



# **Encounter the Future: Summing up and next steps**

Wayne Rivers  
*President & CEO*



# Payers want lower prices

## Manitoba Health

- *UMAs are here to stay*
- *Expect legacy GRx to be reduced to 25-35%*
  - *Could be as early as Q3 2011*
  - *Could go lower than 25%*
- *Fee based on performance and outcomes*



# What this means is...

- GRx rebate income will fall by at least 50% and it **cannot** be recovered through professional fee
- We must consolidate buying power with a partial or full formulary with no less than 90% retail compliance

# A Turning Point for Pharmacy





# Payers will pay for improved outcomes

- *Pharmacist interventions can lower the overall cost for payers (public & private)*
- *Nobody in Manitoba has launched a MTM program*

# What this means is...

- *We must pilot Medication Therapy Management program(s) & we will be the first*
- *Pilot project(s) launched by Q2 2011*
  - *Disease priority of MB Health—likely diabetes*
  - *Collaborate with RHAs, MB Health, 3<sup>rd</sup> party payers*
- *Pharmacists & pharmacies needed*
- *“Investment” required*

**Product  
distribution**



**Cognitive  
services**



# Private label to grow

- Doubling private label sales—to \$3 million
- Adding SKUs, better packaging & merchandizing support
- Stores must achieve 8-10% PL in product mix

↑ PL Volume = ↓ Price = ↑ Margin



# This can be done if...

- Have 90% store compliance with formulary
- Have stores willing to pilot professional service pilot(s) and board approves resources
- Stores achieve PL targets and Procurity executes promotion tactics