



September 1, 2010

Attention: Pharmacy Owner / Chief Executive

RE: Revised Agreement for Participation in the PharmaCare Program

On July 7, 2010, the Province of British Columbia (the Province) concluded an agreement with the BC Pharmacy Association and the Canadian Association of Chain Drug Stores (the Pharmacy Services Agreement). This agreement sets out significant changes to pharmacy remuneration and generic drug pricing. It also refers to changes to the Pharmacy Participation Agreement (the Participation Agreement) that defines the Province's relationship with pharmacies that submit claims to the PharmaCare program.

The current Participation Agreement was developed several decades ago and does not reflect the evolution of community pharmacy and the increased complexity of the PharmaCare program. In recognition of these changes, the Province developed the attached *PharmaCare Enrolment Agreement* to replace existing Participation Agreements.

The initial draft of the *PharmaCare Enrolment Agreement* was shared with the British Columbia Pharmacy Association and Canadian Association of Chain Drug Stores and a number of revisions were made based on their feedback. That consultation notwithstanding, the Province recognizes that the decision to participate in the PharmaCare program and the decision to sign the *PharmaCare Enrolment Agreement* rests with the owners and/or executive of each pharmacy.

The new *PharmaCare Enrolment Agreement* is intended to support pharmacies in their essential role as health care providers, to facilitate efficient delivery of products and services to PharmaCare beneficiaries, and to ensure appropriate accountability for public funds disbursed to pharmacies from the PharmaCare program.

I urge you to review the attached *PharmaCare Enrolment Agreement* in detail and, as appropriate, seek advice regarding the implications for your organization. In addition, I would draw your attention to the following specific points:

- i. Execution/Signature of the *PharmaCare Enrolment Agreement*
Existing Participation Agreements were typically signed by pharmacy owners/managers. The Province requires that the *PharmaCare Enrolment Agreement* be signed by the owner of the pharmacy or, if the pharmacy is operated by a corporation, by a representative duly authorized to bind the corporation to the terms set out in the *PharmaCare Enrolment Agreement*. For owners operating more than one licensed pharmacy, please note that the Province requires a signed *PharmaCare Enrolment Agreement* for each pharmacy.

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- ii. Information to be Inserted into the *PharmaCare Enrolment Agreement*
Prior to submitting the signed *PharmaCare Enrolment Agreement* to the Province, please ensure that the following information has been included in the document:
- Page 1 – legal name of pharmacy owner, pharmacy name and address;
 - Section 3.1 – name of current pharmacy manager;
 - Section 10.1 – contact information for future communication.
- iii. Charges to PharmaCare Beneficiaries
The *PharmaCare Enrolment Agreement* stipulates a restriction on fees and costs charged to individuals who are eligible for PharmaCare reimbursement (see Sections 3.10 and 3.11 of the Agreement). Please be advised that these terms will become a PharmaCare policy applicable to all pharmacies submitting claims to PharmaCare, whether or not the pharmacy has signed the *PharmaCare Enrolment Agreement*.
- iv. Inducements (including loyalty programs and similar marketing offerings)
The *PharmaCare Enrolment Agreement* includes more specifics regarding the scope of benefits that may be provided to individuals as incentives or rewards for their patronage of a particular pharmacy or chain. This matter has been the subject of specific consultation between Pharmaceutical Services Division and a group of pharmacy stakeholders.
- Of note, the definition of inducement provided in the new *PharmaCare Enrolment Agreement* requires a change in practice for pharmacies presently offering loyalty points or similar reward programs that take into account the value of prescriptions reimbursed by PharmaCare. If your pharmacy currently offers such a program, please be advised that the Province will defer enforcement of the requirements set out in the *PharmaCare Enrolment Agreement* until July 4, 2011. This deferral is limited strictly to the requirement for changes to **existing** loyalty points or analogous rewards programs. All other terms in relation to inducements — including the prohibition of direct payments to reward patronage — take effect immediately upon signing.
- v. Addendum – Emergency Contraceptive Program
For those pharmacies that are subject to an existing Addendum – Emergency Contraceptive Program, this letter shall serve as notice that the Province is terminating such Addendum, effective October 15, 2010. The Addendum provides for termination upon completion of the evaluation conducted by UBC and the College of Pharmacists; that evaluation is now concluded.

The Pharmacy Services Agreement stipulates that eligibility for certain fee increases is conditional upon a pharmacy having signed the *PharmaCare Enrolment Agreement*. These fee increases include adjustments to the maximum reimbursed dispensing fee, effective October 15, 2010, July 4, 2011 and April 2, 2012, as well as the increase to the monthly capitation fee for services to residential care facilities, effective October 15, 2010.

If a properly completed and signed *PharmaCare Enrolment Agreement* for a pharmacy is received by the Province **no later than 4:30 pm (PDT) on Friday, October 1, 2010**, and absent any deficiency or other concern that precludes execution by the Province, the pharmacy will be eligible to receive the increased maximum dispensing fee and capitation fee as of October 15, 2010.

If a pharmacy's properly completed and signed *PharmaCare Enrolment Agreement* is not received until after October 1, 2010, there may be a delay of two to four weeks following receipt before the pharmacy becomes eligible for the dispensing fee and capitation fee increase. There can be no retroactive payment of the increases in the event of delayed receipt of a pharmacy's signed *PharmaCare Enrolment Agreement*.

Signed *PharmaCare Enrolment Agreements* may be submitted via mail or fax as follows:

PharmaCare Information Support
716 Yates Street, 3rd Floor
Victoria, BC V8W 1L4
Fax: (250) 405-3599

Once the *PharmaCare Enrolment Agreement* has been countersigned by the Province, we will return a copy to the pharmacy's representative for your records.

If you have any questions regarding the attached document, please submit your inquiry by e-mail to psa@gov.bc.ca (bearing the subject heading "Question Regarding Pharmacy Enrolment Agreement"), or by fax to (604) 660-5405.

Thank you for your attention to this matter. I am excited about the opportunities for partnership between the Province and pharmacists and look forward to building on our strong relationships with community pharmacies over the coming years.

Sincerely,

Bob Nakagawa, B.Sc. (Pharm.), ACPR, FCSHP
Assistant Deputy Minister
Pharmaceutical Services