

## A Cure for What Ails Rural America?

A 29-year-old with a software background created a business model to bring pharmacies back to small communities.

BY CLAIRE VATH | PHOTOS BY MARK TADE

Drive down any small-town Main Street, and it's a pretty safe bet you'll see at least one shuttered brick-and-mortar store. Maybe it was the store where, as a kid, you got fitted for new school shoes. Perhaps it was the hardware store your father frequented. Or maybe it was the local pharmacy.

Kalona, Iowa, located 20 miles south of Iowa City, is one of those small towns. There, Roby Miller watched his own pharmacist father prepare to shut down several of the family's independent pharmacies.

**INDUSTRY CHANGES.** At the time, 2008, the pharmacy industry was undergoing changes because of lower Medicare reimbursements. Many small operations just couldn't sustain the financial blow.

"Small mom-and-pop shops, which are usually independently owned and therefore have less buying power, needed a certain amount of

volume to stay in business," Miller says. "So we were trying to figure out a way to keep our pharmacies open."

Miller, who graduated from The University of Iowa in 2009, heard about a program in North Dakota that was financing grants for telepharmacies, a business model that blends traditional pharmacy services with telemedicine technology. Miller was inspired and intrigued by the program. "I began building a similar platform for my family's business," he says.

Even so, the family was forced to close one of its pharmacies and sell another. The remaining four the

A "customer" in the Victor, Iowa, pharmacy, Alex Dye, consults with TelePharm pharmacist Derek Yoder (on-screen), who is in Washington, Iowa.



family owned were at risk, and Miller knew he needed a solution to save them. So he did, with something he called TelePharm Technologies.

The U.S. Bureau of Labor Statistics Occupational Outlook Handbook found in a 2012 study that the median salary for pharmacists was \$116,670 per year. That figure makes the pharmacist's job easily the most expensive component of a drug store or pharmacy. Miller says rural communities just don't have the economics to sustain a business when paying out that kind of salary allowance.

**HUMBLE BEGINNINGS.** As a result, Miller's initial goal was to set up a software solution that allowed several pharmacies to share in the cost of a pharmacist.

Utilizing Miller's software platform, one pharmacist is available to both fill and approve prescriptions remotely. In addition, the pharmacist can consult with patients via a videoconferencing feature on the software.

"It allows the pharmacist to work in a traditional town and also be in the small town with certified technicians working in the store," Miller explains.

Once they got the TelePharm software platform down pat, Miller and the team he enlisted to help support the pharmacies expanded their business model. "We either help a current pharmacist keep a store open, or we go into a community and work with them to put in our own pharmacy," Miller says of his "any pharmacist, any pharmacy" approach.

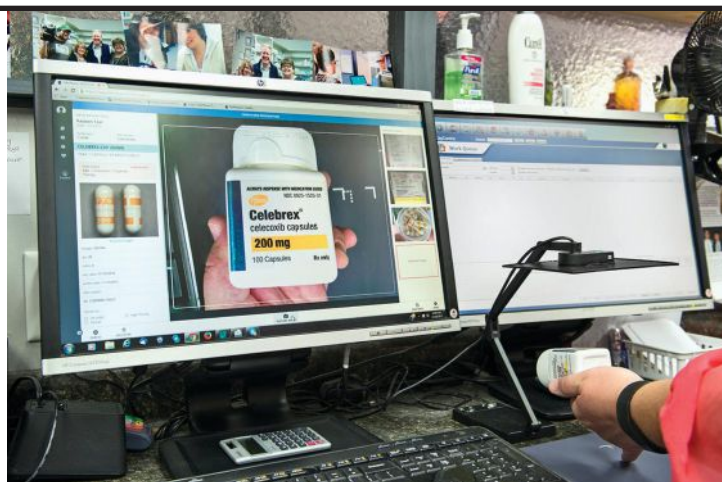
With this model, Miller is seeing a sort of anecdotal ripple effect in small, rural communities. "A pharmacy or drugstore creates a storefront back on their main street, which adds more foot traffic," he explains. "There are few certified pharmacy techs [in rural America], so adding one to a pharmacy creates educated jobs for the community."

He continues that "since the pharmacy often is close to a health clinic, patients are more apt to go to the health clinic in town, allowing some of those communities to hire additional nurse practitioners or physicians."

The pharmacy in Barry, Illinois, closed more than 20 years ago. The town's residents had to drive some 15 to 20 minutes to get prescriptions filled. But earlier this year, Byron Berry worked with the town and TelePharm to establish a brick-and-mortar store.

"When I saw an opportunity to bring service back to the area, I thought this would be a good thing to try," says Berry, owner of Pharmacy Plus Inc., a central-Illinois pharmacy supplier. "I've been pleased with the pharmacy. We're providing a service that wasn't there before."

**INVESTING IN A RURAL FUTURE.** Miller's innovative model has caught the eye of some big backers—and \$2.5 million in company investments. One of those supporters is Bruce Rastetter, Iowa Board of Regents president and CEO/



owner of the Summit Agricultural Group, a multinational agriculture, investment and energy corporation.

As an agribusiness entrepreneur, Rastetter formed Heartland Pork Enterprises in 1994, one of the largest pork producers in the U.S. In Miller, he saw a little something of himself—a person who wants to solve problems in rural America.

**TECH HELP.** "TelePharm is an exciting opportunity that fits what's happening in rural Iowa, that continues to provide the same services that are in urban areas," Rastetter says. "TelePharm connects them with high-quality health-care experts that might not otherwise be in their local community. It's really using technology to decrease health-care costs and increase accessibility to health care that's at the forefront of the business."

"Farmers are able to produce more on fewer acres and do it more efficiently," Rastetter notes. "The same thing is true with TelePharm from the standpoint that it allows technology to provide health-care services in small rural communities that economically may not have worked without that technology to improve the quality of life."

This year, Miller reports TelePharm has either opened or helped keep open 101 rural pharmacies around the Midwest and in Texas. His staff of 17, headquartered in Iowa City, provides around-the-clock support to those businesses. "We're still working to expand by facilitating conversations with more state organizations and rural economic development associations," Miller says. "And the void we're filling is the infrastructure of quality of life for a community."

TelePharm costs a monthly software/service fee of \$849 (and there's no pharmacist's salary being paid out of that location).

To learn more about TelePharm and Miller, visit [www.telepharm.com](http://www.telepharm.com). ●

**TelePharm software allows remote filling and approval of prescriptions.**