A national pharmacy coalition was formed in Canada in June, representing all provincial professional associations and the Canadian Association of Chain Drug Stores. Its goal is to design, develop and promote the implementation of drug plan benefit management strategies by pharmacists. This is the first step in a very long process that will orient the pharmacy industry to plan for, accept and participate in the onset of a new and different managed care scenario in Canada.

Another issue causing upheaval for retail stores with pharmacies in Canada relates to the sale of tobacco. In November 1993, the Ontario Government introduced legislation that would remove tobacco from those establishments that also had pharmacy dispensers. After many months of lobbying by the chains and a large group of independent pharmacies, the legislation was passed and became law on Jan. 1, 1995. This was a case of pharmacy being completely blindsided by special interest groups. Pharmacists found themselves in the very difficult professional situation of having to defend their right to sell a legal but controversial product.

The pharmacy groups challenging the legislation felt this was a business issue and the battle was fought on that basis. Studies showed that for every dollar a customer spent on tobacco, he/she spent an additional $3.78 on other purchases. This clearly showed the loss of tobacco sales impacted not only the loss of margin contribution, but also a significant loss of traffic-building and sales.

The first legal challenge based on constitutional grounds was rejected by the court of first instance, but since then, the case has been granted status with a higher court. This next round will be heard in the fall of 1995.

Governments in other provinces have expressed strong interest in the Ontario case. If the case does not receive a favorable ruling from the court of appeals, provinces across Canada would likely pass similar legislation. This social trend, spearheaded by the outcry of public interest groups, will undoubtedly continue. Policy watchers in the U.S. should be particularly diligent in keeping abreast of the issue and involve themselves in all consultations.

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