



Published by the Pharmaceutical Services Division to provide information for British Columbia's health care providers

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INTERIM AGREEMENT UPDATE

INTERIM AGREEMENT & THE MANAGEMENT COMMITTEE



Under the Interim Agreement signed December 12, 2008, a Management Committee was formed to consider policy implementation issues. The Management Team includes representatives from the Ministry of Health Services and the BC Pharmacy Association. Following the December 2008 signing, the Management Committee has met bi-weekly to clarify policy and procedural specifics.

Following is an update on the key issues addressed by the Management Committee. For other policy and procedural clarifications, please refer to the specific articles later in this publication.

Clinical Services Fees

- Effective date for clinical services fees payment—If Health Insurance BC receives a pharmacy's signed and completed *Clinical Services Associated With Prescription Adaptation Agreement* on or before **March 31, 2009**, the pharmacy is eligible for payment of clinical services fees for claims submitted from January 1, 2009, or the date they became a participant in the PharmaCare program. If an agreement is received after that date, clinical services fees will be payable from the date the Ministry of Health Services countersigns the agreement.

The use of PharmaNet is not intended as a substitute for professional judgment.
 Information on PharmaNet is not exhaustive and cannot be relied upon as complete.
 The absence of a warning about a drug or drug combination is not an indication that the drug or drug combination is safe, appropriate or effective in any given patient.
 Health care professionals should confirm information obtained from PharmaNet, and ensure no additional relevant information exists, before making patient care decisions.

Multiple-Source Generic Pricing Policy

- Calculation of the amount reimbursed by PharmaCare—Originally, the formula for calculating the PharmaCare discount on a new multi-source generic drug applied the cost reduction factor for that drug to the total ingredient cost submitted to PharmaCare (see page 6 of [PharmaCare Newsletter 08-012](#)). The formula has been amended to exclude from the discount calculation a portion of the Actual Acquisition Cost accepted.

When the payments are calculated, the discount will be applied to 96% of the ingredient costs; the remainder of the ingredient cost (i.e., 4%) will be fully reimbursed. The 4% figure is used as a proxy for average wholesale costs because, at present, the ministry does not have a practical mechanism to determine wholesale costs for each pharmacy. The Management Committee has asked PSD to investigate possible options to estimate wholesale costs at the level of individual pharmacies.

Frequency of Dispensing

- Inclusion of the BC Palliative Care Drug Plan (Plan P)—The Committee agreed that Plan P would remain subject to the Frequency of Dispensing policy but that both parties should monitor the impact of the policy on this patient group.
- Coverage of additional fees for frequent dispensing by other insurers—PharmaCare policy does not address claims to other insurers. It is recommended that pharmacies consult with the individual insurer regarding their policies for amounts not covered by PharmaCare.

PHARMANET CHANGES

Changes to PharmaNet are necessary to implement the policies included in the Interim Agreement signed by the Ministry of Health Services and the BC Pharmacy Association.

On February 25, 2009, the ministry's Pharmaceutical Services Division hosted a roundtable regarding the implementation of the policies. Attendees included all parties involved in the maintenance and development of PharmaNet (including Maximus BC and Systems Xcellence Inc.) as well as the BC Pharmacy Association, College of Pharmacists BC, pharmacy software vendors, and private insurers.

The discussions centred on the implementation of clinical services fees for prescription renewal and adaptation, and on the Frequency of Dispensing and Multi-Source Generics Pricing policies. The emphasis was on clarifying the policies, timelines for changes to pharmacy software, necessary changes to PharmaNet and the PharmaNet Professional and Software Compliance Standards, and scheduling of pharmacy software compliance evaluations.

As a result of the roundtable, it was agreed that software vendors and ministry representatives will continue to meet regularly to review policy decisions and technical solutions. Software vendors identified use-case scenarios from their client base that were shared with the ministry for review. This meeting, and those to follow, are expected to increase the communication between the parties thus leading to a smoother roll-out of the three policies in pharmacies.

MEDICATION MANAGEMENT AND REVIEW PROJECT

In the Interim Agreement signed December 12, 2008, the Ministry of Health Services and the BC Pharmacy Association (BCPhA) agreed to collaborate on the design, development and implementation of demonstration project(s) for medication management and review. The demonstration project(s) will collect valuable information that will inform the development of a clinical services framework for the province.

The ministry lead for the project is Suzanne Taylor, Executive Director, Drug Use Optimization Branch, Pharmaceutical Services Division. The BCPhA lead is Parkash Ragsdale, Deputy CEO & Director of Professional Services.

Pharmacies will be working with the Ministry of Health Services and BCPhA in the demonstration project(s) shaping the future of pharmacy practice in British Columbia. Future PharmaCare Newsletters will provide updates on this undertaking.

CLINICAL SERVICES FEES & PRESCRIPTION RENEWAL/ADAPTATION—UPDATE

As of February 25, more than 450 pharmacies had submitted signed agreements.

Have you submitted your agreement?

If a pharmacy is to qualify for clinical services fees retroactive to January 1, 2009, their signed *Clinical Services Associated With Prescription Adaptation Agreement* must be received by the ministry on or before **March 31, 2009**.

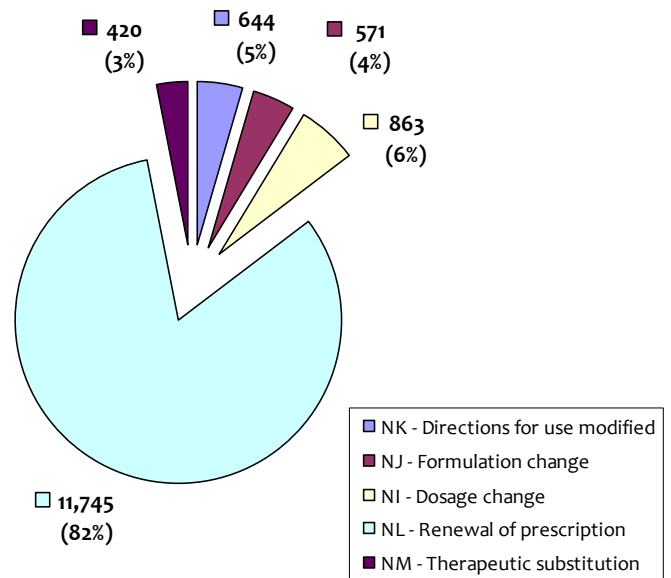
Is your pharmacy a member of a chain?

An agreement package has been assembled. It allows separate signature and submission by the pharmacy owner and the pharmacy manager.

The standard agreement, and the agreement package for chain pharmacies, is available on the PharmaCare website at www.health.gov.bc.ca/pharme/suppliers/csapa.html.

CLINICAL SERVICES FEES CLAIMED January 1, 2009 - February 24, 2009

Total: 14,243



Payment For Clinical Services Fees

The first clinical services fees payments will be made on **April 27, 2009**, and will include payment for services claimed from January 1 to March 31, 2009.

MULTIPLE-SOURCE GENERICS PRICING POLICY—UPDATES



First payment deduction for the Interim Multiple-Source Generics Pricing Policy

Changes to PharmaNet and other systems were needed to accommodate the Multiple-Source Generics Pricing Policy. In the interim, payment deductions have accrued. The adjustment for amounts accrued during January and February will show as a single adjustment to the payment for March 30, 2009.

Website information expanded

The PharmaCare website will now offer information on products currently subject to cost reduction under the Multi-Source Generics Pricing Policy *and those which would become subject to cost reduction if a second generic version becomes available*. Visit www.health.gov.bc.ca/pharme/suppliers/multigen.html for this information, which will also be included in PharmaCare Newsletters.

FREQUENCY OF DISPENSING—UPDATES AND QUICK REFERENCE TABLE



Adherence to policy

The Frequent Dispensing Policy came into effect February 1, 2009. The ministry expects pharmacies to have been adhering to the policy since that date. Province-wide adherence to the policy protects the savings from which clinical services fees will be paid. The Ministry of Health Services may audit pharmacy claim records and will recover funds if the number of dispensing fees paid on a patient's frequently-dispensed prescriptions exceeds the maximum when PharmaCare is paying a portion of the prescription cost.

Quick Reference Table

~~~ Frequency of Dispensing Quick Reference Table ~~~			
Dispensing frequency scenario	Limit on # of dispensing fees?	Authorization form required?	Notes
Daily	<ul style="list-style-type: none"> <li>Yes. Maximum of three dispensing fees per patient per day.</li> </ul>	No.	<ul style="list-style-type: none"> <li>Applies to all plans with the exception of Plan B</li> <li>Prescriber must handwrite order on the prescription</li> </ul>
2- to 27-day supply, prescriber has ordered dispensing frequency	<ul style="list-style-type: none"> <li>Yes. Maximum of five fees per patient, per prescribed supply (i.e., the prescribed frequency—weekly, bi-weekly, etc.).</li> </ul>	No.	<ul style="list-style-type: none"> <li>Applies to all plans with the exception of Plan B</li> <li>Prescriber must order.</li> </ul>
2- to 27-day supply, pharmacist has initiated dispensing frequency	<ul style="list-style-type: none"> <li>Yes. Maximum of five fees per patient, per prescribed supply (i.e., the prescribed frequency—weekly, bi-weekly, etc.).</li> </ul>	Yes.	<ul style="list-style-type: none"> <li>Applies to all plans with the exception of Plan B</li> </ul>
28-day supply or more	<ul style="list-style-type: none"> <li>No.</li> </ul>	No.	<ul style="list-style-type: none"> <li>Dispensing should be in keeping with the PharmaCare Maximum Days Supply policy (30 days for short-term medications and for the first fill of a long-term medication; 100 days for subsequent fills of a long-term medication).</li> <li>The PharmaCare Early Fill ("Fill-Too-Soon") and Travel Supply policies[†] continue to apply.</li> </ul>

[†] For more information on these policies, refer to PharmaCare Newsletters [08-004](#) and [08-005](#).

## Coverage and Claims Submissions—Update

The following table itemizes the coverage and claims submissions information for patients above and below their Fair PharmaCare deductible and for patients on a PharmaCare plan that does not have a deductible.

Scenario	Coverage and Claims Submission Information	
	Until PharmaNet and Pharmacy Software Changes are in place	After PharmaNet and Pharmacy Software Changes are in place
Patients below their Fair PharmaCare deductible	<ul style="list-style-type: none"> <li>To reduce the administrative burden on pharmacies, all fees claimed for patients who are below the Fair PharmaCare deductible will accumulate toward the deductible until the updates to PharmaNet and in-pharmacy software are implemented.</li> <li>Pharmacies are permitted to charge patients directly for additional dispensing fees if a patient is below the Fair PharmaCare deductible.</li> </ul>	<ul style="list-style-type: none"> <li>Only fees covered by PharmaCare accumulate towards a patient's Fair PharmaCare deductible.[†] PharmaNet will automatically adjudicate claims according to the policy.</li> <li>Pharmacies are permitted to charge patients directly for additional dispensing fees if a patient is below the Fair PharmaCare deductible.</li> </ul>
Patients above their Fair PharmaCare deductible or Patients on PharmaCare plans that do not have a deductible	<ul style="list-style-type: none"> <li>PharmaCare covers[†] only the number of fees specified in the Frequency of Dispensing Policy.</li> <li>Pharmacies must enter a "\$0.00" dispensing fee for all claims not eligible for a PharmaCare-eligible dispensing fee.[♦]</li> <li>PharmaCare policy does not address claims to other insurers. Other insurers may or may not pay additional fees, however, pharmacies cannot collect additional fees from patients.</li> </ul>	<ul style="list-style-type: none"> <li>PharmaCare covers[†] only the number of fees specified in the Frequency of Dispensing Policy.</li> <li>PharmaNet will automatically adjudicate claims according to the policy.</li> <li>PharmaCare policy does not address claims to other insurers. Other insurers may or may not pay additional fees, however, pharmacies cannot collect additional fees from patients.</li> </ul>

[†] Actual reimbursement of dispensing fees continues to be subject to the rules of a patient's PharmaCare plan, including any annual deductible requirement.

[♦] Please contact your pharmacy software vendor for information on how to enter a fee of \$0.00.

### Policy regarding charges to patients

If a patient has met their Fair PharmaCare deductible, pharmacies are not permitted to charge any fees in addition to the maximum three (3) dispensing fees per patient for daily dispensing or five (5) dispensing fees for patient, per prescribed/authorized days supply for 2 to 27 days dispensing under this policy.

The following scenarios provide guidance to pharmacies in determining when additional fees are appropriate:

Patient does not have coverage through another insurer

- Pharmacy cannot charge additional fees to the patient.

Patient has coverage through another insurer and that insurer pays for additional fees

- Pharmacy cannot charge additional fees to the patient.
- Pharmacy can charge the additional fees to the other insurer.

Patient has coverage through another insurer and that insurer does not pay for additional fees.

- Pharmacy cannot charge additional fees to the patient.
- Pharmacy cannot charge the other insurer for the additional fees.



## SPECIAL SERVICES FEES

The number of Special Services fees that PharmaCare paid each month over the past year:

Feb 2009 .....2,100	Aug 2008..... 2,373
Jan 2009.....2,131	Jul 2008.....2,905
Dec 2008 .....3,526	Jun 2008.....2,689
Nov 2008 .....3,079	May 2008.....2,696
Oct 2008.....3,309	Apr 2008.....2,656
Sep 2008 .....2,972	Mar 2008 .....2,242



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