

## **Health Outcome Pharmacies – A Brief History**

In the early 1990's, Health care was in tremendous turmoil. The focus of governments and third party payers was to produce cost effective health care solutions with a focus on reducing "costs" rather than "effective outcomes". Governments totally focused on reducing dispensing fees.

It appeared that a number of insurance firms, working with employers, would follow the US model and initiate Preferred Provider Organizations (PPO's) in Canada. These programs succeeded in controlling costs by seeking contracts with large pharmacy chains who would become the sole providers of medications for the insured group. In return, the pharmacy would be reimbursed at a discounted rate rather than the usual fee for service. In the US, this had a devastating effect on the number of independent pharmacies, whose numbers dwindled dramatically.

Mail order pharmacy appeared in Canada and was actively seeking contracts with large employers. Drug and food chains responded with aggressive marketing of their own PPO's. New competitive tools were showing up in the market place including: coupons for prescriptions, adverted dispensing fees, predatory pricing, deeply discounted fees, etc.

Unions, cities and large employers also set up their own PPO's and demanded drastically low dispensing fees from participating pharmacies.

Each independent pharmacy was left to fend for itself. There was clearly a need for an organization to be formed, that would help ensure that independent pharmacies would be able to successfully participate in this new marketplace.

To achieve this, Health Outcome Pharmacies was formed in Alberta. Independent pharmacies would work together to form an organization that could deal with employers or insurance firms and make a case for better care with reasonable compensation. The intent was to provide a higher level of service and to sell the concept that employees and employers would benefit from better patient management. HOP believed that through disease management protocols and drug utilization reviews, effective solutions to health care cost-containment can be achieved while maintaining or improving the health of the individual.

Independent pharmacists were supportive of this concept and many joined. To join they were required to pay a \$1000 initiation fee plus a monthly fee of \$100. There were over 70 members by the end of 1995.

The initial board of directors was comprised of:

President	Stan Dabisza
Vice President	George Kondrat
Treasurer	Welland Muri
South Alberta representative	Jim Boylan
North Alberta representative	Don Vickerson

Other members of the Steering Committee: Elaine Hall, Rosemarie Biggs, Art Kriese, Brad Gilmour, Dev Aggarwal, David Robertson and Dr. John Bachynski, Ken Whitely, George Doherty, Skip Gibson, Don Makowichuk,

Support staff:

Bob Edgar – Executive Director  
Ken Boutillier – Marketing Consultant  
Ingrid Meier – Legal Counsel  
Dorothy New – Office Manager

Some pharmaceutical firms were also interested in supporting such an organization and Rhone-Poulenc was the first to provide monetary and some organizational support. Later Apotex and Novopharm became a strong supporter of the organization.

The first areas that were identified as being the key to success were to upgrade pharmacists' skill levels in disease management. We focused on 3 main areas to start: asthma, hypertension and diabetes. Clinical pharmacists (Donna Galvin, Martha Nystrom and Dale Wright) were hired to prepare instructional material and treatment protocols. All members had to complete a 15 hour independent study program before participating in 9 hours of workshops on all the disease protocols, and a half day seminar to learn about patient monitoring devices and tools. Each pharmacist was then expected to verify implementation by sending in a completed report on 3 patients, one for each disease protocol. Finally, all HOP pharmacies had to have a private counseling area or be in the process of developing one. At that point each pharmacist and pharmacy becomes certified by HOP.

It became obvious to us in talking with insurance companies and employers that we had to become a national organization in order to be relevant. I had the opportunity to make presentations about HOP to all provinces in Canada except Quebec and New Brunswick. At a Toronto meeting, well over 200 pharmacists showed up for the presentation. There was definitely an interest in the program from independent pharmacists right across Canada. Converting this interest into a solid organization was the challenge.

In October, 1996 the organization became a national organization and Mary Nelson was appointed as executive director with an office in Hamilton..

Clinical staff from Ontario was hired to prepare instructional sessions and treatment protocols. These included Barry Power, Barbara Ferrell and Andrea Hudson.

Under the direction of Don Makowichuk as Chair of the Board there was an expansion of services. The educational programs consisted of an introductory workshop dealing with the general process of care as well as manuals on asthma and diabetes. Regional workshops were held on smoking cessation, menopause/osteoporosis and hypertension. There were trained facilitators in each region. Research was also promoted and HOP strongly supported the BC Asthma research study on the pharmacist's contribution to caring for asthmatic patients. There was also promotion of a daily intervention log and patient intervention log to document the activities of pharmacists. Pharmaco-economic studies of PPIs and NSAIDS were also conducted. Some research into smoking cessation and hormone replacement therapy were also initiated. HOP was an early user of computer technology and a number of forms and software were used. A HOP website was established to maintain communication with pharmacists

David Pellow of Walkerton, Ontario took over from Mary Nelson in 1997 as Executive Director and David McLean in 1998

Unfortunately, the membership never reached the 200 member mark felt by many to be the number required to give HOP national status. In the year 2000, HOP closed its doors when a motion to raise membership fees to \$2000 per year was voted down. The membership had declined to under 100 members and the drug companies supporting the programs pulled their funding.

Some marketing initiatives were planned and efforts to recruit more pharmacies were underway when the organization folded.

In retrospect, the success of HOP Pharmacies was the willingness of independent pharmacists to financially support a process that would raise their standard of practice and to be patient in waiting for results in terms of contracts. Unfortunately, these never did materialize.

With shortages of pharmacists and technicians, and a booming economy many pharmacies were too busy filling prescriptions to worry about a national organization which changed the face of pharmacy forever. HOP played a strong role in inspiring independent pharmacists to work together to respond to a gloomy predictions about their future in the new world of pharmacy. We raised the level of the playing field and the chains responded in similar fashion. We did make a difference. The American style PPO's never really became a factor in Canada and mail order pharmacy was a complete failure and has disappeared from the market place. Independent pharmacy is still thriving in Canada. Health Outcome Pharmacies was an important blip in its history. It did however; change the focus of pharmacy from dispensing prescriptions to improved patient care. Pharmacy and patient care are now better because of this organization.