Journal of Advanced Research Engineering and Technology (JARET)
Volume 1, Issue 2, January-December 2022, pp. 61-72, Article ID: JARET_01_02_006
Available online at https://iaeme.com/Home/issue/JARET?Volume=1&Issue=2
ISSN Online: 2295-5152; Journal ID: 2120-0202
Impact Factor (2022): 14.99 (Based on Google Scholar Citation)
DOI: https://doi.org/10.34218/JARET_01_02_006

ENHANCING PHARMACY OPERATIONS THRU PREDICTIVE ANALYTICS AND MACHINE LEARNING

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ABSTRACT

The traditional pharmacy operations are inefficient, laborious, and subject to human error. Drug dispensing errors, order filling delays, inaccurate stock management, data, unauthorized entry, and pharmacist workloads are all results of the issues. Most of these issues have been lessened by pharmacy automation technologies, such as automated dispensing robots and micro-fulfillment centers, which lower medication errors. Real-time stock management systems maximize stock levels while minimizing waste and out-of-stock scenarios. Accurate documentation and patient confidentiality are improved by computerized data collection and interface with electronic health records. Pharmacists can offer more clinical and patient-centered services, increasing patient satisfaction and results, by being freed from repetitive manual labor. Because of the increased operational effectiveness, cost savings, and regulatory compliance, pharmacies are now better equipped to grow their services in a safe and sustainable manner.

Keywords: Human Error-Prone, Inventory Management, Privacy Violations, Overburdened Pharmacists, Patient-Centered Services.

Cite this Article: Rajesh Karvannan. (2022). Enhancing pharmacy operations thru predictive analytics and machine learning. *Journal of Advanced Research Engineering and Technology (JARET)*, 1(2), 61-72.
DOI: https://doi.org/10.34218/JARET_01_02_006

1. Introduction

The RxI Platform integrates live inventory monitoring and automatic replenishment into routine work procedures at every pharmacy, automating and streamlining operational operations for pharmacists and pharmacy employees. RxI reduces manual labor and allows pharmacists to spend more time providing patient care by automatically maintaining stock levels and prescribing orders. To enable real-time inventory data synchronization between central supply chains and in-store platforms, the platform makes use of cloud-native microservices and high-volume REST APIs. In order to facilitate regulatory compliance procedures, RxI also makes it possible for improved reporting and monitoring for controlled substances. By using machine learning-driven data pipelines and forecasts to reduce stockouts and excess inventory, it improves pharmacy fill rates and patient satisfaction. Predictive analytics, real-time data, and automation combine to create more effective pharmacy workflows with fewer errors, and a focus on patient-centric work [1].

Pharmacy Inventory Intelligence (RxI) Platform harmonizes pharmacy processes using streams of data in agreed-upon formats. Change Data Capture (CDC) feeds are received from source transactional systems, including prescription orders, inventory transactions, and stock movements. The data is serialized in Avro format to handle schema evolution and ensure data integrity between multiple systems. Kafka Event Streams offer real-time streaming and micro-batching of events, combining related tables into one "hybrid" stream. Apache Spark Micro-batch Processing alleviates write stress by unifying multiple CDC operations for the same key such that a current and compact end data state is guaranteed. The target database is Cosmos DB, which holds processed data for rapid update cycles and real-time queries. Each document is a full history for a prescription or inventory item, encompassing all transactions and exceptions. High-volume REST APIs support pharmacy apps, offering access to processed, consolidated data, automated replenishment workflows, real-time visibility into the inventory, and reporting compliance [2].

Pharmacy Inventory Intelligence (RxI) Platform is software that improves patient care and pharmacy processes by interfacing with dispensing systems and Electronic Health Records

(EHR). The platform connects with EHR systems, including Greenway Health's WellHealth EHR and EpicCare, to assist pharmacists in receiving real-time patient prescription and health information. This aids pharmacists in making well-informed choices about vaccinations, medication dispensing, and personalized patient recommendations. Data interoperability, continuity, and the reduction of care gaps are all made possible by the integration. In order to facilitate appropriate medication selection, labeling, and patient verification, RxI also interfaces with automated dispensing systems, such as robotic micro-fulfillment centers and Prescription Centers. By using audio-video communication to remotely authorize dispensing activities, remote dispensing installations give pharmacists control. In order to prevent errors, RxI also makes barcode scanning and verification procedures possible during dispensing.

For over 9,000 retail pharmacy locations, the Pharmacy Inventory Intelligence (RxI) Platform is a crucial tool for managing supply chain operations, tracking inventory, and completing orders. It introduces automation and more in-depth analytics to modernize inventory control. Based on historical data, prescription trends, and store-specific demand projections, the platform can predict inventory needs and automate reorder orders. By reducing stockouts and excess inventory, this forecasting method improves operational efficiency.

2. Related Work

Pharmacy inventory management, particularly in RxI modernization, is being done with AI and ML. Artificial intelligence (AI)-powered inventory solutions use past sales data, patient behavior, and seasonal factors to optimize stock and produce precise demand forecasts while reducing errors and manual intervention. By automating ordering, expiration tracking, and substitutions, these technologies streamline operations and cut waste in chains of pharmacies with multiple locations. Significant decreases in excess stock and stock outages have been observed with machine learning algorithms like time-series forecasting, regression, XGBoost, and deep learning models. Demand forecasting systems powered by artificial intelligence anticipate unexpected spikes in demand, enhancing pharmacy operations and averting stockouts [4]. Pharmacists can devote more time to patient care with ML-driven automated restocking systems, which also minimize human error. AI is capable of managing pharmaceutical supply chain inefficiencies, cutting waste, and optimizing order quantities while adhering to legal requirements. Scalable and economical pharmaceutical inventory management is achieved through real-time data integration, inventory turnover analytics, and machine learning-driven reorder point adjustments. Patient-centric patient care and operational decision support are two examples of how intelligent automation can improve pharmacy operations and healthcare outcomes [5].

Automation, optimization, and predictive analytics have advanced significantly, according to recent studies on the use of AI and ML in pharmacy inventory management. AI-based inventory systems accurately forecast drug demand, improving customer satisfaction and business efficiency by reducing overstocking and stockouts by up to 30%, according to research by S. S. Dhurwey et al. [6]. According to Sagar Vasantrao Joshi et al. [7], machine learning solutions in hospital pharmacies focus on forecasting drug shortages using models like Random Forest, Gradient Boosting Machines, and LSTM. These models maximize supply chain functions and ensure uninterrupted patient care by allowing real-time monitoring and alerts for low-stock situations. Sagar Vasantrao Joshi et al [8] mentions AI methods are employed to maximize pharma supply chains above demand forecasting, allowing real-time stock tracking and decision-making for inventory management.

Sri Harsha Chalasani et al reviews AI can transform pharmacy practice by enhancing personalized patient care, inventory management, and streamlining operations. Solutions involve robotic dispensing units with AI integration, which minimize dispensing mistakes and assist in regulatory compliance. Mohammad Javad Tavakoli et al [9] outlines emerging research is also targeting visual recognition technologies such as Faster R-CNN for precise pharmaceutical item identification and counting, further increasing warehousing and inventory management automation. Recent AI/ML research has demonstrated Random Forest and XGBoost to be the most accurate models for pharmacy demand and inventory forecasting.

Random Forest performs better than Logistic Regression and XGBoost based on accuracy and profit-oriented metrics and attains the highest accuracy for time-series forecasting. XGBoost is constantly ranked second below Random Forest based on accuracy and reliability for demand and cost forecasting. Temporal Convolutional Networks (TCN) performed well in sequence forecasting tasks, beating Long Short-Term Memory (LSTM) in single-step and multi-step predictions for time-series data. Prophet, Facebook's predictive model, worked best at detecting season-conscious and trend-conscious inventory demand patterns. Empirical evidence indicates applying deep learning sequence models such as TCN and LSTM alongside ensemble tree-based methods such as Random Forest and gradient boosting to achieve accurate and timely forecast of pharmacy inventory demand.

3. Methodology

The modernization was a multi-phase process that involved cloud modernization, team reorganization, and extensive automation in engineering domains. High performance, compliance, and operational efficiency were all maintained by this plan. The QA and performance engineering team was realigned strategically, relocating from 60 to 40 staff members between the US, Canada, and India. An outcome ownership culture was established, and new cross-functional roles were added for cloud QA, regulatory compliance engineering, and Big Data test automation. The team made use of Azure technology for data storage, batch/stream processing, and inventory management. Governance, diagnostics, and monitoring were carried out using Network Watcher, Application Insights, and Azure Monitor combined with Log Analytics. Azure Key Vault, Azure AD RBAC, and Azure Policy-driven guardrails were employed to ensure data protection and regulatory compliance.

Microservices and the API layer were built and tested with containerized microservices on Kubernetes for fault isolation, scalability, and rapid deployment for separate domains of pharmacy platforms. Policy-based access restrictions, enforced authentication/rate limiting, and Swagger/OpenAPI documentation were incorporated into Azure API Management (APIM). Azure Service Bus and Event Hubs allowed event-driven, decoupled processing workflows for operational communications and telemetry. Angular-based frontends optimized by RxJS, NgRx state management, and lazy-loading were applied to provide real-time inventory and regulatory workflow applications. Process transformations for CI/CD, Automation, QA, and Performance Engineering were made with blue-green, zero-downtime release cycles. System latency, throughput, error rates, and compliance metrics KPIs were established and tracked through a hybrid of Application Insights and Log Analytics telemetry.

The deployment of pharmacy automation systems, such as tracking mechanisms and centralized robotic prescription fill centers, to enhance patient care. These systems process between 40% of prescription volume, which equates to approximately 16 million prescriptions per month. This transformation makes time available to pharmacists for life-saving guidance and patient counseling. Automation has also enhanced service for emergency prescriptions, reduced prescription mistakes, and improved fulfillment accuracy, with timely delivery of the drugs. CentralFill systems divert maintenance prescriptions via automated facilities, minimizing treatment delays for chronic diseases such as diabetes or high blood pressure. The internal monitoring functions of the pharmancy allow pharmacy staff to give real-time prescription progress reports, which improve transparency, trust, and customer satisfaction. Automation has also facilitated pharmacy teams in prioritizing acute care, emphasizing preventative health practices, and engaging more effectively with patients, all for public benefit [10].

In embedding automated technologies across its pharmacy business, it is faced with several daunting challenges [11]:

1. **Complexity of Integration and Technical Issues:**
    - Disparate data flows and delays in prescription filling are the results of combining automation with traditional pharmaceutical systems.
    - Issues with micro-fulfillment centers or robotic systems can affect pharmacy productivity and patient satisfaction.
2. **Barriers to Regulation and Compliance:**
    - Cross-state and national operations make it more difficult to comply with changing healthcare standards.
    - Ensuring monitoring and pharmacist accountability for every prescription becomes increasingly operationally complex.
3. **Impact on the Workforce and Operational Transformation:**
    - Retraining, cultural change, and significant cultural shifts are required as pharmacy workers move from manual to clinical positions.
    - Workforce engagement and adjustment are compromised by stress and dissatisfaction among pharmacy staff during robot deployments.
4. **Ecosystem and Supply Chain Risk:**
    - Supply chain disruptions can jeopardize automation benefits by making inventory replenishment and order fulfillment challenging.
    - It needs to innovate and expand its automation to keep pace with retail and online pharmacy behemoths and to justify costs in the face of reduced profits and changing consumer demands.

The cloud-native, data-driven, microservices-based architecture links fulfillment automation, data analytics, and omnichannel engagement together, providing scalable and resilient pharmacy operations through a holistic approach and architectural components are depicted in below figure 1:

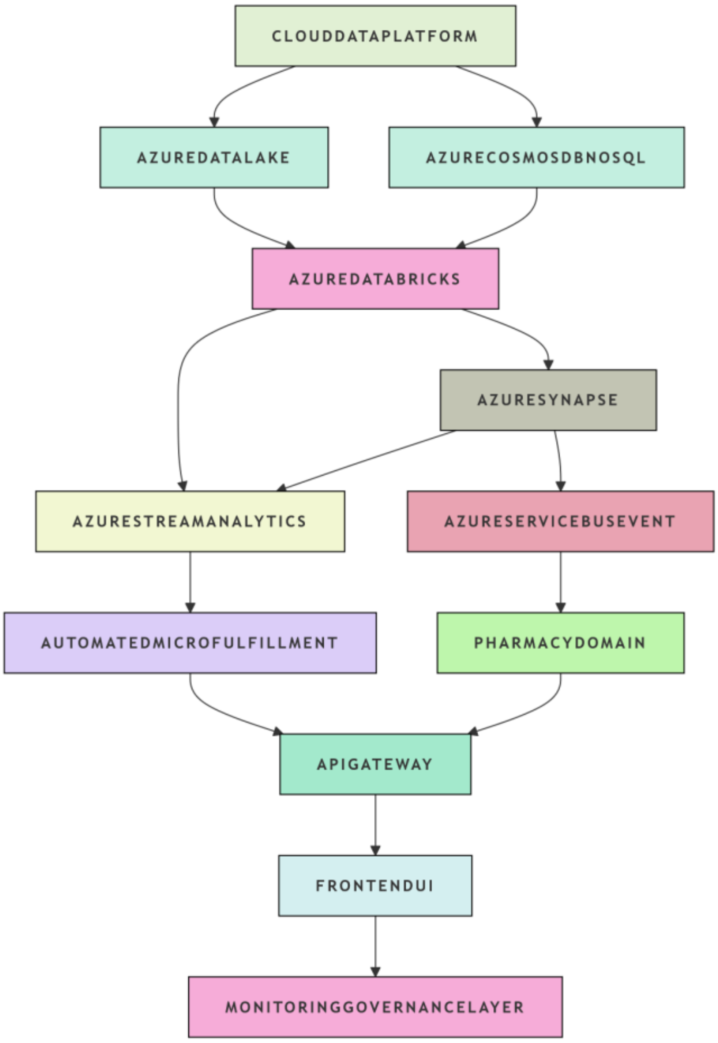

Figure 1: Pharmacy Automation Architecture Methodology

1. **Cloud-Native Data Platform and Pharmacy Services:**
   - Leverages platforms such as Azure and Databricks Lakehouse for real-time data aggregation, processing, and analytics.
   - Offers centralized forecasting and analytics through streaming inventory and transactional data from retail outlets.
   - Facilitates low-latency, high-throughput access for decision support, predictive analytics, and corporate reporting.
2. **API-Driven Integration and Microservices:**
   - Offers core pharmacy services as containerized microservices on orchestrators such as Kubernetes (AKS).
   - Centralized API management provides secure, versioned, and scalable access to back-end functionality and data.

- Message brokers and event streaming handle inter-service communication and telemetry.

3. **Central Fill Centers and Automated Fulfillment:**
   - Leverages robotics, barcode scanning, and workflow orchestration using AI to process and fill maintenance prescriptions at scale.
   - Releases staff time for clinical care and high-value interventions.
4. **Advanced Decision Support & Analytics:**
   - Applies predictive inventory models to forecast demand, optimize replenishment, and minimize stockouts.
   - Analytical models also offer supply chain optimization, operational improvement, and regulatory compliance trends.
5. **Front-end and Omnichannel Delivery:**
   - Offers real-time connectivity to inventory, order, and compliance workflows through dynamic front-end applications.
   - Includes order tracking, prescription reminders, and telehealth/chat capabilities.
6. **Monitoring, Security, and Compliance from Beginning to End:**
   - Supports network diagnostics, automated response to incidents, end-to-end observability, and everything-as-code.

Pharmacy automation methodology comprises combined hardware and software elements that improve patient care and pharmaceutical management. These include automated drug dispensing systems, improved inventory management, compounding, packaging, and labeling automation, centralized data management, reporting, and analytics, regulation and compliance automation, and telepharmacy and patient engagement tools. Automated dispensing cabinets and robotic dispensing robots minimize human mistakes and enhance prescription fill accuracy. Real-time inventory management software aids in lowering drug shortages and wastage by monitoring stock levels, expiration dates, and reordering automatically. Forecasting algorithms are integrated with POS and EHR systems to supply system-wide visibility and optimize inventories. Automated robotics assist in compounding sterile drugs and tailoring prescription dosages, while packaging and labeling systems provide tamper-evident packaging and patient-specific, compliant labeling. Centralized data management solutions safely manage patient, inventory, and prescription information, facilitating efficient clinical workflows and seamless data flow. AI and ML-powered analytics solutions offer dashboards for trend analysis, performance monitoring, compliance, and predictive capabilities. Compliance and regulation are automated to assure compliance with legal standards such as HIPAA and DSCSA.

Pharmacy automation has made a noteworthy contribution to patient care, cost savings, and operational efficiency. Self-fulfillment micro-centers process more than 40% of prescription volume, with projected plans to reach 180 million per year. Automation has prevented nearly $500 million in waste through reduced operation and enhanced inventory handling. Vaccine administration rates are up by 40%, reflecting increased healthcare service delivery. Robotic dispensing offers enhanced accuracy and speed in filling prescriptions, decreasing prescription errors. Internal tracking solutions offer real-time prescription status visibility, enhancing customer support responsiveness. Automated manual dispensing duties reduce pharmacist workload, allowing more time for clinical testing, patient counseling, and preventative care. Quality and compliance metrics are continuously monitored using Application Insights and Azure Monitor, promoting operational dependability and regulatory compliance. Patient satisfaction metrics include better real-time communication and shorter wait times, despite the lack of precise scores.

Pharmacies are transitioning away from task-based measures toward patient-focused initiatives, emphasizing clinical outcomes, workflow integration, and employee participation. This entails redesigning pharmacy interventions to fit unique layouts and workflows, staff training, and iterative pilot testing. Change management and staff participation are essential for effective changes, which establish a culture of receptiveness to change. Outcomes and patient care measurements are being evaluated through measures that influence patient care, including patient satisfaction, medication error decrease, and adherence levels. Analytics are being applied to detect care deficiencies, personalize patient outreach, and provide omnichannel engagement options. Competence-based performance is being utilized, with the emphasis being on clinical proficiency, interprofessional collaboration, communication, operational performance, competence models with peer review, and regular feedback loops. Leadership support, ongoing training, and process and instrument adjustment to site requirements sustain iteration and sustainability. These measures seek to enhance patient care, decrease errors, and optimize overall pharmacy performance.

2025 pharmacy automation performance reveals eleven micro-fulfillment centers supporting more than 5,000 retailers, with 40% of prescription volume automated. Approximately 16 million prescriptions are finished every month and 170 million filled per year. Savings of $500 million were realized, with approximately $1.1 billion saved due to inventory streamlining and cost efficiencies. Vaccine administration went up by 40% at automated sites, demonstrating 126% year-over-year growth in prescription volume and capacity for pharmacists. It targets an increase in EBITDA margin to 1-2% by 2025, from 6.2% to 8%, graphical illustration of the same is presented in below figure 2 [12]:

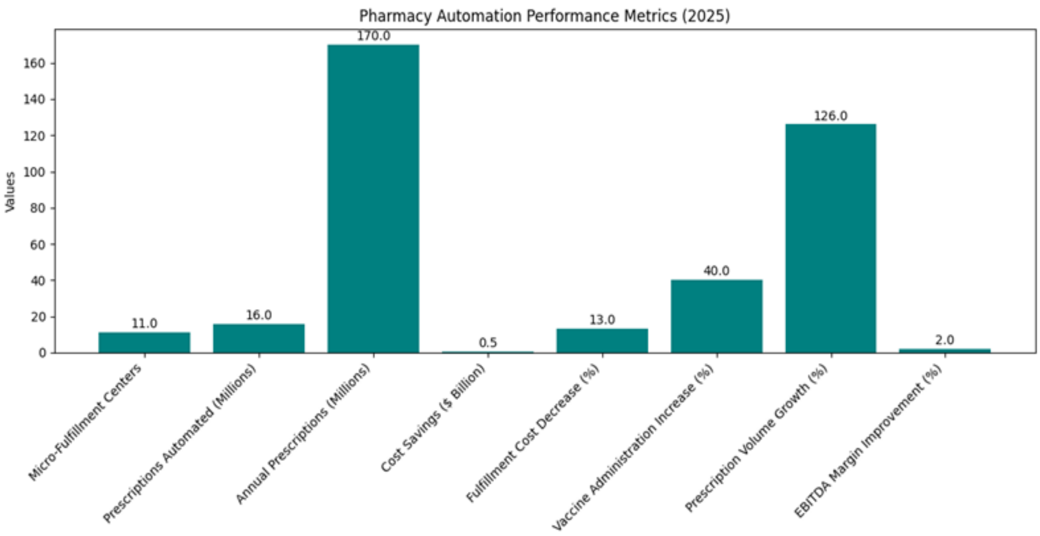

Figure 2: Pharmacy Automation Performance Metrics

The stakeholders identified the change for such changes as increased team engagement, reduction in costs, predictability in delivery, and compliance stance. The research compares pharmacy operational changes and performance metrics of pharmacy operations prior to and subsequent to automation is depicted in below table 1 [13]:

Table 1: Pharmacy Operations Before and After Automation

Aspect	Before Automation	After Automation
Prescription Fulfillment Volume	Handled primarily manually; lower capacity	Automated fulfillment centers manage 40% of volume (16 million/month)
Annual Prescriptions Filled	Fewer prescriptions; slower throughput	Over 170 million prescriptions annually; 126% volume increase
Prescription Fulfillment Cost	Higher operational and labor costs	Reduced costs by nearly 13% YoY; $500M+ savings to date
Vaccination Volume	Baseline	40% increase in pharmacies with automation
Error Rate	Higher likelihood of manual errors	Reduced errors due to robotics and scanning
Operational Efficiency	Limited by manual processing	Robotics handle up to 100,000 prescriptions daily per center
Financial Performance	Lower EBITDA margins (~6.2% in 2022)	Targeting 8% EBITDA margin through automation gains
Patient Experience	Longer wait times; less real-time tracking	Real-time tracking, faster fulfillment, improved care engagement

Conclusion

The pharmacy is making investments in pharmacy automation to enhance patient care, reduce costs, and speed up prescription fulfillment. By expanding its chain of robotic micro-fulfillment centers, it seeks to automate as much as 40% of its prescription business. This technology has already achieved cost savings of nearly $500 million, enhanced patient engagement, and operational efficiency. The company expects to develop 22 micro-fulfillment centers by the end of 2025 to serve more than 8,500 of its 9,000 drugstore locations. They are expected to service at least half of the total pharmacy traffic. Subsequent projects will prioritize enhancing robotic precision, addressing operational challenges, and building integration with AI-based demand forecast and analytics. It aims to expand the clinical function of pharmacists by leveraging automation innovation to improve drug adherence, advance patient care functionality, and pursue value-based care arrangements. Investments will be made in technology to improve patient engagement tools, telepharmacy, and tailored treatments. Cost savings and growth in EBITDA margin will be a function of quality of execution.

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