

Denise Carpenter, President and CEO Neighbourhood Pharmacy Association of Canada



By Denise Carpenter

The last year has seen continuing seismic change for Canadian pharmacy, and 2016 appears set to continue this trend. Our industry's business model is reinventing itself, from one based on product distribution and transactions to one focusing on an ongoing professional relationship between the pharmacy health care team and individual patients, in which pharmacy delivers a growing range of health care services to keep Canadians healthier longer. For those who can successfully navigate this period of change, there are huge opportunities to build a sustainable business.

The economic pressure behind this change is dramatic cutbacks in public drug plan spending — typically 40% to 45% of our members' revenue — implemented by individual provinces and through joint initiatives. A third wave of reductions was implemented in April 2015, bringing pricing on a total of 14 commonly prescribed generic medications to 18% of the reference brand drug price. New high-cost drugs and biologics also face increased scrutiny, and large private insurers are signaling that they may no longer automatically cover new drugs without evidence of cost effectiveness.

Across the country, while the provinces struggle to control public drug plan costs, the move to increase scope of practice to deliver additional professional health care services continues to gain momentum.

Newfoundland and Labrador — has just become the latest province to add "minor ailments prescribing" to scope of practice. This leaves only British Columbia, Ontario and the Territories as 'have nots' in this important activity.

In Nova Scotia there's an exciting new minor ailments pilot project now under way, but the uptake has been slow, threatening additional funding. In New Brunswick, the pharmacy services Memorandum of Understanding expired in March and has not been renewed, pending the government's strategic review. Although New Brunswick is a leader in expanded scope, it funds only flu shots and med reviews. In Prince Edward Island, there is health and wellness funding for a wide range of medication review services, including: catastrophic drug program applications, compliance packaging and flu vaccinations.

In Quebec, pharmacy has become a primary target for

unilateral cost cutting, as the province introduced legislation in late November to enable tendering and exclusive listings for public and private drug plan suppliers.

In the West, in Manitoba, there's an odd situation, with expanded scope that includes prescription refills, treating minor ailments and cardiac risk assessment, but no government-funded reimbursement. In Saskatchewan, there's now approval and funding for pharmacy flu shots at \$13.00, the second highest fee in the country.

Many provinces face tight fiscal situations and deficits that restrict their financial flexibility. In Ontario (population ap-

proximately 14 million, 39% of Canada), the spring 2015 budget aimed to achieve sustained annual reductions of more than \$150 million in the public drug plan, in addition to continuing pan-Canadian price compression and other initiatives.

the alternative — further unilateral reductions in generic drug pricing, slashed dispensing fees or both — could always be far worse.

We also gained consistency and stability for industry's planning processes, giving pharmacy added 'runway' to anticipate future changes. Additionally, the province will consider expanding scope of practice to include pharmacy travel vaccinations. Ontario's Minister of Health said recently that he looks favorably on adding travel vaccinations and prescribing for minor ailments, which only Ontario and British Columbia currently lack.

These results amount to much more than just "making lemonade" from hundreds of millions of dollars in cuts. The discussions represent the first time, since the 2010 cutbacks, that the province and pharmacy have discussed solutions in a positive manner ... the result of positioning pharmacy — always — on the solution side.

Canadians like the convenience of pharmacies.

Time for innovative approaches

Building on trust

Throughout the last year we have seen many reports and studies on the need for a national pharmacare program. Most have focused on the presumed cost-cutting potential of centralized "bulk buying" to save billions of dollars and thereby make national pharmacare cost-neutral.

In October, Canadians voted for a new federal government and, with it, the prospect of having the federal government reassert its traditional leadership role in health care delivery. The election was also notable for the absence of any real discussion on health care in general or on pharmacare.

More importantly, however, it's now clear that isolated policy changes or stand-alone

Meeting our patients' needs — their way

From a start in the 2010-2011 season, neighbourhood pharmacies delivered about 1.9 million flu vaccinations last season, and we expect to protect more than 2 million Canadians this season.

According to new research commissioned by Neighbourhood Pharmacies, 95% of pharmacy flu vaccine patients are "very satisfied" with their care, and the vast majority plan to return to the same pharmacy this season. Canadians really like the speed and convenience neighborhood pharmacies offer. More than 70% of flu vaccine patients simply walked in — without an appointment — and 88% waited less than 10 minutes for their shot.

This is what neighborhood pharmacy is all about — meeting our patients' needs their way: at a time and place that makes sense for them. It also extends the reach of the health care system, as we vaccinated a significant number of patients who were unprotected against last flu season.

Leveraging the value of our health care system means doing things differently. The time has come to develop innovative approaches and systemwide solutions that improve patient outcomes and provide value to Canadians. Pharmacy isn't the whole story in the Canadian health care system, but there are things we can do differently to deliver better care, better outcomes and better costs, and pharmacy flu vaccinations is just one great example.

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Our pharmacy flu shot research demonstrated five positive business impacts:

- High satisfaction with in-pharmacy direct patient care.
- Pharmacy can reach patients not well served by other health care channels.
- Flu vaccinations are a relatively easy patient service for pharmacy to implement and can be administered easily, on a walk-in basis like dispensing.
- Pharmacy can do more than just dispensing.
- Potential to leverage success through incremental flu vaccine volumes, additional types of vaccines — HPV, travel, shingles and other new hands-on patient services.

This research points to a number of new services and great business potential.

In today's environment, where pharmacy's business focus is always to be part of the solution to the challenges facing health care delivery in Canada, Neighbourhood Pharmacies plays a critical role.

We represent the whole industry and transcend any one member's competitive interests. We bring the weight of the whole industry to bear and, perhaps most importantly, we make it possible for governments and other stakeholders to engage in a meaningful way.

So, instead of having multiple companies all clamoring for access and attention, governments and stakeholders can deal one to one with the industry's association. That also positions Neighbourhood Pharmacies as the industry hub for behavioural and business research on how our businesses will succeed when government funding will not drive further growth and may decline even further.

As always, pharmacy performs best when we ensure that we place patients and their needs at the center of everything we do, and we ensure that we act — always — on the solution side.

