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Welcome to RxA's *In the Room*. This newsletter has been created to keep pharmacists informed on updates related to the pharmacy agreements with the Alberta Government. Your questions and comments are important to us; please email:

intheroom@rxa.ca

Alberta Government Extends Pharmacy Funding Framework and Eliminates Holdback Starting April 1, 2020

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 existing agreements. Last Spring, the new agreement established significant measures meant to mitigate government spend on pharmacy expenditures, including Dispensing Fees, Allowable Upcharges and Pharmacy Services. 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. **The Holdback will be eliminated on April 1, 2020. For the fiscal year April 1, 2019, to March 31, 2020, the Holdback Policy will be established at 0%** and will be held at 0% throughout the fiscal year unless trending indicates budget targets will not be met. At this time and based on current data monitoring, we believe spending should remain within budget targets for the 2019-20 fiscal year.

RxA's agreement to the two-year extension follows the consensus of all parties to implement an alternative mechanism to ensure pharmacy expenditures growth is within Government's currently projected annual budgets. As part of this discussion, Government has agreed to **ensure positive growth in the extended two years of the agreement at 5.4% and 5.3% respectively.**

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.

We believe that this process provides the profession with the greatest opportunity to proactively participate in the decisions made which will have an impact on the pharmacy budget in the upcoming years.

In keeping with the profound role pharmacists have played as providers of preventative care in communities across Alberta, all expenditures related to the Assessment of **Administration of Publicly Funded Vaccines will be excluded from budget targets** with respect to both the Holdback Policy as well as the Authorized Adjustment Policy. Further, **AH has committed to considering the expansion of the role for pharmacists' management and support of patients using opioids**, recognizing the key role pharmacists play in primary health care, meeting the needs of Albertans across the province.

Your voice is being carried to Government, through your membership with RxA, to ensure a viable and sustainable future for our profession.

For more details, please refer to the following resources:

- Government of Alberta News Release - <https://www.alberta.ca/news.aspx>
- RxA FAQ Document - <https://www.rxa.ca/pharmacy-services-framework/for-the-pharmacist.aspx>
- ABC Benefact and FAQ - <https://www.ab.bluecross.ca/providers/pharmacy-agreement.php>

BACKGROUND



The three agreements currently in effect are:

- Alberta Blue Cross Pharmaceutical Services Provider Agreement;
- Ministerial Order for the Compensation of Pharmacy Services; and
- Memorandum of Understanding between RxA and AH.

The First Amending Agreement for the ABCPSPA will be in effect until March 31, 2022.

For further details, please refer to RxA's resource page.

<https://rxa.ca/pharmacy-services-framework/for-the-pharmacist.aspx>

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