Medication Adherence Forecasting

Your Business Problem

Improving the Accuracy of Demand Forecasting to Optimize Patient Care and Increase Sales

Medical industry experts report that from one-third to one-half of all patients fail to properly take their prescribed medications. Whether they never fill the prescription, take their medicine incorrectly, or stop taking it prematurely, patients often become sicker and find themselves admitted to the hospital for more intensive, expensive care. As a result, poor medication adherence creates an additional $100 to $300 billion in healthcare costs annually.

Helping patients adhere to their medication regimen is a clear way to improve wellness, reduce the cost of healthcare to society at large, and increase the sales of retail pharmacy companies. Yet in order to maximize medication adherence, pharmacies must have the right products available in stock. This can be difficult when there are 50,000 products on the market, and most pharmacies keep only 1,500 to 2,000 SKUs in inventory. Stocking too many high-priced products drives up inventory carrying costs. Keeping too much of a product with limited shelf-life on hand can create waste. Lumpy customer demand for prescriptions can wipe out a pharmacist's supply in one 90-day product fill.

Retail pharmacy companies need to improve the accuracy of demand forecasts so they can fill patient prescriptions and enhance patient medication adherence. By helping patients comply with their medication plans, pharmacy companies can increase revenues through additional sales, boost profitability, demonstrate greater value to payers, and enhance customer loyalty and satisfaction.

A New Approach

Building Forecasting Insight on Data and Analytics

Retail pharmacy companies can effectively realize these benefits by collecting and analyzing data that delivers new insights into demand forecasting. With the right

What is the Teradata Difference?

Accurate Forecasts, **Quick Return**. Frankly speaking, the most accurate and scalable demand forecasting and replenishment solution on the market. **Teradata® Demand Chain Management** solution has helped retailers see the following benefits:

- Increased customer satisfaction and retention
- Sales increases of 1 to 8 percent
- Increased margins 0.5 to 1.5 percent
- Inventory-turn increases from 10 to 40 percent
- Multi-million dollar returns and 3 to 12 month payback
- Improved labor productivity and execution

data and sophisticated business intelligence and analytics tools, companies can predict inventory requirements at a more granular level. This insight can help companies anticipate when a patient is likely to come in for a refill, understand prescription fill patterns among patients, factor in local demand, and predict seasonal variations such as those during allergy or flu seasons.

After identifying demand patterns, pharmacy companies can order inventory so that the right products are available at the right time. With the necessary products in stock, companies can take steps to encourage patient adherence. For example, a pharmacist alerted to a potential non-adherence case might consult directly with the patient to discuss why staying on the medication is essential to ongoing health or recovery. The pharmacy company could contact patients with information about known side effects or interactions of the prescribed therapy, along with suggestions for over-the-counter treatments, nutrition, or other therapies that can help alleviate symptoms. A pharmacist could also coordinate

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multiple prescription refills into a single pickup for the customer, simplifying patient effort and streamlining inventory management.

By being able to reliably fill each prescription and communicate proactively with customers, pharmacists can often help patients get back on track with their medical therapies. Perhaps as important, this communication fosters patient trust that the pharmacist is looking out for patients' best interests, which can increase customer loyalty.

Teradata Solution

Accurate Forecasts, Quick Return

To help retail pharmacy organizations create accurate forecasts that can improve patient medication adherence, Teradata offers Teradata Demand Chain Management. Designed specifically to address the intricacies of retail pharmacy operations, the solution offers an intuitive user interface, highly accurate regular and promotional forecasts, and an integrated auto-replenishment tool. Teradata Demand Chain Management can help retail pharmacy companies realize significant business benefits, including:

- Highly accurate medication adherence forecasting results
- Improved patient care, prescriber coordination, and payer satisfaction
- Effective medication adherence promotion management
- Synchronized store/warehouse demand and patient outreach campaigns
- Enhanced order forecast optimization and collaboration
- Reduced drug product inventory returns and waste

Using Technology to Increase Forecasting Accuracy

To convert data-driven insight into an efficient operational practice, pharmacy companies need effective demand chain management solutions. These offerings must help retail pharmacies meet customer expectations with a single, accurate picture of medication adherence patterns. With this knowledge, pharmacies can improve insight into demand—detailed by SKU, channel, store, and day—and anticipate patterns with targeted patient outreach initiatives. It can also help retail pharmacies reduce overstocked or unproductive inventory and increase the availability of the products that patients need.

Even small improvements in forecast accuracy for medication adherence can result in multi-million dollar returns on investment. For example, a well-known retail pharmacy company increased adherence rates over 50 percent for one disease state while demonstrating $3.8 million dollars in annual savings to a payer.

Need More Help?

Teradata has retail pharma experts with broad healthcare and analytic experience that can help you build a strategic roadmap and identify the potential return on investment for implementing solutions that help drive accurate forecasting.

Learn more about our Teradata Demand Chain Management solution at **Teradata.com/demand-chain**. To talk to a Teradata representative, contact us at **Teradata.com/contact-us**.