

QUESTIONS AND ANSWERS FOR PHARMACY PROVIDERS

Current pharmacy funding framework extended

WHAT ARE THE CHANGES BEING IMPLEMENTED?

The Alberta Government, the Alberta Pharmacists' Association 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 growth is within the government's projected budget.

WHAT IS THE NEW MECHANISM?

An *Authorized Adjustment Policy* will be established, which will only be used if needed to achieve the budget. The *Authorized Adjustment* is 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* is intended 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 HOLDBACK STILL BE IN PLACE FOR APRIL 1, 2019?

Yes, however the government's holdback will be zero per cent and will be held at zero per cent throughout the fiscal year unless budget targets are not met.

WILL THIS BE A NEW AGREEMENT?

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

- Continue the current financial components from April 1, 2020 through to March 31, 2022.
- Remove references to the *Holdback Policy*.
- Include language required for the *Authorized Adjustment Policy*.

You can find a reference copy of the amending agreement in the pharmacy provider section of our website. At this time this is provided for reference only, further information will be provided in the future when action is required on your part.

WHY ARE THESE CHANGES BEING IMPLEMENTED NOW?

Last year, the Alberta government, the Alberta Pharmacists' Association and Alberta Blue Cross developed a plan to responsibly and carefully control pharmacy costs, while making sure high-quality services are still available to Albertans. That plan is working and anticipated savings are being achieved. As a result, continued stability in the funding framework is desired by all parties.

