



**Pharmacy Agreement
Amendment:
FAQ**

March 1, 2019

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Introduction

This past December, RxA submitted a written request to Government asking for the elimination of the Holdback Policy and an extension of the financial terms of the agreements. Last Spring, the new agreement established significant measures meant to mitigate Government spend on the pharmacy compensation budget. These measures including the frequent dispense policy, and changes to the Pharmacy Services Framework, resulted in cost savings greater than anticipated, with trending expected to be below budget target for 2018/19.

In a joint statement, Alberta Health (AH), Alberta Blue Cross (ABC), and the Alberta Pharmacists' Association (RxA) have agreed upon a two-year extension to the Pharmacy Compensation Framework Components without the Holdback Policy Provisions. Further, the Holdback Policy currently in place for 2019/20 will be established at 0% and will be held at 0% throughout the fiscal year unless budget targets are not met.

What are the changes occurring as a result of this amended agreement?

1. The Holdback Policy will be set to 0% beginning April 1, 2019 and remain at 0% unless expenditures exceed the 2019/2020 budget.
2. The Holdback Policy will be eliminated on April 1, 2020.
3. An Authorized Adjustment Policy will be established beginning April 1, 2020. The Ministerial Order for the Authorized Adjustment is to be established during the 2019-2020 fiscal year.
4. The Alberta Blue Cross Pharmaceutical Services Provider agreement will be amended to reflect:
 - a. Continuation for the current financial components from April 1, 2020 through to March 31, 2022.
 - b. Remove references to the holdback policy.
 - c. Include language required for the Authorized Adjustment Policy.
5. A formal consultative mechanism will be established that will allow RxA to seek feedback from members about future proposed changes to the Pharmacy Compensation Framework, to keep spending within the budgeted targets.
6. AH commits to considering an expanded role for pharmacy to support the opioid crisis.
7. Expenditures associated with the Assessment for the Administration of a Publicly Funded Vaccine will be excluded from the Holdback and Authorized Adjustment.

Which Pharmacy Agreements are Impacted by this Amendment?

1. Alberta Blue Cross Pharmaceutical Services Provider Agreement (**ABCPSPA**).
2. Ministerial Order 614/2018 – Compensation Plan for Pharmacy Services (**MO**).
3. Memorandum of Understanding between Alberta Health and RxA (**MOU**).

What is the term of the pharmacy funding framework under these pharmacy agreements?

The pharmacy funding framework will be extended for an additional two years ending March 31, 2022.

Will there be growth in the budget for Pharmacy Compensation for the extended 2 years?

Yes, the budget allows for continued growth at 5.4% and 5.3% respectively for 2020/21 and 2021/22. RxA will continue to work with Alberta Health to monitor trends related to Government expenditures for Dispensing Fees, Allowable Upcharges, and Pharmacy Services.

The Holdback for 2019/2020

How will the holdback be implemented?

Beginning April 1, 2019, the Holdback Policy will be implemented as was originally planned, with a rate of 0% which will be held at 0% throughout the fiscal year unless trending indicates budget targets will not be met. The Holdback Policy will be in place from April 1, 2019 ending on March 31, 2020. For more details about the Holdback Policy please refer to the following:

RxA Pharmacy Agreement FAQ 2018:

<https://www.rxa.ca/members-area/in-the-room/in-the-room-faqs-revised.aspx>

Alberta Blue Cross Resources: <https://www.ab.bluecross.ca/providers/pharmacy-agreement.php>

If the holdback needs to be activated by increasing the %, how will I know what amount is held back by Alberta Blue Cross?

If the Holdback is activated, pharmacies will be provided advanced notice by Alberta Blue Cross. Alberta Blue Cross is also currently working to revise the EFT statements to identify the holdback amount captured for each period. Further details about this process will be provided by Alberta Blue Cross. Please refer to:

<https://www.ab.bluecross.ca/providers/pharmacy-agreement.php>

Alberta Blue Cross Pharmaceutical Services Provider Agreement

What changes will be made to the ABCPSPA?

The ABCPSPA agreement will be amended to reflect:

1. Continuation for the current financial components from April 1, 2020 through to March 31, 2022.
2. Remove references to the holdback policy
3. Include language required for the Authorized Adjustment

What is the Authorized Adjustment Policy and the Engagement Process?

The new alternative mechanism that replaces the Holdback Policy will result in establishing two equally important and mutually dependent elements.

- First, an Authorized Adjustment Policy will be enabled through a Ministerial Order, which will create a mechanism to mitigate potential over budget spend, only if there should be a need for it.
- Second, a formal Engagement Process will officially authorize RxA to be able to engage with Members in order to explore options for alternative measures which could be implemented to manage any potential overspending, as a part of or prior to activating the Authorized Adjustment.

The Authorized Adjustment Policy will only affect Government sponsored plans (excluding Public Health Vaccines), similar to how the Holdback only applies to these plans.

It is the consensus of Alberta Health and RxA that such Authorized Adjustment policy will include a formalized process of engagement with RxA and its members prior to implementation. It is the intent of RxA to primarily address areas of overspending that are leading to spending which would exceed the budget. Through an Engagement Process which includes consultation with RxA members, one or more measures may be considered to bring spending back in line within budgeted targets, only if necessary. RxA believes there is sufficient growth within the current budgeted targets for each of the extended two years to allow Alberta's community pharmacists to continue to deliver quality services to Albertans.

How will the amendment be facilitated by Alberta Blue Cross?

An Amended Agreement will be sent to pharmacies by Alberta Blue Cross. Further details will be communicated by Alberta Blue Cross or refer to: <https://www.ab.bluecross.ca/providers/pharmacy-agreement.php>