**MINISTRY OF HEALTH – PHARMACISTS' ASSOCIATION OF SASKATCHEWAN AGREEMENT**

**THIS AGREEMENT** made effective this 1 day of May, 2014.

**BETWEEN:**

**HER MAJESTY THE QUEEN IN RIGHT OF SASKATCHEWAN**
**as represented by the Minister of Health**
**(herein "the Ministry")**

and

**THE PHARMACISTS' ASSOCIATION OF SASKATCHEWAN INC.**
**(herein "PAS")**

**WHEREAS** the Ministry has entered into agreements with proprietary pharmacies ("Proprietors") pursuant to section 5 of *The Prescription Drugs Act* ("Ministry of Health Proprietor Agreement"), pursuant to which, Proprietors directed the Ministry to withhold amounts ("Authorized Deductions") and to pay such Authorized Deductions to PAS;

**AND WHEREAS** the Ministry and PAS recognize the value of an ongoing relationship to revise the terms of the Ministry of Health Proprietor Agreement as it pertains to the Ministry's programs, collaborate on pharmacist patient services enhancements and work together on other matters relevant to the improvement of the general health of Saskatchewan residents where pharmacist care is an integral component;

**NOW THEREFORE**, in consideration of the terms and conditions of this Agreement, the parties agree as follows:

## 1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, the following words shall have the following meanings:

(a) "Agreement" means this Agreement, including all attached Schedules if applicable;
(b) "Authorized Deduction" is as described in section 5 of this Agreement;
(c) "Authorized Deduction Rate" is as defined in section 5 of this Agreement;
(d) "Ministry" means the Ministry of Health, Government of Saskatchewan;

(e) "Ministry of Health Proprietor Agreement" means agreements that the Ministry has entered into with proprietary pharmacies pursuant to section 5 of *The Prescription Drugs Act*;
(f) "PAS" means the Pharmacists' Association of Saskatchewan; and
(g) "Term" is as defined in section in section 3 of this Agreement.

## 2. DESCRIPTION OF PURPOSE

2.1 It is acknowledged and agreed that the Authorized Deduction intended to be paid to PAS pursuant to this Agreement shall be used by PAS for its operation, funding and administration in promotion of its objectives in accordance with its bylaws, which outline its vision, mission and strategic directions.

## 3. TERM

3.1 This Agreement shall be in force from May 1, 2014 until March 31, 2020 unless earlier terminated in accordance with section 6 (Termination) of this Agreement.

## 4. AUTHORITY

4.1 The Ministry recognizes PAS as a representative authority for Pharmacists and Pharmacies in Saskatchewan for the following purposes:

(a) The revision of the terms of the Ministry of Health Proprietor Agreement;

(b) The consultation on the terms of the Ministry of Health Proprietor Agreement; and

(c) The administration of certain specified grants and subsidies that may relate to professional pharmacy services and associated education and change management programs.

4.2 Notwithstanding anything in this Agreement, any decisions with respect to the Ministry of Health Proprietor Agreement shall remain within the sole discretion and authority of the Ministry.

## 5. AUTHORIZED DEDUCTION

5.1 The Ministry shall facilitate payment of an Authorized Deduction by Proprietors to PAS by way of collection of the Authorized Deduction amount as described in this section 5.3(d), which will be subtracted from amounts paid by the Ministry to Proprietors on account of their submitted claims made pursuant to the Ministry of Health Proprietor Agreements in place between the Ministry and each Proprietor.

5.2 The Ministry shall collect the Authorized Deduction on a bi-weekly basis beginning on January 1, 2015. The Authorized Deduction will be calculated as

follows: the Authorized Deduction Rate multiplied by the total individual adjudicated and accepted claims for the preceding bi-weekly period.

5.3 The Authorized Deduction will be subject to the following:

(a) The "Authorized Deduction Rate" is a rate that is to be determined by PAS pursuant to this Agreement and that will be withheld from each adjudicated and accepted claim. At no time during the Term of this Agreement will the Authorized Deduction Rate exceed five cents ($0.05) per adjudicated and accepted claim;

(b) The total of the Authorized Deduction to be paid to PAS pursuant to this Agreement shall not exceed the amount of eight hundred thousand dollars ($800,000.00) for any twelve (12) month period commencing the effective date of this Agreement to the end of the Term. If the eight hundred thousand dollar ($800,000.00) limit is reached in a twelve (12) month period, the Ministry has the discretion to discontinue collection of the Authorized Deduction for the remainder of the twelve (12) month period;

(c) The Authorized Deduction Rate shall be applied to each adjudicated and accepted claim;

(d) The Authorized Deduction Rate shall be three cents ($0.03) for the initial three (3) months commencing January 1, 2015. Subsequent to that three (3) month period, PAS shall determine the Authorized Deduction Rate on an annual basis and give notice to the Ministry of the Authorized Deduction Rate approved by PAS. Where the Authorized Deduction Rate is to vary from a previously established rate PAS shall provide no less than thirty (30) days notice to the Ministry of the change in the Authorized Deduction Rate;

(e) PAS shall inform Pharmacists and Pharmacies of the existence of this Agreement and relevant sections, the Authorized Deduction, the Authorized Deduction Rate and that the Authorized Deduction is being paid to the benefit of PAS;

(f) PAS shall be responsible for all communication, questions and concerns from pharmacists and pharmacies regarding this Agreement, the Authorized Deduction and its use and the Authorized Deduction Rate;

(g) PAS acknowledges and agrees that it shall have no recourse in law or otherwise against the Ministry on account of any amount owing for the Authorized Deduction;

(h) It is understood and agreed that the Authorized Deduction is intended to be paid to PAS for use by PAS for its operation, funding and

administration in promotion of its objectives in accordance with its bylaws which outline its vision, mission and strategic directions;

(i) PAS shall provide its audited financial statements to the Ministry on an annual basis and shall provide clarification in respect of such statements that the Ministry may reasonably request;

(j) Where the Ministry determines that an Authorized Deduction amount was paid to PAS in error or on a disallowed, rejected or recovered claim that Authorized Deduction amount shall be deducted from any future amounts to be paid to PAS on account of the Authorized Deduction.

## 6. TERMINATION

6.1 Either party may terminate this Agreement at any time for any reason upon giving the other party one hundred and twenty (120) days written notice of its intention to terminate.

6.2 Notwithstanding the previous clause, the Ministry may terminate this Agreement immediately by giving written notice of termination to PAS if PAS:

(a) becomes insolvent or bankrupt;

(b) makes an assignment for the benefit of creditors, or a receiver or liquidator of its business or property is appointed; or

(c) files a voluntary or involuntary petition in bankruptcy, or proceedings for the winding up of PAS are instituted.

6.3 If either of the parties at any time neglects, fails or refuses to perform any of its obligations under this Agreement (the "defaulting party"), then the other party may serve upon the defaulting party notice of intention to terminate this Agreement specifying the default complained of (the "notice"). If the defaulting party has not remedied all of the defaults set out in the notice within thirty (30) days, the other party may upon the expiration of the thirty (30) days terminate this Agreement by giving notice of termination to the defaulting party.

## 7. CONFIDENTIALITY

7.1 It is not the intent of the Ministry to disclose any Personal Information or Personal Health Information under this Agreement. In the event that Personal Information or Personal Health Information are inadvertently disclosed by the Ministry to PAS, PAS shall not use or disclose any Personal Information or Personal Health Information so received and shall destroy the information on the request of the Ministry.

7.2 PAS acknowledges that this Agreement may be subject to disclosure requests under FOIPPA. PAS further acknowledges that FOIPPA applies to the Ministry's information collected, used or disclosed in the performance of PAS's duties and obligations under this Agreement.

7.3 Upon request, PAS shall provide to the Ministry, within twenty (20) days, any records that are requested under the access provisions of FOIPPA that are in the custody or under the control of PAS. Should PAS receive an access request under FOIPPA, PAS shall not respond to it, but shall immediately forward the access request to the Ministry for further handling.

7.4 PAS shall act on any direction that the Ministry may provide with regard to the use, access, security, disclosure and destruction of Personal Information and Personal Health Information it may have received from the Ministry in error.

7.5 This section 7.0 shall survive the expiration or other termination of this Agreement.

## 8. ASSIGNMENT

8.1 Neither party shall assign or otherwise offer its rights, duties and/or obligations under this Agreement, except with the prior written consent of the other party. Any assignment or transfer without such consent shall be null and void. Notwithstanding the foregoing, consent from PAS shall not be required if the Ministry is assigning this Agreement to a ministry or entity controlled in whole or in part by the Government of Saskatchewan.

## 9. AMENDMENT

9.1 This Agreement may only be amended or altered by written document executed by each of the Parties.

## 10. INDEMNIFICATION

10.1 PAS shall indemnify and hold harmless the Ministry, its employees and agents and servants of, against and from any and all third party claims, demands, actions, causes of action, damages, losses, costs, (including legal costs on a solicitor-client basis), liability or expenses of any nature whatsoever that may be made against PAS, or its employees, agents or servants, caused by reason of any act or omission of PAS, or its employees, agents or servants, arising from or out of the breach of this Agreement by PAS, or any negligence in the performance of any obligation under this Agreement by PAS or any party for which PAS is legally responsible, including without limiting the generality of the foregoing, the use and expenditure of the Authorized Deduction.

10.2 This section 10 shall survive the expiration or other termination of this Agreement.

## 11. GENERAL

11.1 If either party hereto is delayed, hindered or prevented from the performance of any of its obligations under this Agreement (the "delay") by reason of fire, flood, explosion, acts of God, war, revolution, civil disturbance, embargoes or other cause beyond the reasonable control of the party affected (except by reason of lack of funds or the financial condition of the party), such performance shall be excused for the period of the delay and any period within which such performance is to be effected shall be extended by the period of the delay. A party shall not be entitled to relief under this section unless it makes all reasonable efforts to prevent, work around or otherwise mitigate the effects of the delay and has given written notice of the delay to the other party within 10 business days after the commencement of the delay.

11.2 This Agreement shall be interpreted and applied in the courts and according to the laws in force in the Province of Saskatchewan and the parties hereby attorn to the exclusive jurisdiction of the courts of the Province of Saskatchewan in respect of all matters or proceedings relating to this Agreement.

11.3 The headings in this document have been included for convenience only and are not an aid in the interpretation of this document.

11.4 If any provision of this Agreement is determined to be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected or impaired thereby and shall be valid and enforceable to the extent permitted by law.

11.5 A term or condition of this Agreement can be waived or modified by a party only in writing. Forbearance or indulgence by either party in any regard shall not constitute a waiver of the term or condition to be performed, and either party may invoke any remedy available under this Agreement or by law despite such forbearance or indulgence.

11.6 This Agreement shall be for the benefit of and bind the successors and permitted assigns of the parties.

11.7 This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions related thereto, whether oral or written. There are no other warranties, representations or other agreements between the parties in connection with the matters which are the subject of this Agreement.

11.8 All dollar amounts referred to in this Agreement are in Canadian Funds unless otherwise provided.

11.9 Time is of the essence in this Agreement.

## 12. NOTICES

12.1 Any notices or communications required or permitted to be given pursuant to this Agreement shall be in writing and may be delivered, or sent by certified mail addressed to:

(a) in the case of the Ministry:

Executive Director
Drug Plan and Extended Benefits Branch
Saskatchewan Ministry of Health
2nd Floor – 3475 Albert Street
Regina, Saskatchewan
S4S 6X6

(b) in the case of PAS:

Executive Director
Pharmacists' Association of Saskatchewan
202 – 2629 29th Avenue
Regina, Saskatchewan
S4S 2N9

and if so delivered shall be deemed to have been given when delivered, and if so mailed shall be deemed to have been given on the third business day after the date of mailing except in the case of a mail strike or other disruption of postal service in which case it shall be deemed to have been given on the third business day after such strike or disruption ceases.

12.2 Either party may change its address hereunder by giving the other party written notice of the change.

**IN WITNESS WHEREOF** the parties have executed this Agreement under the hands of their duly authorized officers, as of the day and year first written above.

**HER MAJESTY THE QUEEN IN RIGHT OF SASKATCHEWAN**
**as represented by the Minister of Health**

Per: M. Wyatt

Date: May 20, 2014

**PHARMACISTS' ASSOCIATION OF SASKATCHEWAN**

Per:

Date: May 24/2014