

PharmaCare 101 – How PharmaCare decides which drugs to cover




Welcome to PharmaCare 101 – How PharmaCare decides which drugs to cover



Drug reviews in B.C. have 3 key components. These are:

- a Federal Review by Health Canada
- National review by the Canadian Agency for Drugs and Technology in Health (CADTH), and
- BC PharmaCare's Drug Review




The DIN indicates the drug's official approval!

## 1 Health Canada: Federal Review

Reviews drug's safety, effectiveness and quality

Examines drug's monograph, label and other information for health care practitioners and the public

If approved, issues a Notice of Compliance (NOC) and drug identification number (DIN)




First, Health Canada reviews information about the drug's safety, effectiveness and quality. The review is based on the new drug compared with a placebo, and is primarily concerned with safety.

Health Canada also reviews the drug manufacturer's product monograph, label and other information for health care practitioners and the public.

If Health Canada concludes that the benefits outweigh the risks, and that the risks can be mitigated, they issue a Notice of Compliance (NOC) and a drug identification number (DIN).

The DIN indicates the drug's official approval for sale in Canada.


CADTH is the Canadian Agency for Drugs and Technologies in Health



**2a** **CADTH Reimbursement Review**  
(national review)

Review of clinical evidence, economic data and patient and clinician input

Recommends if drug should be covered and provides advice on coverage



BRITISH COLUMBIA

Manufacturers submit the drug to the independent, not-for-profit national organization CADTH. CADTH compares this new drug to other drugs used for the same condition that are available in Canada. They review the clinical, economic, patient and clinician evidence.

CADTH then makes a recommendation to B.C. and other public drug programs on whether to cover the drug or not, and how.



**2b** **Getting the best price**

- BC is a member of a collective negotiation group
- pCPA negotiates with drug manufacturers for best value – generics and name brand drugs
- Ensures coverage consistency among provinces and territories
- Based off CADTH review
- Provinces and territories can also choose to negotiate independently

**pCPA** pan-Canadian Pharmaceutical Alliance

 BRITISH COLUMBIA

Once drugs have been reviewed by CADTH, the pan-Canadian Pharmaceutical Alliance (pCPA) negotiates with manufacturers for the best value for drugs.

The negotiations allow for consistent drug coverage across provincial and territorial plans.

B.C. is a member of pCPA, but can also choose to negotiate independently.

**3a** **BC Drug Benefit Council review**

Drug Benefit Council (DBC) considers:

- CADTH recommendations
- Clinical evidence
- Pharmaco-economic data
- Patient and clinician input

The DBC is an independent group of experts and public members




CADTH's review is important, but their recommendations are non-binding. Drug programs independently consider their own mandates, jurisdictional priorities and financial resources. Once B.C. has come to a price agreement with the manufacturers, the Drug Benefit Council (DBC) will review the drug.

The DBC is an independent advisory board of B.C. professionals with expertise in medicine, ethics and health economics, and 3 members of the public. DBC considers:

- CADTH recommendations
- Clinical evidence
- Pharmaco-economic data, and
- Patient and clinician input

The DBC then makes a recommendation to BC PharmaCare on funding and provides advice on coverage – such as if the drug needs Special Authority designation.




Decision materials are posted to the PharmaCare website at [gov.bc.ca/pharmacare/drugreviewdecisions](http://gov.bc.ca/pharmacare/drugreviewdecisions)

## 3b BC PharmaCare Review

BC PharmaCare considers:

- DBC & CADTH recommendations
- Public input through Your Voice surveys
- Clinical evidence, cost effectiveness
- How the drug would fit with current policy and plans
- Budget resources to cover drug




PharmaCare then makes a decision after considering:

- The DBC & CADTH recommendations
- Public input through Your Voice surveys
- Clinical evidence, and cost effectiveness
- Current PharmaCare policy and coverage for the same type of drug, and
- If coverage for the drug fits the current PharmaCare budget

These processes help to ensure that the PharmaCare program is fair, effective and sustainable. Decision materials are released to the public after a decision is made and can be easily found on the PharmaCare website at [gov.bc.ca/pharmacare/drugreviewprocess](http://gov.bc.ca/pharmacare/drugreviewprocess)

## Drug Coverage Categories

Benefit status	Coverage details
Regular benefit*	Eligible for full reimbursement
Partial benefit*	Eligible for limited reimbursement under the Low Cost Alternative Program or the Reference Drug Program. For details, view PharmaCare 101 - Policies
Limited coverage*	Eligible for reimbursement only in certain medical circumstances. View PharmaCare 101 – Special Authority
Non-benefit	Not eligible for PharmaCare coverage under any circumstances
Expensive drugs for rare diseases (EDRD)	Non-benefits, but some drugs and patients may be eligible for coverage on a case-by-case, last-resort basis 

\*Subject to PharmaCare price limits and, if covered under Fair PharmaCare, deductible requirements.

When PharmaCare completes a drug review, it determines the drug's benefit status.

Regular benefit items are eligible for full reimbursement.

Partial benefits are partially reimbursed through the Low Cost Alternative program and the Reference Drug Program.

We will go into more detail about these programs in the PharmaCare 101 – Policies video.

Limited coverage drugs are eligible for reimbursement only in certain medical circumstances, and require special approval by PharmaCare. We go into detail about this in the PharmaCare 101 – Special Authority video.

Non-benefit products are not eligible for reimbursement.

Expensive drugs for rare diseases are drugs that treat rare diseases with a very high per-patient cost. They are considered non-benefits, but some drugs and patients may be eligible for coverage on a case-by-case, last-resort basis.

Finally, some drugs have a different benefit status under different PharmaCare plans. For example, a drug that's a regular benefit under the Palliative Care plan may be a non-benefit – not covered at all – under the Fair PharmaCare plan.





Thanks for watching this PharmaCare 101 video on how PharmaCare decides which drugs to cover. For more videos, visit [gov.bc.ca/PharmaCare101](http://gov.bc.ca/PharmaCare101)