



BULLETIN

Nurses tied down by tie-in

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NURSES NEW CONTRACT MAKES ACCESS TO MEDICATION HARDER

PENSIONS Q AND A BY DENNIS BLATCHFORD, HSA PENSION AND BENEFIT ADVOCATE

Q. As a new HSA member who falls under the Nurses Bargaining Association (NBA) contract, could you please explain to me what the -PharmaCare tie-in" is all about?

The PharmaCare tie-in was negotiated out of a number of public sector contracts in 2001, including the Health Sciences Professional Bargaining Association (then called paramedical bargaining association), nurses and facilities agreements. At the time, removal of the Pharma- Care tie-in was seen as a big improvement to these benefit plans. By going back to the PharmaCare tie-in, members again will have to submit to Special Authority processes through their doctor to access Brand or Biologic drugs (no generic alternative).

Q. Is that why HSA was recommending a "no vote on the NBA contract?

Yes. Special Authority is a cumbersome process often requiring additional visits to the doctor, with the extra cost for this either billed by the doctor to MSP or to the member for the doctors time to process paperwork. All members ... but particularly LTD members ... may find additional costs a barrier to getting drugs they need. In general, the Special Authority process will quite probably be perceived as frustrating and much inferior to the plan we had. The decision to grant Special Authority lies solely with PharmaCare and, should they deny the coverage, there is no appeal process. The decision is final. There are also no guarantees. Drugs currently listed on the PharmaCare formulary may not remain, forcing members to change to drugs that may be less effective for their treatment. There is no appeal or special consideration process for drugs that may be dropped from the list.

Furthermore, choice is taken away. At present, current coverage provides for low cost alternative or reference based pricing. Under this plan, members have the option of choosing name brand medication instead of the generic alternative if they wish. The medication would be covered up to the amount of the generic alternative and, if they choose, pay the difference themselves for the name brand drug. Under Pharmacare tie-In, should a member want to remain with a name brand medication, there would be no coverage at all under the plan and the member would be 100% responsible for the cost.

Q. So if its such a step backward, why did the NBA agree to it?

For some time the employer has been trying to shift benefit costs to employees, effectively shifting the cost risks to individuals. While health spending accounts or flex benefits plans may have some appeal to the consumer, such benefit arrangements are all based on limiting employer risk. This time around the employer has attached the -cooperative gains" mandate to the PharmaCare tie-in proposal. That is, NBA members realized a wage increase ... but paid for it by accepting a significant reduction in the quality of their benefit plan.

Q. Do you think it was worth it?

Time will tell. Anytime you accept risk you are gambling on the future. It is clear for some time now that the employer doesn't like the future of health and welfare benefit plans because they keep trying to get members to accept more and more ownership of the costs. HSA opposes schemes like the PharmaCare tie-in because we think it exposes members to too much downstream risk. Members value their benefit plan and have made it clear that they don't want to see their benefits further eroded. We will be closely monitoring the NBA agreement to see how this all plays out, but for now we are concerned that their monetary gains may be short-lived.

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