

## **Alberta Pharmaceutical Strategy Phase Two**

### **Alberta Pharmaceutical Strategy**

The Alberta Pharmaceutical Strategy was created by the Alberta government to make drug coverage more affordable, accessible, effective and efficient.

#### **Phase one**

Phase one of the Alberta Pharmaceutical Strategy was announced in December 2008.

This phase introduced a new seniors' drug plan, a new drug program for Albertans with rare diseases, a consolidated government-sponsored drug plan, an improved drug approval process and revised premiums for non-group drug benefit coverage.

#### **Phase two**

The second phase of the Alberta Pharmaceutical Strategy was announced on October 20, 2009.

#### **Goals**

Phase two aims to:

- Reduce prescription drug costs and save money for Albertans, employers and government
- Improve prescription drug use and
- Provide better care to Albertans and improve their health

#### **Initiatives**

As part of phase two, the Alberta government will:

- **Negotiate reduced costs for brand name drugs**

Prices for brand name drugs cannot be negotiated with manufacturers as these prices are set internationally and regulated federally. Brand name drug manufacturers will, however, negotiate product listing agreements that can help to reduce drug costs. These agreements may include high volume rebates, quicker access to new and innovative drugs, or funding for research.

- **Reduce generic drug prices**

Generally, the price of a generic drug is 75 per cent of the price of a brand name drug. In October 2009, the price of new generic drugs was reduced from 75 per cent to 45 per cent of the price of comparable brand name drugs. Starting in April 2010, the price of existing generic drugs will be reduced from 75 per cent to 56 per cent of the price of comparable brand name drugs.

- **Expand the role of pharmacists and introduce a new payment model for pharmacy services**

To more fully utilize pharmacists' professional knowledge, training and skill, they will be encouraged to spend more time advising patients and other health professionals about effective prescription drug use. This change will help Albertans to get the most from their medications and to improve their health.

Alberta Health and Wellness will be working with pharmacists and pharmacies to define and introduce a new payment model. The new compensation model will be introduced in July 2010.

A comprehensive transition plan has been developed to support pharmacies as they shift their focus from dispensing prescription drugs to providing more professional services. This transition plan includes a \$5 million fund to assist rural and remote pharmacies as well as a transitional allowance for all pharmacies for each prescription less than \$75. This transitional allowance totalling \$75 million will be provided for the next three years.

The transitional allowance will be:

- \$3 per prescription from April 1, 2010 until March 31, 2011
- \$2 per prescription from April 1, 2011 until March 31, 2012
- \$1 per prescription from April 1, 2012 until March 31, 2013
- After March 31, 2013, the transitional allowance will be eliminated.

### **More information**

Alberta Health and Wellness:

Website [www.health.alberta.ca](http://www.health.alberta.ca)

Telephone 310-4455 toll-free throughout Alberta