

» PHARMACY'S PERFECT STORM

Pharmacy is quickly evolving from the traditional business of filling prescriptions and giving information about those medications to providing a suite of health care services, including disease prevention, treatment, and health management. At the mid-point of 2015, we find there are now two sides to the business of pharmacy. The dispensing side, which involves the safe procurement and dispensing of drugs, is still the *raison être* for most pharmacists. But now we're seeing the rise of an assortment of professional services, such as conducting medication reviews, administering flu shots, and treating minor ailments, which is changing the role of a pharmacist from transactional to service oriented. Yet, this transition is causing the profession to face pressure on both the dispensing and professional service sides as payers, public and private, are demanding higher quality at a lower cost. In fact you could say that pharmacy is experiencing a perfect storm.

» PROVINCES CALL THE SHOTS

The economic realities of the 21st century have certainly been a large factor in this shift in pharmacy focus as the provincial governments have imposed a number of major changes to the pharmacy business in a desire to rein in the costs.

➡ DISPENSING FREQUENCY AND MARK-UPS

Over the past ten years or so, all the provincial governments have reduced the reimbursement allowed for dispensing frequency and mark-ups under the provincial drug plans. Since these amounts help pay for the costs of operating the pharmacy, the restrictions have squeezed pharmacies' margins.

➡ ELIMINATION OF REBATES/PROFESSIONAL ALLOWANCES

Before 2010, these were very common in pharmacy. "Rebates" and "professional allowances" (payments from generic drug manufacturers to pharmacies as incentives for stocking particular products) have been either substantially reduced or entirely eliminated across Canada over the past five years. For many pharmacies this was a major source of income.

➡ GENERIC PRICING REFORMS

The ongoing reduction in generic drug prices affects the mark-up at the pharmacy level (see our winter 2013 issue of *Follow the Script*™ for an explanation of drug pricing) as well as the level of rebate. Through the Pan-Canadian Generic Value Price Initiative (now known as Pan-Canadian Pharmaceutical Alliance), all the provinces (except Quebec) are working together to negotiate pricing with the generic drug manufacturers for certain drugs (a.k.a. bulk buying).



As part of this overall restructuring of pharmacy reimbursement, a number of provinces have “reinvested” in professional pharmacy services, including medication therapy management. For example, almost all provinces have medication review programs (such as MedsCheck in Ontario or the Standard Medication Management Assessment in Alberta) where pharmacists are reimbursed by the provincial government for providing the service. Simultaneously, many provinces are expanding the scope of practice for pharmacists into areas such as prescribing certain drugs and administering injections. (Check out the fall 2013 issue of *Follow the Script* for more information on pharmacists’ scope of practice.)

► BUMPS ALONG THE ROAD

As pharmacy transitions toward the provision of new services, new challenges are arising that require transformation of the traditional delivery model. In particular, the pharmacy workflow, which has traditionally been structured around dispensing of medications, has been gradually re-engineered to accommodate the delivery of patient counselling as well as vaccine administration. This includes changes to both the infrastructure (e.g., private counselling rooms) and the distribution of work between pharmacists and other pharmacy staff. The fairly recent regulation of pharmacy technicians as health professionals has enabled pharmacists to transfer many of the technical aspects of dispensing to the technicians. New software tools and resources are being developed to assist pharmacists in identifying patients eligible for the services and to help streamline the processes of documentation.

Other challenges faced by pharmacy are related to the comfort level and confidence of individual pharmacists in undertaking some of the new scope of practice tasks that are far beyond pharmacists’ traditional role. For instance, pharmacists in Ontario are now able to adjust and extend prescriptions, in certain circumstances, without prior physician approval.

The new scope of practice provides pharmacists with a greater array of tools with which to optimize patient drug therapy but it also carries a greater level of responsibility for patient outcomes. In response to some of these challenges, professional associations, regulatory colleges, and educational institutions have developed training programs and resources to assist pharmacists with the transition to their new scope. However, all of this has put pharmacy in a new world, and so far, uptake has been limited.

► TRANSFORMING PHARMACY FOR THE FUTURE...

This perfect storm has brought pharmacy to a turning point; it’s clear that a large part of its future is in professional services, not dispensing. Yet professional services have a way to go toward reaching both widespread adoption and optimum delivery. Despite the challenges, pharmacy as a business is eager to expand – and promote – the new professional services whether it’s disease prevention, medication management, or expansion of the scope of practice.

BEHIND THE COUNTER



In each issue of *Follow the Script*, we interview a member of our pharmacy team about a current topic. In this issue, we talk to the newest member of the team, Pharmacy Strategy Leader **Ned Pojskic**, about his background with the Ontario Pharmacists Association (OPA) and his thoughts about pharmacists and the business of pharmacy. Spoiler alert: he's not actually a pharmacist – but he does have masters and PhD degrees from the Department of Pharmaceutical Sciences at the University of Toronto. He also teaches first-year pharmacy students through his adjunct lecturer affiliation at U of T's Leslie Dan Faculty of Pharmacy.

FtS: Welcome to GSC, Ned. Since our readers may not have much of an awareness of the OPA, could you tell us a bit about its purpose?

Ned: OPA has been around for a long time – since the 1960s – and its role is to represent pharmacists (as opposed to the business of pharmacy). OPA's main role is advocacy for the value of pharmacists as health care professionals. They also provide resources to pharmacists, such as continuing education programs, practice supports, and drug information.

FtS: So how does OPA go about advocating for pharmacists?

Ned: Mostly it's about building relationships and educating payers – public and private – about the value of pharmacy. Traditionally the focus has been on the provincial government with members of parliament and their staff – going to conferences and fundraisers, participating on committees, and so on. But now OPA and other provincial associations are becoming more aware of the role private payers play in shaping the business, and with the rise of professional services that those private payers are willing to subsidize, the future is clearly going in that direction.

FtS: What was your role at OPA?

Ned: I started at OPA in 2011 – that was after pharmacy had undergone a number of cuts that affected revenue and left pharmacists feeling undervalued. I'm an academic, and I was brought in to do research and provide evidence that showed the value of pharmacists and that could support the advocacy efforts of the OPA. This is a trend across Canada. In fact, now all the provincial associations are increasingly investing in research to demonstrate the value of pharmacists.

FtS: Are the other provincial associations similar to OPA?

Ned: Yes, the same type of organization exists in each province. Much of the focus of the provincial associations lately has been on pharmacists' scope of practice which varies across the country. For example, Alberta has the broadest scope – since 2007, authorized pharmacists have been able to prescribe any drug for any condition.

FtS: Do most pharmacists take advantage of the opportunities they have to expand their scope of practice?

Ned: Actually it's not as many as you might think. Pharmacists are generally a conservative group and not quick to change. But sometimes it's just that they haven't had a chance to take the additional training they need, or their pharmacy isn't set up to provide the new services as yet. Some of them just don't have a good comfort level for the new responsibilities, but that is quickly changing.

FtS: In your view, what one change does pharmacy need to make?

Ned: I'd say pharmacy, like all corners of the health care system, needs to focus on quality of care and outcomes. When it comes to professional services, it's more important than ever that pharmacists consider what's best for the individual patient – whether that patient is getting the right drug, or even whether something other than a drug would be more appropriate. Taking ownership over individual patients' health outcomes is key.

FtS: How do we get there?

Ned: Payers, public and private, need to become more sophisticated in how they pay pharmacists to encourage better quality assurance. For example, pharmacies could be compensated according to the quality of service delivery. We need a new mind-set to drive more innovation. A good example is what is happening in the U.S. with the pay-for-performance movement.

FtS: What can we do here at GSC?

Ned: Our Pharmacist Health Coaching is a good start. We may see slow uptake at first, but we should see good outcomes once it's become more established. We've put a lot of best practices in this program to ensure its success. Someday in the future, I could see GSC creating a structure for pharmacy reimbursement that takes into account specific outcomes such as patient adherence and appropriateness of drug therapy. We could set a precedent for the whole industry and help the pharmacy profession along its evolutionary pathway.