

WHAT WAS SAID

“We are glad to see the METC ruling and think it is very positive overall. We have faith in pharmacists, but we want to understand pharmacy services without having to blindly pay for it.”

Mike McMurray, senior manager, product management & research, Maritime Life

“Covering pharmacy services could definitely have a big financial impact. Part of our plan members have health spending accounts [HSAs] and some do not. We might lean toward HSAs and this could be an issue in future collective bargaining, but there’s going to have to be a huge sell on this item. I can see where there is some benefit [from pharmacy services] but it will come at a cost.”

Susan Ayer, benefits policy administration, General Motors of Canada Ltd.

“We did an analysis of the pattern of disability claims going back two years. Before a person ends up on STD or LTD, a pattern of drug utilization was evident. Pharmacists are at the point of entry and they see the patient more often so they have the opportunity to intervene in a positive way. There could be tremendous savings if problems were identified proactively.”

Bob Arnold, health benefits solutions consultant, Maritime Life

PHARMACY SERVICES BENEFIT: MEDICAL EXPENSE TAX CREDIT FOR PHARMACY SERVICES

Thirty-six participants at four roundtables discussed the impact of Canada Revenue Agency’s December 2003 ruling that pharmacists’ services, outside of direct dispensing, are eligible for medical expense tax credits (METC). While Canadians can now claim the cost of pharmacy services on their personal income tax returns, the question remains whether plan sponsors will respond by adding these services to their employee benefits plans.

MAJOR DISCUSSION POINTS

- Pharmacy services could benefit patients, employers and healthcare system because it could improve health outcomes, reduce absenteeism and disability and increase productivity.
- Plan sponsors can no longer use the excuse that pharmacy services are not tax deductible, therefore cannot be included as a benefit.
- The METC can help facilitate pharmacists and physicians working in closer collaboration. Not only does it formally recognize pharmacists as “medical practitioners,” it sets the stage for a better awareness of pharmacists’ services among physicians.
- Employees with health spending accounts and flex plans can already choose to include pharmacy services in their individual benefits package.
- The effective use of pharmacy services will shrink other cost silos due to the proactive, preventative care that’s enabled through disease management.
- The METC is an important step towards the recognizing that pharmacists are part of the primary healthcare team.

MAJOR CHALLENGES

I. Educating stakeholders

- Pharmacists have to market themselves and explain that reimbursement for pharmacy services will result in better health outcomes, not just more revenue for pharmacy. At first cut, payers just see this as another expense. Plan sponsors are not looking to add any new benefits, pharmacy-related or otherwise.

WHAT WAS SAID

“Most people are more comfortable talking to a pharmacist than a physician—there’s no white coat syndrome. This tax benefit could foster a relationship between pharmacists and patients and I think consumers might consider paying the fee—I wouldn’t mind doing it.”

Catherine Hofstetter, consumer and representative for The Arthritis Society

“Pharmacists need to educate everyone about the services they provide. It’s a large burden, but the onus is on pharmacists.”

Bessie Wang, director, provider services, BCE Emergis, Inc.

“Pharmacists have given away services because they did not how to charge for them. The METC ruling may be the first positive step that allows us to say ‘this is a valuable service’.

Ron Elliott, pharmacist/owner, Shoppers Drug Mart

- There’s still a huge need for tangible evidence to prove the value of pharmacy services and how they save money for employers
- Pharmacists need to create written material to educate plan sponsors about the types of services they provide.
- Pharmacists need to communicate clearly and consistently that, in some case, drug plan costs may actually increase as a result of pharmacy services. The rewards and savings will be experienced in other areas, namely through reduced absenteeism and disability and increased productivity.
- Do consumers want this? Public demand will drive the inclusion of pharmacy services in employer-sponsored benefits plans.
- Educating employees is a challenge. Could an explanation be included in employee handbooks?
- Pharmacists can focus attention on a specific patient group (e.g., asthma patients) and explain how to take advantage of the METC.

2. Consistency of service

- Plan sponsors need to be reasonably confident that pharmacists across Canada are providing consistent, top-quality services. Is that achievable?
- Need a national, independent body that offers certification and/or accreditation of pharmacy services that are eligible as an METC.
- The competitive nature of retail pharmacy could result in the discounting of fees for METC-eligible services. Will this affect the quality of service?
- Standards for billing and documentation need to be adopted and promoted (note: the Canadian Pharmacists Association has undertaken this task).

A joint project by *Pharmacy Post*, *Benefits Canada* and the *Medical Post*.

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