



Johnson Drug Store Ltd.

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Dear Minister;

As a rural pharmacy owner I thank you for the opportunity to contribute feedback on the fair *Drug Prices for New Brunswick* initiative. For background, my wife Jacqueline and I have owned and operated Johnson Drug Store Ltd. in Perth Andover for the past thirteen years. The pharmacy has been a fixture of this community since opening for business in 1904. We operate as a team of ten full time employees and are avid supporters of ongoing community events and projects.

We applaud the efforts of this government to reduce drug costs for the people of New Brunswick and feel pharmacy can be a strong ally if we can act together with mutual respect. I do have strong concerns with the government's approach thus far. Reducing the cost of generic pricing is something we both wish to achieve and we believe it can be accomplished, but not in isolation. Currently, the retail pharmacy business model is set up with generic drug companies subsidizing the government plans in the form of rebates. This subsidy is demonstrated by the fact that pharmacy puts zero markup or handling costs on prescriptions for government plans. Our dispensing fees are also far below the actual prescribing cost of approximately \$14 per prescription. When we lower generic prices we also lower these rebates, greatly affecting our ability to deliver our services. We believe we can lower prices while adapting a multi faceted approach to implement a fair and transparent business model which would be sustainable to ensure New Brunswickers receive the services for an affordable healthy lifestyle.

It is extremely important that many aspects of the drug delivery chain be addressed if we are to provide the needed standard of service for our customers, neighbors, family and friends. If our core dispensing business is not sustainable, we cannot provide valuable services such as prescribing, therapeutic substitution, and immunizations, all of which are needed to keep costs in check for our public health care system.

Other provinces, most recently, Nova Scotia, have moved to adapt a new standard for fair drug pricing for its citizens. None of the other provinces simply cut prices without taking into account the serious business implications that would most likely result in the closure of many rural pharmacies. It is imperative to include inventory management fees, brand name drug prices, and transition fees in an agreement if we are to remain viable to provide service to our region.

Again I sincerely thank you for this opportunity and encourage you to continue to have discussions with the New Brunswick Pharmacy association as well as other pharmacy stake holders to bring about an agreeable resolution for the benefit of all New Brunswickers while maintaining a sustainable drug delivery system.

Respectfully,

John Mackie

