

Why Preferred Pharmacy Networks Are So Bad For Patients

The controversy surrounding the Manulife / Shoppers Drug Mart preferred relationship and subsequent events and commentary on it highlights the fragile nature of the ecosystem supporting patients who rely on specialty drugs to manage serious diseases and conditions.

Specialty drugs are not cheap. They can range in price from \$10,000 to \$100,000 and up to \$350,000 annually or higher for some rare diseases. Many of these drugs have Patient Support Programs (PSPs) which the manufacturer fully funds and affects the pricing of the medicine. These programs were established over twenty years ago in Canada as a way to deliver the medication to patients given that there was no other way to do so, and no other way has been introduced into publicly funded health care programs. Services provided by these programs include administering the drug by home care nurses or at infusion centres, blood and other diagnostic testing, coordinating physician orders, providing information to patients about the drugs and reimbursement support. These are not trivial programs and are critical to helping ensure the best outcomes for patients.

Preferred pharmacy networks, or PPNs, are agreements between insurers and pharmacies that provide prescription medications to members of a specific health plan at lower costs. Preferred deals squeeze the price of a manufacturer placing the burden of cost of these programs disproportionately on those not part of the deal. It can lead to the manufacturer reducing the level of services. The end result, as always, is that patients will suffer more one way or another.

The Patient Support Programs aren't well understood by the public, policy makers, or academics. They are often confused with US charities that only help patients pay for their out-of-pocket cost. In Canada, the PSP's provide many of the core services expected of our publicly funded health care providers and help people afford their medications. They support the principles of choice and safety, which are fundamental to how people manage their health conditions.

Disrupting The Equilibrium of Treatment

Patients are vulnerable enough having to manage life altering health conditions. Many have already experienced the shock of long time, trusted healthcare providers retiring and then having to seek out a new healthcare provider. In today's healthcare environment even healthy people dread the thought of finding a doctor – in fact, many people don't even have a primary health care provider. Preferred deals can sabotage a patient's equilibrium of treatment. A preferred deal can force patients to change what drug has been working and we all know the old saying "if it ain't broke..."

Transportability of Coverage Eligibility

Forces like preferred deals and plan design can trap people with these life altering conditions in jobs they hate or where they have no prospect for promotion because they need to keep their health benefits. The experience in the US bares this out but this happens in Canada too. Folks with serious health conditions are wary of changing jobs due to the uncertainty of coverage, benefits, and criteria for qualification for private plans. According to a survey by the Canadian Arthritis Patient Alliance (CAPA), 38% of patients relied on their PSP to get their medication paid for completely or partially. One insurance company may not have the same eligibility or co-pay criteria as another. A preferred deal looks at patients as commodities, leveraging volume for unit price savings. Patients are humans. The

PSP's are interactional with patients, not transactional. Unit price savings will affect the ability for PSP's to deliver services to meet the needs of the individual.

Almost 2/3 of patients rely on the PSP's to navigate drug insurance. There are literally thousands of different private plans, each with their own complexity, not to mention the public plans and the threat to patients who aren't properly prepared by their physician for the challenges the patient might face when starting a new medication. We should be asking ourselves – why do patients need this kind of help to navigate insurance? Maybe we should be reducing the burden on patients by making these processes simple and easy to understand especially when so many of us have additional barriers because of life changing illness.

Regional Access in Canada

Contrary to the perception of many that specialty drug use would be concentrated in urban centres, the burden of specialty drugs is shared across the country. According to the same survey done by CAPA, only 27% are living in urban areas. In this same survey, smaller communities under 30,000 people represent almost as many people taking specialty drugs with over 25% while another 24% live in communities under 100,000 people. People in small towns across the country, including those living in rural and remote regions, represent over 50% of specialty drug users. People live in these neighborhoods, often building important relationships with pharmacies that are fixtures in their community.

Preferred pharmacy deals also mean we're making people with these conditions travel farther to get the medications they need to live life well. The relationship between the pharmacy and patient is critical – it helps avoid prescription error, contra-indications and streamlines payment. People have enough to contend with managing their health condition, the care they receive in their neighborhood contributes to their individual health in addition to community health.

What's in it for pharmacies?

Here's why Shoppers or other mega-retailers want to get these kinds of preferred deals. 92% of specialty drug patients are between the ages of 18 and 49 years. Many of these patients live with lifelong conditions like inflammatory bowel disease and rheumatoid arthritis leaving them dependent on these therapies for the rest of their lives. The decision makers at mega retailers view these people as a recurring source of revenue. Community pharmacists view them as neighbours. The former will feed the data into their AI engines and exploit every marketing or revenue-generating opportunity they can. The latter will often build relationships with patients and serve them with care and dignity.

Inequity of Affordability

Finally, limiting patient choice highlights the inequity of access to these important medicines and exacerbates inequities across the population. Only 55% of respondents of the CAPA survey are covered in total through a public or an employer drug plan. PSP's play a support role providing relief for some or all of the medication costs to up to 25% of patients who use these specialty medications. For many others the burden of the cost of drugs is directly carried by the patient. 22% pay some of the cost themselves while fully 15% of survey respondents pay for all of the medication costs themselves.

Submitted in response to the Ontario government consultation on [Preferred Pharmacy Networks](#) by [Patient Commando](#) & Canadian Arthritis Patient Alliance

Imagine being 27 years old, diagnosed with inflammatory bowel disease, learning that it is incurable but manageable with a medication that's going to cost \$30,000 a year, or more, every year, for the rest of your life. When your choices and health outcomes are limited by the interests of Shoppers and Manulife, how do you balance your health, career, relationships, housing, transportation, education and other needs? It's time to engage patients in health decision-making so we are not adding "one more thing" to their already complicated lives.