



MARKUP POLICIES IN PUBLIC DRUG PLANS, 2016/17

This reference document provides a summary of markup policies in 2016/17 for the public drug plans participating in the NPDUIS initiative.

BRITISH COLUMBIA

- Most drugs maximum 8%.
- High-cost drugs* maximum 5%.
- Products subject to Actual Acquisition Cost (AAC) pricing maximum 7%.

*High-cost drugs are defined as those for which the expected daily cost of the typical dose is equal to or greater than \$40.00 (\$14,600 annual cost).

ALBERTA

Prices listed in the Alberta Health Drug Benefit List include a wholesaler markup, but only if the drug manufacturer distributes through a wholesaler. In such cases, the drug manufacturer is asked to include a distribution allowance of up to 7.5%. Effective April 1, 2016, the allowable upcharge for purchased compound prescriptions increases from 6% to 6.5% (to a maximum of \$100).

SASKATCHEWAN

According to the agreement between Saskatchewan Health and pharmacy proprietors, the maximum pharmacy markup allowance is based on the drug's acquisition cost.¹

Acquisition drug cost	Maximum pharmacy markup allowance
\$0.01–\$6.30	30.0%
\$6.31–\$15.80	15.0%
\$15.81–\$200.00	10.0%
>\$200.01	\$20.00

¹ Saskatchewan Formulary Online Database, available at: <http://formulary.drugplan.ehealthsask.ca>

However, for urine-testing agents the pharmacy receives an acquisition cost along with the markup and a 50% markup in place of the dispensing fee. For insulin, the pharmacy receives an acquisition cost plus a negotiated markup. No markup is allowed for the insulin pump program.

Saskatchewan also allows a wholesale markup on specific products: insulin: 5.0%; generic drugs: 6.5%; and most other drugs: 8.5%. The wholesale markup is capped at \$50.00 per package size and is subject to the Actual Acquisition Cost (AAC).

MANITOBA

No markup policy.

ONTARIO

The markup for all Ontario Drug Benefit (ODB) high-cost claims (total drug cost equal to or greater than \$1,000) is 6%. For claims where the total drug cost is less than \$1,000, an 8% markup on the drug benefit price of the product dispensed is divided between pharmacies and wholesalers.

NEW BRUNSWICK

A markup of up to 8% is paid for drugs on either the Maximum Allowable Price (MAP) list or the Manufacturer List Price (MLP) list.

NOVA SCOTIA

The markup is the manufacturer's list price plus 10.5% (maximum \$250.00) including methadone, or the Maximum Reimbursable Price (MRP) or the Pharmacare Reimbursement Price (PRP) plus 6.0% (maximum \$250.00) plus a \$1.05 transition fee. Exceptions include: ostomy supplies — Actual Acquisition Cost (AAC) plus 10.0% (maximum \$50.00) plus a \$1.05 transition fee; and compounded extemporaneous products (except methadone and injectables) — AAC plus 2.0% (maximum \$50.00) plus a \$1.05 transition fee.

PRINCE EDWARD ISLAND

A maximum 6% markup is allowed for drugs on a Maximum Reimbursable Price (MRP) list; and 10% on the ingredient cost for brand-name drugs for which the prescription cost was \$2,702 or less, to a maximum of \$250.00 per prescription, and 9.25% on the ingredient cost for brand-name drugs for which the prescription cost was \$2,703 or more.

NEWFOUNDLAND AND LABRADOR

A maximum wholesale markup of 8.5% applies to the manufacturer's list price for drug products listed in the Newfoundland and Labrador Prescription Drug Program (NLPDP) database.

YUKON

Pharmacies are allowed a 30% markup on top of the Actual Acquisition Cost (AAC) of a drug product. In addition, if the AAC includes a wholesale upcharge, this can be included up to a maximum of 14%. As of July 2017, pharmacies are allowed a maximum markup of 5% on direct-acting antiviral (DAA) drugs for hepatitis C.

NIHB

Pharmacy reimbursement, which may or may not include markup, was determined by the NIHB or negotiated between the NIHB and pharmacists' associations, and differed by province.