

Q&A



Photo by Michael DeFilippo

NCPA CEO Douglas Hoey

DISCUSSING THE STATE OF INDEPENDENT COMMUNITY PHARMACY

by Chris Linville, managing editor of *America's Pharmacist*®

For Douglas Hoey, you could say he lives and breathes independent community pharmacy. It's part of his DNA. It was ingrained in him as a child growing up in Kansas and Oklahoma, where his father owned a pharmacy. Eventually, he followed his father's pharmacy path and went on to receive his degree from the University of Oklahoma College of Pharmacy. After practicing at independent pharmacies for nearly five years, he came to NCPA and has served as CEO for 12 years.

In this interview, Hoey reflects on some of the important issues for independent community pharmacy, the challenges it faces, what he sees for the future, and how NCPA will continue its role as a tireless advocate for supporting the profession so that it not only survives but thrives.

Q. When you look back at 2022, what are some things that come to mind?

"I think 2022 was an extraordinary year for community pharmacy and for NCPA. One of the most notable things was that the Final Pharmacy DIR Rule was released, and while far from perfect, it advances the changing of the pharmacy payment model, which has been NCPA's mantra for half a decade. We know that pharmacy DIR as it is today is unacceptable, so not creating some change there would also be unacceptable. NCPA was talking about pharmacy DIR before most people knew how to spell it, so we're pleased to see change there, but again there's a lot more work to be done."

Q. What else stands out?

"Another big thing was the Federal Trade Commission's response to competition, community pharmacy, and patient welfare, which has been a real sea change from NCPA's experience with the FTC in the last three decades. To have (FTC Chair) Lina Khan accept our invitation to the NCPA Annual Convention and to speak to our members was big! Some people told me they had tears in their eyes, because they finally believed they were being heard by the agency that had allowed PBMs to do whatever they want whenever they wanted over the last few decades, so that has been a big development – the relationship that NCPA has been cultivating with the FTC."

Q. How important is it to develop relationships with policy makers?

"I think it's very important [to get them in front of our members] because our members see that their advocacy efforts make a difference. Lina Khan knew how many comments had come to the FTC when the FTC asked about examples of contractual provisions that were anti-competitive. They got 24,000 comments! She knew exactly how many comments they received. If our members ever wonder if their advocacy efforts make a difference, they should think about that FTC example, where we have the Chair of the FTC coming to Kansas City to speak to a group of pharmacy owners because of the case they made for help. It's important pharmacy owners see the fruits of their labor."

Q. A new Congress begins this month. What is NCPA's strategy to try and achieve legislative success?

"With Congress the outreach is never ending. Sometimes our members don't always know if it's making a difference or know for certain that they are being heard. And on occasion it probably isn't, but by and large melting away the resistance from some members of Congress and building relationships – that effort never ends. Congress is constantly turning over, people are losing elections, and people are retiring. I think the biggest challenge we have in Congress is to get to the leaders – the majority leader, the minority leader, the Speaker of the House. That's where I personally think some of pharmacy's issues have hit brick walls over the decades, bi-partisan brick walls. Part of constantly reaching out is those leadership positions turn over and building a relationship with someone who may be a freshman in Congress today could pay off – it's a long-term investment but 10 years later, 20 years later that person may be Speaker of the House or the Senate Majority Leader. I think the likely dynamic we're going to see in the next Congress makes it even more important, especially in the House, to have those relationships because the majority is going to be so slim that every vote counts."

Q. What is the thinking regarding goals at the federal level versus the state legislative level?

"It wasn't that long ago where you felt like even though it was slow, federal legislation would move and once it was signed, you would see a difference and an outcome within a year or two. These days it's even slower. I think the mindset should be a long-term investment on the federal side for the biggest payoff, because pharmacy is Uncle Sam's customer almost 60 percent of the time, and faster short-term investment on the state side, with quicker results but maybe not quite as consequential or as far reaching (though still certainly important)."

Q. The second anniversary of the *Rutledge v. PCMA* Supreme Court decision just passed. That was a reason for independent pharmacists to celebrate. What do you think two years later?

"The *Rutledge* decision is one of the biggest developments in the history of community pharmacy, full stop. NCPA is so proud to have been a part of that, working with the Arkansas Pharmacists Association to help make a difference there."

Q. How does independent pharmacy maintain the gains it has achieved post *Rutledge*?

"As far as keeping the momentum going, there are state cases that have been filed that PCMA continues to pursue because they have nothing to lose because they lost 8-0, they lost unanimously at the highest court in the land. They have nothing to lose to try to circumvent or dilute the impact of the *Rutledge* ruling. They are challenging pro-patient and pro pharmacy legislation and so far they are losing. However, we don't take anything for granted because you never know how courts are going to rule."

Q. How is NCPA coordinating with allies in the states?

"NCPA continues to support our state partners, just as we did in Arkansas, Iowa, and North Dakota. We are supporting our state partners in Oklahoma, who have also been sued by PCMA like the other states. We're supporting our state legislative efforts with three staff members dedicated to working on state legislative affairs. We are supporting our state partners in advocating for legislation that likely would have been defeated or even considered prior to *Rutledge*, but now is getting passed, and getting passed with great majorities. The more that states can exercise their authority to oversee PBMs, the better it's going to be for the people of the state, small businesses, and community pharmacies."

Q. NCPA is also reaching out to insurance commissioners to make sure PBM laws are being enforced. Why is that important?

“It’s crucial, because without their enforcement, the laws don’t matter. That’s been a barrier even before the *Rutledge* case where states would pass strong laws, but some insurance commissioners wouldn’t enforce them. So that’s a problem. With *Rutledge*, some insurance commissioners have been emboldened. The *Rutledge* case was so clear on ERISA that states still do have the ability to oversee PBMs contrary to the pre-*Rutledge* interpretation of ERISA laws. That’s one reason why NCPA continues to work with the National Association of Insurance Commissioners, as we have been the last several years, to educate them about PBMs. The bottom line is we’re working to encourage insurance commissioners to enforce those laws to protect their citizens.”

Q. Why is it critical that pharmacies call out suspected violations?

“If NCPA is out there saying PBMs aren’t obeying the laws, we need pharmacies in states to file complaints to validate what we’re telling the insurance commissioners. Because if they say, ‘Hey NCPA, you are telling me that PBMs aren’t complying with the law, but I haven’t gotten one complaint about it,’ that pretty quickly shuts us down in terms of being able to advocate for enforcement. If you aren’t making noise about it, there are other priorities that will get their attention, and they will go on to something else.”

Q. When you look at clinical care opportunities, what are your observations?

“What interests me the most are some of the blocking and tackling things like blood pressure checks, immunizations, medication synchronization, and point of care testing. Another area that excites me is the health equity, reaching the populations that don’t have a lot of access to health care. Independent pharmacies are perfectly

positioned to broaden the reach for health equities. For example, mental health has become a critical health issue. With more research in artificial intelligence, independents may be able to do a simple screening test or a series of questions, possibly identifying people at risk for needing mental health support. That of course would be beneficial to the person needing the help, but also could be beneficial to others around that person. We’ve got to be able to scale things like mental health screening, and that’s one of the hardest things for independents. We have to be able to scale services among disparately-owned pharmacies as opposed to the chains who have to scale among a single-owned group of pharmacies. But it is skating to where the puck is going and it’s exciting to see pharmacists perform to the top of their training.”



Photo by Erin Rexroth

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Q&A

Q. Do you think once the Public Health Emergency is lifted, whenever that might be, that independent pharmacists will still be able to provide the services that they have during the pandemic?

"I am concerned about it, but pharmacists have proven themselves. I guess the worry I have is the inconsistency across states, as states govern the practice of pharmacy, as they should. I think we'll see inconsistencies across states where either some are still in the pharmacy dark ages or they have a heavy lobby and don't allow pharmacists to do certain things. On the other hand, I think we'll see certain states that are more forward-thinking about the role of pharmacists and recognize that pharmacists helped save this country during the pandemic and there's no reason to turn back the clock."

Q. What services do you see as here to stay?

"I'm confident about services like point of care testing and immunizations, that toothpaste is not going back into the tube, because of consumers. And while it's not always true that the customer is always right – look at airlines, cable companies, PBMs – I do think eventually the customer does move the marketplace and the customer is going to demand convenience and high-quality care, and that's what happened with pharmacies – consumers got convenience and high-quality care during the pandemic. That's the new normal, that's not an exception. That's going to be their expectation."

Q. With disasters seemingly more frequent and more powerful, why is the NCPA Foundation Disaster Relief Fund so critical now?

"I think the disaster relief fund that the NCPA Foundation has been doing for decades is the crown jewel of the NCPA Foundation, and I can't think of a purer effort where 100 percent of the funds that go to the NCPA Foundation go to help pharmacies in times of crisis or need due to a disaster. Through no fault of their own these pharmacies have been devastated by floods, hurricanes, tornadoes earthquakes and other calamities. I think it's important to us as fellow pharmacists to support the disaster relief fund to help pharmacies during times of crisis."

Q. How would you assess NCPA's relationship with CPESN[®] USA?

"It was a wise move by the NCPA board to invest in CPESN about six years ago, and the reason it did that was to position independent pharmacy to be able to be paid for value-based services. That's exactly where the market is going – toward value-based services. CPESN opportunities continue to grow, and we're grateful for the 3,500 pharmacies that are in CPESN. We need to get bigger, but that's the future of the profession. Things like Flip the Pharmacy, the fellowship program, they are all programs that accelerate this evolution of the pharmacist in getting paid for services. We have to DO the service, practice at the top of our training, and we HAVE to get paid for it."



Photo by Erin Rexroth

Hoey says that having Federal Trade Commission Chair Lina Khan accept an invitation to the NCPA Annual Convention and acknowledge complaints about anti-competitive PBM actions was due in large part from grassroots advocacy by NCPA members.

Q. Student pharmacists are the owners and leaders of tomorrow. What is your message to them?

“Pharmacy schools and pharmacy students are at a bit of a crossroads right now. Applications are down, and the number of graduates is down. Some of the reasons for the lack of applications is because of the negativity that the students or prospective students are hearing about pharmacy. I think for independent pharmacies it’s important that we explain to students and prospective students that there is another way. You don’t have to be trapped in a chain pharmacy for the rest of your career. You can become a pharmacy owner, you can practice to the top of your training, and you can make some of your own choices. You aren’t going to have metrics and quotas that you are forced to meet by a non-pharmacist bean counter. It’s an important time for us as independent pharmacists to let students and prospective students know that it’s not all bleak in the practice of pharmacy. In fact, independent pharmacy is one of the brightest shining lights in the whole profession. There are some academics and professors who have not caught on to that shining light yet.”

Q. How can veteran pharmacists help in that regard?

“I think one way is for independent pharmacy owners to share themselves and share their stories, because students are sometimes told in pharmacy schools that independent pharmacy is dying or it’s impossible to do it, yet there are thousands of examples of independent pharmacy owners who are dispelling that myth. Independent pharmacy owners sharing their stories with students can help dispel the myths. Precepting is kind of a thankless job, but I think it’s more important now than ever. Because there’s so much innovation going on with independent pharmacy that students are learning from preceptors and being exposed to that. We really appreciate the pharmacists who are willing to precept and invest that time to the profession.”

Q. Why do you think the NCPA Board of Directors can measure the pulse of independent pharmacy?

“I think one thing that is distinctive about NCPA is that our board is made up of independent pharmacy owners. They come from a variety of backgrounds, they come from all over the country, so when pharmacy owners wonder if NCPA knows what is going on with their issues, there’s a good chance we do because of our board and our committees and our officers. Our board lives, dies and breathes independent pharmacy just as our members do, so when our members are successful, the businesses of our board members are successful, and vice versa. So, I think the motivation of the organization is very pure when it comes to advocating for our members. That’s an important part of the soul of our organization. The board is the membership, and the membership is the board.”

Q. Why is supporting the NCPA LDF and NCPA PAC important?

“The NCPA Legal and Legislative defense fund is crucial to NCPA being able to offer the services that it provides. NCPA needs the LDF in order to do our job to serve independent pharmacy owners. As far as the NCPA PAC, people have probably heard the old saying that money is the mother’s milk of politics, and NCPA’s PAC is the largest pharmacy association PAC in the country, yet it still needs to be bigger.”

Q. How would you define NCPA’s value?

“I think we provide community. By community it’s a place where independent pharmacy owners can go and find other people who share their experiences and are working on solving some of the same problems. We want to know their issues, and we bring their voices together. I’ve said for a long time that NCPA is the megaphone for independent pharmacy. The louder the megaphone, the more our issues are going to be heard and heeded. It’s not easy, it’s usually not fast, but we have to have that megaphone constantly sounding.”