

Alberta Pharmaceutical Strategy Phase Two

Pharmacists and Pharmacies

Alberta Pharmaceutical Strategy

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.

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

Pharmacists and Pharmacies

Phase Two of the Alberta Pharmaceutical Strategy includes a new payment model for pharmacy services. Currently, pharmacies are paid a fee each time a prescription drug is dispensed. Changes to the pharmacy payment model, as part of Phase Two, will reward pharmacists for spending more time advising patients and other health professionals about effective medication use. By taking advantage of the full scope of pharmacists' professional knowledge and skills, Albertans will get the most from their medications and improve their overall health.

Phase Two changes

As part of Phase Two, government will:

- **Introduce a new payment model for pharmacy services**
Alberta Health and Wellness will work with pharmacists and pharmacies to define and introduce a new compensation model by July 1, 2010.

The Pharmacy Practice Models Initiative (PPMI), a pilot project designed to test and evaluate new compensation models, is underway. PPMI was designed to demonstrate that, through enhanced pharmacy services, patient health and quality of care can be improved. The initiative has engaged more than 190 pharmacists in more than 100 community pharmacies across Alberta. Results from the initiative are expected in March 2010.

- **Provide transition funding to eligible pharmacies through the \$5 million Pharmacy Services Access Project**
Reduced generic drug prices will become effective before a new compensation model for pharmacy services can be fully implemented. Interim funding will be made available to eligible pharmacies during this transition period. This funding will help

rural and remote pharmacies adjust to the new generic drug prices and to shift the focus of their services from dispensing to medication management.

The eligibility criteria for this grant funding are based on:

- the number of pharmacies in the community
- the community's population (less than 30,000)
- the community's proximity to an urban centre (at least 70 kilometres from a major city) and
- the community's location (north of 54 degrees latitude).

Under these criteria, 372 pharmacies or 39 per cent of the province's pharmacies are eligible for grant funding. A total of \$5 million will be available.

- **Provide a transitional allowance**

A transitional allowance totaling \$75 million will be provided to help pharmacies make the transition to a new payment model. The allowance will be added to each prescription less than \$75 and will be provided for 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.

- **Transition Plan**

A Memorandum of Understanding between Alberta Health and Wellness, the Alberta Pharmacists' Association and the Canadian Association of Chain Drug Stores has been signed in which all parties agree to:

- Define a transition structure and plan for the compensation model by December 1, 2009;
- Develop a new compensation model by July 1, 2010; and
- Support the transition from the existing compensation model to the new model (over a three-year period)

Statistics

- There are more than 900 pharmacies in Alberta. About 48 per cent are chain, banner or franchise drugstores, 30 per cent are grocery store pharmacies and 22 per cent are independent pharmacies.
- There are about 3,800 practising pharmacists in Alberta.

More information

Alberta Health and Wellness:

Website: www.health.alberta.ca

Telephone: 310-4455 toll-free throughout Alberta