



Oct 22, 2024

Financial Institutions Policy Branch
Ministry of Finance, Financial Services Policy Division
95 Grosvenor Street, 4th Floor, Toronto, ON M7A 1Z1
Delivered by email: Regulatoryprojects@Ontario.ca

Re: Consultation on Preferred Provider Networks (PPN) in the Employer-Sponsored Drug Insurance Sector

On behalf of the Ontario Branch of the Canadian Society of Healthcare-Systems Pharmacy (CSHP-OB), we appreciate the opportunity to provide feedback on Preferred Pharmacy Networks (PPNs), which are agreements between insurers and one or more pharmacy operators to offer discounted premiums in exchange for preferential access. PPNs are primarily associated with pharmacy benefits plans sponsored by employers for the coverage of specialty medicine.

CSHP-OB represents pharmacists and pharmacy technicians working in hospital pharmacies that service diverse patient populations, including acute care, rehab/complex continuing care, mental health, oncology, pediatrics, long-term care and primary care clinics operated and governed by hospitals.

Many Ontario teaching and community hospitals own and operate outpatient pharmacies that are located on hospital premises and are open to the public for a wide range of prescriptions. These hospital outpatient pharmacies frequently dispense high-cost medications to specialized patient populations, such as those in oncology, mental health, transplant clinics, and pediatrics.

PPNs directly impact the circle of care provided by hospital outpatient pharmacies and CSHP-OB will address the concerns in the following four key areas as outlined in the consultation:

1. Consumers, 2. Insurers, 3. Pharmacy Operators and 4. Employers and other organizations which sponsor pharmacy benefits plans.

1. **Consumers (i.e. Ontarians who access drug benefits through a pharmacy benefits plan provided by an employer or other sponsor)**
 - CSHP-OB advocates for the implementation of '*Any Willing Provider*' (AWP) *Legislation* to define required parameters for PPN arrangements (e.g. mandating that PPNs be open to any willing provider, voluntary, and that any terms and/or conditions of the PPN are fair and reasonable for all pharmacies). This will support **patient choice, safety and convenience** and for pharmacies provide professional autonomy and a level playing field.
 - PPNs limit patients' freedom to choose their pharmacy, undermining their right to access care at a pharmacy of their choice.

- PPNs restricts the development of strong relationships between patients and pharmacy professionals (pharmacists, pharmacy technicians, and drug access navigators), which are crucial for long-term health outcomes.
- Patients may not be receiving expert care from PPN pharmacies as they are not mandated to have the skills and knowledge that specialty medications require. Insurance companies are focusing on cost reduction rather than patient safety and quality care. Hospital outpatient pharmacies staff experts in specialty medications and this is overlooked when insurance companies are allowed to assign PPNs to a closed group of pharmacies.

2. Insurers and Related Stakeholders (Third-party administrators, pharmacy benefit managers, intermediaries)

- Hospital outpatient pharmacies frequently encounter PPNs managed by organizations like Express Scripts Canada (ESI), Shoppers Drug Mart (SDM) Specialty, and Innomar.
- The involvement of third-party insurers as intermediaries disrupts the direct relationship between patients and healthcare providers which can lead to lapses in treatment and potential safety risks

Disadvantages:

- **Decreased quality of care:** Patients' own pharmacies, often excluded from the PPN, are left out of the circle of care, limiting their ability to offer personalized counselling and help with medication access.
- **Delivery delays causing patient safety issues:** Medications shipped by PPN-affiliated pharmacies can be delayed, disrupting treatment plans. Hospital outpatient clinics are left to intervene when patients are confused about delays, expecting the hospital outpatient pharmacy staff to resolve issues for medications they didn't dispense.

3. Pharmacy Operators

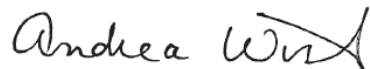
- Hospital outpatient pharmacy staff face increased workload when drugs are sourced outside of the regular supply chain.
- Hospital outpatient pharmacy staff must address patient complaints about delayed shipments from PPN or third-party insurer specialty pharmacies.
- Physicians often raise concerns about treatment delays, as they are unaware that PPN-related processes are slowing drug deliveries and affecting patient health.
- PPN-dispensed medications can negatively impact patient care during transitions within the hospital. When a patient is admitted, medications dispensed through a PPN may be missed during the medication reconciliation process if they are not documented by the patient's regular pharmacy. This oversight can compromise the patient's health and lead to preventable medication incidents during their hospital stay. Additionally, when a patient is discharged with a new specialty medication that can only be obtained through a PPN pharmacy, discharge may be delayed as hospital pharmacy staff work to navigate access to the required medication.

- Patient safety is compromised when drug interactions may not be captured for PPN-dispensed drugs when more than one pharmacy is involved in the same patient's care.

4. Employers and Sponsors of Pharmacy Benefits Plans

- Patients who do not comply with an employer's PPN choice are penalized by being required to submit receipts and pay upfront for medications, which can delay treatment if they cannot afford the out-of-pocket costs. This creates an additional burden, particularly for those needing urgent or high-cost medications.

Sincerely,

A handwritten signature in black ink that reads "Andrea Wist". The signature is written in a cursive style with a large, sweeping initial 'A'.

Andrea Wist
President, CSHP-OB