
BUSINESS

Closures, cut hours and now walkouts: Here's why it's getting harder to go to the pharmacy

Updated: Nov. 03, 2023, 3:41 p.m. | Published: Nov. 01, 2023, 7:00 a.m.



The Walgreens store at 3 N.E. 82nd Ave. in Portland, Oregon on Oct. 9, 2023. Kristine de Leon/The Oregonian



By [Kristine de Leon](#) | [The Oregonian/OregonLive](#)

Finding a neighborhood pharmacy is becoming harder for many Oregonians.

Drugstore chains spent the last several decades in expansion mode, opening new locations and acquiring smaller local operations. In cities, suburbs and small towns across the country, they provided frontline health care access with a range of services beyond dispensing medications, including immunizations and general medical advice.

Advertisement

Suddenly, they're starting to disappear.

Rite Aid, the third largest standalone pharmacy chain, filed for bankruptcy last month and will reportedly close more than 150 stores, including a location in Northeast Portland and one in Medford, of its approximately 2,200 locations as part of its restructuring efforts. Another Southeast Portland store closed in September.

Meanwhile, CVS announced plans in late 2021 to shutter 900 stores between 2022 and 2024. It's already pulled the plug on 300 of them. Walgreens also said during its earnings call in June that it planned to close 150 stores in the U.S.

Some of the drugstores that remain have erratic hours, frustrating customers and making it harder for them to access their medications.

Retail analysts say a combination of factors are contributing to the pharmacy closures, including increased online competition, higher costs and changes to health care plans that have narrowed profit margins.

Pharmacy workers – some of whom began walkouts at CVS and Walgreens locations across the country this week – say chains have slashed staffing levels while giving their pharmacy workers a growing list of duties.

MORE BUSINESS

**Business recruitment agency seeks \$5 million from state to market
Portland area**

**Oregon Legislature opens with laser focus on housing, behavioral
health**

Tech industry has cut 32,000 jobs so far this year

That's contributed to unexpected pharmacy closures and delays filling prescriptions, they say.

Pharmacy workers at the Walgreens at 6116 N.E. Martin Luther King Blvd. in Portland recently notified managers of their intent to unionize under the banner "Pharmacy Workers United," which was started by Walgreens workers in Cleveland, Ohio. They say the lack of resources and staff at their store have made it more difficult to do their jobs safely.

"Retail pharmacies are some of the most demanding and stressful workplaces in healthcare," the workers said in a letter to store managers that was shared with The Oregonian/Oregonlive. "Pharmacy workers fill hundreds and hundreds of prescriptions every day with often bare-bones staffing."

In a statement, Walgreens officials said “leaders are in our pharmacies regularly, listening to concerns and frustrations and responding to feedback.” The company said that it has “taken steps over the last two years to improve pharmacists’ experience.”

Advertisement

Walgreens added that its pharmacies in Portland are experiencing no disruptions this week as a result of the nationwide walkouts.

For years, independently owned stores dominated the list of pharmacy closures.

A [University of Illinois at Chicago study](#) found nearly 10,000 pharmacies across the U.S. closed between 2009 and 2015, including one in four pharmacies in low-income areas.

Most of these closures were independently owned stores in urban or rural areas. In cities especially, the researchers said, pharmacies that serve more residents insured through Medicare or Medicaid couldn’t compete with major chains or struggled to keep up with rising operating costs.

Now the large chains are receding.

David Silverman, a senior director at credit rating firm Fitch Ratings, said that most of the recent closures are focused in urban markets, particularly areas that have seen population decline and loss of commercial foot traffic in retail during the pandemic.

“There was a time when drug stores were in almost every corner,” Silverman said, adding that the store closures are happening across the retail industry. “We probably had too many drug stores in certain markets.”

While drugstores benefited during the pandemic as people sought COVID-19 tests and vaccines, fewer consumers visited stores to shop for the more profitable items in the front of the store, like snacks and cosmetics. Prescription volumes also fell, Silverman said, as people postponed elective medical procedures.

Retail theft has also become a growing problem for drugstores in some areas, prompting stores to ramp up security and lock up products. Such solutions for combating theft are expensive and can create inconveniences for consumers, Silverman said, thus pushing away potential shoppers at the store.

Pharmacists and retail analysts say that drugstores, both chain and independent, have been struggling to keep up staffing levels due to lower gross profit margins, largely the result of low reimbursement rates for prescriptions by insurers.



A sign posted on Walgreens at N.E. 122nd Ave. and N.E. Glisan St. on Monday, Oct. 9, 2023, directs patients to a Walgreens pharmacy on N.E. 82nd Ave. or a 24-hour location in Beaverton.

Advertisement

“The chain pharmacies are negotiating what may be lower margin deals for themselves in order to be included in pharmaceutical networks, or to be considered a preferred partner in those networks,” Silverman said. “So they are willing to potentially give up more margin so that they can help keep their market share.”

Pharmacists and pharmacy associations, however, blame the practices of pharmacy benefit managers — the little-known middlemen in the supply chain that gets prescription drugs from manufacturers to consumers. They negotiate drug prices with manufacturers, determine which drugs will be covered by insurance plans and set reimbursement rates for pharmacies that buy and sell the drugs.

Kevin Russell, a pharmacist based in Redmond and board member of the Oregon State Pharmacy Association, said that pharmacies are no longer being paid enough by pharmacy benefit managers to stay profitable. Unlike today, independent and chain pharmacies a decade ago were earning enough profits from drug sales to hire enough pharmacists and technicians, he said.

The short staffing is having an impact on consumers.

“The backlog, long wait times, and long lines are a result of consolidation in the pharmacy market and stores being understaffed for the workload,” Russell said. “Chain pharmacies have been buying up competitors over the years ... resulting in higher volumes.”

Advertisement

Jill Christiansen, an 83-year-old Portland resident, said she’s encountered long wait times at her local Walgreens multiple times to the point that she recently switched pharmacies to Costco out of frustration.

“It’s happened three times now, where they said they’re processing my prescription and I’m having to wait a long time,” she said. “I have a serious back and foot injury and I needed medication for the pain.”

Christiansen said she worries about other older adults like herself who don’t drive and have to take an Uber to pick up medications at a pharmacy only to find out it’s not ready for pick up.

A [study released in July by researchers at the University of Houston](#) found that pharmacy closures disproportionately affect already underserved areas, exacerbating existing health disparities. The researchers note that “pharmacy deserts,” or areas with no or only a few pharmacies, “occur most often in primarily Black and Hispanic communities” and low-income areas.

--Kristine de Leon, kdeleon@oregonian.com

If you purchase a product or register for an account through a link on our site, we may receive compensation. By using this site, you consent to our [User Agreement](#) and agree that your clicks, interactions, and personal information may be collected, recorded, and/or stored by us and social media and other third-party partners in accordance with our [Privacy Policy](#).

Around the Web

Oregon: Say Bye To Your Prime Membership If You Live In These Zips

Online Shopping Tools | Sponsored