Independent pharmacies getting hard to find

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dently owned neighborhood drugstores. And all are now closed.

The announcement that the Walgreens and CVS drugstore chains are each planning to open new stores in Waltham underscores a national trend of recent years that has seen the pharmacy business consolidated into fewer and fewer hands. While some see this as the inevitable result of competition, others mourn the passing of the era of "mom and pop" drugstores, saying customers are the true victims.

"It used to be you knew your community pharmacist," said Fred Savage, a druggist at the independently owned Johnson Drugs at 633 Main St. "People are going to have to get used to not having as much individual service."

The 1997 Waltham city directory lists 23 retail drugstores plying their trade in the Watch City, all independently owned. By 1977, that number dropped to 19, all but three of which had local ownership. Today, a total of nine pharmacies remain in Waltham, and of those only three are independently owned: Johnson Drugs, Rogers Pharmacy at 923 Main St., and Red Cross Pharmacy at 737 Moody St.

The dropoff that has occurred in the number of Waltham pharmacies is mirrored in statewide figures. From 1980 to 1995, the number of pharmacies in Massachusetts decreased from 1,374 to 1,011, a cut of 25.4 percent, according to a study released last week by Alan Sager and Deborah Socolar of the Boston University School of Public Health.

"The problem is that no one knows what's happening in this industry is good for people in terms of service, safety and savings," Sager said.

He added that more studies are needed to determine what public health impact, if any, is brought on by the consolidation of drugstores.

According to local pharmacists who do not work for the chains, giant retailers like CVS, Osco and Walgreens cannot possibly provide the personalized attention that has been the hallmark of the corner druggist.

Michael Polzin, a spokesman for Walgreens, however, disputed that the chains are incapable of supplying the level of customer service taken for granted at smaller pharmacies.

According to Polzin, Walgreens' size permits it to invest in computer systems, not affordable to smaller businesses, that do such things as automatically reorder drugs from suppliers and take inventory. By no longer being responsible for these tasks, he said, pharmacists have more time to attend to customers.

While disagreeing on the benefits and drawbacks of the superstore, representatives of both independent pharmacies and the chains agree on the driving force behind the consolidation of the pharmacy industry: managed care organizations.

"The decline (in independents) has been caused by managed care, and managed care puts little or no priority on the health care aspects of prescription drugs," said Steve Grossman, owner of J.E. Pierce Apothecary in Brookline and the legislative director for the Massachusetts Pharmacists Association, a professional group for the state's more than 4,000 druggists.

According to Grossman, the long-held practice of managed care companies to negotiate exclusive contracts with drugstore chains did more than perhaps anything else in wiping out independents. Independents were unable to service customers even if they matched or bettered the prices of the chains.

Such agreements led to the promotion across the country of "freedom of choice" bills, which require insurers that offer drug benefits to allow any supplier to participate. Such legislation has been in effect in the Bay State since 1996.

Polzin, the Walgreens spokesman, said that that HMOs were largely responsible for winnowing the number of pharmacies. But he attributed the HMOs' influence more to their ability to drive down prices, creating ever thinner profit margins for pharmacies.

"The profit margins have been driven down so much that it's very difficult for independent pharmacies to make any money filling those prescriptions (from the HMOs)," he said. "Chains are facing the same pressure, but because of size and equipment, we are able to deal with it more effectively."

Local independent pharmacists disagreed with that analysis. They said they are able to go head-to-head with the chains in terms of prices. In fact, they said, they often sell prescription drugs for less than the chains, but are blocked from reaching customers by such deals as exist between Harvard and CVS.

"We want a level playing field," said Richard Dilbarian, who has owned Rogers Pharmacy since 1961. "If we had a level playing field we'd have no problems."

With the cards stacked so heavily against the independents, how do the few that do remain manage to stay in business?

Stephen Bernardi, who has owned Johnson Drugs with his wife Diane for 10 years, said they have survived by creating a niche market. For example, he said, the store sells a large amount of injectable fertility drugs not regularly stocked by chains. The store also supplies certain made-to-order pain medications. Recently, he said, he and his wife have increased their stock of herbs and homeopathic medicines.

"I think there'll be a few strong stores in each town," said Bernardi, predicting the future for independent druggists. "I've been here 10 years and it's continually busier than it used to be."