



# BC PharmaCare Newsletter

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## QuickLinks

New Pharmacy Services Agreement .....	1
What changes will the new agreement bring and when will they occur? .....	2

## NEW PHARMACY SERVICES AGREEMENT



A new agreement was signed between the B.C. Ministry of Health Services, the BC Pharmacy Association (BCPhA) and the Canadian Association of Chain Drugstores (CACDS). The new **Pharmacy Services Agreement**, available at [www.health.gov.bc.ca/pharmacare/suppliers/psa.pdf](http://www.health.gov.bc.ca/pharmacare/suppliers/psa.pdf), will come into effect on **July 28, 2010**.

Under the agreement, there will be changes to current PharmaCare fees and policies. These changes will be phased in as indicated in the timelines shown on page 2. Detailed information on the changes occurring after July 28, 2010, will be provided in the coming weeks.

Additional information can be found in the Ministry of Health Services News Release and PowerPoint presentation available at [www2.news.gov.bc.ca/news\\_releases\\_2009-2013/2010HSERV0038-000802.htm](http://www2.news.gov.bc.ca/news_releases_2009-2013/2010HSERV0038-000802.htm).

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.

## What changes will the new agreement bring and when will they occur?

Date	Change	Notes
<b>2010</b>		
Jul 28, 2010	<b>Dispensing fee increase</b>	Maximum reimbursable fee will increase from \$8.60 to \$9.10
	<b>Change to the Cost Reduction Factor for the New Multiple-Source Generics Pricing Policy</b>	<p>From July 28 to October 14, 2010, the cost reduction factor for generic drugs will be the difference between:</p> <ul style="list-style-type: none"> <li>• The manufacturer list price for the drug; and</li> <li>• 42% of the manufacturer list price for the equivalent brand drug.</li> </ul> <p>This change will apply to generic drugs added to the PharmaCare formulary after January 1, 2009.</p> <p>Drugs subject to the New Multiple-Source Generics Pricing Policy are listed at <a href="http://www.health.gov.bc.ca/pharmacare/suppliers/multigen.html">www.health.gov.bc.ca/pharmacare/suppliers/multigen.html</a>.</p>
Oct 15, 2010	<b>Dispensing fee increase</b>	Maximum reimbursable fee will increase to \$9.60. Payment of the increased maximum fee will be conditional on execution of a revised Pharmacy Participation Agreement which will be distributed in advance of the October effective date.
	<b>Capitation rate increase for pharmacy services to residential care facilities</b>	Capitation fee will increase to \$43.75 per serviced bed for PharmaCare recipients for those pharmacies that have signed the revised Pharmacy Participation Agreement (referenced above).
	<b>Change to the PharmaCare Maximum Price Policy and rescinding of Actual Acquisition Cost Policy</b>	The maximum PharmaCare will reimburse for brand and generic drugs eligible for PharmaCare coverage will be the manufacturer list price plus 8%. For LCA and RDP drugs, the 8% mark-up will be included in the published prices. Pharmacies will receive advance notice of these changes.
	<b>Low Cost Alternative (LCA) Program Update</b>	<p>New maximum prices for drugs included in the LCA Program will come into effect. Most existing generic drugs will be reimbursed to a maximum 50% of manufacturer list price for the brand product plus an 8% mark-up. New generics drugs will be reimbursed to a maximum 42% of the manufacturer list price for the brand product plus an 8% mark-up. As of October 15, the New Multiple-Source Generics Pricing Policy will no longer apply.</p> <p>Manufacturers will be required to adjust list prices to comply with the new pricing requirements no later than September 15 to allow for inventory adjustment before the new maximum prices take effect.</p>
	<b>Introduction of "Full Payment" (no co-payment) Policy</b>	If a patient is receiving full PharmaCare coverage, a pharmacy will not be permitted to collect directly from that patient any amount above the maximum drug price and maximum dispensing fee set by PharmaCare. This will apply to patients covered under plans B, C, D, F, G, P and those that have reached the Fair PharmaCare family maximum.

Date	Change	Notes
Nov 01, 2010	Expansion of the <b>Rural Incentive Program</b> and application process changes	Pharmacies outside a 30KM radius of another pharmacy in rural British Columbia that dispense up to 1700 British Columbia PharmaCare prescription claims per month will be eligible. Re-enrolment will be required for all eligible pharmacies.
Dec 01, 2010	Allocation of Fiscal 2011/12 <b>reinvestment funding for pharmacy clinical services</b>	By December 1, 2010, a plan will be prepared for programs and services with a total expected cost of \$10 million in fiscal year 2011/12.
<b>2011</b>		
Jul 04, 2011	<b>Dispensing fee increase</b>	Maximum reimbursable fee will increase to \$10.00 for pharmacies that have signed the revised Pharmacy Participation Agreement issued in 2010.
	<b>Low Cost Alternative (LCA) Program Update</b>	New prices for drugs included in the Low Cost Alternative Program will come into effect. Existing and new generic drugs will be reimbursed to a maximum 40% of manufacturer list price for the brand product plus an 8% mark-up.
Dec 01, 2011	Allocation of Fiscal 2012/13 <b>reinvestment funding for pharmacy clinical services</b>	By December 1, 2011, a plan will be prepared for programs and services with a total expected cost of \$25 million in fiscal year 2012/13.
<b>2012</b>		
Apr 02, 2012	<b>Dispensing fee increase</b>	Maximum reimbursable fee will increase to \$10.50 for pharmacies that have signed the revised Pharmacy Participation Agreement issued in 2010.
	<b>Low Cost Alternative Program Update</b>	New prices for drugs included in the Low Cost Alternative Program will come into effect. Existing and new generic drugs will be reimbursed to a maximum 35% of manufacturer list price for the brand product plus an 8% mark-up.
Dec 01, 2012	Allocation of <b>reinvestment funding to support the continuation of clinical and enhanced services</b>	By December 1, 2012, a plan will be prepared for programs and services with a total expected cost of the full \$35 million in reinvestment funding that will support the continuation of clinical and enhanced services.