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Editorial

by Vicki Wood



Let's fix this system, fast!

Well, thank heaven for swine flu.

Of course I don't really mean that. But, it's a good thing the media was so pre-occupied by the newly emerging swine flu pandemic on April 27 that another important news story didn't get as much attention as it would have otherwise.

That story, of course, is the one about the three pharmacies, four wholesalers and seven generic drug companies who face charges, \$33.8M in fines, and disciplinary investigations for their parts in an alleged drug re-selling scheme.

The actions came as a result of Ontario Drug Benefit plan audits that discovered professional allowances were being claimed multiple times for single shipments of drugs. (In Ontario's alternative to the generic rebate system, introduced with the 2006 Transparent Drug System for Patients Act, pharmacies may claim a professional allowance—which must be used to fund pharmacy services—at 20% of generic drug sales.)

The scheme goes like this: A wholesaler orders an excessively large amount of generic drugs, purportedly for an individual pharmacy. The pharmacy would claim a professional allowance for the full amount of the shipment, then return most of the drugs to the wholesaler, who would re-sell it to another pharmacy, which would claim a professional allowance on the full shipment, then return most of the drugs to the wholesaler, who would re-sell them, etc., etc... Alarm bells went off at ODB when the drug companies' reports of how much they were paying out in allowances, and the pharmacies reports of how much they received, failed to match up.

More charges are likely in the cards, said Health and Long Term Care Minister David Caplan at the briefing. Another 51 Ontario pharmacies, as well as another wholesaler and generic firm have been ordered to submit their professional allowances records for review.

When Ontario overhauled the rules for the province's drug benefits program, those on all sides were well aware that it wasn't perfect.

The new rules, which replaced straight incentives-for-shelf-space rebates with the 20% professional allowances, and the new paid clinical services (MedsCheck and MedsCheck Follow-up, with more to come this year) put the focus on the value of pharmacists' professional services. However, they didn't make up the shortfall lost when rebates went out the window.

It's a fact of business—if you lose one source of income, you have to find a new one. But finding a new, illegal one, one that potentially hurts patients, is, frankly, disgraceful.

How does this hurt patients? By potentially increasing the cost of medicines (generic firms were often paying 200% and 300% rebates on single drug shipments), by scrambling paper trails so that a drug recall would be a public safety nightmare, and by damaging the public's trust.

At the briefing, health minister Caplan said he believed that for the most part, the pharmacy industry is honourable, and that he still believes that expanding pharmacists' professional scope of practice is one of the smartest things the province could do to improve Ontario's health system.

He also said that if the pharmacy payment system has to be changed yet again to solve these problems, "we will change the system."

Sounds like a great idea. How sad that this whole issue of rebates and allowances has once again tarnished the image of pharmacy, which for so long used to be the most trusted profession. Never mind the cash, wouldn't it be wonderful to get that trust back?

Vicki Wood

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