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August 11, 2011

The Honourable Madeleine Dube
Minister of Health, Government of New Brunswick
Department of Health
PO Box 5100
Fredericton, New Brunswick
E3B 5GB

Dear Minister,

I am writing this in response to a call for submissions in regard to fair drug prices for New Brunswickers. I am a community pharmacist who has been practicing in the province of New Brunswick for 20 years, and currently am the owner of two small independent pharmacies in southern NB. While I support the concept of lower drug prices for the people of New Brunswick, I feel that there are several points which I must call attention to:

As a pharmacist, I am often the first point of contact for patients in the community. We are the most accessible member of the health care team and offer advice on a daily basis, both to patients with and without a family physician. We often help patients deal with minor ailments that undoubtedly saves countless trips to physicians offices, as well as to emergency departments, thereby saving the health system a considerable expense.

Numerous studies (as well as my own calculations) have shown the actual cost of dispensing a prescription, including providing pharmacy services, to be well over \$12, yet the present dispensing fee from province is \$9.40. According to figures from the Department of Health, expenditures from the New Brunswick Prescription Drug Program (NBPDP) has more than doubled during the past decade. However, during the same time period, NBPDP has only increased the dispensing fee twice, by a combined grand total of \$1. During the same time period, the cost of doing business has dramatically increased, in part due to wage increases, higher utility bills, and higher property taxes, as well as many other reasons.

There has been much discussion in regard to trade allowances being a key reason for the increased cost of generic medications, and therefore must be capped or eliminated. There are, however, some facts about these allowances that should be considered:

Allowances from generic manufacturers have been an indirect source of funding to pharmacies and have been used to subsidize the cost of providing pharmacy services to NBPDP recipients as well as to the private sector, as they cover the difference between what is directly paid as a dispensing fee and what it actually costs to provide the service. I don't believe that any other provider of service to the province of New Brunswick (or any other third-party payer) is expected to provide services at a loss, yet we would be doing just that without the availability of allowances, or without a significant increase in dispensing fees and/or markups to cover the present shortfall. It seems that every time a fee agreement is renewed

(with both government and private third-parties), pharmacists are expected to get by with less direct funding, and it is only with difficult negotiation that we are able to limit these cutbacks.

Allowances help to provide funding for following **unpaid** services, to name but a few:

- Compliance packaging (bubble packs) (30+ NBPDP beneficiaries in my store alone)
- Provision and collection of sharps containers for patients with diabetes
- Collection and proper disposal of unwanted medication
- Delivery to seniors unable to come to pharmacy
- Prescribing/refilling (or adapting) prescriptions
- Consultations for minor ailments that may otherwise require a doctors visit
- Medication reviews and medication management

In my experience of 20+ years in retail pharmacy, one of the greatest driving factors of increased drug costs is the prescribing of newer, more expensive medications, which often have no proven benefit to drugs that have been on the market for some time and often have a generic version available at considerable savings. In my opinion, significant cost savings could be obtained by making better use of existing treatments, including encouraging prescribers to consider cost-effectiveness in making their decisions, rather than simply using the “latest, greatest thing”. **Everyone** must be on board if health care, including prescription drug coverage, is to be sustainable.

Also, it has been well documented that significant cost savings to patients (and third-party payors) will be realized as many drugs are coming off patent in the near future, and there will be less expensive generic versions hitting the market. <http://www.ctv.ca/CTVNews/Health/20110725/generic-drug-patents-1107/>

There are also other ways of helping to reducing drug costs, such as a trial prescription program for expensive or poorly tolerated medications to reduce waste, or the implementation of a therapeutic substitution program, whereby only the least expensive medication in a given class would be paid for as first-line treatment. This option would likely be met with strong resistance from other stakeholders..

The implementation of the electronic health record system by the province will also save money through the reduction of inappropriate use and/or abuse of medication. However, since the implementation of this will most certainly have an effect on the workflow in the pharmacy, cost-cutting in response to a loss of income for pharmacy owners may not allow the maximum benefits to be fully realized, if the time isn't able to be taken to input data correctly.

Similarly, there are a large number of prescriptions filled for pain medications and benzodiazepines which are certainly questionable from a therapeutic standpoint. Perhaps it is time to question the necessity of some of these prescriptions, or at least who will be paying for them. At the very least, education of patients and prescribers may help to reduce their unnecessary use.

Agreements from other provinces, in particular from our neighbor Nova Scotia, with which I am most familiar, seem to be reasonable and *appear* to be sustainable for pharmacies. From what I have read, this would also apply to what is happening in the western provinces. Ontario's model, however, is an entirely different matter. While the full impact has not yet been seen since changes are still being phased in, the total elimination of trade allowances over a relatively short time period would be catastrophic for small community pharmacies such as mine. Without question, there would be a reduction in hours and staff, and we would certainly have to charge customers for services that have been provided at no charge up until now. I believe that such a reduction would actually cost the health care system in the long run, as pharmacists would not be as readily accessible to help patients deal with minor ailments, as discussed earlier. In fact, without charging significantly higher fees to offset the loss of revenue, it would be difficult to even remain in business. This would result in the loss of several jobs to the community, and also reduce revenue to the province from the loss of income and corporate taxes.

It is my belief that such a loss to the community would have serious consequences to the health of the community, as there would be patients, in particular seniors, who would not have the means to easily travel outside the community to obtain pharmacy services.

In conclusion, I feel that community pharmacists provide a vital and valuable service to the health care system and offer many services that are presently funded only through trade allowances. While I realize that the status quo is not an option, I would hope that members of government and the Department of Health would recognize pharmacists' contribution to the health care system and seek to offer reasonable compensation for our services, keeping in mind our costs to doing business. As well, I would hope that consideration be given to the services that pharmacies provide that are not currently funded, other than indirectly through trade allowances, such as medication reviews, compliance packaging, and the proper disposal of sharps and unwanted medications. I would welcome the opportunity to discuss any of these points in greater detail and may be contacted at any time.

Thank you for the opportunity to present my point of view and for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Dyson Jones", with a long horizontal flourish extending to the right.

Dyson Jones
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