

pharmacy reimbursement nova scotia industry review

John MacIntyre

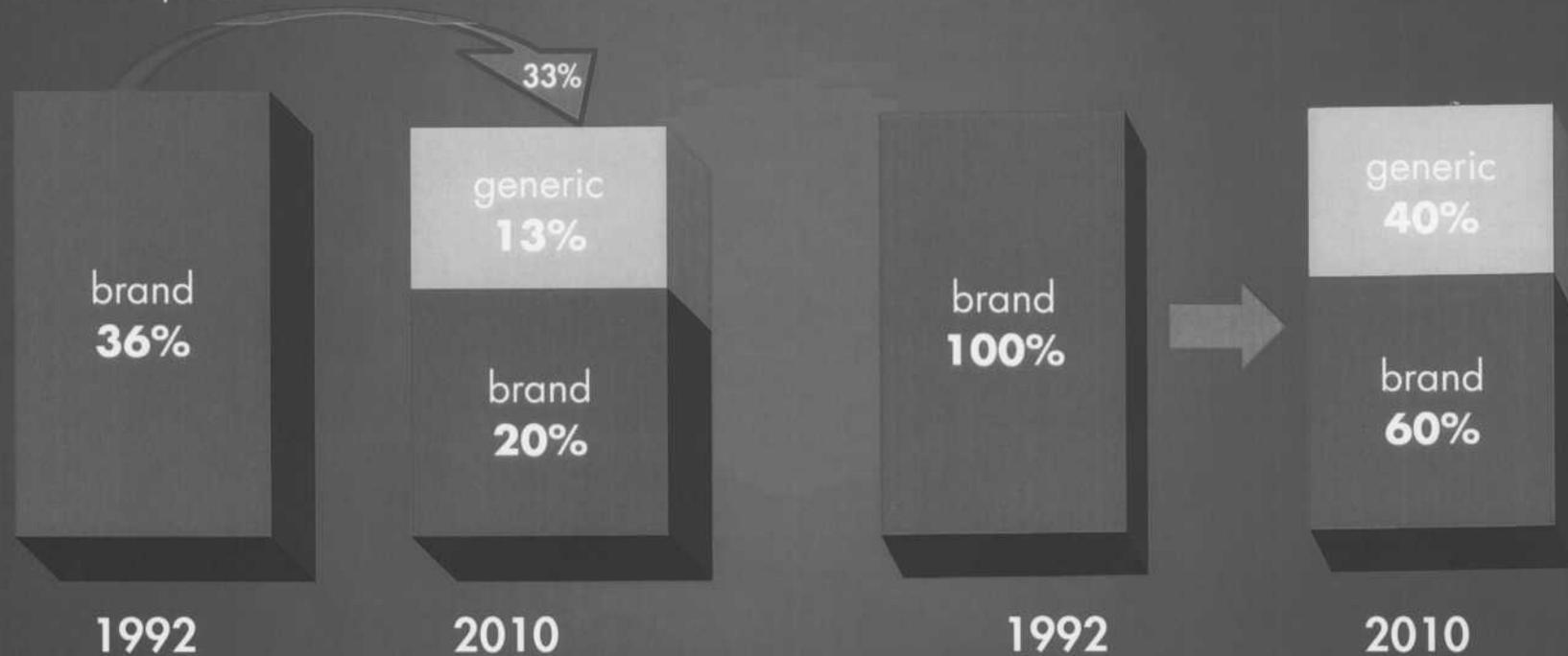
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industry reimbursement model 1992 to 2010

gross profit %
before expenses

revenue mix



gross profit has declined
from 36% to 33% since 1992

40% of pharmacy revenue is
derived from generic drugs

pharmacy dispensing fee

1992
\$10.30

2010
\$10.42

no meaningful increase
in almost 20 years

pharmacy dispensing cost

| fee | actual pharmacy cost* | deficit |
|----------------|-----------------------|----------------|
| \$10.42 | -\$13.61* | =\$3.19 |

* Locke Report , PANL, September 24, 2008

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pharmacare pays 40%
less than the cost of actual service

the pharmacy industry has found
a way to self finance ... generics

bill 17 impact to pharmacy as proposed

12 months, 35% of brand

% of pharmacy
revenue

40%

% loss of generic
revenue

44%

% loss of total
revenue

18%

18% revenue loss in 12 months

impact to nova scotia? reduced access to pharmacy services

thank you

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