Our Journey Toward the Future

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I begin my remarks with probably one of the most overworked literary references known. I do so for two reasons: First, because I believe it sets an appropriate context for what I want to say. Second, because I want to establish at the outset that I am not above using a well-worn cliché.

The quotation to which I refer is the first sentence of Charles Dickens’ novel, A Tale of Two Cities, that reads: “It was the best of times; it was the worst of times.”

For those of you currently involved as providers or suppliers in what is commonly referred to as “The Health Care-System,” Dickens’ words... or at least the last half of them ... should strike home. We need not go far or wait long for someone so involved to express the view that maybe, this is the “Worst of Times.” However, I would suggest that in other ways, this may be viewed as the “Best of Times.” I want to address both aspects of the situation in which we now find ourselves as they relate to our future, I hope these perceptions will provoke thought, discussion and, possibly actions that will benefit all involved in the development and delivery of Pharmaceuticals and furthering the concept of pharmaceutical care.

It is beyond argument that the health-care-system has undergone and will continue to undergo profound changes in its economic structure, its technical development, in who or what will exercise control over the delivery of health care and, finally, in the actual delivery of those health care services to the patient. Let me illustrate each of these propositions with examples from recent pages of the public press.

An article discussing a report of a committee of health experts notes that young Americans who want to become physicians should think twice about doing so. This is because an increasing surplus of doctors and strict controls on health care costs, may — and I quote, “make it hard to earn a living.” The same article takes note of the recent report of the PEW Health Profession’s Commission that recently jarred the health professionals’ world, argues not only existence of a surplus of physicians, but a surplus of nurses and pharmacists as well.

Another recent article pointed out in the context of America’s increasing reliance on health maintenance organizations and “managed care” to control health care costs, that the vast majority of employers evaluating HMO plans for their employees place the issue of cost far above issues relating to the quality of health care services. This article is one of a series, examining the goals, promises, and realities of the managed care concept including — for those of you considering a career change—the fact that the annual salary of the CEO of one of the largest managed-care companies exceeds $6 million.

Finally, among the series of managed care articles to which I refer, there were a number of what we might call

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“horror stories” involving patient access problems, restrictions on physician and pharmacist professional judgment, treatment failures and worse, resulting from health care services provided — and in a number of instances apparently not provided — to patients in managed care programs. I do not propose to “beat a dead horse” with regard to the concerns and the examples that I cite here, because I believe that each of you could present your own litany of examples and concerns.

In what direction should these examples propel us in the profession of pharmacy and in the pharmaceutical industry? To the protection and maintenance of the status quo? I think not.

First, I do not believe that the current health care system status quo is one that either the pharmaceutical industry or the profession should perpetuate — and returning to the system of a decade or two ago is not an option. Therefore, it is mandatory that dreams of the past be put aside, that unattainable goals be put aside, that intra- and interprofessional posturing be put aside, and the disputes that have divided and continue to divide pharmacy and the pharmaceutical industry be put aside. We must recognize a mutual obligation to avoid skirmishes that threaten to damage, if not destroy both sectors, but if they occur, they can only inure to the benefit of others. Our historic mutual reliance must not further evolve into an adversarial relationship. Now, as the upheaval continues in the nation’s health care system, I urge both pharmacy and the pharmaceutical industry to recall our past, how importantly we have served one another and how collectively we have contributed significantly to improved patient care. As health care moves toward a shared-risk system, we have so much to offer one another. Pharmacists have front-line access to the patient and are held in high regard by the consumer. The pharmaceutical industry should recognize that trust and partnership with pharmacy assures that the most appropriate drug therapy is provided.

Further, we must not overlook how valuable the pharmacist can be in achieving patient compliance, through appropriate drug therapy management, thus helping the industry’s products achieve their desired outcome. Pharmacists, in turn, must look cooperatively to the industry for information on disease management as well as educational support to assist the pharmacist in fulfilling a new clinical role in the evolving integrated health-care system.

And what should that new role be? The Pew Health Commission recently projected reduction of 40,000 pharmacists needed for the future, supporting their contention that one-fourth fewer colleges of pharmacy would suffice. I believe the Pew Commission was predicting their data on disease and wellness programs. I do not propose to “beat a dead horse” with regard to the concerns and the examples that I cite here, because I believe that each of you could present your own litany of examples and concerns.

Unfortunately these initiatives alone won’t suffice. Change must be initiated by individual practicing pharmacists. Pharmacists cannot wait for leadership to do it for them because it won’t happen. It will take large numbers of practicing pharmacists to move the process.

Pharmacy must also change the public perception of the profession’s capability to contribute in a new and expanded role. It is imperative that the profession develop and implement a nation-wide educational and public relations campaign to shift public opinion.

The image of the pharmacist as a dispenser must be replaced with an image of the pharmacist exhibiting a more intellectual contribution to health care as a care giver specializing in drug therapy management. I am encouraged by APhA’s recent media blitz regarding the value and benefits of pharmaceutical care.

Pharmacy cannot operate in a vacuum. Other members of the drug therapy management team — physicians, nurses, the research-intensive pharmaceutical industry, and others — all have a role to play and an interdependent relationship with pharmacy. The name of the game is collaborative drug therapy.

Associations of both the pharmaceutical industry and pharmacy must also become leaner in terms of their organizational structures so that their respective interests can be represented more effectively in the health-care system debates. There can be only one goal for both the profession and the industry: to achieve a full and rewarding role in the health-care system to the greatest possible extent in the face of numerous contending interests pursuing the same objective. Now is the time to resolve differences and acknowledge that single goal.

Early in our nation’s history, when the 13 colonies were struggling for independence, there were many debates in which they had great difficulty in reaching agreement. Eventually, however, they were able to present to the world their Declaration of Independence.

On that occasion, Benjamin Franklin informed his colleagues that “We must all hang together or assuredly we shall all hang separately.” Franklin’s message was not lost on his listeners. Despite many deep-seated differences among the colonies, they managed to get their act together. Although rooted in history, Franklin’s proposition regarding the need to unify those with basically similar interests — and march together for the common good — is timeless.

Today, for the profession and industry to maximize their future opportunities each must recognize that it has been a natural ally of the other and that this natural ally relationship does and must continue to exist. The “ties that bind” have been strained at times and often for legitimate reasons. The point that we should all appreciate is that neither perceived or actual right or wrong is attributable wholly to one interest or the other.

What also must be recognized is that both the pharmaceutical industry and pharmacy will continue to witness profound internal and external changes. We should not
overlook or underrate some of the most significant changes that have already occurred.

During the past decade, the research-intensive pharmaceutical industry has undergone significant consolidation and downsizing. Since I joined the PhRMA Foundation in 1985, seventeen companies have ceased to exist. Strong incentives for mergers within the industry continue to be present, and it is possible—if the merge-trend continues and is projected into the next century—the research-intensive pharmaceutical industry will consist of six to ten multinational, highly-diversified pharmaceutical companies with multiple specialized subsidiaries. Similarly, the wholesale drug segment in the past decade has also witnessed its numbers diminishing from 150 corporations to fewer than 60 today.

Despite population increases, the total number of pharmacies has remained relatively constant, although we all know that many independent pharmacies in that number have been replaced by mass merchandisers and other types of chain organizations. I could give you a litany of statistics, but suffice it to note that radical consolidation is now beginning to take place within the chain drug industry itself, and the percentage of pharmacists who are employees as compared to those who are self-employed continues to rise.

With consolidation rampant throughout, can associations ignore the economic pressures driving their respective constituencies? Only at their peril, I believe. Just as they have done themselves, pharmacy and the pharmaceutical industry should be assured that their respective organizational structures are capable of representing their interests as efficiently and effectively as their resources will allow. With the current nationwide focus on increasing efficiency and output in the face of shrinking resources, it is apparent that this is not the time for pharmacy or the pharmaceutical industry to be swimming against the tide. This is the time for a close examination of association structures, and for serious consideration of the potential benefits of consolidating professional and industry interests into a smaller number of more effective organizations.

This is not a new proposition. I well remember the efforts of the late APhA President, Bill Apple, and other pharmacy leaders to encourage the creation of “one voice for pharmacy.” Those efforts failed—not because of any inherent weakness in the “one voice” concept, but because of the impossibility of reaching consensus as to what or who “one voice” would be.

Why then do I now suggest that the profession should attempt to breathe new life into a concept that most in pharmacy probably think is long past? I do so because of my commitment to the profession, and because I believe that making its organizational structure collectively more effective is one of the many steps essential to creating a reasonable assurance of pharmacy’s continued viability.

I do not propose what optimum number of organizations might best represent the profession or which organization or organizations should survive. My strong conviction, however, is that there is an important role for pharmacy in tomorrow’s health-care system. I am equally convinced that such a role is not likely to be developed if, and so long as the profession is divided according to particular practice interests. Today, it is increasingly difficult to differentiate between the constituents of the many pharmacy organizations. The economic resources of the profession cannot be wasted by maintaining an organizational structure that no longer effectively represents the profession.

The issue I have raised in the pharmacy context is very similar to the issue that is being faced by the pharmaceutical industry. You should be aware of the extent of consolidation and downsizing within the industry, but the numbers that I mentioned earlier do not tell the entire story. I am sure that many pharmaceutical industry observers still think in historic terms of the industry being comprised of two separate and distinct segments—the “brandname pharmaceutical industry” and the “generic pharmaceutical industry.” As the industry continues to consolidate, however, this historic pattern of basic and often diverse interests within the industry has become a delusion of conventional wisdom. Without reciting statistics, just observe that a large number of brandname companies produce generic product lines, most generic manufacturers have been acquired by brandname companies, entry by foreign manufacturers, alliances, and the increased marketing of former prescription products into the OTC marketplace are examples of dramatic changes in the pharmaceutical industry.

All of these realities should disabuse industry observers—and certainly the pharmacy profession—of the belief that the historic differences between “brandname” and “generic” pharmaceutical manufacturers still exist as they did in the past or that the interests of “brandname” and “generic” manufacturers continually conflict rather than come together. Moreover, the business of pharmaceutical manufacturing and drug development is becoming more and more a global activity. Issues relating to the harmonization of international standards for pharmaceutical products have become a substantial practical and economic concern for the industry as this trend continues.

It is true, that organizationally, the pharmaceutical industry has not yet come together but it is heading in that direction. Given what undoubtedly will be a continuing consolidation of the pharmaceutical industry—will it serve the industry’s interest to maintain multiple trade associations identified with segments of the industry that no longer exist as a practical or meaningful reality? Do the current or future interests of the companies that make up the pharmaceutical industry require their maintaining and supporting separate interest groups? Or should the consolidation that is occurring within the industry itself be mirrored by similar consolidation of the organizations that currently represent the pharmaceutical industry?

With appreciation and due respect for all of the organizations and individuals who have devoted their efforts to representing the industry as it has existed, I predict that, in the not far distant future, the pharmaceutical industry will redefine its own organizational structure to bring it in line with current realities.

Coming back to pharmacy, I respectfully suggest that each of my perceptions about the pharmaceutical industry is equally applicable to the profession and its organizational structure—one major exception. Unfortunately—given the history of prior efforts to unify the profession—I lack the confidence that I have expressed about the pharmaceutical industry when it comes to predicting the outcome of current or future efforts to unify and consolidate representative organizations. I recognize that individual personalities will play a more prominent role within the profession and its current organizational structure than might occur within the industry and industry organizations. I also recognize that the profession’s “turf” is divided into a greater number of identifiable segments than within the
industry. Finally, I recognize that a number of organizations within the profession have existed for much longer periods than organizations within the pharmaceutical industry. Perhaps these differences between pharmacy’s organizations and those of the industry are principally reflective of the differences between professional associations comprised of individual practitioners and trade associations comprised of corporate members. All of these factors may make the profession’s organizational restructuring task more difficult than that of the industry but, in my view, they do not make the task impossible. I look forward to a health-care system that will offer the pharmacist an opportunity to build on initiatives involving collaborative drug therapy management through pharmaceutical care. I am also optimistic that expanded opportunities will exist for pharmacists as important contributors to the discovery and development of new therapeutic agents within the pharmaceutical industry. I continue to believe in a rewarding future for pharmacy and the pharmaceutical industry. However, we must devote our efforts to guaranteeing that future and time is of the essence.

One thing should be clear for both the profession and the industry. What the future will bring does not lie wholly within the profession’s or industry’s hands. However, the future does lie in large part within the profession’s and industry’s hands. How those hands are put to work in determining the future will be critical.

For our profession, I have two essential aspirations. First, I want to see pharmacy’s future determined with recognition of its real and vital contribution to public health and welfare. Second, I want to see pharmacy’s future positively influenced by its ability to come together and expend its resources and energy to preserve and enhance that future. There is no doubt in my mind that the pharmaceutical industry and pharmacy will have an essential role in the health-care system of the future.