

Notes for Remarks by Donnie Edwards
Ontario Pharmaceutical Marketing Association
Lionhead Golf & Country Club
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Good morning and thank you for the invitation to speak at this information breakfast.

I'm glad to see that OPMA is providing this type of a very substantive session for its members. The strong turnout here this morning is evidence of your interest in the issues that are of mutual concern to the pharmaceutical industry, to you as experts in pharmaceutical marketing, and to my colleagues and I as pharmacists, the medication experts who are providing an increasingly crucial and intensive link to patients.

I am going to do as I've been billed this morning, and cover three areas for you:

- Ontario's new drug system and its impacts on pharmacists and pharmacy
- The expanding role of the pharmacist in providing front-line patient care through remunerated professional services
- The pharmacists' perspective on the challenges and opportunities for research-based pharmaceutical companies in the new drug system post-TDSPA.

But first I want you to know that we at OPA are keenly aware of the issues and challenges the pharmaceutical sector faces as a whole. And also of the need you face as individual marketers to continuously seek out ways of positively differentiating your brand and your products. Not only in terms of the qualities and benefits of individual medications, but through the corporate profile, image and reputation you present to patients and the public.

I want to urge you very strongly this morning to talk to OPA about the opportunities we have available to work with you to set your company apart in ways that can frankly have a tangible impact on the bottom line, and I'll provide more details on that later.

And let me say that while I'm here to be pragmatic about the issues and the opportunities available with OPA, we are able to go down that route because of shared values. I'm not just talking about having successful businesses. I'm talking about sharing a genuine commitment to patient health and improving patient health outcomes. That is enormously important to us as health professionals.

Some quick background on OPA:

- There are now more than 10,000 pharmacists in Ontario, and more than 6,000 of them are OPA members.
- There are just under 3,000 pharmacies in Ontario, each of which is a small business and an established employer in its community.
- There are 7,150 practicing community pharmacists in Ontario, about 2-3 per store, and about 9,000 pharmacy technicians. Total employment in Ontario pharmacies is about 100,000, including both independents and chain drug stores.
- Each pharmacy serves an average 150 patients a day. That means there are 450,000 pharmacist-patient interactions daily in this province, or an amazing total of 165 million interactions per year.

Out of all the health care providers, pharmacists are the most accessible. In a surprising number of communities, mainly rural and remote ones, we are the only health care provider in town. Even in Port Colborne I have a sense of what that's like.

And pharmacists are the most trusted profession in Ontario. Last May we commissioned a Leger survey of 1,000 Ontarians that found we have a trust factor of 98%. That's the highest ever recorded for any profession. We view that as something we can build on as we increase our level of direct involvement with patients as front line health care providers in the years ahead. It's also something for you to think about as you tell your audiences – patients, the general public, shareholders – tell them who you align yourselves with and who you work with on their behalf.

I want to give you a short course on the TDSPA, call it History 101 on Ontario's new drug system and its impacts on pharmacists and pharmacy.

OPA used to think they were negotiating with government, but more or less we were in discussions with bureaucrats. Hence, the last time we had a positive note for pharmacy before 2006, it was a 5-cent dispensing fee increase.

I was part of the discussions/negotiation team and a lot of those meetings were about co-payments and generic rebates. The previous government through the years of Mike Harris, Ernie Eves and Tony Clement as Health Minister began to review generic drug pricing in this province. The government spent a lot of money and a lot of time on a process known as DSR – Drug System Review.

The DSR had a number of sub committees on which the most impactful on our business was the drug re-imburement arm of which I sat on as a representative of community pharmacy. Other members at the table included our stakeholder friends from the generic industry, brand name industry, 3rd party payors, CACDS and government.

This was a very lengthy process in which the government was hoping to better understand our business and uncover the extent of rebates/professional allowances. Why I say "slash" professional allowance it was at this time that we insisted that these dollars were not rebates, but used to operate our businesses.

Our goal as pharmacy was frankly to muddle the issues and confuse all players. A delay tactic of the inevitable. This huge binder of the DSR was completed just prior to the last election and hence when the Liberals took power they put the binder on the shelf to collect dust.

In 2003 we had of course a change of government in Ontario to the Liberals. That brought us to the current Smitherman era and the formation of the Drug System Secretariat. The lead of the DSS is Helen Stevenson. Helen had a large learning curve ahead of her, so she pulled down that dusty binder I spoke about earlier to try and grasp our business practices.

Helen then consulted with various countries and with a number of stakeholder groups. OPA had more meetings with her than any other stakeholder throughout this process.

What we don't often recognize, however, is the fact that had the Conservative government won the last election, where we are today would have happened 3 years ago as this was the first large issue the government was going to tackle under this new mandate.

What we got, almost a year ago in April 2006, was the Liberal government's version of a new drug system in Bill 102. Their objectives were very clearly to create transparency in the system and to reduce the government's drug costs.

We as pharmacists have had to recognize and accept that this is part of a worldwide trend. Drug system reform has happened throughout Europe, in Australia and New Zealand, and Ontario is simply the first province in Canada to go down this road.

The question was never "if this was going to happen" but "when". Speaking from experience of negotiating on behalf of pharmacists in this province for a better part of a decade, the difference between this government and other governments of the past is the fact that this government understands the issues and are dealing with them directly rather through bureaucrats.

The government views reform of the drug system as a political win. They recognize that there is public and media skepticism about past practices of rebates.

We've made a huge rebound back from the original Bill 102 in April, when the government's original plan was to lump rebates together with professional allowances and ban them all outright. That would have cost us \$470 million.

We had to fight tooth and nail at OPA throughout 2006, but our financial impact analysis shows that we were able to win back the vast majority of that initial hit from the government.

We were able to do that because we took the right approach. We worked within the process and the channels that the government made available. At OPA, we worked closely with our partners in pharmacy, specifically OCDA and CACDS, to propose solutions that were well-considered and reasonable. Our first win was to erase the \$25 cap.

Throughout the consultations many pharmacists were involved either through written submissions or presentations to the Standing Committee.

Over the past months, during the process of finalizing the regulations of the Act, OPA put forward amendments and proposed solutions reflecting our members' concerns and acting on the input and direction they gave us.

The result is the government listened to us. Literally every one of our amendments to the original bill was adopted. Every major revision to the proposed regulations that we sought, the government came around to our point of view.

But that being said, we still face significant challenges and some fundamental change in the pharmacy business model and we have a lot of adapting to do.

After October 1st when the TDSPA became law, we encountered an absolute nightmare with implementation of the changes. We were getting a lack of clarity from the ministry, conflicting information, and a strong sense that the final regulations had not been thought through properly.

We persisted, however, and stepped up our direct high-level advocacy with both the DSS bureaucracy and the political side in the government. It was an absolutely grueling process to work through amendments to the regulations that were clear and consistent, and that established workable rules we could agree to.

On that basis, OPA's board on December 19 looked at the amended regulations for the TDSPA and decided this was something we could move forward on.

We could have kept on quibbling the small stuff, but we wanted to send a message to the government, to other health care providers, and to all drug system

stakeholders that we had made significant gains, we recognized that, and we wanted to show some leadership and move forward.

Over the past three months, we have continued to be frustrated at the glacial pace at which the outstanding issues on implementation are being resolved.

We were told to expect a new Formulary by the end of February, and we're still waiting, though we have received numerous updates.

We recently received a very ill-conceived first cut at the reporting mechanism for professional allowances, and only when we protested very loudly were we able to get clear agreement on a consultation process with the government so that we can get that one right.

We are currently in a state of uncertainty and confusion surrounding the use of the MI intervention code for many drug products when the new Formulary takes effect tomorrow. There is enormous concern about this among pharmacists because we simply cannot be certain we will be able to be reimbursed by the government for the purchase price of many medications that patients need. This raises concerns about patient access to medications, impacts on patient health outcomes, AND the dollars-and-cents of pharmacy sustainability all over again.

Our members are very gravely concerned, and at our board meeting this week we again have had to consider our options.

In the face of these ongoing issues, however, there are certain changes in the TDSPA that represent very exciting and important developments for pharmacists.

Starting April 1, the ministry of health will begin to roll out a plan to pay pharmacists to provide professional services to patients.

These services, also known as cognitive services, will be available as eligible benefits under the Ontario Drug Benefit Program. This is a long-awaited initiative, and one that leverages the skills and knowledge of pharmacists and expands our role as front-line health care providers like never before.

We're very pleased that the government believes in the role of pharmacists as part of an integrated team that provides an enhanced level of care for patients. For that reason, the TDSPA included a landmark decision to recognize the valuable role of pharmacists by compensating us for professional services.

As an initiative in health care, professional services have unparalleled potential to improve patient health outcomes, reduce stresses on other parts of the health system, provide high return on investment for government, and offer new practice and business opportunities for pharmacists. The government made an initial funding commitment of \$50 million to this for fiscal 2007-08, and we remain hopeful that our pre-budget recommendation to double that allocation will be accepted by the Ministry of Finance.

As the program is phased in over the coming months, we will start out seeing pharmacists compensated for providing a "Medication Review" service to help patients better understand their medication therapy and ensure medications are being taken as prescribed. Services in this initial phase will be provided by community pharmacists.

By September, the plan is that patients will be able to take advantage of Phase 2, a more in-depth "Medication Consultation Service" designed to address more complex medication-related issues that will integrate collaboration with other healthcare providers. In Phase 2, the program will seek to recognize other sectors of pharmacy practice, particularly long-term care and hospital pharmacy, for the provision of professional services.

One of our challenges at OPA in the weeks and months ahead is to ensure pharmacists are equipped and trained to manage the change represented by the advent of professional services. We are working now on change management education that will help pharmacists decide whether and how to provide professional services to their patients. Some will do so, others will retain their dispensing-focused business models. It's a priority for us to ensure the sustainability of dispensing-based, services-based and blended pharmacy business models going forward.

I'm hoping that as I describe where we are going as a profession, some of you are asking yourselves how your organization or your client can get involved with OPA. How you can work with us on patient care, how you can leverage our medication expertise, how you can align yourself with us.

The reality today is that in the new drug system that results from the TDSPA (imperfect as it still is), as part of the transformed health system, OPA and pharmacists are ascending in importance and impact to patients and to the general public across Ontario.

We are spending more and more time with patients and we are developing as the crucial source of information for patients about the medications they take and how they can use medications better to improve their health.

OPA has come to the fore over the past year as a hugely impactful health stakeholder, and we are moving forward from TDSPA in collaboration with other stakeholders, including the research-based pharmaceutical industry.

I will conclude this morning by giving you a brief summary of two dimensions of what we're doing at OPA that should be of specific interest to you as pharmaceutical marketers interested in reaching out to patients, to the general public, and to the pharmacy profession as a factor of our membership.

The first is a rundown of our events calendar for 2007, and the second is a synopsis of our programming and our capacities at OPA.

On the events side, many of our 2007 events remain open to partnership and sponsorship – except the ones that are already sold out.

Today – starting in about one hour – we are celebrating Pharmacist Awareness Week with a focus on seniors, with an event we're conducting jointly with Villa Colombo. It includes a Wellness Fair with some 25 exhibitors, and a series of Safe Meds for Seniors presentations in four different languages by pharmacists. We're showing how pharmacists can counsel their patients in Italian, Polish, Cantonese and even in

English. I can tell you how impressed I am with the generosity of our sponsors for this event – Bayshore Home Health, Medical Pharmacies and Pfizer.

On June 19th, in conjunction with our Annual General Meeting, OPA will be holding a special one-day conference on the implementation of pharmacists' professional services in Ontario. This will be an outcomes-focused event that examines and responds to the facts and realities of implementation.

It will drive the creation of an action plan with the participation of those who can effect change, and it will obtain input and advice from implementation experts with experience in making professional services a reality in other jurisdictions. There are still sponsorship opportunities available for this important event.

On September 7th and 8th, we have our annual conference, and this year we are returning to Deerhurst in Muskoka. This is our major event of the year, and our focus is on education, dealing with the new demands pharmacists are facing, and on embracing change in a way that ensures the ongoing sustainability of pharmacy enterprises. Many of the major sponsorship opportunities for conference are already locked up – but there are numerous other excellent opportunities we can share with you.

In October and November, we have another full schedule of District Meetings, which provide excellent opportunities for our partners and sponsors to meet our members at the local level and raise awareness of their products and services with pharmacists across Ontario.

Finally I want to invite you to sit down with the staff at OPA and discuss the opportunities available through us for program sponsorship. There is an incredible range of new initiatives that you should understand and investigate as we inform and educate our pharmacists, our patients, other health stakeholders and the general public – most frequently, providing them with information about medications and their safe and effective use.

From the perspective of the pharmaceutical industry, it is absolutely crucial today that I leave you with an understanding of our strategy to develop the drug

information and research capacities of OPA as we build up that side of our enterprise in 2007.

OPA's Drug Information and Research Center, or DIRC, is the largest pharmacist run center in North America, and investments into DIRC's two core services, drug information and research, are increasing its capacity exponentially.

DIRC's core services include the provision of drug information to pharmacists, other health care providers, and the public; medical writing, managing outsourced medical information lines, research related to health information technology, and the provision of accredited, highly regarded, education programs.

Over the last year, DIRC has further expanded its core competencies in disease management initiatives, mentoring services, on line education, pharmacy based programs, and listing agreements, and is looking to further develop its services related to clinical trials, adverse drug reaction reporting, and clinical guidelines.

We are bulking up DIRC to enable us to work with you. So – we need to talk.

It's an exciting, demanding and challenging time for pharmacists and pharmacy in Ontario, as it is for your sector and all of the businesses you represent. We at OPA look forward to working with you and invite you to follow up with us and get involved as we go forward together.

Thank you, and I welcome your questions.