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Statement by Greg van den Hoogen  
House of Assembly Standing Committee on Law Amendments  
Halifax, Nova Scotia  
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Good afternoon. My name is Greg van den Hoogen and I am the General Manager of Pharmasave Atlantic.

Pharmasave Atlantic represents 74 independent pharmacies in communities throughout Atlantic Canada – 58 of them here in Nova Scotia.

Every day, these pharmacies and the men and women who work within them are working to make a difference in people's lives. In many communities – particularly places without immediate access to hospitals and doctors – they are literally the front line of health care.

That in itself makes community pharmacies, such as our Pharmasave locations, key partners in Nova Scotia's health care system.

Pharmacists do more than fill prescriptions. Many of our pharmacies provide services such as education seminars, clinics, delivery, compliance packaging, medication reviews, drug plan management, and medication management programs at no or little cost to our clients or the government. The generic drug pharmacy allowances currently help provide the revenue to support these services. In other words, they are subsidizing health care delivery. Again, this is primary health care at no cost to the taxpayer.

We understand that the government of Nova Scotia has a difficult challenge ahead of it, namely, balancing the health care needs of Nova Scotians with the fiscal restraint necessary during this difficult economic time. We also recognize that drug costs are only one part of the health care spend and that government needs to also address rising costs in other key areas such as streamlining fees for services paid to other health care providers.

Our pharmacies and pharmacy owners support the goal of Bill 17 to lower drug costs. However, this is only one component of the community pharmacy business model. There must be a commitment to fair compensation for core dispensing through the Tariff Agreement and funding for expanded pharmacy services in order for pharmacies to have financial predictability and sustainability. This lack of commitment from government prior to passing Bill 17 is an area of great concern for the Pharmasave members.

Our position all along has been clear: we support a decrease in drug prices but that support is dependent on a tariff agreement that adequately compensates pharmacists for the services they provide. The current tariff agreement expires on June 30<sup>th</sup> and we still do not know how pharmacies will be compensated for their services.

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This uncertainty has created a great deal of concern for our owners about the implications for their businesses and their ability to deliver health care in communities across the province.

I would like to note that in the *Fair Drug Prices for Nova Scotians Consultation Summary*, it is stated that two consistent themes from interest groups emerged:

“The groups want to ensure that Nova Scotians continue to have access to local pharmacies and that they remain viable businesses”

“Any plan must consider the potential impacts on pharmacies, drug manufacturers, distributors and all Nova Scotians”

Unfortunately, it does not appear that these key pieces of advice were followed.

Allow me to put a face to the local pharmacists whose businesses will be affected by this legislation. These are just some of our Pharmasave owners, many of whom also work full-time as pharmacists in their own stores.

Tami Crosby's desire to help others has seen her TLC Pharmasave in Shelburne take an active role in the health of the town. Two years ago, Crosby started Teens Lending Care, a community program that involves the store sponsoring teens to go into Roseway Hospital and Manor to participate in recreation and social activities with the residents. Her store is also very involved with Hillcrest Academy, Shelburne Regional High and donating to the volunteer fire departments in Shelburne, Jordan Falls, Sable River and Gunning Cove.

Sujay Khiroya and Kerry Murphy are owners of Moffatt's, MacKay's and Eastern Passage Pharmasave. Collectively, their stores employ over 80 local people, with a total annual payroll in excess of two million dollars. Moffatt's Pharmasave, located on Pleasant Street, is the oldest pharmacy in Dartmouth, operating continuously since 1924. Their staff has literally provided healthcare to generations of the area's families. In addition to the usual pharmacy services, they also offer medication compounding, work with the Atlantic Assisted Reproductive Therapies clinic to provide fertility medications and counseling, deliver to hundreds of elderly and disabled residents of Dartmouth, Woodside, and Eastern Passage, and provide specialized packaging of medications for local group and special care homes as well as for individuals.

It's probably a safe bet that Donnie Morrison holds the record for being the youngest person to ever own a pharmacy in Nova Scotia, opening his first pharmacy with his late business partner at the age of 22. Over the past 32 years, he has expanded his Pharmasave ownership to five stores, including HealthPark Pharmasave, Pier Pharmasave and Charlotte Street Pharmasave in Sydney, Midtown Pharmasave in New Waterford and Membertou Pharmasave in Membertou. Over that time, he's done things that might not have made much business sense but that he felt were the right things to do, such as providing emergency credit and charge accounts for patients, providing methadone maintenance programs and ensuring that no child goes without medicine because of their parents' inability to pay.

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Hutchins Pharmasave in Annapolis Royal has been in operation for well over 50 years but owner Krista McClair and her husband have records of their store location being a drugstore as far back as 1899. It's a long-standing reminder of the important role the pharmacy has had in the area and the lives of those around them. As just one extraordinary example, McClair recently received a very touching thank-you from one customer who was a cancer patient in remission. When his doctors were unable to identify a cause for his abnormal blood work, McClair and her team used their own personal time to find the cause – giving some much-needed relief to the patient and his wife during an already stressful period.

As I've said, these are just some of our Pharmasave owners. All of them are fully committed to their customers, their team members and the communities they serve.

So it is worrisome when Nova Scotia's government is proceeding with a piece of legislation that will impact their business without an agreement about the compensation levels once the current tariff agreement expires on June 30th.

Added to this is that we do not know what the compensation will be for the expanded scope of practice under Bill 13, the Pharmacy Act. As with Bill 17, we fully support the goal of this legislation because it will better utilize the expertise of pharmacists and improve access to healthcare, but our pharmacy owners are worried that government will be asking or expecting them to do even more with significantly less money.

Under the current agreement, the compensation we receive per prescription is 10 dollars and 62 cents per prescription. Considering that the actual cost of dispensing a single prescription is estimated around 15 dollars, we are losing almost 4 dollars per prescription. Up until now this shortfall has been covered by generic professional allowances.

However, as a result of Bill 17 and with no commitment to increase our fees, our ability to cover the gap in reimbursement is quickly going to evaporate as the generic drug price cap is reduced to 35 percent in a little over a year. This has created a stressful environment of uncertainty for pharmacy owners, pharmacists and all other team members as they are unsure of what the true financial picture looks like.

As a result, many of our Pharmasave Atlantic owners are assuming the worst and bracing themselves for what could possibly force the closure of their business without a fair tariff agreement. We recognize that our business and practice model must change; however, a reasonable transition period is required to ensure the sustainability of this new model in the best interests of everyone- pharmacy, government, and the people of Nova Scotia.

Our members have already started to consider and make changes to their business based on the only thing they know: the worst case scenario presented by this un-balanced Bill. That is all we have to go on.

Changes such as decreased store hours, decreased staffing, fees for services such as delivery and medication management are all unfortunate realities should this Bill go through without a fair Tariff Agreement and funding for expanded services. These changes would decrease the level, access and potentially the quality of service that our stores are able to provide in their communities. In addition, these

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changes would decrease our ability to implement and offer the expanded pharmacy services detailed in Bill 13 as we would not have the staffing to do so.

Our stores would be reluctantly forced to reduce the charitable contributions they currently make to their community. Our communities will be negatively impacted both from a healthcare and economic perspective should this Bill pass without commitment of fair compensation.

You will hear from many of the Pharmasave owners that they have already started to consider and to implement some changes in preparation for this financial uncertainty.

To conclude, Pharmasave Atlantic fully supports the goals of Bill 17, but that support is contingent on pharmacies being fairly compensated through the new tariff agreement and funding for expanded pharmacy services.

That is why I am here today. On behalf of Pharmasave Atlantic, I respectfully request that Nova Scotia's government defer Bill 17 until the fall, giving government and the Pharmacy Association of Nova Scotia time to put in place a fair Tariff Agreement and funding for expanded services.

This is crucial to the sustainability of pharmacy in this province. In addition, it gives pharmacy the time needed to adopt and implement new business and practice models.

Independent pharmacies are doing their part to give Nova Scotians the level of health care they deserve. We are simply asking that the value of this be recognized by the government.

Thank you for taking the time to listen to the voice of independent pharmacies and considering our future.

Sincerely,



Greg van den Hoogen  
General Manager  
Pharmasave Drugs (Atlantic) Ltd.