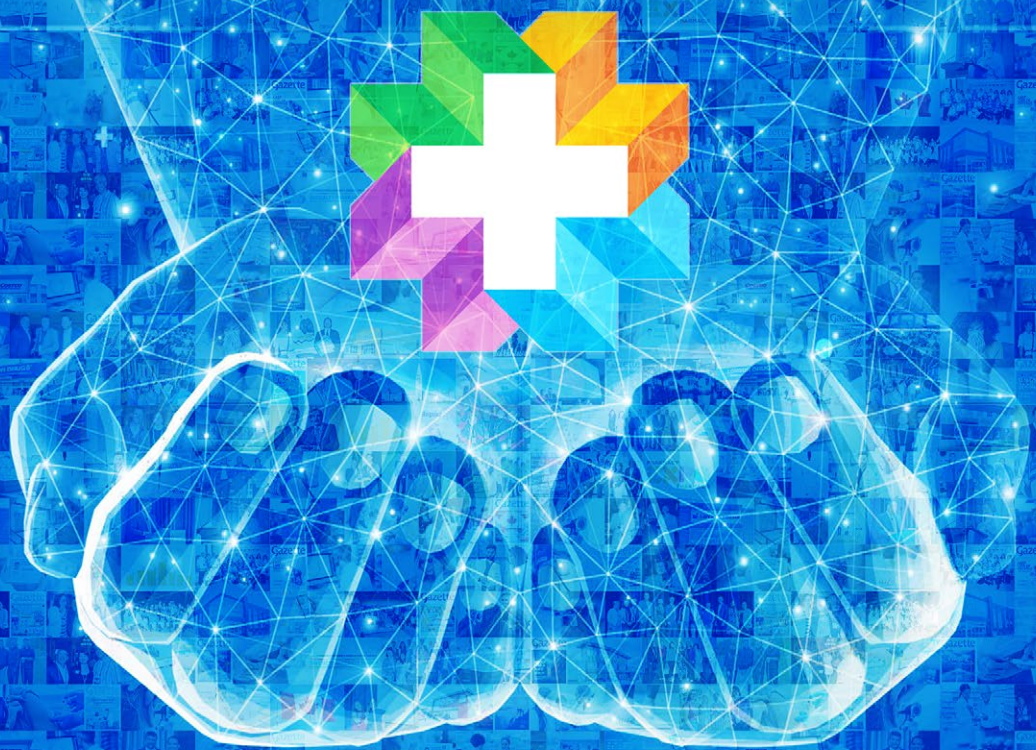
Neighbourhood Pharmacy
Gazette
WINTER 2025
INSIGHTS. ADVOCACY. HEALTHIER CANADIANS.
A publication of the Neighbourhood Pharmacy Association of Canada

★ SPECIAL EDITION ★

30 years strong

Neighbourhood Pharmacies celebrates its anniversary by telling the story of the transformation of community pharmacy



CONTENTS Winter 2025

Neighbourhood Pharmacy Gazette
INSIGHTS. ADVOCACY. HEALTHIER CANADIANS.

Neighbourhood Pharmacy Gazette is published four times a year by the Neighbourhood Pharmacy Association of Canada.

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Shaping the way forward
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MESSAGE FROM THE CEO

Hitting our stride for 2026 and beyond

It's hard to believe we are wrapping up the first quarter of the 21st century. It seems like "Y2K" happened only yesterday.

It's also hard to believe that Neighbourhood Pharmacies is celebrating its 30th year serving pharmacy operators and their teams across Canada. In 1995, we were the Canadian Association of Chain Drug Stores (CACDS) and the top priorities included bar-code standards, the regulation of natural health products and privacy legislation.

In this special edition of the *Gazette*, our cover story looks back at community pharmacy's remarkable journey over the past three decades. Back then, pharmacists' scope of practice was such that they could do no more than dispense medications. Counselling was not yet mandatory. Anything outside the prescription, even advancing a few tablets, had to be vetted by the physician.

Yet 1995 was also the start of an inflection point. Graduates trained in pharmaceutical care began to enter practice. Expansions to scope of practice followed about 10 years later and continue to this day. Pharmacists can now provide many services that were once the purview of physicians only.

Professionally, community pharmacy has indeed come far. On the business side, much important work lies ahead.

When CACDS became Neighbourhood Pharmacies in 2014, we shifted into a higher gear as the only trade association representing the business of pharmacy. At federal and provincial levels, we presented proof not only of the value of pharmacy to both the healthcare system and the economy, but also its irreconcilability with a system that funds pharmacy's contributions to healthcare primarily through markups associated with drug prices.

We are making progress. During consultations for national pharmacare and reforms to the Patented Medicine Prices Review Board, Neighbourhood Pharmacies helped change courses of action and at least mitigate the unintended downstream impact on pharmacy revenue.

But the bigger issue is the constant financial uncertainties faced by pharmacy operators, which make it difficult to plan for and scale pharmacy services. The next few years will be pivotal for the advancement of dedicated funding that appropriately reflects—and sustains—the value of pharmacy services. Only then will governments achieve the best return on investment for taxpayers' dollars, throughout the healthcare system.

Neighbourhood Pharmacies is where it needs to be to help governments move forward—not only on the funding file, but also on regulatory changes to support pharmacy workforces and improve efficiencies. The diversity of our membership, representing all business formats of pharmacy, signals a united front and a readiness to mobilize. Our latest poll of Canadians confirms we are on the right track. Let's go!

Sandra Hanna, RPh, LLM, ICD.D
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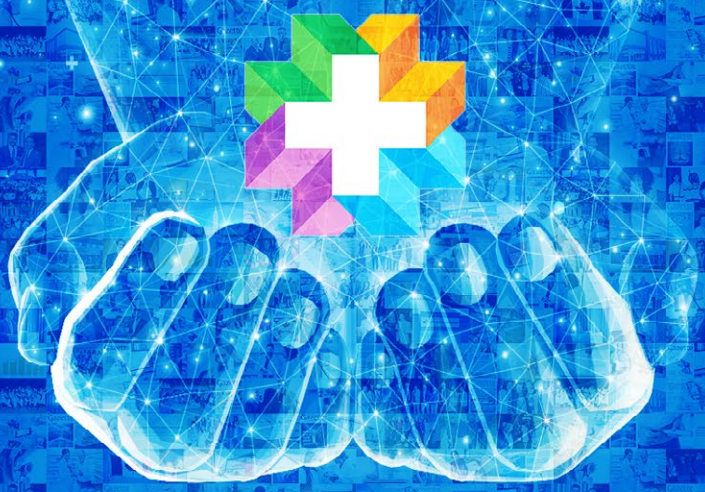
"The diversity of our membership, representing all business formats of pharmacy, signals a united front and a readiness to mobilize."

★ SPECIAL EDITION COVER STORY ★ By Karen Welds

30 years strong

Neighbourhood Pharmacies celebrates its anniversary by telling the story of the transformation of community pharmacy



We all know the aphorism, "Change is the only constant." While we also know it applies to just about everyone and everything, it would probably be fair to say that community pharmacy has seen more than its fair share of change in the past few decades. And for the most part, the good news outweighs the bad.

What better way for the Neighbourhood Pharmacy Association of Canada to recognize its 30th anniversary than to capture the kaleidoscope of pharmacy's evolution in this issue of *Neighbourhood Pharmacy Gazette* (which, by the way, recently celebrated its fifth full year of publication).

Change is rarely easy, and much important work remains ahead for both the business and the professional practice of community pharmacy. Yet as the following pages attest, the past bodes well for the future.

> "Community pharmacy is resilient. When given the chance, we will do wonders for the healthcare system."
>
> *—Chi Quon, General Manager, Pharmacies, Save-On-Foods*

Thank you to the following community pharmacists who walked down memory lane to help bring history to life—and who have themselves become change-makers in their respective organizations and as members of Neighbourhood Pharmacies.

Jim Johnston, Vice President and General Manager, National Pharmacy, Sobeys (a 1999 pharmacy graduate, University of Alberta)

Dimitris Polygenis, PharmD, President, McKesson Canada (1995, University of Toronto)

Chi Quon, General Manager, Pharmacies, Save-On-Foods (1989, University of British Columbia)

Rita Winn, Director, Lovell Drugs, part of the Neighbourly Pharmacy network (1981, University of Toronto)

★ SPECIAL EDITION COVER STORY ★

1995 – 2005

Dawn of a new era

"Pharmaceutical care" drove agendas for pharmacy regulators and advocacy bodies in the 1990s. Pharmaceutical care advocated that pharmacists' responsibilities go beyond dispensing and counselling on drugs at the time of dispensing to include monitoring patients' use of medications as well as their needs and expectations. In its 1992 submission to the provincial government, the College of Pharmacists of British Columbia spoke of the "enormous potential for community-based care."

Forty-nine per cent of surveyed pharmacy owners and managers reported having a counselling room or area in 1995, up from 17 per cent in 1994. That grew to 71 per cent in 1999.

By 1997, 13 per cent of pharmacies were billing for cognitive services, primarily in Quebec and B.C. where government funding was available for pharmaceutical opinions and trial prescriptions, respectively. By 2005, about one in five charged for expanded services.

In 2002, two-thirds of surveyed pharmacy owners and managers had at least one self-described specialist on staff, mainly for blood glucose meter training, diabetes management, medication management/compliance packaging, asthma and smoking cessation.

Moving out, moving in

Provincial pharmacy regulatory bodies began adopting a national drug schedule in the late 1990s. Several prescription and behind-the-counter medications moved into nonprescription aisles, including backache remedies, pain relievers, antihistamines, antacids and smoking cessation products. In 1997, surveyed pharmacists reported spending an average of 42 minutes daily counselling customers about nonprescription drugs.

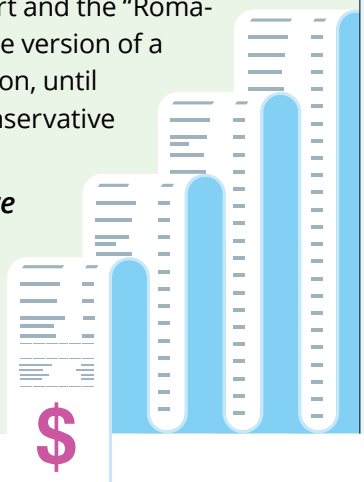
Back behind the counter, pharmacies began filling prescriptions for OxyContin, the first opioid for pain management, in 1996.

Déjà vu: pharmacare

In 1994, the Liberal federal government launched a four-year "national forum" on healthcare reform, including a closer look at systemic issues related to drugs in response to unprecedented growth in provincial spending. The Senate's "Kirby Committee" report and the "Romanow Commission" report followed in 2002. Some version of a national pharmacare was a recurring call to action, until it was shelved in 2006 with the election of a Conservative federal government.

"You don't hear anything about pharmacare any more these days, and you probably never will. That's because they understand how impossible it is to pay for it now."

—Michael Bliss, Professor of History of Medicine, University of Toronto, *National Post*, 2000



"I remember one doctor chewed me out because I intervened with a patient who was using their inhaler too often. Sure enough, they weren't using it properly. The patient told the doctor they now know how to use it, thanks to their pharmacist, and the doctor was so angry. Our role has certainly changed since then."

—Rita Winn, Director, Lovell Drugs

Business of better care

Against a backdrop of pharmaceutical care without remuneration, preferred provider organization (PPOs) and rising prescription-drug use, the Canadian Association of Chain Drug Stores (CACDS) was incorporated in 1995. It was the first national trade association representing the business of pharmacy—and charting pharmacy's value to governments, both economically and in healthcare. Its original 15 members represented corporately owned or franchise pharmacies.

From 1995 to 2000, CACDS's top issues were scanner pricing accuracy, supply-chain efficiencies, the regulation of natural health products and tobacco sales. In 1999, it spearheaded the Fredericton Pharmacy Initiative, one of the first to quantify the improved health outcomes and cost savings of pharmacists' interventions. CACDS co-chaired the Efficient Consumer Response for the Pharmacy Supply Chain (ECRx) working group to develop standards for bar coding and electronic data interchange.

From 2000 to 2005, the top issues included changes to drug scheduling, e-health and privacy legislation. Membership expanded to include banner pharmacies.

From the start, a core offering of the CACDS—and of Neighbourhood Pharmacies today—was intelligence-gathering and analytical support for provincial pharmacy associations during their discussions with governments.

Double-edged adjudication sword

Online adjudication took flight in the 1990s, delivering instant reimbursement from third-party drug plans—and new nightmares for pharmacy staff.

By 2000, pharmacists estimated they spent 53 minutes per eight-hour shift dealing with the one in 10 prescription claims rejected by private drug plans. Respondents described having to navigate multiple formularies, call centres and "screaming" patients. Insurers and pharmacy benefits managers (PBMs) established the Electronic Standards Council to establish standards for claims processing.

Butting in, butting out

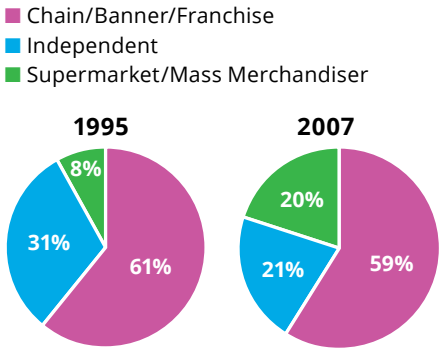
The Ontario government banned the sale of tobacco products in pharmacies in 1995, followed by Quebec in 1998. In 2002, up to a third of pharmacies in remaining provinces sold tobacco and the numbers were slowly declining. Meanwhile, smoking cessation products had become one of the fastest growing categories in pharmacies.

> **"I had a typewriter on the shelf to use when the computer wasn't working, and a lot of billing was still done with manual paper forms."**
>
> *—Jim Johnston, Vice President and General Manager, National Pharmacy, Sobeys*

TREND SNAPSHOT

Pharmacy formats

BREAKDOWN OF THE NUMBER OF PHARMACIES



Source: IQVIA Canada (formerly IMS Health)

PPOs before PPNs

In 1995, Foxmeyer claimed that almost half of Canada's pharmacies had signed on to its preferred provider organization (PPO). While the PBM went bankrupt the following year, most surveyed pharmacists agreed that PPOs were inevitable and about one in 10 were participating in at least one.

A 1997 survey revealed that the top services of pharmacies working with private payors (such as a local employer) were generic substitution (which was not yet mandated by provincial governments), 90-day supplies and patient call-backs. Seventeen per cent reduced their dispensing fee as part of their agreement with the private payor.

On a related note, MediTrust, Canada's first mail-order-only pharmacy, had established a national presence by 1995. It introduced the business model of a client base composed solely of employers with drug plans. In 1999, MediTrust was acquired by Pharma Plus Drug Marts, which in turn was acquired by Katz Group.

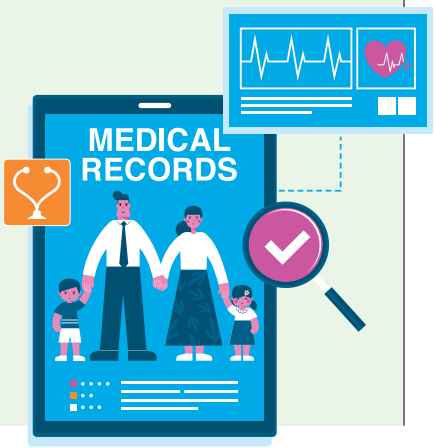
Wanted: pharmacists

From 2001 to 2009, about half of owners and managers reported a shortage of pharmacists in their own pharmacy.

The shortage helped propel pharmacists' wages. After a modest gain of nine per cent in the five-year period from 1995 ($26.60) to 2000 ($29.10), the average wage jumped 26 per cent over the next three years, reaching $36.70 in 2003, and another 16 per cent over the subsequent three years, reaching $42.75 in 2006.

EHR on the scene

Canada Health Infoway debuted in 2001 with a $1.1 billion budget from the federal government. It was tasked with accelerating the adoption of digital health technologies, including electronic health records, across provinces and territories.



Boomers and blockbusters

Prescription volumes began to soar in the 1990s, propelled by middle-aged baby boomers and blockbuster medications such as Lipitor for cholesterol.

The total number of prescriptions dispensed in Canada grew from 226 million in 1995 to 396 million in 2005, reported IMS Health. As an average per pharmacy, the prescription volume of 34,000 in 1995 almost doubled to 60,000 in 2006, according to surveyed owners and managers.

IMS Health reported a total of 6,527 community pharmacies in 1995 and 7,707 in 2005. That's an increase of 18 per cent against a growth rate of 75 per cent in total prescription volume.

Total prescription purchases in retail pharmacies more than doubled, from $6.4 billion in 1995 to $14.6 billion in 2005. Surveyed owners and managers reported that the dispensary's share of sales grew from 60 per cent to 72 per cent in that period. In 1995, 15 per cent of owners and managers reported a loss. By 2005, that had declined to two per cent.

> **"Back in 1995, advancing even just a few tablets was a risk. When somebody ran out of refills for their oral contraceptive, I was trained to punch out a few tablets and take a deposit because that prescription might not get okayed by the physician. It was a very different type of practice."**
>
> *—Chi Quon, General Manager, Pharmacies, Save-On-Foods*

★ SPECIAL EDITION COVER STORY ★

2005 – 2015

Governments gave with one hand …

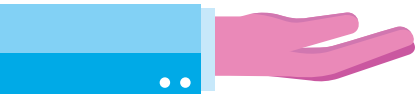
Expansions to scope of practice began in 2007, when Alberta enabled all pharmacists to adapt and renew prescriptions and prescribe in emergencies. It also announced pharmacists would be able to administer injections (with training) and apply for additional prescribing authority (APA). Pharmacists with APA would be able to prescribe any Schedule 1 drug or vaccine.

By 2015, pharmacists in all provinces could renew and adapt prescriptions (with some exclusions or restrictions for therapeutic substitutions) and all but those in Quebec could administer flu vaccines (and in some cases, other vaccines or drugs, depending on the province).

2007 also marked the start of pharmacist-led, publicly funded programs for medication reviews. Ontario's MedsCheck was the first, followed by similar programs in B.C., Alberta, New Brunswick, Nova Scotia and Newfoundland and Labrador. Alberta's medication reviews were part of two larger programs for care plans and medication management, for patients with chronic diseases or risk factors.

In 2011, pharmacists in Saskatchewan and Nova Scotia became the first (after pharmacists in Alberta with APA) to be able to assess and prescribe for a list of minor ailments. By 2015, all provinces except B.C. and Ontario could assess and prescribe for certain minor ailments.

… and took away with the other



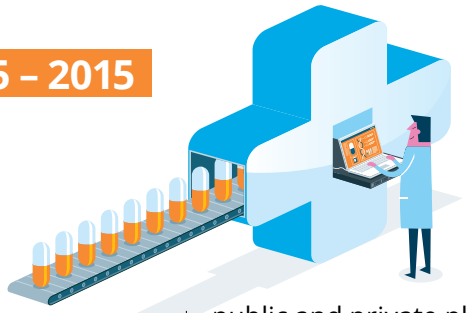
Provincial governments' reforms to public drug plans began in 2006 with Ontario's Transparent Drug System for Patients Act, which eliminated rebates paid by generic manufacturers to pharmacies (see "The generic effect," page 9). Surveyed owners and managers in Ontario reported an average direct loss of $60,400 in revenue. Then in 2010, the banning of professional allowances from manufacturers and the lowering of prices for generic drugs caused an average loss of $122,900 in revenue per pharmacy.

Other provinces—Quebec, B.C. and Alberta to start—followed with their own drug-plan policies that restricted commercial terms, lowered generic-drug prices, capped dispensing fees and capped markups. Across Canada, pharmacy revenue from markups significantly declined due to the lower prices of generic drugs. The impact on dispensary revenue was such that, in 2013, surveyed owners and managers reported the dispensary's share of total revenue was 58 per cent, down from 69 per cent in 2008.

"We joined CACDS in 98 or 99 for its resources—for example, when the new privacy laws came into effect. And at committee meetings and conferences you would get so much information, so many ideas and perspectives. When we sat at the same table, we all had the same problems and we worked together. It was such a strong network, and still is today."

—Rita Winn, Director, Lovell Drugs

The generic effect



The generic pharmaceutical industry in Canada grew rapidly in the 1970s and 80s, incentivized by government policy as a way to bring down drug prices. By the end of the 90s, generic manufacturers' commercial terms with pharmacies had become an important source of indirect funding for the growing number of pharmaceutical-care services in pharmacies, which received little or no direct funding from third-party payors.

Generic volume surged in the early 2000s when several blockbuster brand-name drugs, such as Lipitor, lost patent exclusivity. While the shift to lower-cost generics saw overall sales growth plummet, from a record high of 17 per cent in 2001 to little or no growth from 2010 to 2015, generics steadily drove overall prescription volume and accounted for 68 per cent in 2015. Public and private payors reaped the savings from lower-cost generics and new mandatory substitution policies.

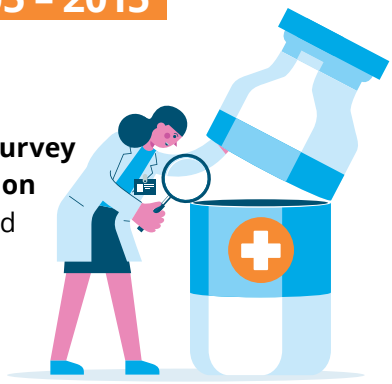
Starting in 2006, provinces restricted what could be included in generic manufacturers' commercial terms with pharmacies (including the eventual banning of professional allowances). One by one, provinces also began mandating lower prices for generics, for both public and private plans.

In 2010, most of the provinces (except Quebec) came together to create the pan-Canadian Pricing Alliance, which became the pan-Canadian Pharmaceutical Alliance (pCPA). In 2014, the pCPA implemented the Generic Tiered Pricing Framework, which harmonized generic pricing in all participating provinces and lowered the price of 10 high-volume generics to 18 per cent of the brand-name price. In 2015, that list grew to 18 drugs and Quebec joined the pCPA (see "Wrestling price compression," page 13, for more on the impact on pharmacy).

"The old pharmacy business model has been wiped out virtually overnight. There is no other sustainable model replacing it."

—Pharmacy owner responding to the 2014 Trends & Insights Survey of Community Pharmacists, Rogers Healthcare Group

Drug shortages



In the 2010 Canadian Drug Shortages Survey by the Canadian Pharmacists Association (CPhA), 89 per cent of pharmacists agreed that drug shortages—mainly of generic drugs—had greatly increased in the past 12 months. They spent an average of 30 minutes per shift dealing with them.

In 2011, surveyed owners and managers put drug shortages at the top of their list of challenges, ahead of provincial governments' changes to drug plans.

In 2012, drug shortages hit the national media when shortages of analgesics, anesthetics, antibiotics and other products caused surgeries to be delayed or even cancelled.

Fees? Yes and no

Only flu vaccinations were publicly funded across the board and from the start. Some provinces paid pharmacies for renewals, adaptations or substitutions (depending on the service), and fees themselves varied widely. Of the eight provinces with pharmacist-led programs for minor ailments in 2015, only three paid pharmacists for services rendered.

To help offset the revenue lost due to drug-plan reforms, some provincial governments increased their reimbursement of the dispensing fee. Ontario pharmacy owners and managers surveyed in 2011 estimated the higher fee of $8 recouped about $18,000 of the $123,000 in lost revenue.

The 2007 B.C. Activity Based Costing Study concluded that the filling of a prescription costs an average of $13.60 for dispensing services and administrative costs, versus the B.C. government's fee of $8.60 at the time. The 2008 Cost of Ontario Community Pharmacy Services (commissioned by CACDS and the Ontario Pharmacists Association) determined a median cost of $13.77 to dispense a medication.

In 2012, the Alberta Pharmacists' Association (RxA) successfully negotiated a separate funding framework for pharmacy services, the first in Canada. All expanded services could now be billed to the government. By the end of 2016, Alberta pharmacies submitted more than one million claims for care plans (including follow-ups).

In 2013, the Pharmacy Association of Nova Scotia successfully negotiated government funding for demonstration research projects. The success of those projects—most of which became permanent programs—contributed to the development of that province's separate agreement for the funding of pharmacy services (in 2019).

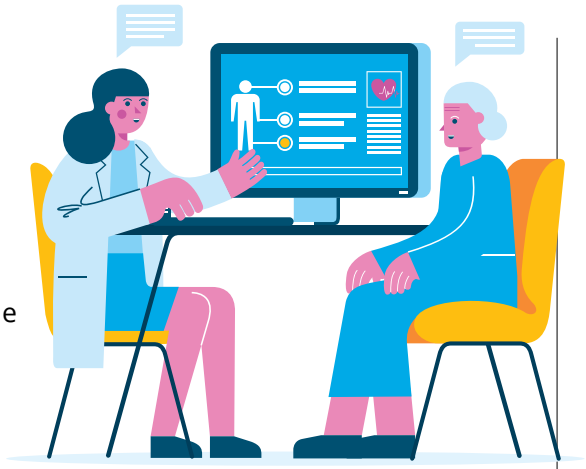
Technicians come on board

Pharmacy regulatory bodies in Ontario, B.C. and Alberta were the first to register licenced pharmacy technicians in 2010 and 2011. By the end of 2015, pharmacy technicians were regulated professionals in all provinces except Manitoba and Quebec.

"We've always believed in Neighbourhood Pharmacies. It's the only entity that focuses on the business element and connects it to the professional side. That's very important. As members we may be competitors but there are many issues that we all believe in and can move forward on with a common agenda that benefits everyone, including governments."

—Chi Quon, General Manager, Pharmacies, Save-On-Foods

Services take root



By 2014, 64 per cent of surveyed pharmacists personally provided expanded services, up from 33 per cent in 2006. The top three services in 2006—diabetes care, medication management and smoking cessation—transitioned by 2014 to three services that were billable to public plans: medication reviews, immunizations and prescribing services (e.g., renewals).

In 2016, 37 per cent of owners and managers had at least one pharmacist with specialty designation on staff (e.g., Certified Diabetes Educator). Also in 2016, the Alberta College of Pharmacists reported that almost one in three pharmacists had additional prescribing authority.

In 2011, Ontario expanded its MedsCheck program to include MedsCheck for Diabetes, MedsCheck for Long-Term Care and MedsCheck at Home. In 2012, Ontario pharmacies conducted more than one million MedsChecks (including follow-ups).

In 2015, pharmacists in the nine provinces with injection authority administered just over two million flu shots, representing an average of seven per cent of the population in those provinces.

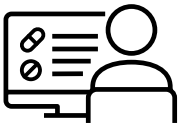
Here's what's special(ty)

In 2015, life-changing, higher-cost biologic and other specialty drugs began to reverse the deflationary impact of generics: after more than five years of little or no growth, the dollar value of the prescription drugs market was again on the rise.

The first biologic disease-modifying antirheumatic drugs were approved in 2000 and 2001; by 2011, biologics for rheumatoid arthritis alone pushed that category of drugs to the top of adjudicators' lists, where it stayed for more than a decade.

Status report: e-health

In 2008, P.E.I. became the first province to implement a real-time drug information system (DIS) that met the standards of Canada Health Infoway as part of the development of an electronic health record (EHR). Remaining provinces and territories rolled out their DIS by 2015.



92% **Pharmacists who reported improvements in the quality of patient care following the implementation of their province's drug information system**

Source: 2014 Survey of Pharmacists, Canada Health Infoway and Canadian Pharmacists Association

"I'm thankful and proud for the opportunity to be among the early pioneers of specialty health. We saw the introduction of amazing, life-saving, and breakthrough therapies that changed people's lives; but accessing these therapies was complicated starting from reimbursement and access, to cold chain logistics, and ultimately administration. Helping to develop solutions to those challenges and be part of a new model of healthcare was, and continues to be, extremely rewarding."

—Dimitris Polygenis, PharmD, President, McKesson Canada

Private plan matters

Private payors followed the lead of public payors and slowly introduced mandatory generic substitution policies to benefit from the lower prices of generic drugs under the pCPA's Generic Tiered Pricing Framework.

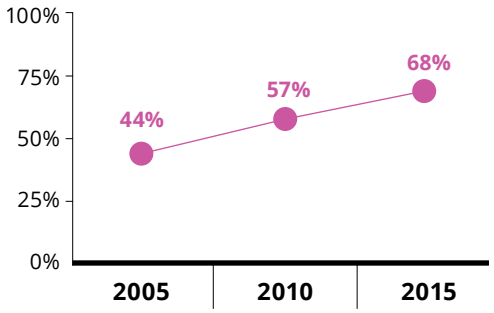
Rejected claims were still a thorn in the side—pharmacists surveyed in 2008 reported they took an average of 10 minutes per hour of work and four out of five agreed that drug-plan issues negatively affected patient care.

By 2015, PPOs had become preferred provider networks (PPNs) and 38 per cent of pharmacies were participating in at least one. The focus of private insurers had shifted to PPNs for high-cost specialty drugs.

TREND SNAPSHOT

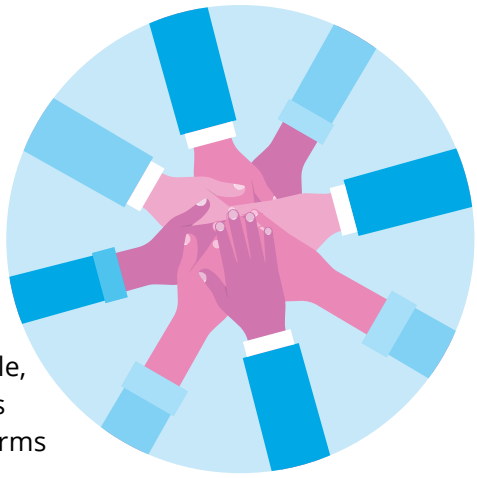
Generics

GENERIC DRUGS' SHARE OF PRESCRIPTION VOLUME



Source: IMS Health Canada (2005), IMS Brogan (2010), QuintilesIMS (2015)

What's up, CACDS ... er, Neighbourhood Pharmacies



In 2009 and 2010, CACDS conducted extensive research to determine the economic impacts of drug-plan reform on the average community pharmacy in each province. In Ontario, for example, CACDS projected a revenue loss of $200,000 resulting from reforms in 2010.

In 2009, CACDS released its Framework to Define and Fund Pharmacy Services as part of the Blueprint for Pharmacy initiative led by CPhA. Used in talks with the B.C., Alberta and Ontario governments, the framework helped lead to transitional funding as reforms were implemented (e.g., higher dispensing fees and/or the reinvestment of some of the savings into new pharmacy services).

In addition to provincial drug-plan reforms, top advocacy priorities included pharmacists' role in public health, the EHR and e-prescribing, and remuneration for pharmacy services.

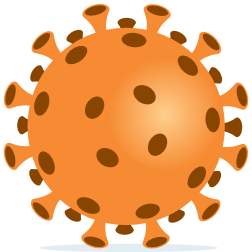
In 2014, CACDS changed its name to the Neighbourhood Pharmacy Association of Canada (Neighbourhood Pharmacies) to accurately reflect the breadth of pharmacy formats represented by its members—including, by this time, independent and banner networks and specialty pharmacies.

> **"We are not corporate or independent or specialty pharmacy—we are pharmacy. And we are committed to patient choice above all. That is the crux of person-centred care. To protect the future of pharmacy, we will collaborate and coordinate on behalf of our patients, no matter how complex—or seemingly simple—the drug or the care."**
>
> *—Sandra Hanna, CEO, Neighbourhood Pharmacies*

★ SPECIAL EDITION COVER STORY ★

2015 – 2025...AND BEYOND

The turning point



The COVID-19 pandemic stopped the world in March 2020—and galvanized community pharmacy in Canada. As family physicians and other healthcare providers scrambled to establish new channels for communications and access to care, Canadians flocked to pharmacies for answers. And, of course and always, for needed medications.

Governments also turned to pharmacies for solutions. Neighbourhood Pharmacies, with other national and provincial stakeholders in pharmacy and across the supply chain, worked around the clock with Health Canada and provincial governments to stabilize drug supply and mobilize an infrastructure of more than 11,000 community pharmacies from coast to coast to coast. Scopes were expanded, regulations revised and fees for new services put in place in a matter of weeks.

Pharmacies demonstrated their ability to pivot and deploy in ways that public health units, physicians' offices and emergency departments could not, be it for public education, online appointment bookings, virtual consultations, the distribution of testing kits, point-of-care testing, vaccinations—more than 21 million by the end of 2022—or assessing and prescribing treatment for mild to moderate cases of COVID-19.

"We eliminated the competitive piece and were able to capitalize on the structure of a pharmacy, its operating hours and its team approach. It was really important for governments to see that we could do that."

—Alison Bodnar, CEO of the Pharmacy Association of Nova Scotia, *Neighbourhood Pharmacy Gazette*, Fall-Winter 2021

Wrestling price compression

In 2016, the PMPRB announced it would reform how it set price ceilings for patented medicines—with a stated goal to save $8.8 billion over 10 years. Almost 10 years would pass before its changes finally take full effect (on January 1, 2026).

Opposition from all sectors of the drug supply chain and patient groups—speaking to the downstream repercussions on access to medications—resulted in several rounds of consultation. Neighbourhood Pharmacies emphasized the unintended consequences on patient care since pharmacy services are primarily funded by markups tied to drug prices.

Pharmaceutical manufacturers also launched legal challenges. Provincial and federal courts eventually ruled against the most contested reforms, stating the PMPRB had overstepped. PMPRB's stripped-down new framework will remove an estimated $1.3 billion annually due to lower drug prices.

The pandemic also played a part in changing PMPRB's course by demonstrating the importance of domestic pharmaceutical manufacturing, the complexity and fragility of the drug supply chain, and the connections between pricing, funding models for pharmacy and distributors, and access to new medications.

On the generic front, the Generic Tiered Pricing Framework's five-year renewal in 2018 further discounted the prices of the highest-volume generics to 90 per cent of the brand price. Its three-year renewal in 2023 instigated earlier automatic price drops for new generics.

Since 2007, generic prices overall have dropped by about 70 per cent. The downstream impacts include a significant increase in drug shortages (see "Shortages persist," page 17) and, since the first Generic Tiered Pricing Framework in 2014, a loss of more than $2 billion in pharmacy revenue, according to an internal analysis prepared by Neighbourhood Pharmacies for its members.

"The real issues around funding in pharmacy revolve around the uncertainties faced by pharmacy operators as they try to scale up their services in primary care and public health. More than ever, we are advocating a whole-of-government approach that considers the impacts of policy throughout the drug supply chain."

—Sandra Hanna, CEO, Neighbourhood Pharmacies

Pharmacare is back, sort of

Talks of a national pharmacare resumed in 2015 under the new Liberal federal government led by Prime Minister Justin Trudeau. Nine years later, the Pharmacare Act became law and universal, single-payor, first-dollar coverage became available—pending the signing of bilateral agreements with provinces and territories—for selected diabetes drugs and devices and contraceptives.

Once in place in all jurisdictions, Neighbourhood Pharmacies predicted a loss of $43 million annually in community pharmacies due to the lower dispensing fees (many of which haven't increased in more than a decade) and markups of public payors.

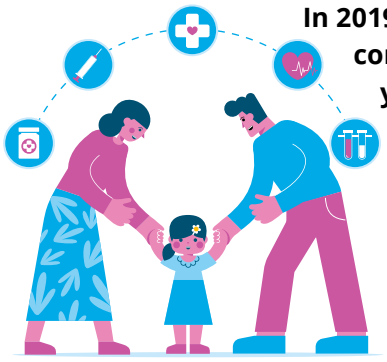
In 2025, Manitoba and P.E.I. implemented national pharmacare for the two categories of drugs. Yukon is scheduled to do so in January 2026, followed by B.C. in April 2026. While the new Liberal Prime Minister Mark Carney confirmed a commitment to bilateral agreements with remaining jurisdictions, no talks are currently underway. Nor did the federal government set aside additional funding in its latest budget.

Leveraging its pan-Canadian lens, Neighbourhood Pharmacies is sharing the experiences of pharmacies in Manitoba and P.E.I. with other provincial and territorial governments to help shape their rollouts of national pharmacare.

"This is an opportunity for renewed discussions. In today's Trump-era economic environment, Prime Minister Carney's commitment to Pharmacare could look very different than that of the previous government."

—Sandra Hanna, CEO, Neighbourhood Pharmacies

Drugs for rare diseases



In 2019, the federal government committed $1.5 billion over three years to a national strategy for drugs for rare diseases. By March 2025, it had signed bilateral agreements with provinces and territories. Twelve of the 13 jurisdictions used the federal funds to cover one or more of the 12 drugs on a common list of ultra-high-cost drugs for rare diseases. Quebec used the funds to support its own action plan.

Neighbourhood Pharmacies is a member of the strategy's Implementation Advisory Group.

Services go up, up, up

Expanded services in pharmacies have grown steadily in the last decade, for several reasons: pharmacists' increased confidence, the public's increased acceptance and expectations, continued expansions to scope and more public funding. Some provinces also removed restrictions (e.g., making funding universal rather than limited to public-plan beneficiaries).

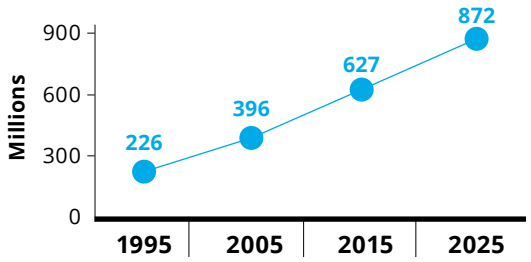
Some bumps occurred along the way—the pandemic most of all. And some provinces lag to this day in significant areas—namely in Ontario and Manitoba, where scopes still exclude therapeutic substitution, and prescription renewals and adaptations are not funded. But overall, pharmacy services grew (see "A sampling of growth in services," page 18).

Nova Scotia broke a new frontier when, in September 2024, the government announced permanent funding for 46 Community Pharmacy Primary Care Clinics (CPPCCs) after an 18-month pilot project. The clinics focus exclusively on appointment-based services, use an electronic medical record and collaborate virtually with dedicated nurse practitioners.

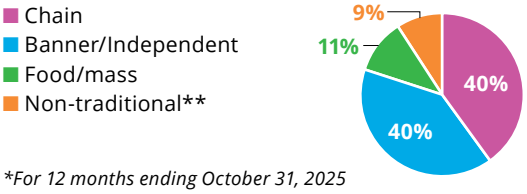
In Quebec, regulations are underway for the adoption of a new scope of practice that has removed previous restrictions and essentially gives pharmacists full autonomy, including for assessments and prescribing of any Schedule 1 drug.

A whole lotta medications

PRESCRIPTIONS DISPENSED BY COMMUNITY PHARMACIES, 1995 - 2025



BREAKDOWN BY FORMAT, 2025*



**For 12 months ending October 31, 2025*
***Non-traditional includes specialty, long-term care, mail-order and hospital out-patient pharmacies*
Source: IQVIA Canada (formerly QuintilesIMS [2015] and IMS Health [1995, 2005]

"I'm optimistic about pharmacy and our ability to provide even greater value to the healthcare of Canadians. The medication and therapy landscape is changing, with many more specialized treatments. Some continue to talk about specialty pharmacy as a separate thing but to me, pharmacy is pharmacy, and the profession is rising to the occasion. Pharmacists should have the opportunity to support all of a patient's pharmaceutical needs and we're here to support them to do that."

—Dimitris Polygenis, PharmD, President, McKesson Canada

The funding tug-of-war

Shortly after the government in Nova Scotia confirmed funding for pharmacy-led primary care clinics, the Alberta government dropped fees for care plans to $70 from $100 and limited billable follow-ups to four from 12. It was the second cut in the decade: in early 2018, it removed the higher fee of $125 per care plan for pharmacists with APA.

In June 2025, Alberta discontinued funding COVID vaccinations in pharmacy. The Alberta Pharmacists' Association estimated the two cutbacks will result in an annual loss of $38 million for pharmacies.

In other provinces, the pattern appears to be one of two-steps-forward-one-step-back for the funding of services, be it for prescribing, vaccinations or point-of-care testing.

As of January 2026, the B.C. government will reimburse a dispensing fee of $11, up from $10, the first increase in 15 years. Dispensing fees in five other provinces have not increased in more than a decade. None are indexed to inflation.

Watershed moments could be coming in Nova Scotia and Quebec. Negotiations to renew agreements for fees for dispensing and expanded services have been underway for more than a year in both provinces. Nova Scotia is also negotiating the ongoing funding of services in the pharmacy-led primary care clinics. And in Quebec, once the current agreements are renewed, talks are set to resume on a new tiered remuneration model for dispensing that will be based on the complexity of services for the medication.

The specialty situation

By 2025, specialty medications accounted for 50 per cent of prescription dollars and two per cent of volume, reported IQVIA Canada. Specialty pharmacies, dedicated to patients taking specialty drugs, accounted for close to a third of the volume.

Neighbourhood Pharmacies' 2023 report with IQVIA, The Value of Specialty Pharmacy Services to the Healthcare System, estimated that pharmacy-led specialty-drug services invest and offset $1 billion annually for patients who would otherwise be unsupported by the public healthcare system.

Over the past decade, payors have steadily tiered or capped the markups on higher-cost drugs. Some caps from public payors are so low they essentially contribute nothing to cost recovery. Lower-cost biosimilars have further reduced markup revenue, even though they require the same patient-support services as the originator biologic.

Wherefore cannabis

Health Canada's consultation on proposed amendments to the Cannabis Act, including a new regulatory pathway for natural health products containing cannabidiol (NHPCCs), concluded in July 2025. In its submission, Neighbourhood Pharmacies recommended further amendments: that NHPCCs become exclusively available through community pharmacies and that community pharmacy's role in the provision of medical cannabis be expanded.

> **"It's hard not to get caught up in the challenges. But when we take a bird's-eye view, we can see that pharmacy teams are leaning into their training and practicing to their full scope. Pharmacy is reaching its potential to serve communities as healthcare destinations."**
>
> *—Sandra Hanna, CEO, Neighbourhood Pharmacies*

A central piece

All major pharmacy operators in Canada today have built at least one central-fill facility. But pharmacy regulations in almost all provinces and territories prevent central fill from realizing its full potential in a country where the population is spread across a large geographical area. Only Nova Scotia, New Brunswick and Newfoundland and Labrador allow cross-border central fill. In 2024, Alberta and Saskatchewan rescinded its policy enabling cross-border central fill after the regulatory bodies determined that legislative changes were required.

"Removing or modernizing regulations is a big part of the Carney government's push for a stronger national economy. The same reasoning needs to be applied to central fill to create a stronger healthcare system."

—Sandra Hanna, CEO, Neighbourhood Pharmacies

Shortages persist

A 2020 survey by CPhA found that pharmacists spent almost a quarter of their shift dealing with drug shortages. A 2021 survey of members of the Canadian Generic Pharmaceutical Association found that the number of domestically manufactured products declined by 34 per cent over the past three years. Less than half of generic drugs are manufactured domestically.

Health Canada's Drug Shortages Canada website reports 1,500 to 2,000 active shortages at any given time. Of note this year, a shortage of pain medications containing oxycodone began in July and may not be resolved until early next year.

For patients, the situation is worsened in some provinces by scopes of practice that limit pharmacists' ability to make therapeutic substitutions. Ontario and Manitoba do not permit therapeutic substitutions by pharmacists at all.

Workforce woes

The demand for pharmacists exceeds supply: a recent analysis by the Government of Canada concluded the profession "is expected to face a strong risk of labour shortage over the period of 2024-2033 at the national level."

Even well before the pandemic, levels of self-reported burnout were disconcertingly high among pharmacists. In 2024, pharmacy regulatory bodies in British Columbia, Ontario, New Brunswick and Nova Scotia announced strategies to address workplace conditions. Among national and provincial advocacy associations, including Neighbourhood Pharmacies, priority actions include streamlined pathways to licence international pharmacy graduates and enable Canadian pharmacists to practice in multiple provinces.

"Solutions must go beyond staffing levels. Fair remuneration for services is key, as well as regulatory change to maximize agility and efficiency in the business of pharmacy."

—Sandra Hanna, CEO, Neighbourhood Pharmacies

"We're going to continue to see governments recognize what pharmacists can do. More Canadians are recognizing what pharmacists can do. As those two groups catch up with the scope that pharmacists have been trained for, we will really see the clinical evolution of pharmacy. And the distribution piece will be more automated and efficient. Pharmacy might look very different than it does today."

—Jim Johnston, Vice President and General Manager, National Pharmacy, Sobeys

E-health update

With start-up funding from Health Canada, in 2017 Canada Health Infoway launched PrescribeIT, an e-prescribing platform for pharmacists and prescribers. Momentum appeared to build quickly as provincial and territorial governments entered into agreements with Infoway.

On January 1, 2025, pharmacies began paying a transaction fee of $0.20 per electronic prescription. Physicians and other prescribers do not pay a fee.

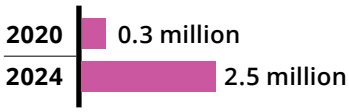
In related news, in 2023 the federal government budgeted another $25 billion to help provinces and territories complete their respective plans for the electronic exchange of health information between health professionals and with patients.

"E-prescribing is a critical tool to enable pharmacy and the health system of the future. We are far behind other countries. But we need a fair and sustainable funding model to get there. Governments have an important role to play, both in funding and championing adoption."

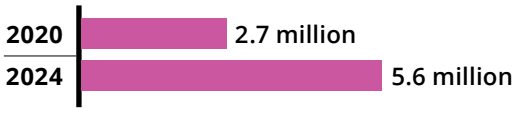
—Sandra Hanna, CEO, Neighbourhood Pharmacies

A sampling of growth in services

MINOR AILMENTS



PRESCRIPTION RENEWALS



5 million +
Flu shots administered annually since the pandemic

18 million
COVID-19 vaccines administered during the mass vaccination campaign in 2021-2022 (averaging 5 million annually since then)

Source: CFP Services Chart. The Canadian Foundation for Pharmacy.

PBMs in the hot seat?

In April 2025, the Competition Bureau of Canada launched an investigation of Express Scripts Canada, one of Canada's largest PBMs.

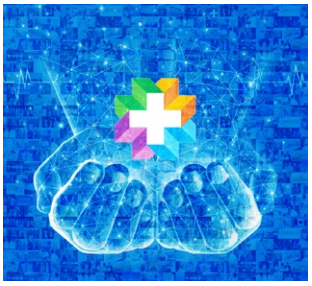
Media reports and complaints from the public and pharmacy operators also led Ontario's Ministry of Finance to hold two consultations, in 2024 and 2025, on the role of preferred provider networks (PPNs) in private drug plans. The PPNs may include online pharmacies owned by PBMs, and some PPNs (mainly those for high-cost specialty drugs) are closed (i.e., patients must use the PPN pharmacy to get coverage from their plan).

In November 2025, Ontario introduced Bill 68 to add "Any Willing Provider" legislation to the Insurance Act so that any pharmacy willing to match a PPN's financial terms can join. As well, it calls for a standardized, transparent process for patients to be able to opt out of PPNs and still receive coverage.

"What we've come to truly understand in the past decade is that more and more of our issues are joint issues. They affect both pharmacists as professionals and pharmacies as businesses. They involve both federal and provincial governments. They cross provincial borders. They demand collaboration across the supply chain."

—Sandra Hanna, CEO, Neighbourhood Pharmacies

Onward, Neighbourhood Pharmacies



Neighbourhood Pharmacies' 2025 public polling showed that Canadians are happy with the services in public health and primary care received in pharmacies—and they want to see more.

In 2024, Neighbourhood Pharmacies joined the World Pharmacy Council. On the home front, Neighbourhood Pharmacies' new governance structure enables more effective, collective advocacy on behalf of the three main business models of pharmacy (corporate retail, independent/banner and specialty). A new committee structure includes seats at the table for Partners (manufacturers and suppliers) to inform advocacy across the drug supply chain and help proactively prepare for advances in healthcare and technology.

As captured in its 2025 – 2029 strategic plan *Prescription for Success*, Neighbourhood Pharmacies' overarching vision is the integration of innovative pharmacy business models into the healthcare system. Its objectives include improving the long-term economic viability of pharmacy—and the healthcare system—through modernized, equitable funding and streamlined operations. Getting there requires rigorous data collection, the removal of administrative burdens in pharmacies, updated regulations and a structured, pan-Canadian approach to healthcare delivery and interprofessional consensus-building.

"Thriving businesses have the resources to invest in innovation and additional service delivery. A thriving pharmacy sector can bring more solutions to governments—and scale those solutions reliably and for maximum impact."

—Sandra Hanna, CEO, Neighbourhood Pharmacies

Neighbourhood Pharmacies today

21 Pharmacy Members

63 Premium and Associate Partners

30 Annual EXPO events featuring one-on-one exchanges between Members and Partners

6 Annual Specialty Pharmacy Summits, the only event of its kind in Canada

1 The only pan-Canadian pharmacy association working at both federal and provincial levels

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(chronological order)

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Thumbs up for pharmacy services

Access to primary care remains a challenge for Canadians—and more are turning to pharmacies for accessible and timely care for non-emergency health concerns.

These are among the findings of Neighbourhood Pharmacies' survey of 4,500 Canadians in September and October, conducted by Abacus Data. The survey results will help inform Neighbourhood Pharmacies' advocacy on multiple fronts, including health human resources, regulatory change, and the economic viability of community pharmacy.

This article captures a handful of the key findings. More details can be found on Neighbourhood Pharmacies' website.

84%
Canadians who are satisfied with healthcare services received at a pharmacy, beyond the filling of prescriptions

79%
Canadians who would like pharmacies to offer more healthcare services

67%
Canadians who believe that access to pharmacy services should be consistent across the country

70%
Canadians who agree that pharmacy care is one of the few parts of the healthcare system functioning well for fast access to care, quality patient experience, and short wait-times

Access to care

- Only half of Canadians (49 per cent) are satisfied with their access to healthcare
- Nearly one in four (23 per cent) do not currently have a primary healthcare provider

Awareness of pharmacy services

- Most Canadians know that pharmacists offer services beyond filling prescriptions, such as administering vaccines (90 per cent), giving advice for minor illnesses (84 per cent), providing blood pressure checks (83 per cent), prescribing for minor ailments (80 per cent), and renewing prescriptions (75 per cent).
- Among those who used pharmacy services for needs beyond prescription filling, 84 per cent were satisfied with the care. Only four per cent were dissatisfied. And 85 per cent would likely choose a pharmacy again for similar needs.
- For non-emergency care today, Canadians are almost as likely to visit their local pharmacy (34 per cent) as they would their family physician or nurse practitioner (35 per cent).

Future role

- Four out of five (79 per cent) would like pharmacies to offer more healthcare services.
- Most Canadians believe expanded pharmacy services will provide timely care for urgent but non-emergency issues (77 per cent), improve access in rural/remote areas (75 per cent) and reduce stress on doctors and hospitals (73 per cent).
- Two out of three (67 per cent) Canadians believe that pharmacy services should be consistent across the country, so everyone has access to the same care.
- Two out of three (67 per cent) think that it is important that pharmacy-delivered healthcare services are publicly funded in the same way as services provided by doctors and nurse practitioners.

Together for patient care

Patients' voices were front and centre at Neighbourhood Pharmacies' sixth annual Specialty Pharmacy Summit in Toronto in November.

"While we've always known that the patient is at the centre of everything, what became clear throughout the event is that we cannot make assumptions about their needs," said Sandra Hanna, CEO, Neighbourhood Pharmacies, during her closing remarks. "When we talk about the systemic changes required to provide better care, we have the opportunity to make so much more of a difference, working together."

Neighbourhood Pharmacies' sixth annual Specialty Pharmacy Summit in Toronto in November

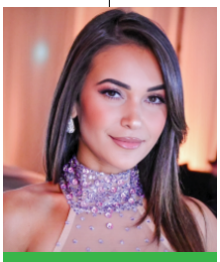
Care is about connections

Sara Levitt was diagnosed with Crohn's disease at the age of three and underwent life-saving ostomy surgery at 13. She hid her condition until two years ago when, at the age of 29, she went public with her personal struggles on social media. Today, with more than 50,000 followers from around the world, Levitt is a vocal Montreal-based advocate for those living with ostomies, Crohn's and other chronic diseases.

Levitt emphasized to Summit attendees that there is a human story behind every medication, treatment plan and diagnosis. "By tapping into that, the most unconditional care can be given to make these challenging journeys better."

Healthcare providers have the ability to help patients living with chronic illness "be seen," and move care beyond prescriptions to connections. "There's a difference between handing someone a prescription and helping them live with one," she said. "You have the power to turn these transactions into transformations… to take every touchpoint, prescription and refill and make it feel human."

Levitt noted that for patients taking biologic drugs, switching to a biosimilar can be a stressful time and it's critical for healthcare providers to truly listen to patients' concerns and ensure they are supported. She also emphasized that patients are going online to find connection and guidance, and they expect reputable healthcare organizations and providers to be there too.



Sara Levitt

Beth Vanstone

Bonnie Hall

Balancing innovation with care

Medical advances may be extending lives and reshaping what's possible for people living with chronic and rare diseases, but progress hinges on compassionate, accessible patient support.

Panelist Beth Vanstone said a modulator drug for her daughter living with cystic fibrosis transformed a childhood of hospital stays into a thriving young adulthood. But getting funding for that drug took nearly two years of advocacy.

"There's really no point in having all this science and innovation if we're not getting it to the end point, to the people who need it," she told attendees.

For healthcare consultant Bonnie Hall, diagnosed with multiple myeloma in 2016, compassion is as essential as innovation. Multiple treatment routes and two stem cell transplants later, she faces the constant uncertainty of relapse—and whether another treatment will be available.

"The drug that is currently keeping me alive right now…didn't exist as an option for


Andrew McElroy


Bev Herczegh


Sandra Heller

Canadians nine months ago," she said. "Just a small word of compassion…10 seconds of someone asking you how you are, can change everything."

McKesson Canada's Andrew McElroy, Account Director, Specialty Health, Biopharma Commercial Sales, described how technology is enabling systems as well as healthcare providers to better meet patients' needs. New digital tools are "going to give [those] who interact with our patients a lot more capacity to have that compassion and have those conversations," he said.

The goal is to bring together technological and system solutions while keeping humanity at the forefront of care. "It's a tricky balance, and I think it's one that we cannot falter on," concluded panel moderator Bev Herczegh, Co-Founder, Sentrex Health Solutions.

The potential for PSPs

Patient support programs (PSPs) in Canada have evolved from being primarily focused on reimbursement services to serving as systems for care, with certified clinics and infusion suites supporting advanced specialty medications, noted panelists.

Community pharmacies play "a crucial role" in that chain of support, said Sandra Heller, General Manager, Astellas. "From a manufacturer's perspective, we want patients to be able to continue that care they had from the beginning because [pharmacies] have their history of medications," she said. In addition, there are opportunities to partner with retail pharmacies in cases where specialty care clinics aren't geographically accessible.

Demands on the supply chain will become increasingly complex as specialty medications become more advanced, noted Guy Payette, President, Innomar Strategies and Biopharma Services North America, Cenora. "We're going to see further digitization of everything we do," said Payette.

Going forward, panelists noted emerging possibilities within PSPs for outcomes measurements and

real-world evidence, supported by tools such as artificial intelligence. "Through your PSP you've got opportunities to track patients over time, and this is a big gap right now," said Heller.

Pharmacies will need to invest in training, infrastructure and digital tools to keep pace with the future of PSPs, and panelists agreed that progress ultimately depends on collaboration across the ecosystem. "Communicating with our industry partners is something that's critical and we can all act on to advance," said panel moderator Chris Dalseg, Vice-President Strategy and Growth, Bioscript Solutions.

AI: not if, but when

"Pharmacists and pharmacies today won't be replaced by AI, but they will be replaced by pharmacists and pharmacies that use AI."

Those were the concluding words of Nick Hui, co-founder and Chief Product Officer of MedMe Health, at the end of his presentation at the Specialty Pharmacy Summit. A Canadian tech firm that made its mark as an online-appointment scheduler for pharmacies during the pandemic, MedMe today offers two products that use artificial intelligence (AI) to streamline clinical tasks and interactions with patients.

Hui walked through the evolution, benefits and risks of AI in healthcare. Success stories include large returns on investment in radiology and the scheduling of surgeries, as well as significant recovered revenues and savings in billings and claims reviews.

AI's applications in healthcare are expanding beyond what's described as "embedded"—i.e., single-purpose, clearly defined inputs and outputs such as AI scribes for note-taking—to "agentic," which executes complex tasks by breaking them down into multiple steps.

Hui demonstrated MedMe's agentic follow-up service in real time. The AI agent asked Hui, acting as the patient, a series of questions, responded to his questions, and scheduled an appointment with the pharmacist upon Hui's request.

For pharmacies ready to adopt AI, Hui recommended piloting a clinician-facing product to start, keeping in mind that training and workflow integration are essential for success. He also emphasized that pharmacy team members must check AI's documentation for accuracy, and current technology providers must work closely with the AI provider to ensure privacy and data security.


Guy Payette


Chris Dalseg


Nick Hui


Jida El Hajjar


Annie Bourgault


Brigitte Viel

Closer look at consent

What does informed patient choice look like in an era of precision medicine and specialized, complex care?

It is much more than "simply the freedom to choose a doctor or pharmacy," said Jida El Hajjar, Chair of the Canadian Organization of Rare Diseases and Executive Director of Loeys-Dietz Canada. "It's about how to give power to the patient to make the best decision."

"Patients need to understand their options, their condition, the benefits of the proposed treatment. And they need to be able to ask questions," said lawyer Annie Bourgault, President, Integrated Pharma Services.

All three panelists agreed on the need for a cultural shift, from paternalism to partnership. "It used to be that patients just listened to their doctor," said Brigitte Viel, President and Executive Director, Regroupement des pharmacies de medicaments de specialité du Quebec. "Now patients [feel] it's okay to ask questions and get a second opinion. We need to give them the tools to do so."

Viel added that the partnership is also between providers. "We all contribute to make sure the patient has the information they need, and they know all their options."

Current barriers include healthcare systems that are increasingly hard to navigate. "We as pharmacists have a hard time navigating the complexity of systems. We have a duty to help patients navigate," noted panel moderator Sandra Hanna, CEO of Neighbourhood Pharmacies.

That includes helping patients when the complexity of a treatment gives little or no choice in the healthcare professional or pharmacy. "When choice is limited in that way, the most important part is the consent, [which means] having the information, having the

dialogue. That's where you give power to the patient," said Bourgault.

New model for collaboration

Extend Pharmacy Group is a shining example of collaboration across the healthcare system—and a call for action to do much more in that space.

Jason Wentzell was an oncology pharmacist at an Ottawa Hospital when he noticed a disturbing trend about six years ago: more patients were being hospitalized due to toxicities from oral, take-home cancer drugs. While every pharmacist in the patient's journey—in the hospital, in community pharmacy and in specialty pharmacy—did their job to safely start the patient on the medication, the lack of transparent communications between them led to significant, preventable drug-drug interactions.

That gap led Wentzell to establish Extend Pharmacy, "a referral, consultation, dispensing and monitoring practice" for oncology therapy. "Community pharmacies are reaching out to us for help because they don't feel equipped to dispense the medication," said Wentzell.

Jason Wentzell

Renée St-Jean

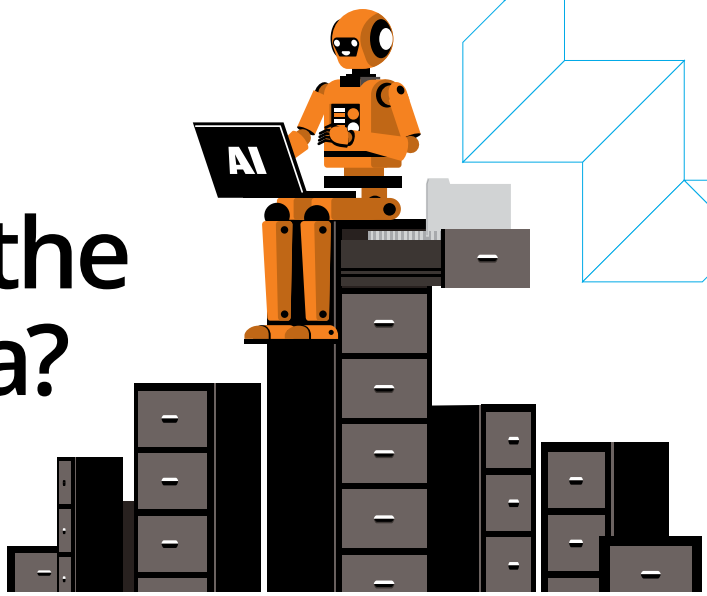
Community pharmacies can also join the Extend Cancer Pharmacy Network for access to one of Extend's oncology pharmacists, who are able to keep up with the rapid pace of change in oncology care. "In order to balance giving patients an informed choice, [that community pharmacy] also has to have access to timely and on-demand support to provide care to the patient in front of them," said Wentzell.

The current model for remuneration—focussed on the dispensing of the drug—contributes to today's challenges around collaboration, noted Renée St-Jean, Vice Board Chair of Neighbourhood Pharmacies and Vice President, Enterprise Quality Governance, Pharmacy & Pharmacovigilance, Cencora. "If we all focus on the patient… the things that are barriers today will be removed. We will find solutions."

POLITICS: REGULATORY RED TAPE

By Tea Cirovic

Cutting through the clutter: a new era?



As governments across Canada confront fiscal pressures, workforce shortages and rising public expectations, the call for "doing more with less" has returned to the forefront of political agendas. The language of efficiency, modernization and digital transformation is back in vogue, this time powered by the promise of artificial intelligence (AI).

While "red tape reduction" has long been a political rallying cry, the conversation is shifting. The focus is no longer only on trimming outdated regulations, but also on redesigning how government itself works, from procurement and data management to the public's access to services. 2026 could mark a turning point in how the public sector embraces automation, analytics and AI to deliver faster, smarter and more accountable results.

AI an efficiency engine

The federal government's AI Strategy for the Federal Public Service 2025–2027 launched in March 2025 and outlines four priorities: central AI capacity, policy and governance, talent and training, and engagement and transparency. A new AI Centre of Expertise will coordinate government-wide AI initiatives.

Provinces are moving in parallel. For example, Alberta and Ontario have each launched digital modernization mandates, targeting procurement and licensing systems notorious for their complexity. In Alberta, the Artificial Intelligence Data Centres Strategy, introduced in December 2024, focuses on attracting investment in AI data centres. Ontario has initiated the implementation of AI tools in healthcare settings, testing AI scribes to automate administrative tasks.

Compliance to capacity

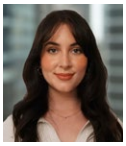
For healthcare and procurement stakeholders, the implications are significant. Efficiency reforms could open space for faster product approvals, streamlined requests for proposals and better interoperability across digital systems. AI-enabled document review and supply chain analytics may help public agencies handle higher volumes of data without increasing administrative burden.

Yet efficiency carries its own risks. Cutting processes without redesigning them can create new bottlenecks or erode accountability. The adoption of AI requires careful consideration of ethical implications, data privacy and appropriate regulatory frameworks. As governments deploy AI, transparency, accuracy and ethical oversight will be essential. The challenge ahead is to convert efficiency from a political slogan into institutional capacity that endures.

Positioning pharmacy

As governments embrace AI and digital efficiency to modernize public services, pharmacy has an opportunity to be more than a downstream user—it can be a strategic partner. With proven reach, trusted relationships and growing clinical capacity, community pharmacies are well-placed to help governments deliver on their digital health ambitions. But the sector must show how it can align with the state's evolving toolkit.

By proactively engaging on issues like interoperability, digital documentation and AI-enabled triage, pharmacy stakeholders can help shape emerging frameworks while making the case for expanded scope and funding. In an era of tight budgets and rising expectations, the value proposition is clear: pharmacies can help governments deliver faster, more accessible care—if policy and procurement systems evolve to meet them halfway.



Tea Cirovic is a consultant for EnterpriseHealth, a national healthcare practice within Enterprise Canada that focuses on healthcare strategy.

Bridging the dispensary and the frontshop

Consumers are changing their behaviours in Canadian pharmacies as they grapple with concerns over the cost of living as well as the ramifications of a strained healthcare system.

More than a third (36 per cent) of Canadian households reported they are worse off financially than they were a year ago, according to NIQ's 2026 Consumer Outlook Report. Shoppers are more strategic, waiting for sales or switching brands or retail channels in order to save, notes Carman Allison, Vice President, Business Development Canada, NIQ. He adds that 54 per cent of product sales in pharmacy frontshops now occur on promotion—"and the rate of promotion is growing faster than in other retail sectors, which rang in at 49 per cent."

At the same time, the healthcare crisis is pulling consumers into Canadian pharmacies. An estimated 6.5 million Canadians lack a family doctor or nurse practitioner, according to the 2022 OurCare survey. In the past year, nearly one in three Canadians actively chose a pharmacy over another healthcare provider for healthcare needs beyond prescription filling, according to a recent poll by Neighbourhood Pharmacies and Abacus (see page 14 for more stats).

Carman Allison

Andrea Freedman

Andrea Freedman, Director, Category, Insights and Strategy, M.C.P. McCaughey Consumer Products Management Inc., observes that consumers are increasingly trying nonprescription or over-the-counter (OTC) solutions before seeking prescriptions, looking to pharmacists for advice. "The frontshop has become the centre of commerce, where promotions, everyday value and wellness intersect," she says. "Retailers are using the frontshop space and offers to keep shoppers engaged, helping them stretch their budgets while maintaining access to trusted health and wellness products."

The retail experts interviewed here by the *Gazette* agree that pharmacies can do even more to capitalize on consumers' trust of pharmacists and proactively help customers make health and wellness decisions. Now that pharmacists in all provinces have the authority to assess and prescribe for common conditions, the opportunities for pharmacies to serve as a first point of contact for urgent but non-emergency health matters are greater than ever.

Areas of growth

Smoking cessation is currently the fastest-growing category in pharmacies, with sales soaring 106 per cent in the past year to reach more than $203 million (as of September 2025), reports NIQ. "Inflation was a key driver, with prices up by 22 per cent. Volume jumped 84 per cent, showing that consumers are seeking to kick the habit and turning to drugstores for help," says Allison.

Young adults are likely a key purchaser of nicotine replacement therapies (NRT) as they strive to quit e-cigarettes and vaping. In a 2023 press release, the World Health Organization reported that e-cigarette use among 16- to 19-year-old Canadians doubled between 2017 and 2022.

"Global communities, including Canada, are seeing increased availability and use of recreational alter-

native tobacco and nicotine products, which may lead to new addictions and more people looking for nicotine replacement therapy products when trying to quit," says Rob Sopov, Vice President Customer, Kenvue Canada. "Pharmacists play a critical role in guiding consumers through their quit journeys."

Acne and skin care is the second fastest-growing category, gaining 23 per cent in sales year-over-year. The growth reflects heightened awareness around skin health and the effectiveness of ingredients. "Consumers are seeking dermatologist-recommended ingredients like benzoyl peroxide and salicylic acid, as well as clean-ingredient labels and formulations gentle enough for sensitive skin," says Sopov.

Rob Sopov

Ron Stubbs

Protein supplements represent another growth area, driven by dietary shifts including reduced meat consumption and the rise of GLP-1 medications for diabetes and weight loss, which can increase the need for concentrated protein sources. A recent survey by NIQ reports that 15 per cent of Canadian households now have a least one member using a GLP-1 medication.

Sleep aids, like melatonin, and calming supplements are also seeing increased demand as consumers seek to manage stress and wellness in their daily lives, notes Ron Stubbs, President, ANB Canada Inc.

Conversely, uptake of mouthwash and sunscreen has declined, which presents an opportunity for consumer education on the importance of preventative care for oral hygiene and skin care. This is especially relevant for sun care, which only 17 per cent of Canadians consider to be an essential step in their personal care routine, according to Kenvue's latest *A New View of Care* report.

Age matters

Importantly, generational differences shape how consumers choose products.

Gen Z and Millennials are more likely to research ingredients, compare online reviews, and engage on social media and with wellness apps—some even turn to AI tools like ChatGPT for personalized recommendations, Sopov says. Gen X and Boomers rely more heavily on in-store pharmacist advice, traditional advertising and brands they've trusted for years.

Across all age groups, trust and transparency remain paramount. According to *A New View of Care*, two-thirds of Canadians worry about picking up counterfeit products through social media (67 per cent) or unverified product claims (68 per cent). Healthcare professionals are consistently ranked as the most trusted source of personal care advice. Even digitally savvy Millennials and Gen Z place far greater trust in healthcare professionals (50 per cent) than in social media influencers (17 per cent).

This trust in pharmacist expertise represents a significant competitive advantage for pharmacies—one that can be fully leveraged through store design, inventory management and staff training.

The opportunity

Stubbs looks to international models that demonstrate how strategic merchandising can drive growth. In the U.K., major pharmacy chains have created dedicated health sections—such as "HRT and Menopause" areas—where related products are grouped together: sleep aids, bone health supplements, cooling products and hormone treatments, all in one easily navigable space.

> **"The vendor community is ready and able to train retail pharmacy staff on merchandising and product knowledge."**

Boots, a leading U.K. pharmacy chain, exemplifies this integrated approach. Their "menopause hub" combines online education about symptoms and treatment options with curated in-store "menopause zones" that offer products for signs and symptoms. Pharmacists have completed specialized menopause training and a physician is available via virtual appointments.

The result: consumers find what they need efficiently, pharmacists provide expert guidance, and the pharmacy becomes a trusted, convenient health destination.

Allison sees similar potential in diabetes management, with dedicated diabetes sections featuring complementary products: protein supplements for those

managing weight and appetite, oral care products for medication-induced dry mouth and specialized foot and skin care items.

Pharmacies with strategies to bridge the dispensary and frontshop are most likely to succeed in the long term, emphasizes Stubbs. One important strategy is for staff to have a high level of knowledge of the OTC and wellness products in their own frontshops—and what else is out there that could meet consumers' needs.

Stubbs suggests that a pharmacy technician, assistant or frontshop employee can take the lead on becoming the expert on trends in nonprescription and wellness products, and knowing when to refer customers to a pharmacist for more guidance.

And suppliers are here to help. "The vendor community is ready and able to train retail pharmacy staff on merchandising and product knowledge," says Stubbs. "You can lean on our field teams to fill that void in training."

The ultimate goal, he adds, is for pharmacy team members to be able to regularly "roam" the nonprescription aisles to offer their expertise. "That level of visibility speaks volumes in terms of the pharmacy's commitment to care."

The online connection

Digital infrastructure, including electronic commerce, represents another strategic pillar. "People who get e-com right win because it's the best place to market your product," says Stubbs.

Recent Canadian industry research shows that digital and e-commerce channels are becoming key growth levers for pharmacies, agrees Freedman. But success in the digital arena isn't primarily about online purchasing, she adds. "These are not just sales platforms anymore; they're where engagement and marketing now intersect. In pharmacies, consumers want to research products, schedule immunizations and refill prescriptions online. These digital touchpoints keep customers connected to the pharmacy between visits."

Looking ahead, the integration of data from health apps and home diagnostics such as blood pressure monitoring devices will enable personalized product recommendations and smarter inventory decisions.

These three strategic shifts—merchandising by health condition, facilitating pharmacists' ability to advise on nonprescription health and wellness products, and investing in a digital infrastructure—work together to enable the whole-of-pharmacy to better serve and anticipate the needs of customers. When pharmacies transform from transactional retail spaces into trusted health destinations, OTC and wellness products become more than just purchases—they become solutions.

MEMBER PROFILE: FEDERATED CO-OP

By Rosalind Stefanac

At the forefront for women's health

About three years ago, Jackie Dunham noticed a pattern in her conversations with middle-aged women at Lloydminster Co-op Marketplace Pharmacy in Lloydminster, Alberta. "So many women were coming in with questions about sleep, mood changes and hot flashes, but they weren't getting much help elsewhere," says Dunham, who has worked at the pharmacy for 25 years. "I realized there was a real gap—and as pharmacists, we're in a perfect position to help fill it."

She approached her pharmacy manager, Michelle Teasdale, about pursuing additional training in menopause care and presented a plan to create a structured pharmacist-led menopause and hormone health program within the pharmacy. Recognizing the potential, Teasdale quickly endorsed the idea and provided practical and financial support. Dunham became a Menopause Society Certified Practitioner and completed an in-depth course in bioidentical hormone replacement therapy.

"When Jackie brought the idea forward, it just made sense," recalls Teasdale, who has managed the Marketplace location for the past eight years. "We could see how many women were looking for help and not finding it through the usual channels. It fit perfectly with what Co-op stands for: accessible, patient-focused care."

Almost two years later, Dunham meets with eight to 12 patients a week and there is a waitlist for her six-month Harmonique program. Plans are also underway to train another staff pharmacist to assist Dunham and help meet the demand.

Before the first consultation, patients fill in an in-depth intake form covering symptoms, medical history and lifestyle factors. Dunham then orders blood or saliva lab tests—which pharmacists can do under Alberta's scope of practice—to identify hormonal patterns and guide treatment options.

Jackie Dunham, pharmacist and Menopause Society Certified Practitioner, meets with eight to 12 patients a week and there is a waitlist for her Harmonique menopause care program.

> "So many women tell us, 'My doctor said it's just part of getting older.' But there are evidence-based ways to feel better, and pharmacists can play a real role in that."

From there, she develops an individualized plan, sometimes initiating therapy herself as a prescribing pharmacist or collaborating with a patient's physician. Treatment options can include bioidentical or standard hormone replacement therapy, supplements and lifestyle changes. "This is not a cookie-cutter approach as everyone is different and positive changes take time," she says.

Follow-up appointments take place monthly for six months, in person or by phone, allowing Dunham to monitor progress and adjust therapy as needed.

The fee for the program includes the first consultation and follow-up appointments over the six months. Some get coverage from the health spending account of their workplace health benefits plan; otherwise, they pay the full amount out of pocket.

Word of mouth generates new clients. "They come to us because a friend told them about it," says Dunham. Demand has grown so much that Dunham, who now spends three to four days each week with menopause patients, has occasionally had to pause new bookings to ensure she can give each patient the time they need.

Michelle Teasdale

The impact goes far beyond symptom relief too—it's about helping women feel heard and understood during a stage of life that's often dismissed or minimized. "So many women tell us, 'My doctor said it's just part of getting older,'" Dunham says. "But there are evidence-based ways to feel better, and pharmacists can play a real role in that."

Teasdale, who leads a team of five pharmacists, a registered pharmacy technician and five assistants, says having a well-staffed pharmacy is essential for enabling more time with patients. "There's less focus on dollars and cents, and more on making sure we have enough staff to provide the care we want to be known for," she says.

In fact, Harmonique is one of a number of services at the pharmacy that include travel health, extensive medication reviews for seniors and diabetes counseling. "Every pharmacist holds prescribing authorization, allowing them to make clinical decisions that improve patient outcomes," says Teasdale.

At the pharmacy, pharmacists are also the first point of contact for patients dropping off prescriptions. "We talk to them about side effects, blood pressure as needed, or whether their medications are still working for them. It's not just a handoff at the counter," says Teasdale.

The pharmacy manager sometimes marvels at how far the profession has come since she graduated in 1999. "When I first started, you didn't question the doctor, and you didn't make a suggestion on your own. Now we're having real conversations with physicians—figuring out together what's going to work best for each patient," says Teasdale.

That collaborative approach has earned the pharmacy recognition within the local medical community. While a few other pharmacists in Lloydminster are beginning to explore menopause care, the Co-op Marketplace Pharmacy is unique in offering a structured, long-term consultation service.

Teasdale also encourages her team to bring forward ideas for new clinical services each year. "If someone has an idea, I want to hear it," she says. "If it helps patients, we'll figure out how to make it work."

Advocacy is our shared responsibility

From my early days in corporate and independent pharmacies to my roles in regulation, advocacy, and now as co-CEO of OnPharm-United, I've witnessed firsthand how tightly the practice and business of pharmacy are intertwined. You simply can't sustain one without the other.

At OnPharm-United, our network of more than 600 independent pharmacies relies on us not only for business and practice support but to ensure that the independent pharmacy sector has a strong voice at the policy table. That's why our involvement with Neighbourhood Pharmacies has always made sense to me. It's the only association that represents every sector—independent, banner and corporate alike. That breadth gives our advocacy unique weight, because when governments hear from Neighbourhood Pharmacies, they know it's the collective voice of the profession.

Over the years, I've served on close to 60 boards and committees across local, national, and global organizations. What I've learned throughout this time is that strong advocacy doesn't just happen. It requires persistence, a unified message, and a willingness to engage not only with government health ministries but also with finance, labour, and small business. After all, pharmacists are healthcare providers—but they're also business owners and employers. That reality needs to be understood across all policy makers.

The pandemic highlighted pharmacy's value in a tremendous way. When gaps appeared in the healthcare system, pharmacy professionals stepped forward—reassuring the public, providing vaccinations and COVID-19 testing, and easing pressure on physicians and hospitals. Governments recognized this and conversations about expanded scope are increasingly matched with conversations about fair and equitable funding. These conversations demonstrate what is possible when political will and regulatory support align.

That's why I believe it is our responsibility—as pharmacists and as a profession—to keep telling our story and reiterating our impact during the pandemic and beyond. Policymakers need to be constantly reminded that investing in pharmacy is investing in the healthcare of Canadians. If we don't consistently carry that message forward, I have no doubt that pharmacy funding will be under pressure.

Neighbourhood Pharmacies' new strategic plan builds on this reality. It positions pharmacy as a healthcare destination while ensuring the sustainability of our various business models.

I believe we're on the right path, but our advocacy must remain relentless. We must continue to tell our story. The future of pharmacy depends on it.

Sherif Guorgui, RPh
BOARD MEMBER
Neighbourhood Pharmacy Association of Canada

CO-CEO
OnPharm-United

> **"Policymakers need to be constantly reminded that investing in pharmacy is investing in the healthcare of Canadians."**

Neighbourhood Pharmacy Association of Canada

Association canadienne des pharmacies de quartier

The Neighbourhood Pharmacy Association of Canada advocates for the business of community pharmacy and its vital role in sustaining the accessibility, quality and affordability of healthcare for Canadians. Through its Members and Partners, Neighbourhood Pharmacies is driving innovative solutions through advocacy, networking, research and information services.

The benefits of membership include:

- Industry-wide representation with governments
- Exclusive business-building networking events
- Real-time industry and regulatory updates
- Informed and independent information-sharing and analysis

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