

PHARMACY *update*

National Edition

OCTOBER 2019

GSC'S VALUE-BASED PHARMACY INITIATIVE: PHASE THREE

The Green Shield Canada (GSC) Value-based Pharmacy initiative was launched in 2017 with the goal of improving care for our plan members through collaboration with community pharmacies. In phase one, we started measuring pharmacy performance, assessing it against a set of validated metrics, and sharing that information with pharmacies. In phase two, we started calculating a star rating or overall score, called the Pharmacy Quality Rating, which was made available to GSC plan members as an additional piece of information to consider when making a choice of pharmacy. Phase three will tie the Pharmacy Quality Rating to pharmacy reimbursement and has involved considerable consultation with a number of pharmacy groups and associations, including the Canadian Pharmacists Association and the Neighbourhood Pharmacy Association of Canada whose feedback we have incorporated as much as possible. The reimbursement framework has now been finalized and will be implemented in July 2020.

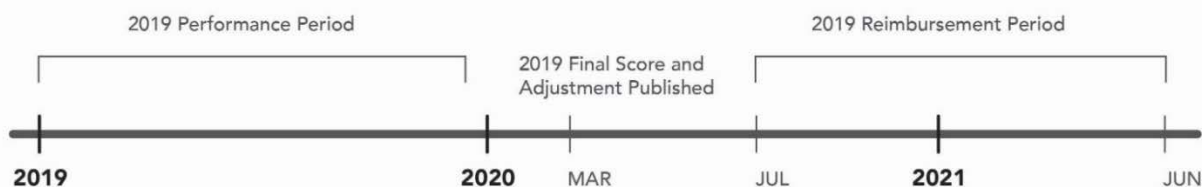
The Value-based Pharmacy Initiative is not designed to be a cost containment initiative. The phase three reimbursement framework will operate through a dedicated pool of funds called the *Pharmacy Performance Pool*. Lower-performing pharmacies will contribute to the pool with the funds withheld from those pharmacies reimbursed in the form of bonuses to higher-performing pharmacies. In this way, we will provide payment based on the quality rating achieved. Performance of the reimbursement pool will be reported annually.

The new reimbursement framework will apply only to pharmacies that have earned a Pharmacy Quality Rating – about a quarter of all pharmacies in Canada – while pharmacies that don't qualify for an overall rating will not see any change in the calculation of their reimbursement.

Reminder: Phase three timeline

The new reimbursement framework is tied to defined periods of performance measurement – known as the *Performance Period* – that will in turn impact reimbursement for defined periods of time – known as the *Reimbursement Period*. Pharmacy performance during the entire 2019 calendar year will determine pharmacy reimbursement starting in July 2020 and continue through the next 12-month reimbursement cycle to June 2021. This process will continue through each 12-month cycle thereafter.

VALUE-BASED PHARMACY TIMELINE



How reimbursement will be impacted

The Pharmacy Quality Rating achieved during any given Performance Period will determine the Value-based Pharmacy adjustment that will be applied to pharmacy payments during the corresponding Reimbursement Period. Lower-rated pharmacies will see a negative adjustment applied to each payment that falls during the corresponding reimbursement period while higher-rated pharmacies will see a positive adjustment applied to their payments. For pharmacies experiencing a negative adjustment, a safeguard has been built into the system to protect their estimated drug acquisition cost and ensure the overall reimbursement per statement is never below that cost.

providerConnect® is your online resource

providerConnect is GSC's web portal for health service providers in Canada. It gives you convenient access to forms, pharmacy manuals and guides, health coaching program information, and many other tools and resources all in one place.

Not acquainted with providerConnect yet? Register today at providerconnect.ca.

Value-based Pharmacy adjustments will be revised and published annually by March of each year, starting in 2020.

Changes have been made to the GSC pharmacy statement to show a detailed view of the adjustment applied to a payment.

Example of negative adjustment:

Statement Totals

Total Amount Claimed	\$984.70
Total Payment Amount	\$749.50
VBP Adjustment Amount*	-\$7.50
Adjusted Payment Amount	\$742.00

*The VBP Adjustment applied to this payment is based on your Pharmacy Quality Rating of 2 achieved during the 2018 Performance Period. This rating has resulted in a (-) 1.0% adjustment of your Payment Amount for the VBP Reimbursement Period of 2019/07/01 to 2020/06/30.

Example of positive adjustment:

Statement Totals

Total Amount Claimed	\$984.70
Total Payment Amount	\$749.50
VBP Adjustment Amount*	+\$14.99
Adjusted Payment Amount	\$764.49

*The VBP Adjustment applied to this payment is based on your Pharmacy Quality Rating of 4 achieved during the 2018 Performance Period. This rating has resulted in a (+) 2.0% adjustment of your Payment Amount for the VBP Reimbursement Period of 2019/07/01 to 2020/06/30.

**For illustration purposes only.*

Performance goals for 2019

Performance goals and star thresholds will be reviewed and updated annually starting in March 2020. Goals and star thresholds are informed by the previous year's final performance data for Canadian pharmacies. Achieving the goal means that a three-star rating is achieved for that measure. Achieving higher scores will result in a higher star rating at the measure level. For reference, the current goals for 2019 are shown below as well as the thresholds for reaching each star level for each measure.

Measure name	Target
RASA PDC	75.1%
Cholesterol PDC	80.1%
Diabetes PDC	79.1%
Statin Use in Diabetes	75.1%
Asthma – Suboptimal Control	9.9%
Asthma – Absence of Controller Therapy	20.0%
CV Health Coaching	25.0%
High Risk Medications	12.9%

Measure name	One-star	Two-star	Three-star	Four-star	Five-star
RASA PDC	<67.0%	67.0% – 73.0%	73.1% – 78.0%	78.1% – 83.0%	> 83.0%
Cholesterol PDC	<73.0%	73.0% – 80.0%	80.1% – 84.0%	84.1% – 88.0%	> 88.0%
Diabetes PDC	<73.0%	73.0% – 79.0%	79.1% – 83.0%	83.1% – 90.0%	> 90.0%
Statin Use in Diabetes	<67.0%	67.0% – 75.0%	75.1% – 80.0%	80.1% – 85.0%	> 85.0%
Asthma – Suboptimal Control	>17.0%	17.0% – 10.0%	9.9% – 6.0%	5.9% – 4.5%	< 4.5%
Asthma – Absence of Controller Therapy	>35.0%	35.0% - 26.0%	25.9% - 18.0%	17.9% - 10.0%	< 10.0%
CV Health Coaching	<10.0%	10.0% – 24.9%	25.0% – 39.9%	40.0% – 50.0%	> 50.0%
High Risk Medications	>17.0%	17.0% – 13.0%	12.9% – 9.0%	8.9% – 6.0%	< 6.0%

Things to keep in mind...

- Detailed pharmacy performance information at the measure level is available through the EQUIPP™ platform.
- Goals are posted on the EQUIPP dashboard and will also be available on the providerConnect website under the [Value-based Pharmacy section](#).
- Detailed information about the new reimbursement framework as well as updated resources about Value-based Pharmacy will be available on providerConnect in mid-December.