

For Immediate Release

DR. WADE LOCKE RELEASES LANDMARK PHARMACY REPORT

Economist Identifies Concerns About Sustainability of Community Pharmacy

St. John's, October 28, 2008 – Eminent St. John's economist Wade Locke, Ph.D. has released a comprehensive study into the economics of community pharmacy in Newfoundland and Labrador. The report, presented at the Memorial University School of Pharmacy, spotlights concerns about the future ability of community pharmacies to continue to deliver the current level of access and quality of care to patients in the province.

The Locke Report provides the first in-depth analysis of the compensation pharmacists receive for dispensing prescription medicines, medication counselling, and providing additional care and services to patients. Dr. Locke has found that pharmacies in Newfoundland and Labrador subsist on a razor-thin profit margin, averaging 3.5%. At the same time, the need and demand for pharmacy care is increasing, due to an aging population, facing more chronic health care conditions. As a result, any changes to the current pharmacy funding model that reduce compensation to pharmacists would result in service reductions, higher costs to individual patients, and job reductions at pharmacies.

"Governments across Canada are seeking ways to control health care costs, and Newfoundland and Labrador is no different," said Dr. Locke. "But my analysis suggests that attempts to do so by reducing pharmacy funding would have significant, negative, unintended consequences."

According to the Locke Report, among the effects of cutting pharmacy funding below current levels would be:

- Higher costs paid by patients for pharmacy care
- Reductions in pharmacy services
- Layoffs of pharmacy staff
- Reduced store hours, and
- Closure of some pharmacies, particularly in rural areas

Community pharmacist Trent White, the President of the Pharmacists' Association of Newfoundland and Labrador (PANL), indicated that the profession is working closely with the Minister of Health and Community Services, to develop a funding model that will ensure community pharmacy remains sustainable and patients continue to receive the care and services they need.

“I give the Minister full credit for listening to what we’ve had to say, and for working collaboratively with us,” said Mr. White. “In the spring of 2008, he agreed to delay making changes to pharmacy funding until the Locke Report was completed. Now it’s our job to work with him to develop a longer-term approach that protects patient care, and doesn’t shift the cost burden onto patients who can ill-afford it.”

PANL has provided copies of the Locke Report on community pharmacy to the Minister of Health and Community Services, and will be requesting a meeting with him to review the study and discuss potential next steps.

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For more information, or to receive a copy of the Locke Report, please contact:

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