

INTRODUCTION

Express Scripts Canada (ESC) is updating its provider services effective January 1, 2024. Here are frequently asked questions and answers. If your answer is not provided below, please **contact us**.

What do Pharmacy Benefit Managers (PBMs) like ESC do, and how do they improve the business of pharmacy?

PBMs act as intermediaries on behalf of their insurance clients by processing electronic claims, managing lists of medications that are covered, negotiating pricing with drug manufacturers, and reimbursing pharmacies for patient prescriptions.

For more information, please see *Value of Pharmacy Benefit Management Services to Pharmacies in Canada* **here.**

PBM services benefit all stakeholders. Ultimately, we all share a common goal – to improve patient experience, affordability and access to care.

What is the current value that pharmacies receive from using Express Scripts Canada services?

PBMs like ESC provide significant value to providers as determined by a globally recognized consulting and accounting firm's research analysis, *Value of Pharmacy Benefit Management Services to Pharmacies in Canada* here.

One of the key benefits ESC provides is prompt payment. How does this benefit compare to other PBMs?

ESC pays Providers on average within 4.5 days of claim submission through weekly reimbursements. We provide this prompt payment schedule to all pharmacies registered with ESC, at no additional charge. Other major PBMs in Canada charge pharmacies up to \$0.20 per claim for prompt payment, or pay 30 days after claim submission.

Express Scripts Canada 5770 Hurontario Street, 10th Floor

Mississauga, ON, L5R 3G5

Express Scripts Canada Pharmacy Provider Call Centre

Toll-free: 1 (800) 563-3274

Monday to Friday: 6:30 a.m. to midnight ET

Weekends and statutory holidays: 8 a.m. to midnight ET



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What additional benefits will pharmacies receive through ESC Provider Services?

Pharmacies will benefit from enhanced services by having an active voice in the direction and development of these services. For example, ESC is investing a portion of the service fee to create a new Pharmacy Provider website, https://provider.express-scripts.ca/en, that will launch in early 2024.

Through this new website, pharmacies will be able to access ESC information and services, including new and improved reporting, so that pharmacies can better manage their business.

There will also be improved audit reporting with new communications and processes to make it easier for pharmacies to understand and respond to claim adjustments and/or reversals.

We will continue to invest in enhancements and operations that benefit the needs of pharmacies in the future.

How will these pharmacy services be funded?

ESC is introducing a new service fee to fund these services. Pharmacy providers have unmet needs and have been requesting enhanced technology to help them better manage their business. Pharmacy providers currently do not pay for the services provided by ESC even though they derive considerable operational and financial benefit from those services.

What will be the cost of ESC's service fee? Is every pharmacy paying the same fee?

The cost is \$200 per month for pharmacies who process more than 100 ESC claims per month. ESC has a lower monthly service fee for pharmacies who process less than 100 ESC claims per month or less. The fee schedule is included in section 2.6 of the Pharmacy Provider Manual.

What types of claims are billable under the new service fee structure?

The service fee structure is based on all claims processed for private sector clients using the Express Scripts Canada adjudication platform. Please see section 2.6 of the Pharmacy Provider Manual for the definition of billable claims.

The service fee does not apply to any claims processed through the Non-Insured Health Benefits (NIHB) Program for Indigenous Services Canada (ISC).

Does ESC provide discounts?

There will be a pre-authorized debit (PAD) payment discount of 10% available through the ESC Pharmacy Provider website.

How can a pharmacy sign up for the pre-authorized debit payment and get a 10% discount?

Providers can sign up for the pre-authorized debit (PAD) payment discount on the ESC Pharmacy Provider website after creating an account. Once the website launches in early 2024, an account can be created here: https://provider.express-scripts.ca/en.

Can you justify the service fee to the pharmacies?

The development of the Express Scripts Canada Pharmacy Provider website along with enhanced services and reporting will cost millions, if not tens of millions of dollars. When enhancements are completed, there are also significant ongoing costs related to operations, security and technology upgrades.

With the new service fee, pharmacy providers will become ESC service fee-paying clients. They will benefit from enhanced services and have an active voice in the direction and development of those services.

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Can ESC justify the service fee?

The in-depth <u>research report</u> indicates the financial value of our services to pharmacies. We believe this is a reasonable amount based on the value we provide, and precedents set by other PBMs.

The service fee is required in order to provide on-going funds for development. ESC also provides pharmacies with faster reimbursement, which allows pharmacies to retain more working capital.

Our service fee is reasonable given the value that ESC provides to pharmacies currently and in the future.

How will a pharmacy know how much they need to pay?

ESC will bill the pharmacy based on the fee schedule included in section 2.6 of the Pharmacy Provider Manual.

How will the service fee be invoiced?

The monthly service fee billing cycle covers the prior month's 16th day to the current month's 15th day. The monthly invoice will be faxed, or available on the ESC Pharmacy Provider website after the 16th of the month.

How will ESC contractually implement this fee?

ESC will be publishing the updated ESC Pharmacy Provider Manual on November 30, 2023. The updated Pharmacy Provider Manual will be effective January 1, 2024 and can be found here.

How will pharmacies have an active voice in the development of future ESC services?

ESC will develop an Advisory Board of pharmacy professionals to represent pharmacy providers as stakeholders. These pharmacy professionals will work with us to influence the development of services that will benefit pharmacies that are registered with ESC.

Is this the first time a Pharmacy Benefits Manager in Canada has introduced a service fee?

Another major PBM in Canada has been charging pharmacies up to \$0.20 per claim for prompt payments for decades. ESC is introducing a similar charge for our services. ESC Provider Services will help pharmacy providers manage their business effectively and ultimately improve patient care.

Which pharmacies are covered by ESC Provider Services?

All pharmacies under the ESC Pharmacy Provider Agreement are part of Express Scripts Canada's Provider Services.

Why was a monthly service fee chosen?

A monthly service fee establishes cost and timing predictability compared to a fee-per-claim arrangement.

Were insurance carriers or plan sponsors involved in the design and implementation of this new service fee?

No, ESC designed and implemented the new service fee on its own, without the involvement of either insurance carriers or plan sponsors.

I have questions or comments related to the new services and fees. What should I do?

If you have any questions related to the **Pharmacy Provider Manual** updates, or ESC Provider Services, please submit your question via our **online contact form**.

You may also call the ESC Pharmacy Provider Call Centre at 1 (800) 563-3274 and one of our representatives will be happy to help you. The Call Centre hours are Monday to Friday: 6:30 a.m. to midnight, Eastern Time. Weekends and statutory holidays: 8 a.m. to midnight, Eastern Time.

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