

PANL and Provincial Government Reach New Three-Year Contract

Over the past two years, the PANL Economics Committee and Negotiating Team have been in active discussions with the Provincial Government on a new contract for reimbursement of pharmacy services. As chair of the Economics Committee, I am pleased to advise that these negotiations have concluded, and a new agreement has been finalized.

When negotiations started in 2016, government was seeking savings of \$5 million. Given this, and the province's fiscal situation, we took a realistic but firm approach to negotiation discussions – if we were not going to see increases, we most certainly would not accept any cuts. In these times of great uncertainty – in terms of both the province's fiscal position and the pharmacy industry itself – our primary goal was to provide stability for members.

We feel the new contract acknowledges the important role of pharmacists in front line health care while also reflecting government's fiscal reality and priorities.

Highlights of the agreement are noted below. Please feel free to contact the PANL office if you have any questions at (709) 753 7881, toll free (800) 753 7881, or email@panl.net

Brenda Bursey,
Chair, PANL Economics Committee

The GNL news release is available at:

<https://www.releases.gov.nl.ca/releases/2019/health/0109n01.aspx>

Please note that the total value of the contract noted in the release (\$58.7M/year) is inclusive of patient co-payments.

HIGHLIGHTS OF THE NEW AGREEMENT:

Dispense Fees:

Dispense fees remain unchanged from previous contract:

65Plus Plan:

\$12.00 < \$250 – tier 1 (drug costs between \$0 and \$249.99)

\$40.00 > \$250 – tier 2 (drug costs >\$250)

Other plans:

\$11.96 – tier 1 (drug costs between \$0 and \$49.99)

\$23.93 – tier 2 (drug costs between \$50 and \$249.99)

\$50.00 – tier 3 (drug costs >\$250)

Compound:

1.5 x dispense fee

Dispense Fees – Diabetic Supplies:

Dispense fees for diabetic supplies remain unchanged from previous contract.

Dispense Fees – Opioid Dependence Treatment:

Dispense fees for methadone and suboxone remain unchanged from previous contract

Mark up:

Mark-ups remain unchanged from previous contract:

Brand: 8.5%

Generic: 9.0%

Rural Subsidy:

\$1 million / year fund remains in place to support rural and remote retail pharmacies operating in underserved areas – model to be determined by committee.

Medication Reviews:

No longer restricted to those age 65+, eligibility has been broadened to include individuals under the NLPDP who are diagnosed with a chronic illness, and taking three or more medications. This excludes long-term care and personal care home residents.

\$52.50

Cap of 72/year/pharmacy

Medication Management:

Base fee remains unchanged

Antibiotic Adherence:

Antibiotic / COPD Adherence funds (\$1 million) will be reallocated to a three-year universal deprescribing initiative, SaferMedsNL, as outlined below.

Provincial Deprescribing Program: SaferMedsNL:

The provincial Department of Health and Community Services, Memorial University and the Canadian Deprescribing Network have developed a deprescribing project entitled SaferMedsNL. The goal of this initiative is to decrease the use of potentially inappropriate medications and improve the quality of life of Newfoundlander and Labradorians.

SaferMedsNL is a three-year, universal initiative open to all residents of the province that will focus on reducing the inappropriate use of proton pump inhibitors in year one, sedative-hypnotics in year two, and opioids in year three.

SaferMedsNL aims to increase public awareness of the benefits and harms of these medications and facilitate meaningful conversations between healthcare providers and patients to ensure medications are continued when necessary and stopped when they are no longer necessary.

Pharmacist remuneration will be \$23 for the initial patient consultation and \$10 for the follow-up, as outlined in the policy document (still under development).

HCS will continue to remunerate pharmacies for the Antibiotic Adherence program until the launch of the SaferMedsNL, scheduled for January 2019.

Length of contract

Effective date: December 21, 2018.

Expiration date: March 31, 2021