

2019 Amendments to B.C. Drug Price Regulation

B.C. is a member of the pan-Canadian Pharmaceutical Alliance (pCPA), which brings participating Canadian jurisdictions together to negotiate generic drug prices covered by publicly funded plans. The Canadian Generic Pharmaceutical Association (CGPA) represents companies that produce generic drugs. On January 29, 2018, the pCPA and CGPA announced a new five-year initiative to reduce the prices of nearly 70 of the most commonly prescribed drugs in Canada by 25 to 40 percent effective April 1, 2018, resulting in overall discounts of up to 90 percent off the price of their brand-name equivalents.

As part of the ongoing plan associated with the initiative, B.C. is amending its Drug Price Regulation to reflect the changes below, effective April 1, 2019.

Note: Amendments only affect the price PharmaCare reimburses for generic drugs that are PharmaCare benefits and has no regulatory impact on citizens.

Amendments to Drug Price Regulation

- Exclusivity is Removed 1
 - What does this mean? 1
- Maximum Accepted List Price (MALP) Change 2
 - What are the impacts of an MALP increase? 2
- Adopting Brand Reference Prices from Other Jurisdictions 2
 - Flowchart to determine when to adopt brand reference prices from other jurisdictions 3

Exclusivity is Removed

Effective April 1, 2019, PharmaCare is removing the opportunity for manufacturers to submit exclusive generic drug listings.

What does this mean?

B.C. initiated exclusive generic drug listings in April 2017 to reward manufacturers who met the Maximum Accepted List Price (MALP) in a Low Cost Alternative (LCA) category. A generic drug that met or beat the MALP could be considered as the exclusive generic drug in its LCA category for a period of up to 12 months. During the exclusive listing period, no other generic could be listed in the same LCA category, including provisional drugs (drugs priced higher than the MALP).

Removing exclusivity will increase patient choice by opening the market to multiple generic drug listings within the same LCA category.

Maximum Accepted List Price (MALP) Change

B.C. regulation determines MALP for each LCA category as a percentage of the LCA comparator (brand-name drug) for that category. Generic drugs must be priced at or below MALP to be listed on the PharmaCare formulary, with the exception of provisional drugs. Provisional drugs are generic drugs priced above MALP but are listed in the event of an insufficient drug supply within an LCA category, if the listing of a provisional drug can help counteract the shortage and it is in the public interest to do so.

MALP for each LCA category in B.C. is currently set at 20 percent of the brand-name drug price for oral solids and 35 percent for all other generics. Setting a new MALP allows B.C. to align with other participating jurisdictions in Canada, which generally set MALP at 25 to 35 percent of the brand-name drug price.

Effective April 1, 2019, B.C. is increasing MALP to 25 percent of the brand drug price for oral solids (still 35 percent for all other drugs). Only generic drugs priced at or below the MALP are considered for PharmaCare coverage, unless an exception is made for a specific generic drug on a provisional basis.

The MALP change only applies to:

1. New LCA categories established on or after April 1, 2019, or
2. LCA categories established before April 1, 2019, but which experiences at least one generic drug inclusion or exclusion after that date*

*A generic drug inclusion is the inclusion of an additional generic drug in an LCA category. A generic drug exclusion is the removal of a generic drug from an LCA category.

What are the impacts of an MALP increase?

- A MALP increase to 25 percent allows B.C. to better align with other participating jurisdictions in Canada who use the [Tiered Pricing Framework \(TPF\)](#) to determine appropriate generic pricing
- Manufacturers may be more inclined to list their drugs at a higher MALP, providing patients with more drug choices and access.

Adopting Brand Reference Prices from Other Jurisdictions

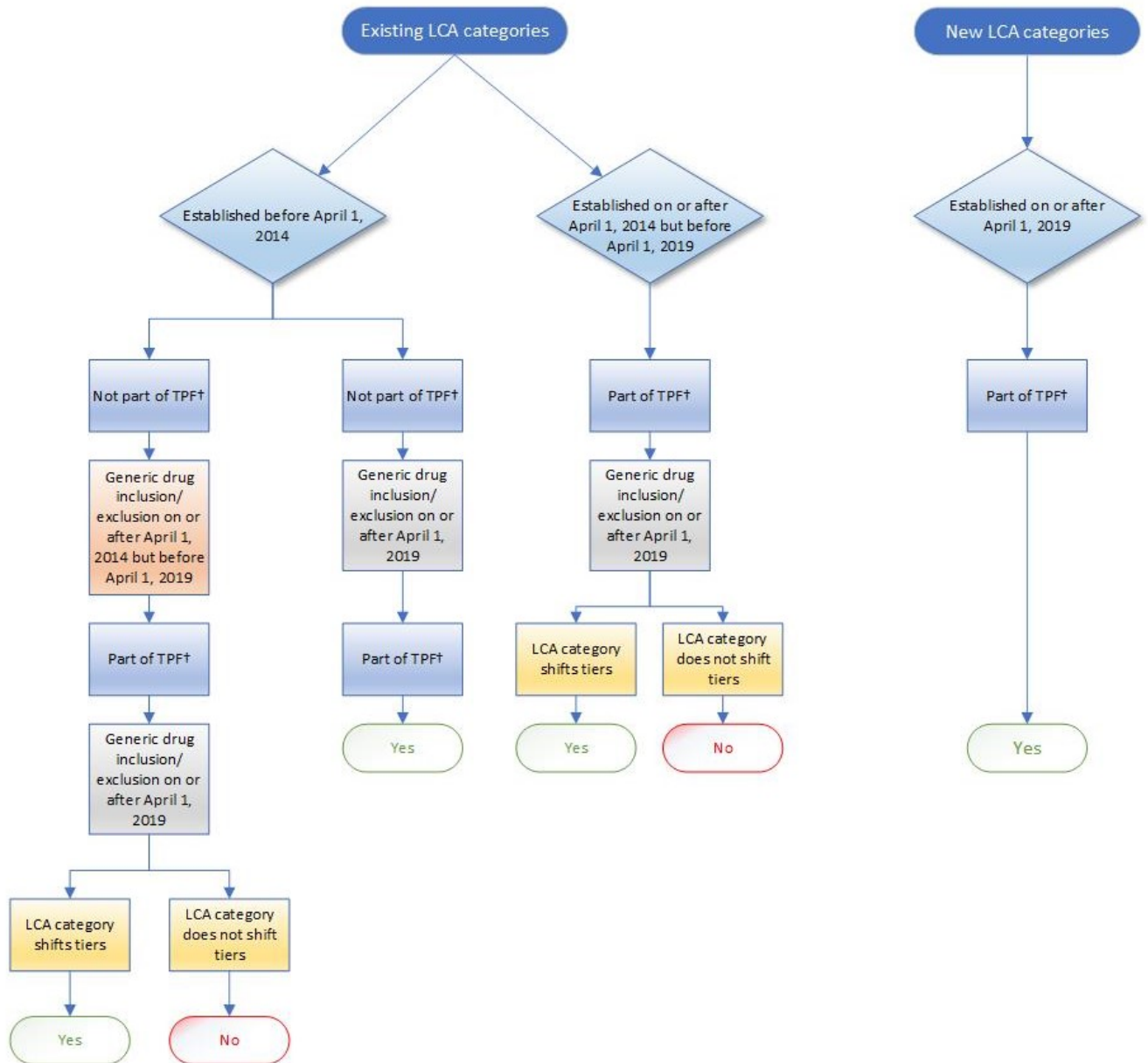
Effective April 1, 2019, B.C. is adopting brand-name drug reference prices from other jurisdictions in cases where specific criteria are met (see flowchart below).

The manufacturer's list price of an LCA drug comparator in each LCA category is used as a reference price to calculate MALP for that category. The brand reference price is also used for tiered pricing calculation after TPF assessment.

Since the pCPA and CGPA established TPF in 2014, most participating jurisdictions refer to brand-name drug reference prices used by Ontario or other jurisdictions to calculate tier pricing in an LCA category. B.C. has always determined its own LCA drug comparators, which are usually lower brand reference prices compared to Ontario.

B.C. now joins most other provinces and territories that are part of the pCPA in adopting brand-name drug reference prices used by other jurisdictions for TPF, when appropriate. For more information on other jurisdictions and brand reference prices, see the [pCPA FAQ](#).

Flowchart to determine when to adopt brand reference prices from other jurisdictions



†LCA categories are part of the TPF if:

- Established on or after April 1, 2014
- Has a generic drug inclusion or exclusion on or after April 1, 2019
- Established before April 1, 2014 and has a generic drug inclusion or exclusion on or after April 1, 2014 but before April 1, 2019