

The Academy Pharmacy Growth Collaborative

Organizational Challenges for Pharmacy Growth | May 4, 2022

Rebecca Akabas, Director, Member Insights

Melissa Mekhail, Senior Analyst, Member Insights

The following is a summary of key initiatives and questions raised during The Academy's Pharmacy Growth Collaborative discussion, held on May 4, 2022 with leading health system (LHS) members. Please share your questions or comments with The Academy Member Insights team at insights@hmacademy.com.

Moderated by: Mark Dixon, Executive In Residence, The Academy; Binita Patel, VP, Pharmacy Service, Memorial Hermann Health System

- Memorial Hermann Health System is the largest not-for-profit health system in southeast Texas, with 17 hospitals, 8 Cancer Centers, 3 Heart & Vascular Institutes, and 27 sports medicine and rehabilitation centers, in addition to other outpatient and rehabilitation centers.

In this session Chief Pharmacy Officers discussed their evolving strategic role within the LHS and the organizational challenges that come along with that. They also discussed their specific pain points and solutions for managing workforce shortages.

Key Topics Addressed:

- ✓ Pharmacy's Evolving Strategic and Organizational Role
- ✓ Workforce Challenges Hindering Growth

Pharmacy's Evolving Strategic and Organizational Roles

"I don't do direct reporting to regional CEOs, but they can definitely influence what I do."

- CPO, Leading Health System

- Compared to previous years, pharmacy played an important strategic role during the pandemic, and LHS are shifting away from seeing it as another service line to a potential source of revenue growth.
 - Several CPOs discussed their plans to expand into specialty pharmacy, home infusion, and contract pharmacies to support their revenue diversification.
 - Other CPOs reported success in these endeavors, with One CPO reporting 100% revenue growth in specialty pharmacy and another reporting an increase from 25% to 60% in ROI for ambulatory prescriptions.
- As LHS continue to grow, CPOs discussed how their position and reporting structure with regional and service line leaders should evolve to support a cohesive strategic direction.
- To date, CPO's reporting structure is shared with regional leadership, service line leaders, and local hospital executives, which makes it challenging to own and execute a cohesive strategy.
 - While CPOs have final sign-off on most pharmacy related decisions, regional leadership, service line leaders, and local hospital executives have a lot of influence on budgetary and strategic decisions.
- Most CPOs agreed that a centralized reporting structure with all direct lines to CPO would be ideal and would give them more autonomy over FTEs and capital decisions.

Workforce Challenges Hindering Growth

"Competition with disruptors is tough. We're losing employees and can't keep up with salary demands."

- CPO, Leading Health System

- Workforce shortages are still a pain point for pharmacy leaders, with many citing challenges retaining pharmacy technicians, managers, and directors.
 - Similar to RNs, technicians were leaving the healthcare industry in droves during the pandemic, which led to LHS spending more money recruiting and retaining technicians. CPOs agreed the increased labor costs were unsustainable, especially in the current financial climate.
 - CPOs also agreed that the increased presence from market disruptors is making LHS lose their competitive edge as employers, and they need to offer new kinds of incentives that will retain the pharmacy workforce.

- Some LHS have implemented new recruiting initiatives to ensure a reliable pharmacy workforce pipeline in the future.
 - One CPO discussed working with educators to develop residency programs for pharmacy leadership roles and training programs for technicians. The technician training programs had a 100% retention rate.
- Due to financial headwinds at the beginning of 2022, CPOs are also grappling with budgetary limitations that are stopping them from hiring more FTEs.

Additional resources are available in [The Academy's Member Insights homepage](#)

- [Pharmacy Growth Collaborative: The Role of Pharmacy in LHS Strategy and Growth Post-COVID](#)
- [Pharmacy Growth Collaborative: Elevating the Strategic Role and Visibility of Pharmacy](#)

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