication was an \$8.6 billion dollar industry. By 2021, the industry is expected to grow to \$11.2 billion dollars.⁶ Clearly, there's an incredible amount of opportunity here for in-house pharmacies.

PET MEDICATION INDUSTRY TO GROW BY \$2 BILLION

SALES IN BILLIONS



Despite the increase in sales for companies like 1-800-PetMeds and the decrease in pharmacy sales seen in many veterinary hospitals, in-house pharmacies are still holding a large chunk of the market. Based on the data reported by Packaged Facts, in 2018, 74% of pet medication sales took place in veterinary pharmacies. And, while online retail sales are expected to grow to 20% by 2022, veterinarians continue to be the most trusted source for pet medication recommendations. **How will you leverage this market share for maximum positive impact on your practice and your patients' lives?**



71%

of surveyed pet owners say advice from a veterinarian is the most important consideration when purchasing medication for their pet.⁷

PHARMACY SALES BY MARKET SHARE



STEP 02:

Use This Tool to Help Grow Your Pharmacy



It's not an exaggeration to say that we're revolutionizing the traditional reimbursement model. We saw a flawed system: pet owners stressing about how to pay for care, veterinarians having to act as financial advisors, and pets not receiving the care they really needed. So, we decided to change it.

Who are we? We're Trupanion, medical insurance for cats and dogs. Our mission is to help the pets we all love receive the best care, and we do that by helping to create the best possible experience for veterinary hospitals, pet owners, and pets.

For pet owners, that means helping to remove the financial strain of paying the full invoice upfront and waiting for a reimbursement check. For hospitals, it means reducing paperwork and credit card transaction fees, streamlining the claims process to save valuable time, and helping to grow in-house pharmacies. All of this and more with free, easy-to-use software.

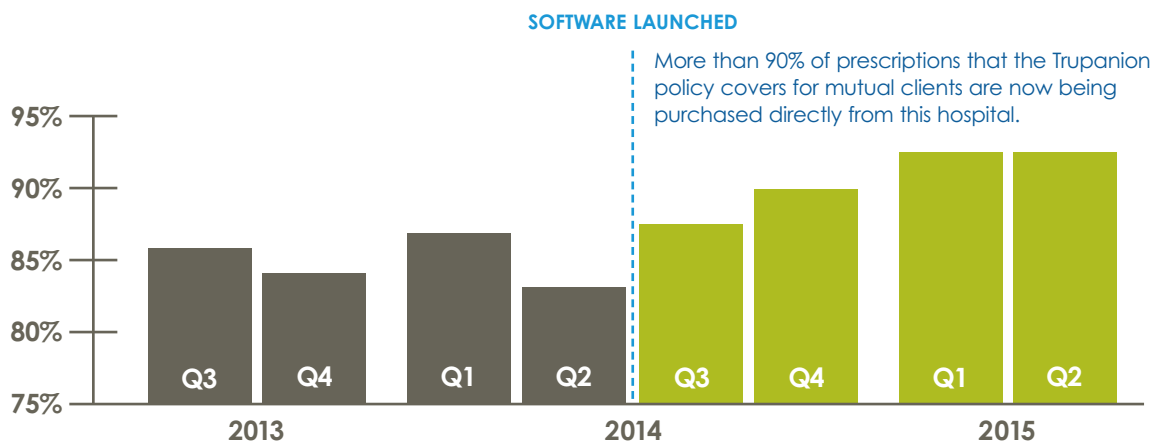
Used by thousands of veterinary hospitals, our one-of-a-kind, patented software is instrumental in helping you grow your in-house pharmacy, despite mounting competition. Here's why:

- **It helps remove the cost barrier for medications.** In hospitals that use our software, 90% of medications on the recommended treatment plan are bought directly from the veterinarian, according to our data. When pet owners only have to pay 10% of the prescription cost, purchasing prescriptions from the veterinarian is easier and more convenient than going elsewhere.
- **There's no more guesswork or confusion for you or the pet owner.** You and the pet owner know what is and is not covered with a quick glance at your computer screen. This means your clients can focus more on what's best for their pet, not how much it will cost.
- **It's installed in minutes, integrates with your current practice management system, and is easy to use.** So you can spend more time doing what you love: caring for pets. There are no transaction fees and no administration costs. It's completely free.

CASE STUDY: SUCCESSFUL VETERINARY HOSPITAL IN FLORIDA DOUBLES PHARMACY REVENUE IN THREE YEARS

Our analytics team partnered with a successful veterinary hospital in Florida to discover why their in-house pharmacy revenue increased from 2013 to 2016.⁸ The research found one change in that time period: They launched our software in mid-2014. In looking at the before and after, we noticed that the number of prescriptions bought at outside pharmacies dropped by half. When the medication cost barrier was removed due to the use of our software, the number of pet owners who refilled prescriptions five or more times more than doubled.

RX BOUGHT FROM HOSPITAL PHARMACY BEFORE AND AFTER TRUPANION SOFTWARE



From 2013 to 2016, pharmacy revenue almost doubled at the hospital. Today, almost 30% of the hospital's revenue is stemming from their pharmacy, making it slightly higher than the industry average.

In fact, when looking at the average of all hospitals using our software, 90% of Trupanion policy-covered prescriptions are bought directly from the veterinarian.

CASE STUDY: THE CASE OF SMUDGE

Smudge, a mixed breed dog, enrolled with Trupanion in 2013. In 2014, his veterinarian diagnosed him with allergies and prescribed him Atopica.

Smudge's owners filled his prescription at a local pharmacy. In 2013 alone, they spent more than \$1,500 at that pharmacy. The veterinarian didn't see a cent of this revenue—nor did the veterinarian have insight into how often it was being purchased from the pharmacy.

In 2016, Smudge's veterinary hospital launched our software. Smudge was switched over to Apoquel to treat his allergies, and his owners have been purchasing this medication from his veterinarian. Since 2016, Trupanion has paid \$2,500 directly to the hospital.

STEP 03:

Put It All Together and Get Growing

The pet medication industry is forecasted to grow, and a large part of that can happen in veterinary hospitals. Bring that business to your hospital with the help of Trupanion's game-changing software. Not only can it help remove the cost barrier for medications and eliminate coverage guesswork and confusion, it's completely free and easy to use.

Seize this moment as an opportunity to turn the tide and grow your in-house pharmacy.

Schedule a free software demo today.

- ✔ **Call 877.337.0565**
- ✔ **Visit [VET.TRUPANION.COM](https://vet.trupanion.com)**
- ✔ **Contact your local Trupanion Territory Partner**



trupanion™

Medical insurance for the life of your pet.

¹ DVM Benchmark Study (2015)

² How to Keep 90% of Your Pharmacy Revenue In-House, Veterinary Management Groups Research (2018)

³ investor.1800petmeds.com/pressroom.php?id=123&adate=05.06.2013 (2013)

⁴ 1800petmeds.com/images/aboutus/PetMedExpressAnnualReport2018.pdf (2018)

⁵ Oregon Veterinary Medical Association survey (2012)

⁶ todaysveterinarybusiness.com/veterinarians-sell-62-pet-drugs/?highlight=62%25 (2017)

⁷ todaysveterinarybusiness.com/veterinarians-sell-74-of-pet-medications/ (2019)

⁸ Trupanion internal study (2016)

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