

March 21, 2013

Hon. Fred Horne, MLA
Minister of Health
208 Legislature Building
10800 97 Avenue
Edmonton, AB
T5K 2B6

Dear Minister

I am writing on behalf of the Canadian Pharmacists Association (CPhA) in reaction to the announcement contained in the 2013 Alberta budget to reduce the price paid for all generic drugs to 18% of their brand name equivalent. We were surprised to learn of this recent news given the announcement by the Council of the Federation in January 2013 to lower the price on six generic molecules to 18%. The provinces agreed to set up a "Pharmacy Theme Area" under the auspices of the Health Care Innovation Working Group that would work with stakeholders, including ourselves, to look at pharmaceutical policy from a longer-term, more predictable perspective. The changes announced will undoubtedly have a major negative financial impact on pharmacy, which will ultimately weaken the ability of pharmacists to provide quality care to patients.

We would like to repeat the same recommendation we made following the Council of the Federation generic pricing announcement in January 2013, which is that in order to provide more accessible and effective health care, governments should reinvest a portion of the savings realized from lower generic pricing into expanded pharmacy services and change management strategies than are currently the case. The Governments of Saskatchewan and Prince Edward Island have already announced that they will be reinvesting a portion of savings into pharmacy-related services, and the Government of New Brunswick has asked for proposals to do the same. Following the January 2013 generic pricing announcement, your colleague, the Hon. Dustin Duncan, Saskatchewan Minister of Health, stated "We are mindful of the impacts to community pharmacies as a result of this initiative. We remain committed to working with pharmacists and pharmacies to identify opportunities to reinvest a portion of the savings into community pharmacy services." Although we know that the Government of Alberta has invested in a broader range of pharmacist-provided services over the past several years, the scale of the pricing announcement contained in the Alberta budget will necessitate even greater reinvestment in services if pharmacies in Alberta are to remain patient-focused and viable.

Knowledge

Advocacy

Leadership

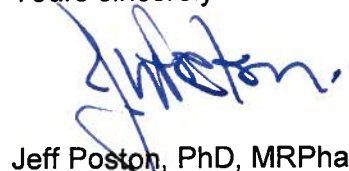
There is a growing body of evidence linking the provision of expanded pharmacy services to better patient outcomes and better outcomes for the overall health care system. Just last month, the Ontario Pharmacists' Association unveiled a detailed and specific report that demonstrated that the province of Ontario could realize savings of \$143 million and better population health outcomes by fully implementing and funding five new services - the counseling and prescribing for smoking cessation, administering flu vaccinations, adapting patients' drug therapy, renewing prescriptions for stable chronic conditions, and prescribing for minor ailments. Larger scale studies such as the Health Care Imperative (which will be officially released in April 2013) and the global IMS Institute of Health study have also estimated significant savings to the health care system by more effective utilization of pharmacists and the broader pharmacy sector. Although it is true that Alberta is ahead of the curve with respect to implementation of new pharmacist-provided services, there remains a great deal of potential savings to be had. We would be happy to provide you with the details of these studies.

In order to ensure that reallocated funds are targeted most effectively, we would recommend that the Government of Alberta consult with the Alberta Pharmacists' Association (RxA) to determine the most effective means of supporting and enhancing an even greater range of pharmacy services than is currently the case. Although any proposals for reinvestment should be developed through RxA, specific suggestions that we would make for reinvestment include: a range of change management strategies, such as funding for educational offerings for pharmacists (the CPhA ADAPT program is one example), or measures that better promote and enable community pharmacies to act as primary care centres or hubs. In addition, fair compensation for additional pharmacy-related services should be negotiated directly with RxA.

In short, CPhA is recommending that in the wake of the budgetary announcement regarding lower generic prices, the Government of Alberta follow the example of other provinces, and work with RxA and other stakeholders to reinvest a portion of the generic drug savings into expanded pharmacy services and change management strategies. There is no question that such an action would strengthen patient care and patient outcomes to the benefit of the Alberta population.

Thank you for taking the time to review this request. If you have any questions or require further information, please don't hesitate to contact us.

Yours sincerely



Jeff Poston, PhD, MRPharmS.
Executive Director

cc. Hon. Alison Redford, Premier of Alberta
Margaret Wing, Executive Director, RxA