

Inducement FAQs

Why does the Alberta College of Pharmacy believe a ban on inducements was necessary?

The role of pharmacists and healthcare delivery is evolving. Pharmacists are not simply retailers of drugs. Pharmacists have transitioned into roles with greater patient care responsibilities. They coordinate drug therapy, adapt and refill prescriptions, give injections, and, in appropriate cases, prescribe drugs. In doing so, pharmacists are assuming more significant roles as essential healthcare professionals. This means developing trusted relationships with individuals and other health professionals in their team through good practices and meaningful, caring experiences. The way inducements were being used was disrupting this.

It is important that the college's Code of Ethics and Standards provide for environments where **decisions about patient healthcare are based solely on the patient's health, without the inherent conflict introduced where an inducement is offered.**

The relationship between pharmacy teams and their patients will continue to change in a manner that has pharmacists playing a greater role in patients' primary health care and becoming part of patients' healthcare teams. The relationships pharmacists have with patients and other health professionals need to be built on a foundation of trust, not on which rewards a patient can get.

The prohibition maintains the high ethical and practice standards we, other healthcare professionals, and Albertans expect from health professionals.

When did the ban on inducements come into effect?

The ban on inducements came into effect on Friday, September 22, 2017, after the Alberta Court of Appeal ruled that the Alberta College of Pharmacy (ACP) is within its mandate to establish standards of practice and a code of ethics, which includes addressing inducements.

The Court of Appeal overturned a Court of Queen's Bench ruling from April 2016 that prevented ACP from enforcing the amendments to its standards and code of ethics, which were first introduced in 2014. The amendments prevent pharmacies from offering loyalty programs, reward points, or other incentives to individuals on the condition that they purchase prescribed drugs, Schedule 2 drugs, or professional services.

What is prohibited?

The Alberta College of Pharmacy has amended its *Code of Ethics and Standards of Practice* to prohibit inducements that are offered on the condition that a patient obtains a drug product or a professional service from a pharmacist or pharmacy technician.

Inducement means

- a reward;
- a gift, including a gift of cash;
- a prize;
- a coupon; or
- points or other mechanisms in incentive or loyalty programs that can be redeemed for rewards, gifts, cash, prizes, or other goods or services.

Drug product means

- Schedule 1 drugs (drugs that require a prescription);
- Schedule 2 drugs (drugs that do not require a prescription but are available only from the pharmacist; there is no opportunity for patient self-selection); or
- Schedule 3 drugs provided under a prescription (Schedule 3 drugs are sold from the self-selection area of pharmacies and do not require a prescription, but prescriptions are sometimes issued).

Professional service means any service that falls within the practice of pharmacists and pharmacy technicians under Sections 3(1) and 3(2) of Schedule 19 of the Health Professions Act.ⁱ

The prohibition applies to all pharmacy technicians, pharmacists, licensed pharmacies and proprietors of licensed pharmacies in Alberta.

What is not prohibited?

The prohibition does not apply to:

- Schedule 3 drugs that are not provided under a prescription
- Products or services that are not drug products or professional services

Are any exemptions allowed?

Yes. There are provisions allowing gifts for compassionate reasons or to augment therapy or professional services. The exemptions are focused on ensuring that patients receive appropriate healthcare and must be reviewed on an individual case-by-case basis.

Specifically, the following two exemptions are allowed:

1. The provision of a drug product, professional service or health care product, aid or device to a patient by a pharmacist, pharmacy technician, or licensed pharmacy where, in the professional opinion of the regulated member, it is required for compassionate reasons based on the circumstances of the patient and will **support the health care of the patient.**
2. The provision of a drug product, professional service or health care product, aid or device to augment drug therapy or augment a professional service provided by a regulated member. Examples of this could include providing an AeroChamber® when dispensing an MDI, or a blood glucose monitor when providing test strips. Pharmacists are expected to document rationale for any exception on a compassionate basis so that it can be reviewed by ACP.

Can I offer inducements on a health care product/aid/device, over-the-counter medication, or non-prescription schedule 3 product?

Inducements cannot be offered or provided for any healthcare product/aid/device, over the counter medication or schedule 3 drug when the professional services of a pharmacist or pharmacy technician are required. For example, when any of these products are dispensed and sold pursuant to a prescription, are entered on a patient record, or are compounded; a professional service is required, and inducements would be inappropriate (Standard 1.18b). However, if these products are self-selected as nonprescription products, the offering or provision of an inducement may be acceptable.

Pharmacy professionals are encouraged to continue creating comprehensive health records that include all services and products (scheduled or unscheduled) provided to a patient.

Is discounting professional and/or dispensing fees prohibited?

No. Under the *Health Professions Act*, ACP cannot set or provide guidelines for dispensing fees or professional fees.

However, please note your legal and ethical obligations in relation to third party payer agreements. Section 3.5(b) and (c) of the [Alberta Blue Cross Pharmaceutical Services Provider Agreement](#) states: “It is the Plan Member’s obligation to pay his/her full Co-payment. Accordingly, the Provider will collect from each Plan Member his/her full Co-payment...” and “Should the Provider neglect, refuse or otherwise fail to fulfill its obligation under subsection 3.5(b) hereof, then the amount of any resulting reduction or discount of the Plan Member’s Co-payment must be shared proportionately between the Plan Member and Alberta Blue Cross.” In other words, pharmacy licensees have a responsibility to charge co-payments in accordance with any contract in which they enter.

Please also be mindful that you are required to be accurate and transparent in the fees that are charged, as stated in the [ACP Code of Ethics Principle 10\(4\)](#).

What’s the harm in offering inducements?

Over the years, we have found that inducements offered by community pharmacies started to involve bonuses, or more rewards points on specific days, or benefits if a patient changed pharmacists, all of which had potential to disrupt professional relationships and affect decisions important to care.

ACP has a responsibility to ensure its members help the public use drugs properly, not just because of the impact drugs may have on individuals’ health but because the college shares the responsibility to ensure health resources are used properly.

What about patients who don’t choose their pharmacy or pharmacist based on inducements? Why are they being punished?

As the provincial regulator of pharmacy practice, ACP must consider what is best for individuals across Alberta. Our mission is to support and protect the public’s health, safety, and well-being by governing pharmacists, pharmacy technicians, and pharmacies. Our policy on inducements, as reflected in our amended standards and code of ethics, is consistent with that of other health professions, such as medicine, and other pharmacy colleges in Canada.

Is Alberta the first province to prohibit or restrict inducements?

No. Several other provinces have rules in various forms that prohibit or restrict the use of inducements, including British Columbia and Ontario.

Will co-op patronage returns still be allowed?

The prohibition does not apply to patronage returns that may be provided to members of cooperatives incorporated under the [Cooperatives Act](#). Under that Act, a cooperative is specifically authorized to distribute surplus funds to its members in the form of a “patronage return” which is calculated in part based on the business done by the member with or through the cooperative.

However, should a Cooperative choose to segment and differentiate patronage returns for pharmacy services from other services they offer, ACP will be concerned.

ACP regulates pharmacists and pharmacy technicians under the authority provided in the *Health Professions Act* and regulates the operation of pharmacies under the authority provided in the *Pharmacy and Drug Act*. These Acts do not authorize ACP to override the *Cooperatives Act*, which provides for patronage returns.

Can inducements be offered to patients who transfer their prescriptions to another pharmacy?

No. Inducements cannot be offered on the condition to purchase a prescribed drug, Schedule 2 drugs, or professional services. This includes transferring prescriptions to another pharmacy.

Who made this decision?

ACP Council adopted the amendments to the *Code of Ethics, Standards of Practice for Pharmacists and Pharmacy Technicians*, and *Standards for the Operation of Licensed Pharmacies* on April 10, 2014. The council included eight elected pharmacists with a range of practice backgrounds (including corporate pharmacies, hospital pharmacies, and independently owned pharmacies); an elected pharmacy technician; and three members of the public appointed by the Minister of Health.

What is the role of the Alberta College of Pharmacy?

ACP governs pharmacists, pharmacy technicians, and pharmacies in Alberta to support and protect the public's health and well-being. We take responsibility for pharmacy practice by setting and enforcing high standards of competence and ethical conduct.

The college's activities are governed by the *Health Professions Act*. This Act outlines the organizational structure of the college—namely council and its committees—and defines responsibilities related to licensure, practice review, and complaint resolution.

Footnotes

ⁱ "Professional services" as defined in Section 3 of Schedule 19 to the *Health Professions Act*:

(1) In their practice, pharmacists promote health and prevent and treat diseases, dysfunction and disorders through proper drug therapy and non-drug decisions and, in relation to that, do one or more of the following:

- (a) assist and advise clients, patients and other health care providers by contributing unique drug and non-drug therapy knowledge on drug and non-drug selection and use,
- (b) monitor responses and outcomes to drug therapy,
- (c) compound, prepare and dispense drugs,
- (d) provide non-prescription drugs, blood products, parenteral nutrition, health care aids and devices,
- (e) supervise and manage drug distribution systems to maintain public safety and drug system security,
- (f) educate clients, patients and regulated members of the Alberta College of Pharmacy and of other colleges in matters described in this section,
- (g) conduct or collaborate in drug-related research,
- (h) conduct or administer drug and other health-related programs, and
- (i) provide restricted activities authorized by the regulations.

(2) In their practice, pharmacy technicians promote safe and effective drug distribution and, in relation to that, do one or more of the following under the direction of a pharmacist:

- (a) receive, gather, enter and store prescription and patient information,
- (b) store and repackage products,
- (c) participate in the management of systems for drug distribution and inventory control,
- (d) participate in the research, development, implementation and evaluation of quality assurance and risk management policies, procedures and activities,
- (e) provide restricted activities authorized by the regulations,
- (f) instruct patients about the use of health aids and devices, and
- (g) teach the practice of pharmacy technicians.