

## The role of social protection of pharmacies and social satisfaction of pharmacy visitor

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### Abstract

The modern pharmaceutical industry is becoming one of the fastest growing areas in the industry. The main task of pharmacies at the present stage of economic development is not only to make a profit, but, first of all, to perform a social function in providing high-quality and affordable medicines to the population of the country. Since pharmacy has a social orientation, special attention is paid to the issue of forming an assortment of drugs, taking into account the solvency of the population and optimizing the provision of certain pharmaceutical remedies. It has been proven that a well-formed assortment of drugs and medical devices increases the rate of inventory turnover, which significantly affects the efficiency of a pharmacy. In modern conditions of fierce competition in the pharmaceutical market, the main task of pharmacies is to maximize customer satisfaction (a wide range of high-quality and affordable medicines, sanitary and hygienic products, medical cosmetics, high-quality and professional service, expert advice on a pharmacy sales floor). All of this list allows a pharmacy to fulfill a social mission and is able to act as a key factor in its competitiveness. It is also necessary to take into account that the professional provision of drug care in a pharmacy directly affects a recovery process and improves quality of life of pharmacy visitors and the population as a whole. Thus, the task of modern pharmacies is not only to make a profit, but, first of all, to perform a social function to provide the population of the country with high-quality and affordable medicines. In this regard, the government program "Affordable Medicines" has been implemented in Ukraine since 2017. Its main goal is to increase the availability of high-quality, effective and safe medicines to the population of Ukraine. The "Affordable Medicines" program provides full or partial payment for the cost of certain medicines from budget funds and extends to the treatment of diseases that can be treated on an outpatient basis. You can get medicines for free or with a small additional payment only in those pharmacies that have joined the "Affordable Medicines" program. Since pharmacies participate in the campaign on a voluntary basis and can join the state program, their number is constantly growing, which gives the country's population the opportunity to fully realize their right to free medicines. The presented article is devoted to a discussion of the results of a study of the social significance of pharmacies. The degree of social satisfaction of visitors to pharmacies with the quality of drug care was analyzed.

**Key words:** pharmacy, competitiveness, performance efficiency, pharmaceutical market, range of drugs, range indicators, social significance, social utility.

The modern healthcare system is focused on continuous interaction in the activities of medical and pharmacy institutions. In this regard, the provision of drug care affects the process of recovery and improves quality of life of the patient and the population as a whole.

The task of pharmacies at the present stage of economic development is not only to make a profit, but above all, to perform a social function to provide the population with high-quality and affordable medicines.

That is why the program for the development of health care in Ukraine plans to reform the pharmaceutical industry, increase the efficiency of pharmacies, optimize the resource provision of hospitals, clinics, medical centers, which requires the need for scientific research in the socio-economic direction in the field of drug provision of the population.

Changes in the pharmaceutical market in Ukraine that have occurred over the past three years have affected the production and sale of medicines, contributed to the expansion of the range of medicines in the pharmacy network, as well as increased competition.

Competition, despite some negative aspects, has led to positive changes in the activities of pharmacies. It should be noted that the growth of competition caused changes in the assortment policy: it led to the diversification of the assortment, its change in qualitative and quantitative terms, and the conduct of an independent pricing policy. These changes also affected medicines and parapharmaceutical products (food supplements, diet food, herbal teas, sanitary and hygiene products, medical cosmetics) and medical equipment.

An analysis of the literature data showed that in the conditions of severe competition in the pharmaceutical market, each pharmacy seeks to find its competitive advantage: discount cards, home delivery of medicines, expert advice on the trading floor. But the most relevant, strategically important is the question of a well-planned assortment.

The pharmacy assortment consists of a fairly large collection of various products. These include medicines, medical products, biologically active additives, and cosmetic products. The range of pharmacy products has specific features, which are called the properties of the range in particular:

- possibility of dividing into various groups, subgroups according to internal characteristics (among which there are those characteristics only for pharmaceutical products, for example, pharmacotherapeutic groups);
- inclusion of new and exclusion from circulation in the pharmaceutical market of old products;
- possibility of choice, depending on various factors, by the intermediate and final consumer of medicines;
- possibility of replacing one drug with another;
- need to maintain a certain set of goods in various pharmacies.

The main global trends in recent years have been an increase in the use of drugs: the “aging” of the population, the emergence of more effective and safer new generation drugs, the population’s ability to pay, and pharmacoeconomic studies. These factors are reflected in the process of managing the assortment of medicines in pharmaceutical production, wholesalers, pharmacies, and methodological developments are being created for the effectiveness of the implementation of the assortment policy. Each pharmacy strives to develop an optimal assortment that affects income, obtaining the desired profit for a long period, which is relevant for a pharmaceutical company that wants to be competitive.

In the competitive struggle for the consumer, the quality of the products sold, a wide range of services, and a high level of service are of great importance, but the most important and relevant in such fierce competition is a properly planned assortment.

Essential medicines strategies play a key role in achieving universal health coverage and sustainable development. The issue of access to essential medicines is global and does not depend on a country's income. In many low- and middle-income countries, medicines are not available to those who need them, and many new medicines are so expensive that even health systems in high-income countries cannot afford them. Therefore, one of the main goals of Ukrainian healthcare is to provide universal access to affordable, high-quality medicines that are necessary for a healthy and productive life at all stages.

The purchase of medicines is the main source of patient spending on medicines. Of particular difficulty in acquiring drugs is noted in seriously ill people. Therefore, the State of Ukraine and the Ministry of Health have created the "Affordable Medicines" program, which started in Ukraine on April 1, 2017 in accordance with the Decree of the Cabinet of Ministers of Ukraine dated November 9, 2016 No. 863. Thanks to this program, patients with cardiovascular diseases, type 2 diabetes and bronchial asthma, it became possible to purchase certain medications for free or with a small additional payment. The list of such drugs was approved by order of the Ministry of Health of Ukraine No. 856 dated July 26, 2017. Not all pharmacies can issue these medicines, but only those that have expressed a desire to become participants in the Program. Pharmacies are reimbursed for the cost of medicines at the expense of targeted subventions from the budget. The procedure for full or partial reimbursement of the cost of medicines was approved by the Decree of the Cabinet of Ministers of Ukraine dated March 17, 2017 No. 152 "On ensuring the availability of medicines".

The introduction of the reimbursement program (refund of the cost) gives Ukrainians the right to receive certain medicines free of charge. However, the procedure for obtaining compensation for the drugs dispensed to the patient under a paper prescription was lengthy - from the moment the drugs were dispensed to the moment the funds were received on the company's accounts, it took from one to three months.

At the same time, there was a need for additional costs for a staff unit, which was supposed to be engaged in the formation of registers of dispensed drugs, confirmation of each prescription in a medical institution, in the city health authorities, and, the last resort was the city treasury, which made decisions on payment terms and priorities.

Given the lack of funds in local budgets, payments were not made regularly. The implementation of the project was at a rather low level and the results of obtaining affordable medicines by patients were not monitored. Numerous cases of violations of the program were observed.

In April 2019, the Affordable Medicines program launched by the National Health Service of Ukraine began its work in Ukraine. It consists in full or partial reimbursement to patients of the cost of a number of medicines. The network of pharmacies "AKS" at the start supported the initiative and concluded relevant agreements with the National Health Service of Ukraine for the possible dispensing of drugs and receiving compensation for the sale of goods at a reduced price.

In Figures 1-6, we present the results of the share of sales by drug packages and data on reimbursement for the last three years (2019-2021) according to Ukrainian pharmacies participating in the state program.

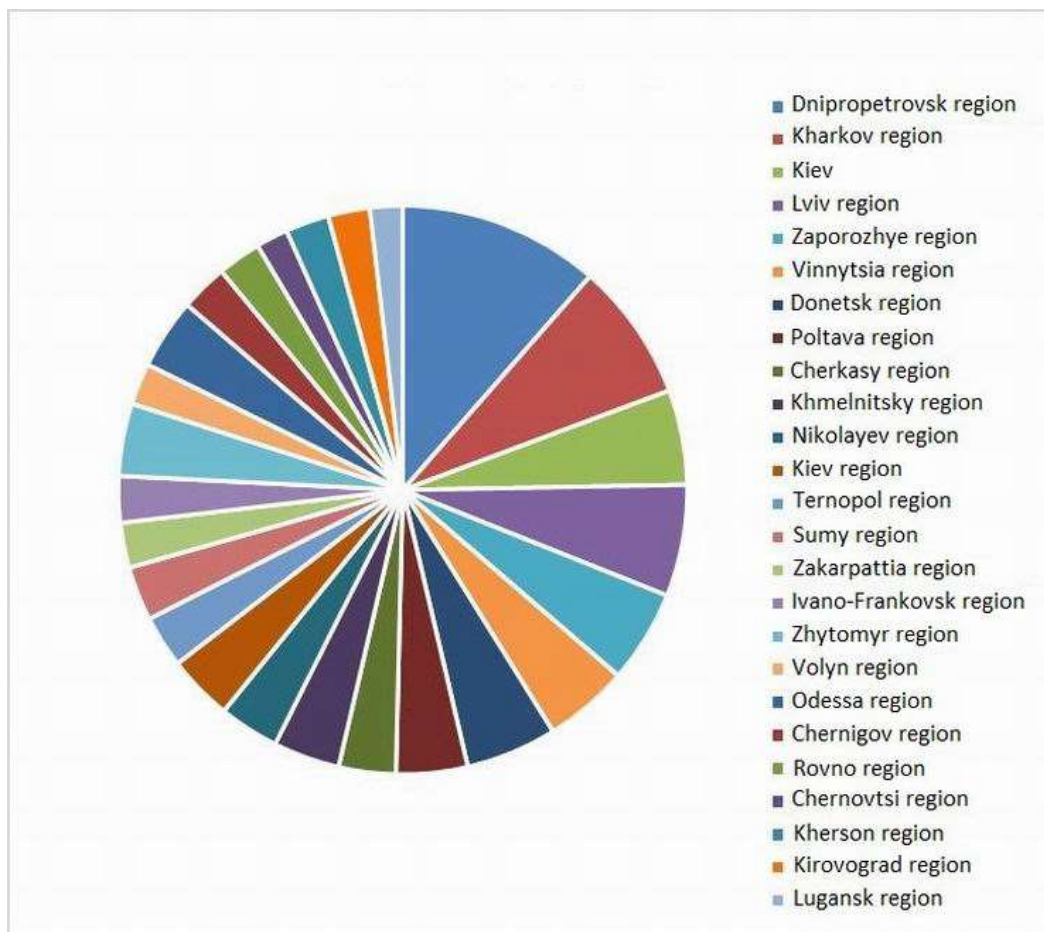


Fig. 1. Shares of drug sales by pack in 2019.

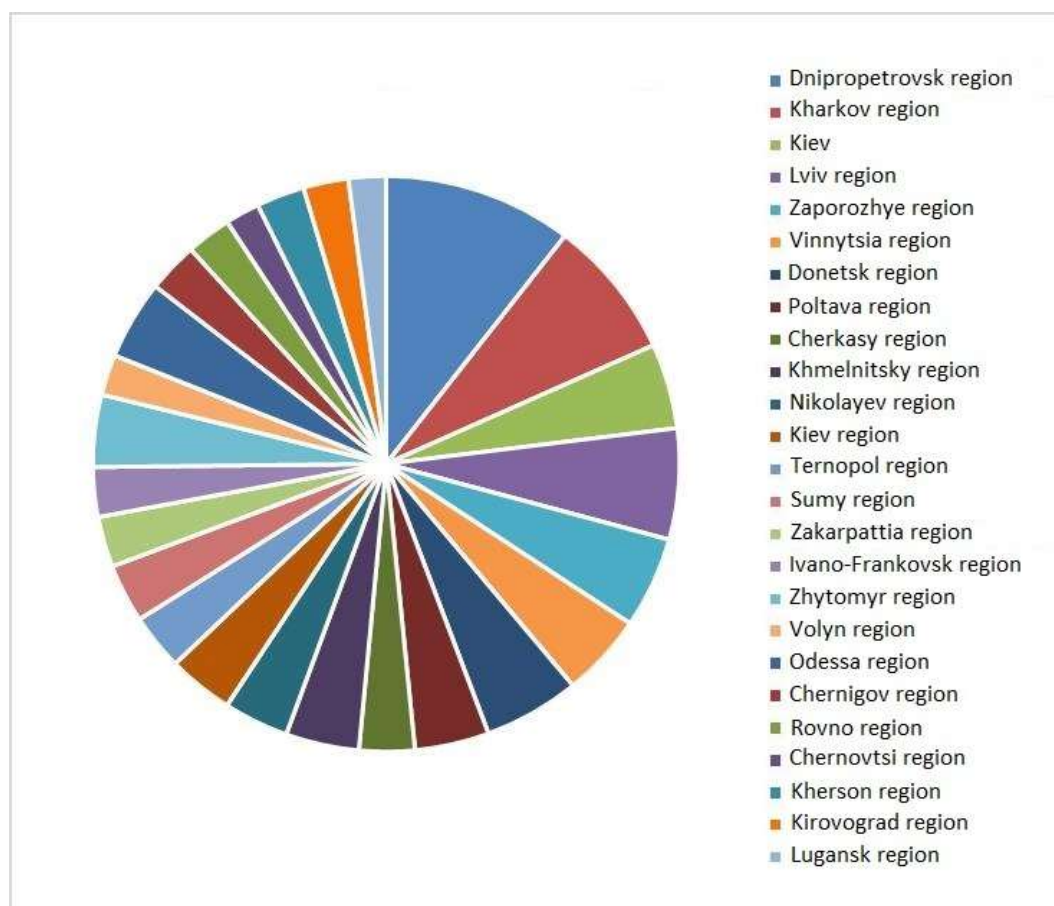


Fig. 2. Shares of drug sales by pack in 2020.

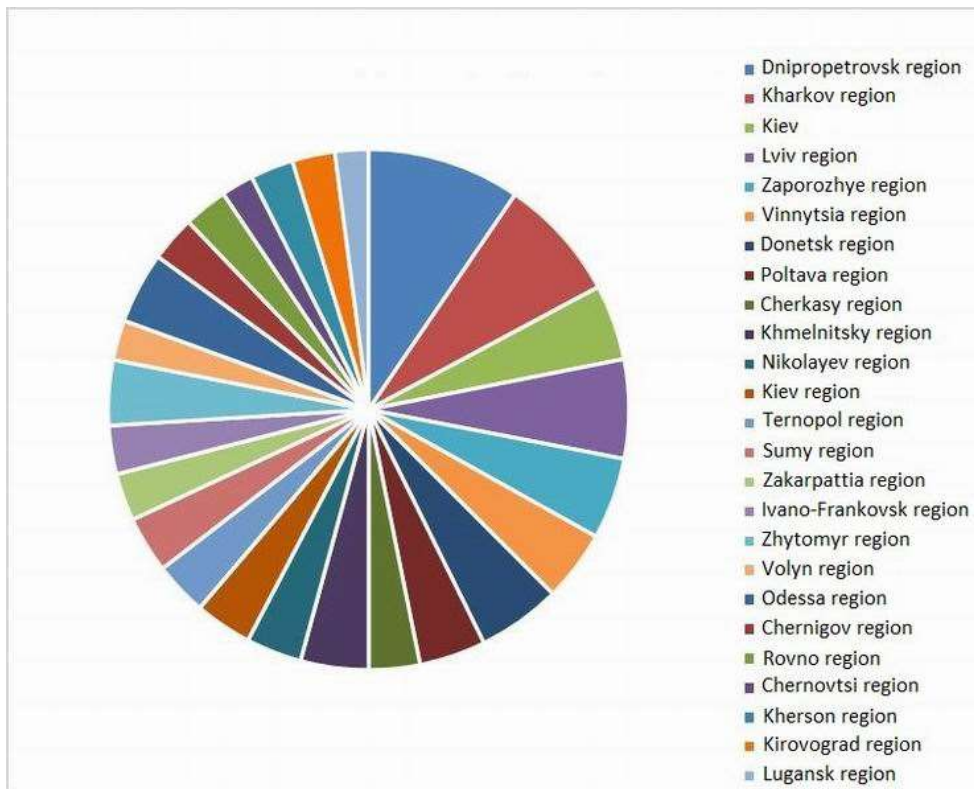


Fig. 3. Sales shares of medicines by pack in 2021.

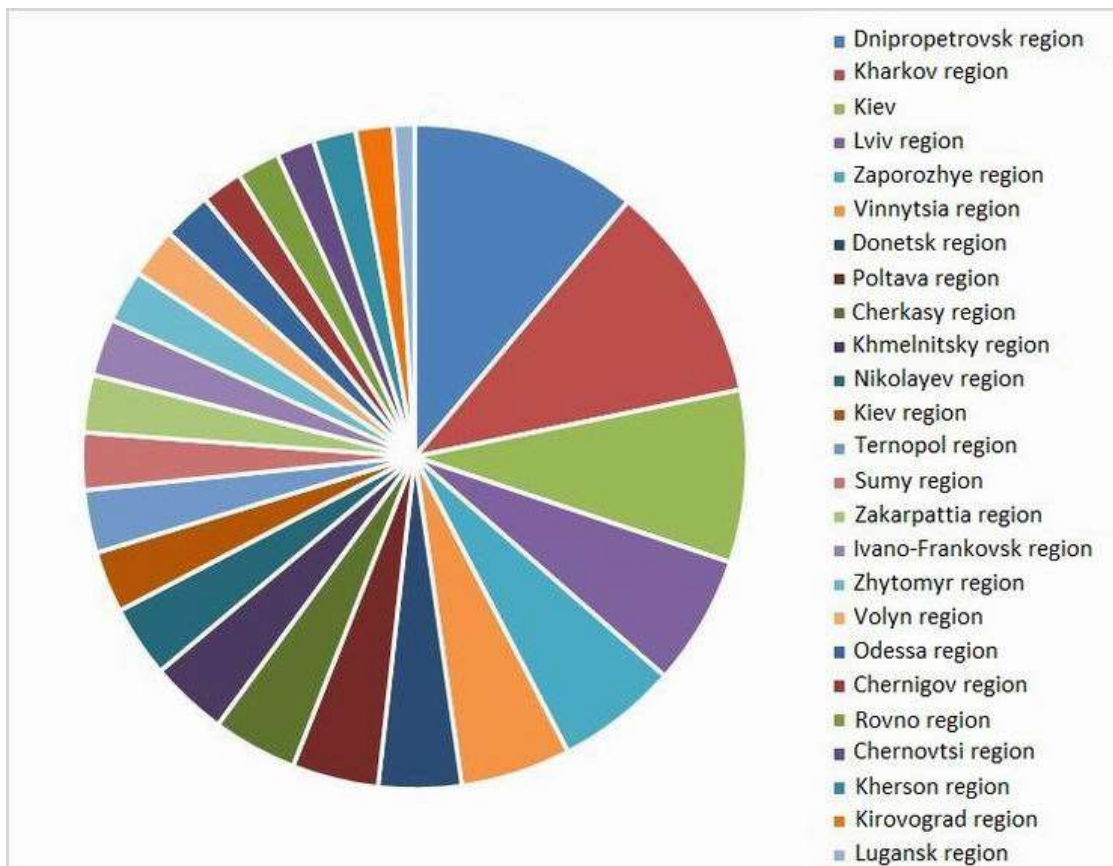


Fig. 4. Shares of sales of medicines under reimbursement in 2019.

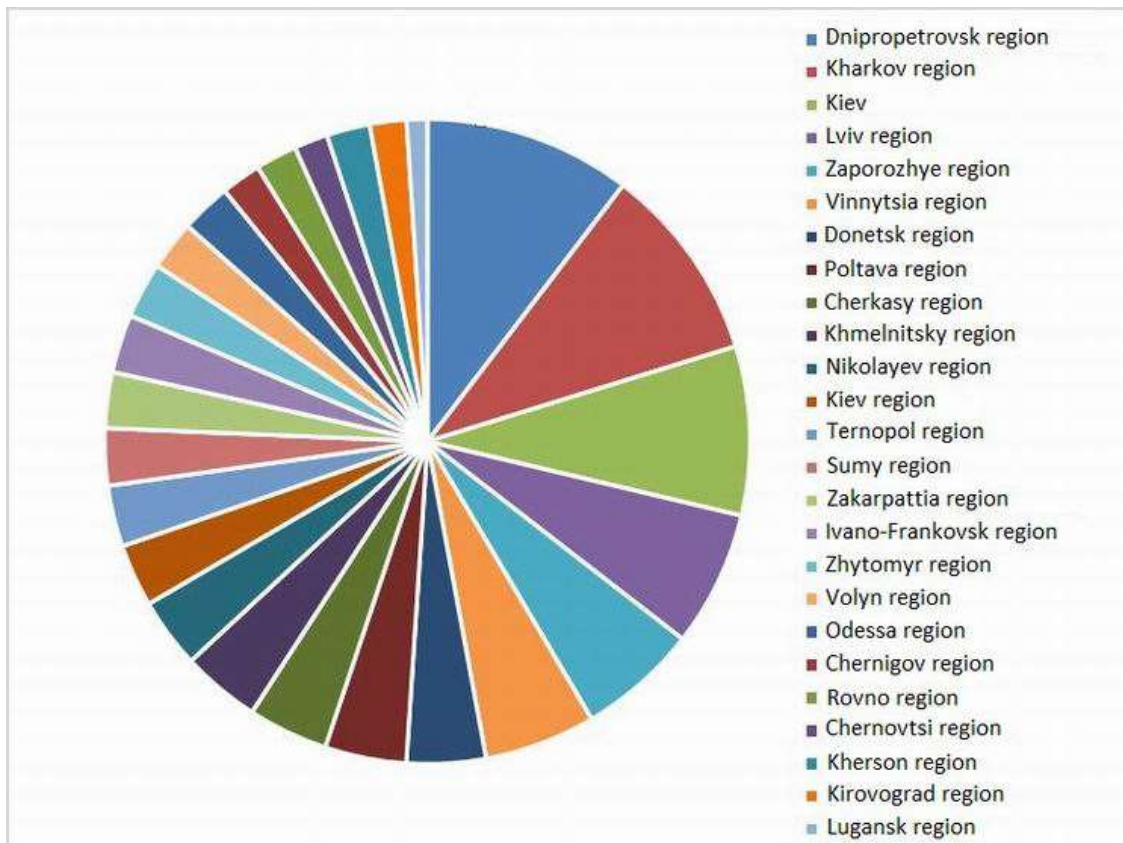


Fig. 5. Shares of sales of medicines under reimbursement for 2020.

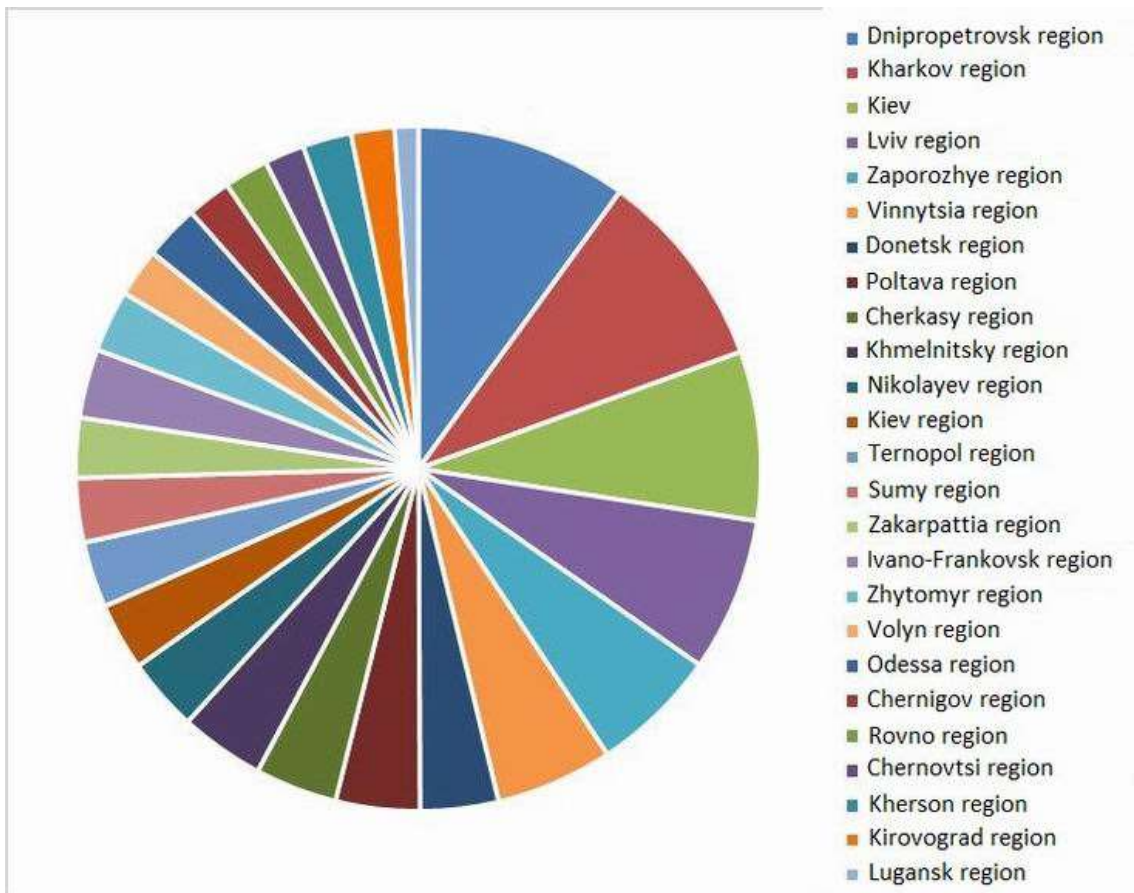


Fig. 6. Shares of sales of medicines under reimbursement in 2021.

There are more than 22,000 pharmacies in Ukraine. At the moment, only 8,800 pharmacies of them work under the program. Low activity on the part of pharmacy retail is associated with a number of reasons. To conclude an agreement with the National Health Service of Ukraine, a pharmacy needs to create all conditions for the implementation of the program.

One of the main conditions is the availability of an electronic signature for employees dispensing medicines under the program.

Participation in the program is rather a social burden for business. The first reason is the low level of mark-ups for medicines, which has not been revised since the start of the program.

And the costs of organizing the process of dispensing drugs under the program are quite high; various software systems to ensure the registration of patient prescriptions, the rent of which is paid by the network on a monthly basis, as well as the time resource - the cost of registering a prescription from freelance specialists is higher than for dispensing drugs, due to poor quality Internet services, and the issue of lack of patients of the resource to receive SMS with a prescription number in view of the fact that the main contingent of users of the preferential program have outdated telephones, and their memory is filled with service SMS from the telecom operator, which does not allow receiving SMS with a prescription number. In such cases, pharmacists have to prove to patients that there is no SMS with a prescription number and contact the patient's attending physician or family doctor to clarify the data and subsequently help the patient in obtaining the necessary drugs, and this is another factor in the excessive costs of ensuring the implementation of the program.

Especially often this problem occurs in district pharmacies, pharmacies in rural areas.

Despite the timeliness of reimbursement of dispensed drugs by pharmacies, to ensure the defect-free availability of drugs participating in the program, additional investments in product balances are required.

Additional costs for the implementation of the program were associated with its implementation: rental and integration into the software packages of pharmacies of software for registering sales of the program's drugs and reporting confirming the fact of dispensing drugs, training specialists in a personal computer and attending special seminars on dispensing and pricing. Only pharmacy chains could afford this investment. Most individual pharmacies often do not have the opportunity to rent and, moreover, purchase a personal computer to organize employee training and form the necessary range of drugs entered in the state register and allowed to be dispensed under the program. That is why only 30% of Ukrainian pharmacies are still participants in the reimbursement program.

Another problem is interruptions in the operation of the prescription registration program itself. There are also problems with the prescription program on the side of health care facilities. At the beginning, the doctors also added difficulties, without delving into the subtleties with the dosage and the number of tablets in the package. As a result, already in the pharmacy, patients found out that they would be able to receive only part of the necessary drugs or not for the full course of treatment. For an additional prescription, it is necessary to visit the doctor again, which negatively affects the condition of patients, since one prescription is only one drug.

It would seem that the flaws are insignificant, but they affected the profitability of the business. Servicing one patient under the "Affordable Medicines" program entails additional expenses for the pharmacist's time, and the rest of the visitors are not ready to stand in queues to purchase the necessary goods at the pharmacy at full cost, which causes dissatisfaction with the work of pharmacy specialists and refusal of subsequent visits. It is not difficult to calculate what losses in monetary terms the business ultimately incurs, but the pharmacy has no choice, social responsibility does not allow neglecting one's duty. There is no budget for expanding the staff of the pharmacy and it is impossible due to the low profitability of the business.

At the beginning of 2021, 1,204 agreements were concluded with pharmacies, more than 22 million electronic prescriptions were issued, and more than 85% of electronic prescriptions were dispensed with

subsequent reimbursement of funds to pharmacies. This became possible thanks to the implementation of the program according to new principles:

- unified transparent rules for concluding contracts - all pharmacies that meet the minimum set of requirements have the opportunity to conclude a reimbursement agreement with the National Health Service of Ukraine;

- use of electronic tools - all processes related to the conclusion of an agreement for reimbursement and dispensing of medicines under electronic prescriptions take place in the electronic health care system;

- an electronic prescription ensures the mobility of patients, eliminates geographical restrictions, since you can get medicines under the program at any pharmacy or pharmacy point that participates in the Program, regardless of the patient's place of residence or where the prescription was issued.

Specialists of the National Health Service of Ukraine provide full support for starting work on the Program and provide advisory services for further cooperation and ensuring the effective implementation of the Program.

Unfortunately, some pharmacy organizations do not take into account the importance of providing the population with a sufficiently wide range in the category of vital and essential drugs, although within the framework of one international non-proprietary name a fairly large number of trade names in various price ranges can be represented.

The formation of the optimal assortment (a set of goods and services) is one of the main tasks facing both the pharmacy chain and the individual pharmacy [1]. Each pharmacy institution, developing an activity strategy, determines its boundaries. The strategy that is being developed should also provide for the economic significance of the Program, as well as the role of potential consumers, potential competitors, necessary costs and opportunities. Therefore, the main principle of the formation of the assortment of a pharmacy is to take into account consumer demand, the degree of satisfaction of consumer enterprises, which also affects the quality of service. Here, the other side of the issue should be noted, since a well-formed assortment affects the rate of inventory turnover, and this has a significant impact on the efficiency of a pharmacy.

But not only the availability of the necessary drug determines the quality of drug care, the effectiveness of interaction with the population also depends on the professionalism of pharmacy workers, which should be defined as the degree of social usefulness of pharmacy institutions [2]. At the same time, utility is understood as the satisfaction received by a person from the consumption of a good, and the social orientation characteristic of pharmacy activities is aimed at providing a benefit - drug assistance in society [3].

In this regard, the study and analysis of the social usefulness of pharmacies as an indicator of the quality of drug care provided to the population is of particular relevance, which was the purpose of our study [4].

Currently, consumers have the opportunity to choose the pharmacy that best suits their needs. A significant part of the population chooses medicines based on personal experience, advertising, and advice from friends, so the study of visitors is an important aspect of the activities of pharmacies [5].

We conducted our research according to the data of one of the leading pharmaceutical companies in the city of Odessa - this is the network of social pharmacies "AKS" based on materials for 2019-2020.

We organized a survey among visitors to the pharmacies of the company "AKS".

The questionnaire included information containing data on the gender, age of pharmacy visitors, their consumer preferences (location of the pharmacy, opening hours, assortment of medicines, prices for goods and services).

The main visitors to pharmacies are women, whose share is 68% of the total number of respondents. The proportion of male visitors is 32%. The age range of visitors is quite wide. The main share of visitors



belongs to the age category of 40-50 years old, the average age of visitors is about 43 years old. The general distribution of pharmacy customers by age groups is shown in Figure 7.

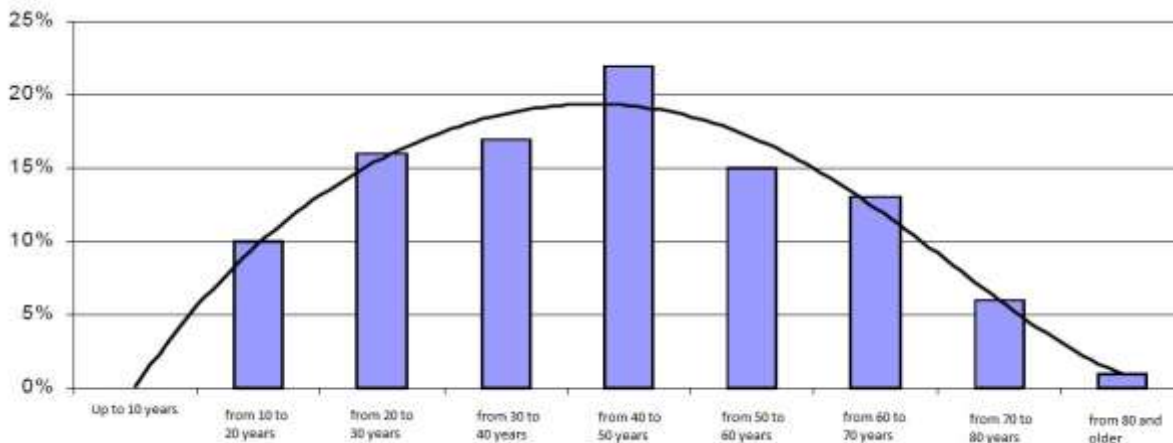


Fig. 7. Age distribution of pharmacy visitors.

The trend line clearly shows that in the period up to 50 years, each subsequent age group visits pharmacies more often than the previous one; the peak is in the age group of 40-50 years. Most of the respondents in this group are the main visitors to pharmacies. At the age of 50 there is a gradual decline, that is, the older the person, the less frequent visits to the pharmacy.

The marital status of pharmacy visitors is a dominant factor. Most pharmacy visitors are family people, their share is 68% of the total number of respondents. The dependence of visits to pharmacies on marital status is shown in Figure 8.

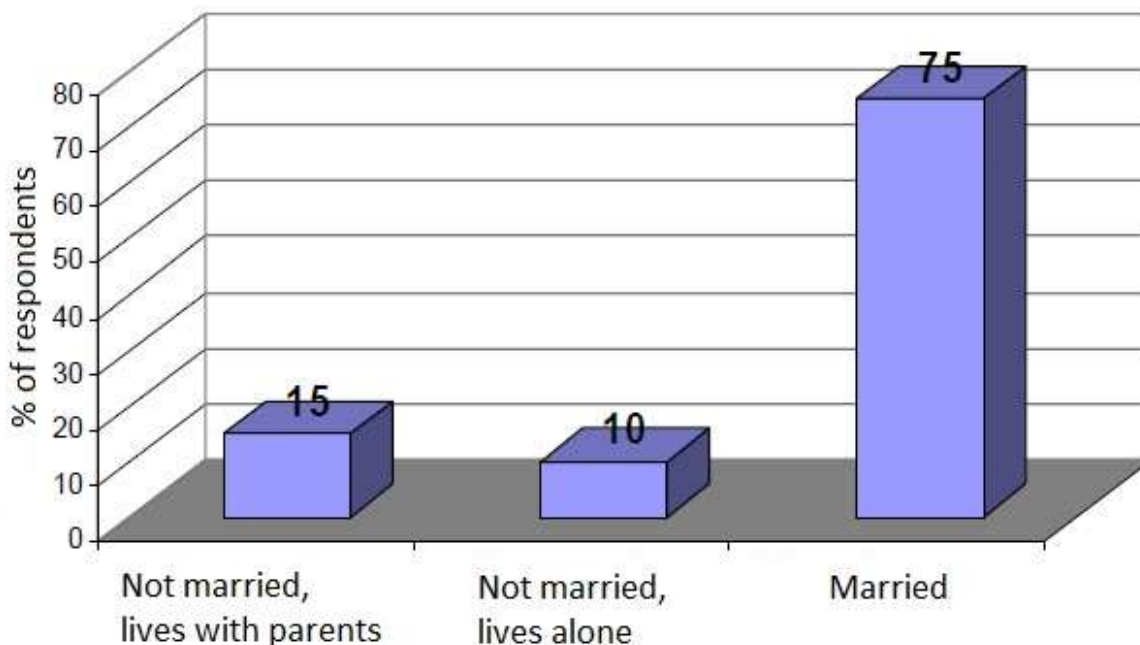


Fig. 8. Marital status of pharmacy visitors.

The number of family members also influences pharmacy visits. The predominant indicator of the size of the family is 3-4 people. It should be noted that with an increase in the number of family members of more than 4 people, the share of visitors drops sharply.

The analysis of the respondents showed that more than half of the visitors have higher education. Most of the visitors, almost 90%, have a higher or specialized secondary education. The share of visitors with secondary education is 12%. It should be noted that the share of visitors with secondary education does not

indicate a low level of education of the respondents, since this group includes visitors under the age of 20 - schoolchildren.

The analysis shows that every second respondent visits pharmacies at least once a week. A high frequency of visits is typical for customers who, in addition to medicines, buy personal hygiene products and cosmetics at the pharmacy. 25% of respondents visit pharmacies several times a month. The proportion of rare visitors who use the services of a pharmacy no more than once a month and only in case of urgent need is also 25%.

Leaving the doctor with a list of necessary drugs, the patient goes to the pharmacy, where he is faced with a dilemma: what to buy? What you need or what you can afford?

Will the patient buy everything that the doctor prescribed, for the reason that “health is more expensive” or maybe he will buy selectively or refuse to buy?

The survey results are shown in Figure 9.

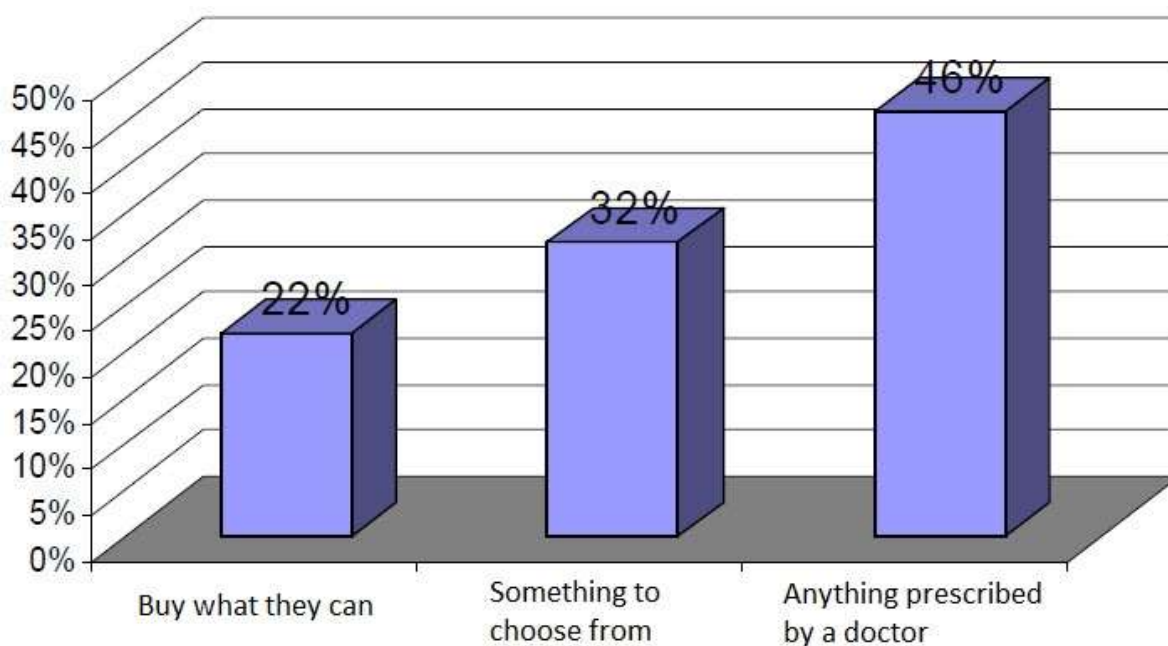


Fig. 9. Decision to buy prescribed drugs.

As we can see, most of the respondents - 46% will buy everything that the doctor has prescribed, a third of the respondents will choose the drugs at their discretion, and 22% of the respondents will buy what they can afford. What do visitors do if the price of necessary medicines is too high. The opinion is divided, almost half of the respondents 46% still buy the necessary drug, 50% are looking for a cheaper analogue, and 4% prefer not to buy at all.

The study made it possible to determine the main parameters of consumer behavior of pharmacy visitors, which determine the desire of the client to make purchases and loyalty to the pharmaceutical institution. In general, for pharmacy visitors, regardless of gender and age, the main elements are: the level of prices for goods and services, the range of medicines and parapharmaceuticals, the polite attitude of staff towards customers, and location.

The most significant factors influencing the choice of a pharmacy are affordable prices and a wide range of products. The second most important factors are qualified service and convenient location. Other factors have a much lesser influence on the choice of a pharmacy.

In the system of market relations, the sustainable functioning of pharmacies, the possibility of fulfilling their social mission primarily depends on the pharmacy assortment offered for sale to the population, which should be a key factor in its competitiveness. The economic processes taking place in the country necessitate

the improvement of methodological approaches to assessing the results of assortment management based on marketing research.

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