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Nova Scotia Law Ammendments Submission Regarding Bill 17, Fair Drug Pricing Act

Submitted By:

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Good afternoon Mr. Chair and Committee members,

My name is Darryl Poirier. I am the pharmacist owner of 3 Pharmasave pharmacies in Cape Breton located in the communities of Glace Bay, Dominion, and Sydney Forks. I employ 50 people with a payroll over \$1.7 million. This is an average of \$34,000 per employee. These are decent paying jobs the Cape Breton economy. The reason I mention this first is that many of these jobs are now in jeopardy.

Let me be clear, first of all, in saying that I support the government's initiative to lower drug costs to patients and taxpayers. What I cannot support is the means the government has taken to achieve these savings which amounts to taking it out of the pockets of pharmacy owners.

Pharmacy owners do not manufacture drugs. We do not set the prices of drugs. We do not prescribe the drugs, nor do we control how much the public demands access to these drugs. Yet we are being targeted as the means to save money on the increasing cost of drugs to the health care system.

Independent pharmacies are the backbone of the Main Streets of many Nova Scotia communities. There are over 40 communities in our province that are serviced by only one pharmacy including 2 of my pharmacies in Dominion and Sydney Forks. Most of these pharmacies are independently owned and run by pharmacists who live and work in the communities they serve.

We are the most trusted and accessible healthcare professionals in our communities. We provide countless hours of FREE healthcare advice to the people we serve. We are open longer hours than other retailers and we can be found on weekends and holidays when other health practitioners are closed. What would our emergency room line-ups look like without retail pharmacy, especially in light of our rotating emergency room closures in CBRM. I don't think government wants to know the answer. It is pharmacists that fill the health care

gap when emergency rooms are closed and now we may be forced to limit our hours as well.

We are usually the first place that community groups look to when they are looking for financial support for local fundraisers. We are happy to provide support wherever possible. Pharmacies are good "corporate citizens".

My pharmacy in Glace Bay is the oldest pharmacy in Cape Breton. Medical Hall Pharmacy has been a fixture in downtown Glace Bay for over 106 years. I fear that I am witnessing the end of the viability of a business that has served generations of families.

I have calculated the financial impact on this store and it is devastating. During the 18 month implementation period, this store alone will lose \$148,000.00 from my Pharmacare prescriptions. Assuming private insurers adopt this same reimbursement strategy the impact will be a further \$106,000.00 for a total of \$254,000.00.

Going forward on an annual basis assuming sales and funding remain the same, my annual losses at this store will be \$240,000.00 for all 3rd party drug plans.

My Dominion store will see an additional \$44,000.00 in losses annually from Pharmacare programs and \$75,000.00 total from all third party sources. This amounts to a total loss of \$315,000.00 annually for both stores.

I have not included my Sydney Forks store in this equation because this store has been in operation for less than 1 year and my investment in that location may be a total loss under the proposed scenario.

My ask today is that Bill 17 be postponed until our new tariff agreement is in place. Our current agreement is scheduled to expire on July 1st and negotiations are currently underway. Bill 17 and our tariff negotiations should all be part of the same conversation. They are 2 parts of the same equation. The financial uncertainty created by this legislation is crippling. There needs to be a comprehensive agreement in place to guarantee our viability.

As pharmacy owners we understand that the government needs to realize savings to deal with spiraling healthcare costs. As such we are happy to work with government to this end. Pharmacy has a long history of working with government to achieve savings on Pharmacare programs. We are simply asking that we be fairly compensated for the healthcare services we provide.

Dispensing fees have grown at less than half of the consumer price index over the last 20 years. Our expenses have more than doubled in that time period.

Three recent surveys in Canada show that the actual cost to dispense a prescription is between \$14 and \$15. I stress that this is a "break-even" dollar figure. Money generated through generic allowances has saved the government countless millions of dollars over the last 20 years and has allowed pharmacies to maintain their levels of service without knocking on the door of government for higher dispensing fees. Without this revenue most pharmacies would have closed years ago.

This model of reimbursement is admittedly antiquated and has evolved over the years as both government and pharmacy lacked the ambition to remodel it. Today we have an opportunity to fix it but the fix is predicated on government understanding the value that pharmacists bring to the healthcare system and the future contributions we will bring through our expanded scope of practice. None of this will be realized without fair and adequate compensation.

In my opening statement I talked about the 50 people I employ. It is frustrating to me as an pharmacist and a small business owner that when the government looks at drug costs in the healthcare budget they do not see the number of jobs that are created within that dollar figure but rather simply look at it as pure drug costs. When I look at it I see 50 jobs within my own operation. Pharmasave stores alone employ over 150 people in CBRM.

I ask the question, if a call centre offered to employ 150 people in CBRM, how much would the government offer in funding and job tax credits? We are not asking for tax credits or lines of credit, nor would we be pulling up stakes and taking our jobs out of the province when those tax credits expire. These are stable jobs in an otherwise unstable economy. Thousands of people are employed in this province under the heading of "drug costs" in the healthcare budget. I fail to see why the government places priority over jobs in other sectors simply because they fall under a separate department budget. Jobs are jobs.

I recently read in an Atlantic Canadian business journal that "for every \$100 spent at a local independently owned business, \$45 is re-invested locally, compared to \$15 of every \$100 at a corporate chain." If this is true, then the demise of independent pharmacies, in fact, facilitates the demise of rural Nova Scotia communities and sends our healthcare dollars out of province where it is unlikely to return. This strategy is certainly not one that lends itself to the long term economic viability of our healthcare system.

In conclusion, I ask that the government take another look at the deep ramifications of implementing Bill 17 on the viability of retail pharmacy in Nova Scotia and ask that it be delayed pending negotiation of our next tariff agreement so that we may consider all aspects of the pharmacy funding formula under one comprehensive agreement.

Thank you for your time.