



Alberta Pharmacists' Association (RxA)

Position Statement – Payor Directed Patient Care and Preferred Provider Networks (“PPN”)

Position

The Alberta Pharmacists' Association (“RxA”) supports patients' right to choose which pharmacist and pharmacy they want to dispense their prescription medications, regardless of who the payor is. RxA opposes payor directed patient care and preferred provider networks (PPN).

Background

For the purpose of this position statement, a payor enters into a relationship that has been created through an employment situation, or through public/private insurance covering the person's medication needs.

Payors, through insurance programs and the companies that adjudicate their prescription claims (third-party payors) should not be able to dictate which healthcare provider (pharmacist) their plan members can and cannot utilize through the offering of any discount, inducement, modification of coverage, or other financially-based drivers. Additionally, Payors should not unfairly steer a patient to a specific pharmacy or group of pharmacies as a result of preferential contractual arrangements or agreements between those pharmacies and the insurance company, third party payor, patient's employer, or other entity. RxA believes the patient holds a fundamental right to choose from where and how they receive their dispensed prescription medications without incurring a financial penalty or otherwise in doing so.

The practice of contracting with a specific group of pharmacies or pharmacy providers by one or more insurers (patient steering) has, in recent years, become more prevalent in Canada. Within the context of these arrangements, pharmacy providers agree to provide favorable financial terms to the insurance companies to dispense medications for plan members if the plan member receives service from this network of preferred providers, otherwise referred to as Preferred Provider Networks. It should be made clear, the use of the term “preferred” applies to the financial interests of the payor, not necessarily the preference of the patient. Under this construct, select pharmacies agree to accept lesser compensation per dispensed prescription with the understanding that a greater volume of patients will be steered to them for a pharmacy service. The majority of PPN arrangements limit prescription dispensing and pharmacy services related to prescriptions, to a smaller subset of pharmacies, sometimes geographically isolated from the plan member, resulting in mail order prescription delivery without any ability to establish an in-person relationship with the



pharmacist. In any case, the steering of patients for pharmacy services, only to a subset of contracted pharmacies in exchange for a financial benefit, is an inducement.

For patients, the primary practical implication of these arrangements is that they are influenced by their insurance provider to obtain their prescriptions from a designated pharmacy within the PPN, resulting in a disruption of the trusted pharmacist-patient relationship already established with their local community pharmacist. Failure to utilize the PPN pharmacy may result in the patient being unable to receive full coverage of their prescription claim from the insurance company. Plan members are given no ability to remain with their existing pharmacy and pharmacist and are encouraged to change providers solely out of a desire to cut cost, without consideration for what is truly in their best interest. Patients feel pressured into transferring their care to the PPN pharmacy. The system is very confusing for patients and their caregivers. In addition, since the PPN pharmacy is often located in a different community, or in some instances even a different province, this can result in increased fragmentation of care. This is a particular concern in instances where only specific prescriptions qualify through the PPN, such as with chronic use or high-cost medications like biologics and biosimilars.

Summary

The Alberta Pharmacists' Association recognizes and respects the right of the patient to direct where, how, and when they receive care from the community pharmacist and pharmacy of their choice. We believe the regulatory framework should preclude third party payor policies that induce patients to receive care from a select pharmacy, individual, or group of pharmacies which a patient may not otherwise normally choose as their preferred pharmacist and pharmacy provider.