BC PharmaCare Newsletter

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QuickLinks

LOW COST ALTERNATIVE/REFERENCE DRUG PROGRAM—REIMBURSEMENT CHANGES FOR 2016/17

On **April 1, 2016**, changes to reimbursement limits for Low Cost Alternative(LCA)/Reference Drug Program (RDP) drugs will take effect. These include changes to maximum PharmaCare reimbursement for drugs in the:

- Low Cost Alternative (LCA) Program
- Reference Drug Program (RDP)
- Pan-Canadian Competitive Value Price Initiative for Generic Drugs

For information on all drugs affected by the price changes detailed below
see "Upcoming LCA/RDP Data Files" at www.gov.bc.ca/pharmacarecostalternativeprogram.

All PharmaCare reimbursement changes are effective April 1, 2016.

Continued…

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.

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Low Cost Alternative (LCA) Program

Under the LCA Program, PharmaCare targets a maximum amount it will reimburse for each drug in an LCA category. The LCA price is set at the maximum price that manufacturers can charge (the Maximum Accepted List Price or "MALP") plus 8%[1].

In 2010, PharmaCare began a phased decrease in the reimbursement for generic drugs. In this latest phase (**April 1, 2016—March 31, 2017**), the target MALP that manufacturers can charge for generic LCA drugs will continue to be:

- 20% of the equivalent brand product's list price for oral solids
- 35% of the equivalent brand product's list price for drugs available in other forms
- 18% of the equivalent brand product's list price for drugs subject to Pan-Canadian pricing (see **Generic Drugs Subject to Pan-Canadian Pricing** on page 3)

PharmaCare coverage under the new price targets

Normally, PharmaCare covers only the generic drugs priced at or below the LCA Price stated in the **LCA Spreadsheet**. The April 1 reimbursement limits for LCA drugs are published in the "Max Price" column of the **upcoming** LCA Spreadsheet.

Note: PharmaCare covers some generic drugs at a higher price on a "provisional basis." Coverage for these higher-priced generic drugs may be discontinued if a product becomes available at a better price.

Drugs becoming non-benefits

A list of the drugs that will no longer be covered as of April 1, 2016, is available in the upcoming removal spreadsheet.

Note: For LCA/RDP drugs, manufacturers will reflect the new pricing at **start of day March 1, 2016** (30 days before the new pricing takes effect).

Reference Drug Program (RDP)

The Reference Drug Program encourages cost-effective first-line prescribing for common medical conditions. Under the RDP, PharmaCare coverage is based on the cost of the reference drug or drugs in a therapeutic category. This is the drug(s) considered to be equally efficacious and the most cost effective in that category.

If an RDP drug is also an LCA drug, the reimbursement limit for drugs in that RDP category is the lower of the RDP or LCA Price.

The current list of RDP drugs and RDP prices is provided in the RDP Spreadsheet.

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[1] 5% markup for LCA drugs subject to the High-Cost Drugs.

Generic Drugs Subject to Pan-Canadian Pricing

In January 2013, under the Pan-Canadian Competitive Value Price Initiative for Generic Drugs, the Council of the Federation announced that, to achieve better value for generic drugs, its member provinces and territories would establish price points for the most common generic drugs.

Currently, the price for the following generic drugs is set at 18% of the equivalent brand product list price:

- **Atorvastatin**—used to treat high cholesterol
- **Ramipril**—used to treat elevated blood pressure and other cardiovascular conditions
- **Venlafaxine**—used to treat mental health conditions such as depression, anxiety, panic disorder
- **Amlodipine**—used to treat elevated blood pressure, chest pain and other cardiovascular conditions
- **Omeprazole**—used to treat a variety of gastrointestinal conditions
- **Rabeprazole**—used to treat a variety of gastrointestinal conditions
- **Rosuvastatin** —used to treat high cholesterol
- **Citalopram**—used to treat mental health conditions such as depression
- **Simvastatin**—used to treat high cholesterol
- **Pantoprazole**—used to treat a variety of gastrointestinal conditions including reflux
- **Clopidogrel** —used to treat cardiovascular conditions
- **Olanzapine**—used to treat mental health conditions such as schizophrenia or other psychosis
- **Metformin**—used to treat diabetes
- **Gabapentin**—used to treat epilepsy

Effective **April 1, 2016**, the following three generic drugs will also be priced at 18% of brand:

- **Quetiapine**—used to treat mental health conditions such as schizophrenia, depression, bipolar disorder
- **Donepezil**—used to treat Alzheimer's Disease
- **Zopiclone**—used to treat insomnia

The Pan-Canadian prices are included in the April 1, 2016, upcoming LCA Spreadsheet. Drugs subject to Pan-Canadian pricing are flagged with a "**Y**" in the **Pan-Canadian** column.

Below is a summary of the changes that will occur in Pan-Canadian pricing leading up to April 1, 2016:

Pan-Canadian Generic Drug	**Manufacturer price changes and PharmaCare coverage effective as of:**	
	March 1, 2016	**April 1, 2016**
Atorvastatin, ramipril, venlafaxine, amplodipine, omeprazole, rabeprazole, rosuvastatin, simvastatin, pantoprazole, citalopram, metformin, clopidogrel, olanzapine, and gabapentin	PharmaCare continues to reimburse up to 18% of the equivalent brand name drug plus an 8% markup.	
Quetiapine and donepezil	Manufacturers do not reduce pricing on March 1. PharmaCare continues to reimburse at the current manufacturer list price plus an 8% markup until March 31, 2016.	Manufacturers reduce pricing to Pan-Canadian levels. PharmaCare reimburses up to 18% of brand plus an 8% markup.
Zopiclone	Exception: Select zopiclone products. Some manufacturers reduce pricing from 25% to 20% of the equivalent brand name drug. PharmaCare continues to reimburse up to 25% of brand plus an 8% markup.	Manufacturers further reduce the price from 20% to Pan-Canadian levels of 18%. PharmaCare reimbursement drops to the Pan-Canadian price plus an 8% markup.

RECORD-KEEPING REQUIREMENTS—UPDATE

Audits are regularly performed by the Ministry of Health to ensure providers—and claims for drugs, medical supplies, and services for which PharmaCare reimburses providers—are in compliance with the terms of the *Pharmaceutical Services Act*, related regulations, and policies.

Documentation for Frequency of Dispensing, Medication Review and Smoking Cessation

During an audit, all Frequent Dispensing Authorizations* (HLTH 5378), Medication Review forms, and Smoking Cessation Declaration and Notification forms (HLTH 5464) must be available to the auditors **immediately upon their arrival**.

We strongly recommend that each type of form be kept in a separate binder or folder for each year (e.g., all Medication Review forms can be kept in a single binder/folder). Within the binder, the forms should be filed alphabetically by patient's name, then chronologically.

NOTES:

- Claims without the necessary, and fully completed, forms are subject to recovery.
- Frequent Dispensing Authorization forms must be faxed to the prescribers **before** medication is dispensed; claims associated with forms created after the fact are subject to recovery.

Methadone for Maintenance

Before dispensing a methadone prescription, the patient and pharmacist must acknowledge receipt by signing a patient/prescription-specific log. To ensure that the complete dispensing history is accessible, the properly signed patient/prescription-specific log and all other relevant information (including all correspondence with the prescriber) **must be attached to the original Controlled Prescription Program form**.

Each Controlled Prescription Program form with its relevant information attached should be filed sequentially by the first prescription or transaction number assigned to the prescription.

Please refer to Provider Regulation section 13(2) for details regarding additional methadone maintenance services records that pharmacy providers must keep.

ENTERING CLAIMS THAT EXCEED THE PHARMANET $9,999.99 MAXIMUM

PharmaNet currently limits claims to a maximum of $9,999.99. With drug claims exceeding this amount becoming more common, we would like to clarify the procedures for entering them in PharmaNet.

To ensure correct adjudication of claims exceeding $9,999.99, pharmacists are required to following procedures:

- Split the claim and submit as separate claims of less than $9,999.99;
- Accurately divide the drug cost in proportion to the dispensed quantity entered for each claim;
- Pro-rate the days' supply between the claims in proportion to the dispensed quantity entered for each claim (see example below);
- Do not split the dispensing fee; include it in only one of the claims. Enter a $0 dispensing fee on the remaining claims; and
- Enter the intervention code **MP** for all but the first claim.

Sample of submission of a claim in excess of $9,999.99

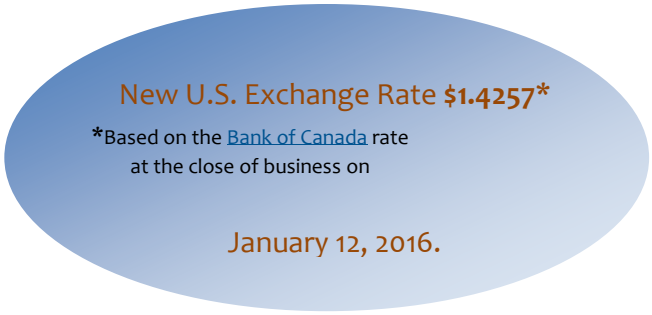
Claims for a 28-day supply of a drug with a dispensed quantity of 28 and drug cost of $24,000			
Field	**Claim 1**	**Claim 2**	**Claim 3**
Dispensed quantity	10	10	8
Days' supply	10	10	8
Drug cost	$8,571.43	$8,571.43	$6,857.14
Dispensing fee	Yes (usual fee claimed)	No (zeroed out)	No (zeroed out)
Intervention code	n/a	MP	MP

Note: When you must submit multiple claims due to drug cost exceeding $9,999.99, you are required to ensure any portion of the days' supply claimed in excess of the PharmaCare maximum for the drug (i.e., 30 or 100 days, as applicable) is entered into PharmaNet with the intervention code **DE—Adjudicate to $0.00 as requested**.

PLAN G REGISTRATION—REVISED PROCESS

Please be aware that the computer system that allowed Mental Health Substance Use Centres (MHSUCs) and the Ministry of Children and Family Development (MCFD) to submit coverage data directly into PharmaNet has been discontinued. As a result MHSUCs must now fax Plan G eligibility to Health Insurance BC. Within 24 hours of receiving a complete application, Health Insurance BC will enter the patient's Plan G coverage into PharmaNet.

EXCHANGE RATE UPDATE



The price list for prosthetic components is adjusted, as needed, based on the U.S. Exchange Rate published by the Bank of Canada.

Rates are reviewed regularly and adjusted whenever the rate changes by more than five cents and remains at a variance of five cents or more for at least five working days.

BENEFITS

Special Authority Coverage of Infliximab (Inflectra™)

Inflectra™ is a subsequent entry biologic (SEB) or "biosimilar" version of infliximab based upon the reference product Remicade®. It was approved by Health Canada and supported by the national Common Drug Review for various rheumatoid conditions and plaque psoriasis based upon data demonstrating similarity and no meaningful differences compared to the reference product.

For information on Health Canada's decision, please see the Summary Basis of Decision available at www.hc-sc.gc.ca/dhp-mps/prodpharma/sbd-smd/drug-med/sbd_smd_2014_inflectra_159493-eng.php.

For Common Drug Review's review and recommendation, please see www.cadth.ca/infliximab-18.

In fiscal year 2014/15, the total spending on Remicade® in B.C. by all payers for all indications was approximately $105 million, making it B.C.'s top drug expenditure. Through the pan-Canadian Pharmacuetical Alliance, provincial and territorial public drug plans negotiated a significantly lower transparent list price for Inflectra™, enabling savings for both public and private payers that can be reinvested into other priorities.

Effective **February 19, 2016**, PharmaCare covers infliximab (Inflectra™) for the treatment of eligible rheumatology and dermatology indications according to existing Limited Coverage criteria as follows:

SPECIAL AUTHORITY CRITERIA	APPROVAL PERIOD
1. Treatment of Rheumatoid Arthritis according to established criteria when prescribed by a rheumatologist.	First approval: 1 year Renewal: 1 year to indefinite
2. Treatment of Psoriatic Arthritis according to established criteria when prescribed by a rheumatologist.	First approval: 1 year Renewal: 1 year to indefinite
3. Treatment of Ankylosing Spondylitis according to established criteria when prescribed by a rheumatologist.	First approval: 1 year Renewal: 1 year to indefinite
4. Treatment of moderate to severe plaque psoriasis, according to established criteria when prescribed by a dermatologist.	First approval: induction 3 doses Renewal: 1 year

All Special Authority (SA) requests for coverage of infliximab for infliximab-naïve patients requiring the drug for the above indications will be approved for the Inflectra brand of infliximab only. Patients whose initial Special Authority was received before February 19, 2016, will be eligible for coverage of Remicade®.

Coverage of these drugs is subject to the rules of a patient's PharmaCare plan, including any annual deductible requirement. Retroactive coverage cannot be provided for prescriptions filled before Special Authority approval is in place.

Limited Coverage Drug Program

The following products are eligible benefits under the Limited Coverage Program—by Special Authority only—for Fair PharmaCare and Plans B, C, and F and, if indicated, Plan G and/or Plan P.

For information on all Special Authority drugs, visit our Special Authority page.

For criteria and forms for a **specific** drug, click on the **drug name** below.

COVERAGE EFFECTIVE	February 19, 2016		
DRUG NAME	Cimzia® (certolizumab pegol)		
INDICATION	Ankylosing spondylitis and psoriatic arthritis		
DIN	02331675	400 mg/2 mL	
PLAN G BENEFIT?	No		
PLAN P BENEFIT?	No		

COVERAGE EFFECTIVE	February 19, 2016		
DRUG NAME	Actemra® (tocilizumab) subcutaneous injection		
INDICATION	Rheumatoid Arthritis		
DIN	02424770	162 mg/0.9 mL pre-filled syringe	
PLAN G BENEFIT?	No		
PLAN P BENEFIT?	No		

COVERAGE EFFECTIVE	February 19, 2016		
DRUG NAME	Inflectra™ (infliximab)		
INDICATION	Ankylosing spondylitis, plaque psoriasis, psoriatic arthritis, rheumatoid arthritis		
DIN	02419475	100 mg vial	
PLAN G BENEFIT?	No		
PLAN P BENEFIT?	No		

Non-Benefits

The following products have been reviewed and will not be added as benefits under PharmaCare.

DIN/NPN	DRUG NAME
02441829	insulin glargine (Toujeo™ SoloSTAR®) subcutaneous solution 300 U/ml (450IU) pre-filled pen
02415690	macitentan (Opsumit™) 10 mg tablet
80043158	vitamin B12 / cyanocobalamin (Beduzil 1500) 1500 mcg extended release tablet
02434334	apremilast (Otezla®) 30 mg tablet for plaque psoriasis
02434318	apremilast (Otezla®) 27-count starter pack for plaque psoriasis
02417170	linaclotide (Constella™) 290 mcg capsule