Michael Hogue – CEO, American Pharmacists Association (APhA)



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Michael Hogue, CEO of the American Pharmacists Association (APhA), shares his vision for the future of the pharmacy profession and its evolving role in healthcare. He discusses the strategic priorities for pharmacists in the coming years, emphasizing the need to reshape public perception, expand the role of pharmacists in disease prevention, and highlight their essential partnership in achieving health outcomes. With a focus on patient care services and the effective use of medications, Hogue highlights why pharmacist should be considered as a central figure in the healthcare system and not just as a dispenser of medicine.

Could you begin by outlining the American Pharmacists Association's mission and its role in contemporary healthcare delivery?

The American Pharmacists Association (APhA) is one of the oldest professional associations in the US, founded in 1852, and has always been dedicated to ensuring consumers have access to pharmacy care across all healthcare touchpoints. While making medications accessible remains a critical part of what we do, our true value goes beyond just distribution. One of our main focus areas is on therapeutic optimisation.

As an organization, our core belief is that medications are only effective when they work as intended. The pharmacist's primary role within the healthcare system is to ensure that treatments deliver the clinical outcomes they're meant to. Our mission is to guarantee that consumers not only have access to the right medications but that these medications lead to measurable health improvements, transforming care into real, tangible results.

What are your current advocacy priorities, particularly regarding payment reform and Medicare improvements?

Our primary focus right now is securing insurance coverage for pharmacist care services. While most consumers have prescription drug benefits, these often don't cover the clinical services that pharmacists provide, leaving a significant gap in the healthcare system.

Take diabetes management, for example. The haemoglobin A1C test is our key measure of glycaemic control, with target levels below seven perecent. Yet, many patients show significantly elevated readings. Traditional care models often leave a big gap in care as patients are prescribed medications like insulin or oral hypo-glycaemic agents, but they may wait three to six months for a follow-up appointment.

Pharmacists are uniquely positioned to bridge this gap. We can adjust dosages, monitor lab results, and manage treatment over the entire process. By the time patients see their doctor again, optimal control can often be achieved, allowing the doctor to focus on other health issues. This approach works across many therapeutic areas where pharmaceutical interventions are central to treatment.

The challenge is that most Americans don't have insurance coverage for these vital services. We believe Medicare, Medicaid, and private insurers need to routinely cover pharmacist care, given the proven impact on health outcomes and the reduction of hospital admissions.

How has the reception been for these reimbursement initiatives?

We're seeing promising progress, especially within state Medicaid programs. The Centers for Medicare & Medicaid Services (CMS) has given the green light for state plan amendments to cover pharmacist care services where state legislation permits it. Several states have already set up payment mechanisms for Medicaid patients, though there are still disparities based on geography.

State legislatures are also beginning to mandate coverage for pharmacist care services under non-ERISA health plans. However, this progress is still inconsistent across regions, which has created accessibility issues depending on where patients live. Right now, our efforts are focused on working with Congress and CMS to establish routine Medicare coverage for pharmacist care services. This is especially important given that the Medicare population often has higher medication needs and stands to benefit significantly from these services.

Could you explain the recent elimination of DIR fees for our international readership and its significance for pharmacy practice?

For some international context, the U.S. has a unique pharmaceutical reimbursement system. Instead of direct government payments, the government works with for-profit entities known as Pharmacy Benefit Managers (PBMs), which manage government-sponsored programs. These PBMs control costs and pricing through pharmacy network contracts.

One particularly problematic practice has been Direct and Indirect Remuneration (DIR) fees. To put it simply, imagine buying a hammer at a hardware store, only to receive a bill two week later demanding part of that cost back based on arbitrary quality assessments even though you've met all the store's terms. That's essentially how DIR fees worked for pharmacies.

PBMs would initially tell pharmacies what co-pays patients should pay through real-time adjudication systems. But then, months later, they'd impose significant retroactive fees. These fees can be anywhere from USD 30,000 to 60,000, or even more without any clear evidence that the pharmacy had done anything wrong. While these fees were legally allowed under Medicare Part D, they were applied far beyond what Congress had intended.

This system led to many pharmacies closing their doors because it made running their businesses financially unsustainable. Ultimately, Congress stepped in, eliminating these fees and establishing that patient charges represent the final costs, with no retroactive fees to follow.

While we saw this as a big win, challenges remain with PBM practices and the way pharmacies are reimbursed, especially for brand-name and increasingly for generic medications.

How do partnerships between pharmacists, PBMs, and pharmaceutical companies function within the healthcare value chain?

The pharmaceutical landscape is rapidly evolving, especially with the rise of sophisticated biotechnology that offers curative treatments for previously untreatable conditions. A great example of this transformation is hepatitis C, where we now have the ability to cure the disease using genetic testing and targeted therapies.

But therapeutic success doesn't stop at the treatment itself. It's also about ensuring the medication is used correctly and that patients stay on track with their treatment plan. The most expensive medication is the one that's left unused or abandoned. In some therapeutic areas, prescription abandonment rates can be as high as 50 percent, often due to issues with insurance coverage, gaps in patient education, or inappropriate therapy choices due to drug interactions or patient-specific factors.

Pharmacists play a crucial role in managing drug therapy. We understand genomic sequences, metabolic pathways, patient-specific benefits, and the best ways to communicate treatment plans. We help guide patients through managing side effects, preventing therapy abandonment, and ensuring positive outcomes.

Simply bringing a drug to market doesn't guarantee success. Expert intervention is needed to achieve optimal results. Without pharmacists involved, even the best therapies won't reach their full potential. This is where the collaboration between pharmacists, pharmaceutical companies, and PBMs becomes critical in ensuring innovation translates into real-world health benefits.

Some critics might argue that pharmacists represent another healthcare intermediary in an increasingly complex system. How do you respond to suggestions that other HCPs could provide these services directly?

This perspective misses the critical role pharmacists play in healthcare delivery. Many pharmacists work in roles that go far beyond traditional dispensing duties. For instance, every American hospital employs pharmacists as key members of care teams.

In emergency departments, pharmacists provide real-time consultations on the best pharmaceutical interventions and conduct medication analyses to identify potential risks. Oncology teams often include pharmacists who, in addition to the initial diagnosis and prescription by physicians, manage follow-up outpatient infusion clinics. Pharmacists, along with nurses, draw blood samples, interpret lab results, and adjust dosing for cancer patients. These are tasks that are often thought of as being part of the physician's role, but are actually carried out by pharmacists.

Pharmacists work across various healthcare settings from long-term care and intensive care units to cardiac facilities and psychiatric teams. We're even board-certified in 15 different specialties, working alongside physicians throughout healthcare delivery.

Physicians and pharmacists complement each other's expertise. Physicians are excellent at diagnostics and initial therapeutic decisions, while pharmacists specialise in ensuring the right medication, dose, and patient alignment for the best therapeutic outcomes. Together, we form a powerhouse of expertise in healthcare delivery.

Direct-to-consumer pharmaceutical access might reduce costs and simplify distribution, but it can't replace the collaborative care provided by physicians and pharmacists. Removing either professional from the care equation undermines the expertise needed for successful treatment. The best model for healthcare involves collaboration between pharmaceutical companies, physicians overseeing patient care, and pharmacists ensuring the efficacy of treatments.

While cost reduction and streamlining distribution are important goals, we must be careful not to disrupt essential care relationships in our rush to reduce expenses.

As pharmacist roles expand and integrate further into healthcare delivery, what capabilities will the next generation require?

The most important capability for the next generation of pharmacists is digital connectivity to comprehensive patient health records. Right now, many community-based pharmacists lack access to electronic medical records and lab results, which limits their ability to provide full clinical care. Whether working in rural independent pharmacies or urban settings, pharmacists need access to complete health records to ensure they can help achieve the best healthcare outcomes for their patients.

Achieving complete health record interoperability is our next big goal. After years of discussion, the key challenge remains creating seamless data transmission between hospitals, health systems, physicians, pharmacists, and pharmacies. This is a high priority for APhA, and we're pushing for real progress in this area.

Another key development is wearable technology integration. As more patients use wearable devices to monitor their health at home, we need to ensure that these devices can interface effectively with both pharmacies and physicians' offices. Additionally, insurance coverage for wearables and their monitoring by pharmacists and physicians is crucial for these tools to be fully

integrated into care.

Finally, pharmacogenomics is an area that requires sophisticated point-of-care technology. As we gain a deeper understanding of how genetics influence medication responses, both pharmacists and physicians will need better tools and data storage capabilities to engage patients. This will require significant education for all healthcare team members to ensure everyone is equipped to use these advances effectively.

What strategic priorities would you like to see achieved over the next two to three years?

If I could shift public perception immediately, I'd want the word "pharmacist" to bring to mind not just a bottle of pills, but a caring healthcare professional who plays a vital role in transforming lives through the effective use of medications. I want the public to recognise pharmacists as essential partners in achieving the best health outcomes.

Pharmacists are deeply committed to patient health and disease prevention. We are the leading immunisation providers in the US, administering more vaccines than any other healthcare professional group. Our focus is on maintaining health, preventing disease, and helping patients reach their full potential.

I envision a future where the public sees medications as tools within a broader health strategy, with the most valuable resource in any pharmacy being the pharmacist themselves, not the medication bottles. Medications are just instruments to help people live healthier, more fulfilling lives.

This transformation is our ultimate goal. We stive to position pharmacists as the indispensable healthcare partners they are, with medications serving as a means to an end, not the end itself.

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