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Canadian Association of Chain Drug Stores
Association canadienne des chaînes de pharmacies



Ontario Drug System Pharmacy Discussion Roundtable

Pharmacy Service and Funding
Proposal

August 26th, 2009

Pharmacy Proposal – Highlights

Key Messages

- As the first point of patient access, Pharmacy is uniquely positioned to provide services that improve the overall quality and reduce the cost of Healthcare
- Pharmacy losses in providing service to the beneficiaries of the Ontario Drug Benefit plan are considerable and the business is only viable because of subsidization from indirect funding
- As the Ontario Drug Benefit segment of pharmacy business grows, with funding that is neither transparent nor predictable, the business risk for Pharmacy increases
- Any comprehensive solution must address utilization and productivity, not just pricing
- For Pharmacy to make the necessary investments in building its infrastructure to deliver more pharmacy services, the revenue model needs to be stabilized
- The industry needs a joint Pharmacy-MoHLTC Working Group to assist in the creation and implementation of future pharmacy funding decisions

With several “blockbuster” drugs coming off patent generating significant savings for ODB, now is the time to work together to create a mutually beneficial solution

Pharmacy proposal addresses core service reimbursement while the model for additional services continues to be developed

Framework Elements	Definition	
Core Community Pharmacy Dispensing Services	Cost of Medication	Cost system for single source and generic medications
	Supply Chain Charge	Fee for factory-to-pharmacy-shelf costs of providing medications. Differential for new generic molecules.
	Dispensing Services Fee⁽¹⁾	Fee for dispensing and directly related medication management functions.
Additional Professional Services	Enhanced Dispensing Services	Separate fee for enhanced dispensing services (e.g. Long Term Care, other homes such as retirement and group homes, compliance packaging, Methadone, IV, specialty/biologics)
	Professional Pharmacy Services	Fee for Essential services (e.g. MedsCheck, refill ext., prescription adaptation) and advanced services (e.g. immunization, collaborative prescribing)
Proposal Focus	Ongoing Work	

Beyond dispensing services, Pharmacy can deliver additional value to Ontario's Health System, and patients

Type of Services	Provider	Services That Could Be Included
Enhanced Dispensing Services	Select pharmacies/ pharmacists	<ul style="list-style-type: none"> • Long Term Care services, other homes such as Retirement and Group Homes, Compliance Packaging, Specialty Compounding, Methadone Management, Infusion/Home Intravenous Administration, Specialty/Biologic Medication dispensing services
Professional Services – Essential	All pharmacies/ pharmacists	<ul style="list-style-type: none"> • Basic medication management services; MedsCheck, Prescription adaptations (for example, refill extensions, dosage form adjustments, therapeutic interchange, refusal to fill) • Telephone triage • OTC Counseling
Professional Services – Advanced	All pharmacies/ pharmacists once requirements are met	<ul style="list-style-type: none"> • Medication administration, for example immunization • Minor ailment management/prescribing protocols • Chronic disease management; advanced education/intervention and medication management protocols <ul style="list-style-type: none"> – Diabetes education, Palliative Care, Cardiovascular (hypertension/dyslipidemia) management • Collaborative Prescribing • Smoking cessation prescribing • Anticoagulation monitoring

Discrete services, funding mechanisms and implementation timing must be agreed to

There are however several requirements in order for Ontario to realize benefit from additional Pharmacy services

- Clearly defined service framework, and protocols for individual services
- Understanding of costs to implement and deliver services to establish adequate funding and ROI
- Enabling requirements in place, such as
 - Technician regulation
 - Drug Information System (DIS)
- Transition plan and change management to support adoption and implementation of service
- Understanding of consumer needs and demands and Government priorities

A key principle of the proposal is to address utilization and productivity, not just pricing

Actions to further reduce Health System cost and improve patient outcomes:

- Expanding of pharmacist roles
 - Allow refill extensions and minor prescription changes
 - Encourage therapeutic substitution and implement therapeutic interchange
- Requiring and funding the adoption of the electronic prescription by physicians
- Removing administrative complexity (e.g. Professional Allowance reporting)
- Understanding the timeline to obtain a critical mass of appropriately utilized technicians
- Accelerating adoption of “unit of use” packaging
- Accelerating listing of new generics (drive conversion)
- Scaling annual deductibles based on individual means / ability to pay

It is important that any new model be transitioned in to give stakeholders adequate time to adjust

Transition Principles

- Deliver ODB savings as quickly as practical
- Ensure industry participants are able to earn a reasonable rate of return during the transition
- Anticipate that it will take time for:
 - Pharmacist training programs to be developed
 - Infrastructure requirements identified and implemented
 - New professional services to be adopted

A transition period of 5 years will give industry participants sufficient time to appropriately react

As a next step a Working Group should be created to assist in the implementation of Pharmacy funding decisions

Terms of Reference

Purpose

- Help inform decision making related to the provision and payment for pharmacy services
- Share cost information to better understand the cost of services provided to the ODB
- Establish ongoing implementation committee distinct from Pharmacy Council

Accountability

- The Working Group to report directly to the Deputy Minister
- The Deputy Minister will consider advice from the group to inform future decision related to the reimbursement structure of pharmacy services
- The group will operate in a manner consistent with the Competition Act

Members

- CACDS
- OPA
- IPO
- MoHLTC

The Working Group should establish a meeting schedule to start work the week of August 31st