ASHP Statement on the Roles and Responsibilities of the Pharmacy Executive

Position

The American Society of Health-System Pharmacists (ASHP) believes that complex hospitals and health systems benefit from having a pharmacy executive responsible for the strategic planning, design, operation, and improvement of their organization's medication management system. This individual (sometimes referred to as the "chief pharmacy officer" but hereafter "the pharmacy executive") must be properly positioned within the organization to ensure the best utilization of his or her expertise in all decisions regarding medication management. To promote effective communication, collaboration, and teamwork with peers, the pharmacy executive should

- Have a title internally consistent with others reporting at that organizational level,
- Report directly to the organization's principal executive (e.g., chief executive officer [CEO], chief operating officer [COO]),
- Be involved in the organization's strategic planning regarding all components of the medication management process across the continuum of care,
- Participate in regularly scheduled healthcare executive-level meetings (e.g., CEO, COO, chief financial officer [CFO], chief medical officer [CMO], and chief nursing officer [CNO]),
- Be a member of the medical executive committee (or its equivalent), and
- Engage in regular, direct communication with health system leadership and the board of directors about medication management system performance.

Background

Hospitals and health systems are complex organizations. Executive-level decisions that affect the medication management system are made at a rapid pace, often with profound implications for patient care, patient safety, and the health system's fiscal well-being. The pharmacy executive must be properly positioned within an organization to ensure the best utilization of his or her expertise in decision-making that affects the policies, procedures, and systems that support safe, effective, and efficient medication management. The quality and timeliness of information exchange improves significantly when pharmacy leadership reports directly to the principal executive rather than through multiple layers of management. Pharmacy leaders can more actively engage in critical decision-making and will be more effective in helping the health system anticipate and address rapid change.

Significant changes in pharmacy practice, healthcare, and health-system management over the past 20 years have dramatically transformed the traditional role of the pharmacy director.[1] More widespread use of the title "chief pharmacy officer" was first proposed in 2000 in an attempt to enhance the contribution pharmacy makes to patient care by creating organizational parity between the pharmacy executive and other chief officers (e.g., chief nursing, medical, and information officers).[2] When the pharmacy executive works collaboratively with others at this executive level, the pharmacy department is better positioned to effectively contribute to the organization's strategic initiatives and address system-wide issues regarding medications and medication management.

Qualifications and Responsibilities of the Pharmacy Executive

The pharmacy executive is a professionally competent, legally qualified pharmacist. He or she must be thoroughly knowledgeable about and have experience in hospital pharmacy practice and management. Additional qualifications might include completion of a pharmacy residency program accredited by ASHP, an advanced management degree (e.g., M.B.A., M.H.A.), or an administrative specialty residency.

What distinguishes the pharmacy executive from the established director of pharmacy position is a deeper knowledge of the organization's operations as well as a greater degree of involvement in the organization's strategic planning and decision-making processes. The pharmacy executive provides the organization with pharmacy's unique clinical and business perspectives in discussions and decisions related to changes in the medication management system.[3] He or she has experience leading evidence-based clinical decision-making about drug use, controlling pharmaceutical expenses while maximizing patient benefit through the formulary system. The pharmacy executive has in-depth knowledge of the pharmaceutical supply chain, clinical therapeutics, physician prescribing habits, medication management systems, medication-use policy, and the technology used to deliver and support patient care and about how those issues affect the overall success of the organization. The pharmacy executive understands the relationships between third-party requirements, coding, documentation, billing equations, pricing updates, and organizational resources and can provide quality assurance for all these functions, improving financial performance.[4]

The pharmacy executive's responsibilities include but are not limited to the following: strategic planning; designing, managing, measuring and improving the medication management system; ensuring quality outcomes through performance-improvement activities; leading drug-utilization efforts; optimizing use of information systems and technology; managing the pharmaceutical supply chain, pharmacy department financial operations, and human resources; ensuring compliance with regulatory and accreditation requirements; fulfilling the organization's research and educational missions; and providing institutional representation and leadership.[5,8] The pharmacy executive fulfills these responsibilities through his or her own actions, proper delegation to competent individuals on his or her staff, and collaborative efforts with other healthcare professionals.

Strategic Planning. The pharmacy executive assesses the ever-changing healthcare environment for emerging trends that will influence the pharmacy enterprise. He or she identifies opportunities to leverage pharmacy expertise to improve quality, safety, patient experience, access across the continuum of care and the economic performance of the organization. It is also the pharmacy executive's responsibility to continually assess healthcare related trends and discoveries to ensure the value of pharmacy and pharmacists is advocated for and advanced in overall efforts to improve patient care.[6,7]

Optimizing Medication Management and Advancing Pharmacy Practice. The pharmacy executive is responsible for ensuring that pharmacists participate as the interdisciplinary team members who are responsible for patients' medication-related outcomes. He or she ensures that pharmacy is responsible for developing and ensuring compliance with evidence-based prescribing criteria that support effective, safe and fiscally responsible treatment. The pharmacy executive will ensure collaboration outside of the walls of the institution, fostering pharmacist communication with patients and outpatient providers following discharge to ensure continuity of medication therapy and monitoring of patient outcomes. With the expanded role of the pharmacist in drug therapy management, he or she is responsible for the professional development of the pharmacy team in order to support this advanced role.

Advancing the Application of Information Technology in the Medication Management System. The pharmacy executive provides leadership at the organizational level regarding planning, purchasing, implementing and maintaining information systems that support patient care. He or she is responsible for the adoption of a long-term perspective and commits themselves to achieving the patient-safety innovations made feasible by Electronic Health Records (EHRs) and other clinical applications: Computerized provider order entry (CPOE), clinical decision support (CDS), automated medication reconciliation, bar-coded medication administration (BCMA), medication surveillance, telepharmacy, and smart infusion pumps. The pharmacy executive will leverage technology to advance pharmacist clinical practice through implementation of processes that allow pharmacist work load to be more heavily devoted to patient-care activities and ensuring that the EHR supports drug therapy management services. He or she will leverage technology capabilities to improve the safety of medications, specifically those identified as high-risk. The pharmacy executive will utilize technology enabled medication management data to capture and report pharmacy metrics and to drive improvements in patient care and outcomes. He or she will ensure CDS systems support processes for the enhancement of medication-related decisions and actions with pertinent, organized clinical knowledge and patient information to improve health and healthcare delivery. The pharmacy executive will ensure that appropriately trained and qualified pharmacy team members are available to safely develop, implement and maintain medication related technology. Use of technology to increase the safety and efficiency of medication distribution, including automated dispensing units (ADU), carousels, and compounding automation should also be leveraged.[8]

Medication System Management and Improvement. The pharmacy executive is responsible for overseeing the design, implementation, and management of a safe and effective medication management system. He or she ensures that systems are developed and improved based on evidence and best practices, operate effectively and efficiently across the continuum of care, and are continuously evaluated and improved using contemporary quality-improvement methods. The pharmacy executive provides leadership at the organizational level to ensure that pharmacists are positioned to improve the quality, safety and efficiency of medication management throughout the health system. The pharmacy executive (or his or her designee) should be a member of all of the institution's key committees responsible for performance-improvement activities related to medication management and patient safety. The pharmacy executive and his or her staff must be intimately involved in all improvement initiatives involving medication management. The pharmacy executive should give particular attention to patients in high-risk areas (as identified by organizations such as the Centers for Medicare and Medicaid Services, the Joint Commission and other accreditation organizations) to ensure that pharmacy services meet patient care needs and that drug therapy is as safe, effective, and economical as possible. Safe handling of hazardous medications throughout the medication process (preparation, administration, and disposal) is assured. The pharmacy executive is responsible for developing plans for the continued operation of medication management systems and for the provision of pharmaceutical services during emergencies and disasters.

Quality Outcomes. With a greater percentage of reimbursement being tied to quality outcomes, the pharmacy executive is responsible for leveraging pharmacy expertise in support of value based purchasing, including leading core measures initiatives involving medication therapy, playing an active role in reducing readmissions, and owning the process for medication related customer satisfaction indicators. He or she will take steps to ensure that pharmacists in the department are highly skilled at communicating with patients through assessment of individual pharmacist competency in this area and implementation of professional development plans. The pharmacy executive will identify and implement specific ways that the pharmacy enterprise can contribute to the patient experience related to the care they receive at admission, during the stay and at discharge. He or she takes a leadership role in program development to reduce drug-related hospital readmissions through patient education about the appropriate management of medications, embedding pharmacy in the care transitions process and implementing programs such as medication history technicians and bedside delivery of discharge prescriptions. The pharmacy leader also commits to continuously improve the organizations medication reconciliation process at all care transitions.

Drug-Utilization Management. The pharmacy executive collaborates with peers to develop drug-utilization and formulary initiatives that optimize therapeutic outcomes, reduce the risk of drug-related problems, and ensure the use of cost-effective pharmacotherapy throughout the health system. The pharmacy executive ensures there is pharmacist rep-

resentation on the pharmacy and therapeutics committee(s) of the health system as an active voting participant. He or she identifies inappropriate utilization and leads efforts to modify practices to improve medication management. The pharmacy executive (or a designee) is a member and active participant of the antimicrobial stewardship committee, anticoagulation, pain and other specialized teams to ensure that stewardship principles are applied to the prescribing, dispensing, and administration of these agents.

Supply Chain Management. The pharmacy executive is responsible for oversight of all pharmaceutical contracting, procurement, receiving, security, inventory control, diversion prevention, and distribution policies across the continuum, including outsourced sterile products, alternate distribution channels utilized during drug shortages, reverse distribution and other methods of pharmaceutical waste disposal. He or she ensures that the methods used to contract and obtain products are safe, cost-effective, and timely. The pharmacy executive is also responsible for emergency preparedness of the supply chain, including strategies to ensure ongoing safe and effective patient care during drug product shortages through the collaborative development of alternatives to treatment and restricted use guidelines.

Financial Management. The pharmacy executive manages the health-system pharmacy's financial performance within the context of the broader health system. He or she develops budgets aligned with organizational and departmental objectives and monitors financial performance appropriately, performing financial audits and analysis as needed to ensure accurate, appropriate, and timely recording and classification of actual revenue capture and expenses. The pharmacy executive evaluates medication expenditure patterns and reimbursement trends, including the potential development of value-based approaches to pharmaceutical reimbursement. He or she seeks opportunities to implement medication related services that can improve the financial health of the organization, such as retail pharmacy and ambulatory infusion. He or she ensures that the pharmacy department has the expertise to manage the clinical and financial implications of specialty pharmaceutical products. The pharmacy executive may be called upon to provide guidance in areas outside of the traditional pharmacy arena, including management of drug expenditures in the self-insured employee population and in payer shared risk arrangements that include medication management incentives.

Managing the Pharmacy Workforce. The pharmacy executive manages the health-system pharmacy's workforce efforts. These efforts include determining the appropriate number, type and qualification of staff required to meet patient care needs, satisfy regulatory and accrediting requirements, achieve the organization's mission and advance pharmacy practice. In order to accomplish this task, he or she implements standards and development programs to advance the use of pharmacy technicians within the organization, allowing the redeployment of pharmacists' time to drug therapy management activities. The pharmacy executive works with state and federal regulatory agencies to support this expansion in the role of the pharmacy technician. He or she develops programs that fully leverage the use of students and residents within the organization, which includes participating in the development of student and resident standards to ensure that education and training reflects the needs of patients and health systems, and to further expand the capability of the pharmacy enterprise. The pharmacy executive ensures effective and timely staff recruitment, orientation, training, education, mentoring, career development, performance review, and retention efforts.

Regulatory and Accreditation Compliance. The pharmacy executive ensures continued compliance with all national, state, and local regulations related to medications and their management. He or she is responsible for the implementation of Board of Pharmacy, Drug Enforcement Agency, Centers for Medicare and Medicare Services, The Joint Commission and other medication management accreditation standards; for maintaining ASHP accreditation, where applicable (e.g., residency and technician training); and for the implementation of best practices. When applicable, the pharmacy executive is responsible for compliance oversight of the 340B program for the covered entity, all covered outpatient departments and contract pharmacy arrangements.

Research and Educational Missions. The pharmacy executive has an integral role in supporting the organization's research and educational missions by overseeing investigational drug services, fostering staff and resident research, participation in organizational grant funding applications and managing student and residency educational programs.

Institutional Representation and Leadership. The pharmacy executive demonstrates the personal leadership qualities and business acumen essential to operate effectively within the health system and to advance the profession and practice of pharmacy. He or she serves as the primary pharmacy representative on relevant committees of the organization's leaders to ensure that medication management systems and pharmaceutical services meet the needs of patients and health care providers across the continuum of care. The pharmacy executive assumes a leadership role within the profession through active participation in local, state, and national professional associations.

Conclusion

Complex hospital and health systems should have a pharmacy executive responsible for the strategic planning, design, operation, and improvement of the organization's medication management system. This individual must be properly positioned within the organization to ensure the best utilization of his or her expertise in all decisions regarding medication management.

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