Payer-Directed Care

Statement

The Canadian Pharmacists Association (CPhA) believes that quality pharmacy care is essential to the health of all peoples in Canada and that payer-directed care interferes with the established and trusted relationship between pharmacists and their patients, which in turn can compromise patient-centred health care.

CPhA believes that patients must be able to access a full range of medications and treatments from their pharmacy and pharmacist of choice, ensuring that decisions are made based on health needs rather than payer directives and incentives. As medication experts, pharmacists should be able to select the best treatment options for each individual patient based on the best available evidence, and that payer policies aimed at restricting such care is not in the best interest of patients and plan members.

Background

Pharmacy practice is highly regulated in Canada to ensure that patients receive the highest standard of patient-centric care.

In an effort to reduce their costs, private insurers and pharmacy benefit managers, who provide drug coverage to plan members, are increasingly directing the care that patients receive from pharmacy professionals. Across Canada, the practice of "patient steering" by private health insurers and pharmacy benefit managers (PBM) is growing with a view toward directing patients to their own corporately-owned pharmacies or to established preferred provider networks (PPN).

Patients who do not use these designated pharmacies may experience higher out-of-pocket costs by not receiving full coverage, or possibly no coverage at all for their prescription claims. In some cases, if they are not able to access a local pharmacy that is part of a PPN, they may be forced to travel long distances or to order their medications through a mail-order pharmacy without the option to consult with a pharmacist in-person.

Pharmacies that are excluded from PPNs are at a competitive disadvantage. Pharmacies may experience large reductions in prescription volumes, leading to mounting financial challenges. This can have broader implications for access to healthcare in rural and remote areas where pharmacies may be the only points of primary care. Independent or smaller pharmacies are most at risk of being excluded from PPNs because of their limited negotiating power.

Call for Regulations

CPhA believes that the choice of pharmacy should remain solely with the patient and that patients should be able to access their medications from any pharmacy that they choose. We urge all governments across Canada to regulate payer-directed care and insurer and pharmacy benefit manager practices that undermine the trusted patient-pharmacy relationship.

The regulatory framework should include provisions that ensure:

☑ **Patient-Centered Care:** PBM policies and practices must prioritize patient health outcomes over cost-saving measures. Medication coverage and dispensing should be based on clinical best practices and individual patient needs. PBMs should not be able to direct where a patient gets their medications. Specifically, regulations should include:

- **Restrictions on PPNs**, ensuring that PBMs cannot discriminate against any particular pharmacy or group of pharmacies, allowing for fair competition.

- **Conflict of Interest Rules**, especially in cases where PBMs are owned by or affiliated with insurers or drug companies.

☑ **Transparent Audit Practices:** Establish clear, fair, and standardized guidelines for PBM audits. This will prevent practices that unfairly penalize pharmacies for minor, technical errors and ensure audits are conducted with reasonable notice and criteria. Regulations should include:

- **Conflict of Interest Provisions:** Implement rules to prevent conflicts of interest where PBMs or their auditors might benefit from the outcomes of their own audits.

- **Pharmacy Protection:** Create safeguards for pharmacies to prevent financially crippling audit recoupments and allow processes for fair dispute resolutions.