

## **ASHP Statement on the Roles and Responsibilities of the Pharmacy Executive**

### **Position**

Leading hospitals and health systems must have a strategic and innovative pharmacy executive who plans and oversees the design and operation of the entire and complex medication-use process throughout the system. It is essential that this leader report to an executive who can help the leader execute the practice models of tomorrow that include business outside normal hospital practice.

As the most knowledgeable leader of the medication-use process, this leader (may be referred to as the “chief pharmacy officer” but hereafter “the pharmacy executive”) proactively aligns pharmacy goals with strategic organizational initiatives to advocate for pharmacy practice advancement and improved patient care. The intrinsic value a pharmacy executive brings to the organization’s enterprise and executive leadership includes the following:

- Ensuring the enterprise’s strategic planning leverages pharmacy services across the continuum of care to improve health outcomes.
- Ensuring pharmaceuticals and pharmaceutical benefit designs focus on total health through the formulary, with procurement driven by clinical efficacy.
- Collaborating with healthcare executives within and external to the health system to

foster and build cross-functional relationships and to align interdisciplinary services with initiatives such as quality metrics and financial performance.

- Advancing patient care services through the promotion of pharmacy best practices by the creation and adoption of emerging technologies and innovative services.

## **Background**

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.<sup>1</sup>

More widespread use of the title “chief pharmacy officer” was first proposed in 2000 in an attempt to meet these new transformations and to enhance the contribution pharmacy makes to patient care by creating organizational parity between the pharmacy executive and other executive officers (e.g., chief nursing, medical, and information officers).<sup>2</sup>

## **Responsibilities and value of the pharmacy executive**

The pharmacy executive assesses the ever-changing healthcare environment for emerging trends and identifies opportunities to leverage the pharmacy team’s expertise to improve the value of care across the healthcare continuum. Success as a pharmacy executive is predicated on building and maintaining relationships with diverse groups of people in order to be part of setting the overall strategy for the organization. Navigating solid and dotted-line reporting relationships, such as in a matrix organizational structure, requires the pharmacy executive to exercise a wider range of influence and persuasiveness rather than relying on traditional hierarchy and formal control to accomplish objectives. As it relates to patient care and clinical services, the pharmacy executive leads all pharmacists and pharmacy staff across the

organization. The pharmacy executive ensures that pharmacists are optimally positioned and resourced to improve the quality, safety, and efficiency of medication management and patient outcomes in the most cost-effective manner. The pharmacy executive leads the pharmacy's financial performance within the context of the broader health system through the evaluation of medication expenditure patterns and reimbursement trends, including value-based reimbursement and purchasing. As reimbursement and revenue capture become increasingly complex, the pharmacy executive can provide leadership across multiple disciplines (e.g., finance, nursing, medicine, pharmacy) to optimize reimbursement from involved government and commercial payment programs and meet metrics for value-based contract requirements.<sup>3,4</sup> She or he is also responsible for medication access in their organization to ensure patients have the most effective and affordable medications.

In performing these responsibilities, the pharmacy executive must bring continuous and evergreen value to the pharmacy team, the health system's executive team, and the organization as a whole. The pharmacy executive establishes key relationships with both internal multidisciplinary executives and external vendors, group purchasing organizations, and manufacturers to elevate services and optimize the pharmaceutical supply chain, respectively. In addition to optimizing the supply chain, the pharmacy executive plays a key role in developing a vision for information and technology solutions in the medication-use process and must work collaboratively with the chief information officer to advance pharmacy informatics and technology. During all phases of a public health emergency or disaster event, pharmacy executive presence in a hospital or health system's emergency operations center is pivotal for proactive planning and maintaining secure, functional, and resilient health and public health

critical infrastructure. The pharmacy executive is integral in advancing pharmacy services in the midst of rising competitors, ensuring the vitality of the organization as healthcare transforms.<sup>5-7</sup> She or he must maintain a focused effort to acquire, share, and reinvest in their own self-development and the development of the leadership team striving for a continuous pursuit of practice advancement.

### **Experience and education of the pharmacy executive**

The pharmacy executive is a professionally competent, legally licensed pharmacist with a broad level of experience in health-system pharmacy practice and management and with a strategic vision for the profession. Additional qualifications may include an advanced management degree; a clearly evident successful record of leading people, operations, finance, and clinical services; and completion of a pharmacy residency program accredited by ASHP (e.g., health-system pharmacy administration and leadership residency).

What distinguishes the pharmacy executive from the established director of pharmacy position is the increased breadth and depth of the involvement in the health system's strategic planning and decision-making processes at the most senior levels. The pharmacy executive has experience in leading the medication-use process, including optimizing the pharmaceutical supply chain, making evidence-based systematic clinical decisions, supporting medication-management systems and policies, implementing technology to elevate patient care, and optimizing financial performance. The pharmacy executive, therefore, provides pharmacy's unique clinical and business perspectives in decisions related to changes in the medication-management system.<sup>8-10</sup> To support these changes, the pharmacy executive leverages technology to develop the most cost-effective labor model.

**Reporting structure**

The pharmacy executive has a market-competitive title internally consistent with others reporting at that organizational level, reports directly to the organization's principal executive (e.g., chief executive officer [CEO], chief operating officer [COO]), participates as a member of the medical executive committee, and routinely engages with the health system's executive leadership as well as the board of directors. By working collaboratively with others at this most senior executive level, the pharmacy executive ensures that health-system pharmacy services are optimally positioned to most effectively contribute to the organization's strategic initiatives and address systemwide opportunities. A structure in which pharmacy leadership reports directly to the principal executive rather than through layers of management allows the pharmacy executive to engage in critical decision-making and be more effective and influential in helping the health system anticipate and address rapid change.

**Conclusion**

Optimal patient care, quality health outcomes, and pharmacy practice advancement requires progressive hospitals and health-systems that have an educated pharmacy executive responsible for the strategic planning, design, operation, and improvement of the organization's pharmacy services across the care continuum. Because of these expected contributions, the pharmacy executive must be properly positioned within the health system's senior executive management team to ensure that health-system pharmacy services are best leveraged to meet the ever-changing demands of the future of healthcare delivery.

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Lindsey Amerine, Pharm.D., M.S., BCPS; Robert Granko, Pharm.D., M.B.A., FASHP; Philip Brummond, Pharm.D., M.S., FASHP; Sam Calabrese, M.B.A., FASHP; Kristine Gullickson, Pharm.D., M.B.A.; and Lindsey Kelley, Pharm.D., M.S., FASHP, of the ASHP Section of Pharmacy Practice Leaders Executive Committee are gratefully acknowledged for revising this statement. ASHP also acknowledges the contributions of the drafters of previous versions (Karl Kappeler, M.S., FASHP; Michael Nnadi, Pharm.D., M.H.S.; Sam Calabrese, M.B.A., FASHP; Debra Cowan, Pharm.D., FASHP; Bonnie Kirshenbaum, M.S., FASHP, FCSHP; John Lewin, Pharm.D., M.B.A.; Christine Marchese, Pharm.D.; Tricia Meyer, Pharm.D., M.S., FASHP; Brandon Ordway, Pharm.D., M.S.; Roger Woolf, Pharm.D.; Rusol Karralli, Pharm.D., M.S.; and Kelly Sennett, B.S.)

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