

Overview of changes

Questions and answers for pharmacy providers.

WHAT CHANGES ARE BEING IMPLEMENTED?

The Alberta Government, the Alberta Pharmacists' Association (RxA) and Alberta Blue Cross have agreed to a two-year extension of the Pharmacy Funding Framework, which will now expire on March 31, 2022. It would have originally expired March 31, 2020.

On April 1, 2020, the hold back mechanism will be eliminated and replaced with a new jointly-agreed upon mechanism to ensure pharmacy compensation expenditures are within the government's projected budget.

WHAT IS THE NEW MECHANISM?

The *Authorized Adjustment* Policy has been established as a mechanism whereby Alberta Blue Cross is authorized to adjust the amount owed to a provider for claims under government-sponsored plans and pharmacy services claims. This adjustment would be calculated after the claim completion and deducted from the biweekly payment to the pharmacy.

The *Authorized Adjustment* will only be used to ensure that pharmacy compensation expenditures for government sponsored plans and pharmacy services are within the current projected annual budget. The *Authorized Adjustment* Policy will be implemented through a Ministerial Order, which will include detail on the engagement process that Alberta Health and RxA will undertake prior to implementation of the *Authorized Adjustment*.

WILL THE AUTHORIZED ADJUSTMENT BE APPLIED AS OF APRIL 1, 2020?

The Government of Alberta, the RxA and Alberta Blue Cross continue working collaboratively to monitor pharmacy compensation expenditures and trends. Communication of the *Authorized Adjustment* amount will occur closer to April 1, 2020; based on current trends, it is anticipated that the *Authorized Adjustment* amount may initially be set at zero.

IS THIS A NEW AGREEMENT?

No. The changes will be implemented by way of an amending agreement that each individual pharmacy signs with Alberta Blue Cross and will achieve the following:

- continue the current financial components from April 1, 2020, through to March 31, 2022;
- remove references to the Holdback Policy; and
- include language required for the *Authorized Adjustment* Policy.

WHY ARE THESE CHANGES BEING IMPLEMENTED NOW?

Through the Pharmacy Funding Framework, the Government of Alberta and pharmacists are working together to responsibly manage the province's pharmacy budget. The extension of the Pharmacy Funding Framework provides continued stability and ensures that budget targets will be met.