

BC PharmaCare Low Cost Alternative Program

What is the Low Cost Alternative Program?

PharmaCare's Low Cost Alternative (LCA) program helps control the cost of multi-source prescription drugs.

When the same drug is made and sold by two or more manufacturers, PharmaCare will cover the less expensive version—the low cost alternative.

How is the maximum price for drugs in the LCA Program set?

PharmaCare creates categories for multi-source drugs. There is a separate category for each type of drug based on its active ingredient, its strength and its formulation (tablet, capsule, etc.). For example, there is one category for acetaminophen 250 mg tablets and another category for acetaminophen 500 mg tablets.

PharmaCare sets a maximum price that it will cover for each category. This maximum price is based on a percentage of the price of the brand name drug. If a manufacturer wants its generic drug included in the list of LCA drugs that PharmaCare covers, it has to agree to sell the generic to pharmacies at or below the maximum price.

PharmaCare covers the drug up to the maximum price plus a fixed markup for pharmacies (usually 8%).

How does the LCA program benefit me?

The LCA program helps you in two ways:

- The taxpayer dollars saved help PharmaCare to continue covering a broad range of drugs for you and all B.C. residents.
- It helps **you** pay less for your prescriptions. If you pay part of your drug cost out of your own pocket, the lower the overall cost, the lower your portion of the cost will be.

Multi-source drug: A drug that is made and sold by two or more manufacturers. It is usually a generic version of a brand name drug.

Brand name drug: The first version of a new drug. It is usually patented by the manufacturer that created it so that no one else can make the drug until the patent period ends. Health Canada has to approve the drug before it can be sold in Canada.

Generic drug: A version of a brand name drug. Once the brand name drug patent is no longer valid, any manufacturer can make the drug. This generic version must contain the **same active ingredients** and work the same way as the brand name drug. Only the non-active ingredients (such as the coating for a pill) can change. Generic drugs are usually cheaper than brand name drugs because they cost less to develop and there is competition between the companies that make them. Generic drugs must still be approved by Health Canada before they can be sold.

LCA drug category: A group of drugs that have the same active ingredients or combination of active ingredients and the same strength.

Maximum LCA price: The maximum price that manufacturers can charge pharmacies for any drug in an LCA drug category. PharmaCare will not cover the drug if its list price plus its markup exceeds this maximum.

Are generic drugs as good as brand name drugs?

Yes. They are just as safe and effective. The generic must contain the **same active ingredients or combination of active ingredients** and work the same way as the brand name drug. Only the non-active ingredients (such as the coating for a pill) can change. Generic drugs have to meet the same Health Canada and *Food and Drugs Act* standards as brand name drugs.



The real difference is in price—generic drugs may cost as little as 20% of the brand name price.

Are there low cost alternatives for every drug PharmaCare covers?

No. Some drugs are available only in brand name form—these are usually newer drugs that are still under patent and cannot be copied.

How do I get low-cost-alternative drugs?

Ask your doctor or pharmacist. These health professionals can answer questions about generic drugs. They can also consult the complete list of LCA program drugs on the PharmaCare website at www.health.gov.bc.ca/pharmacare/lca/lcabooklets.html.

What if my doctor prescribes a brand name drug?

If your doctor prescribes a brand name drug, your pharmacist should tell you if a low-cost alternative is available. If you choose the low-cost alternative (LCA) drug, it will be fully covered according to the rules of your PharmaCare plan. If you choose the brand name drug and the brand name drug is more expensive, it will be covered up to the LCA price. You will have to pay the difference in cost.

Note: If your doctor writes “no substitution” on your prescription, your pharmacist must contact the doctor to ask for a change to the prescription. If your doctor insists on a certain drug (and has **not** requested a Special Authority), you will receive only partial coverage from PharmaCare.

What if I react badly to the low-cost-alternative drug?

If you cannot take a low-cost alternative drug because you are allergic to one of its non-medicinal ingredients, your doctor can request Special Authority coverage for another drug in the category. See www.health.gov.bc.ca/pharmacare/policy.html#Drugs_requiring_Special_Authority_approval for details.

What happens if the low-cost-alternative drug is not available?

If a particular pharmacy does not have the LCA drug on hand, you may fill your prescription at another pharmacy. There is no fee for transferring your prescription.

If there is a drug shortage, PharmaCare will cover a drug made by a different manufacturer. PharmaCare lets pharmacies know which drug products it will cover during a shortage.

I have a private medical insurance plan. Will it cover the higher-priced drug?

Talk to your private insurer about its coverage policies.

Looking for more PharmaCare information?

Visit www.health.gov.bc.ca/pharmacare/patientinfo.html for information on our plans and policies.