



## MARKUP POLICIES IN PUBLIC DRUG PLANS, 2015/16

This reference document provides a summary of markup policies in 2015/16 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%.

### SASKATCHEWAN

According to the Agreement between Saskatchewan Health and pharmacy proprietors, the maximum pharmacy markup allowance is based on the drug's acquisition cost.<sup>1</sup>

| 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                           |

<sup>1</sup> <http://formulary.drugplan.health.gov.sk.ca/DrugPlanOverview.aspx>

However, for urine-testing agents the pharmacy receives acquisition cost along with the mark-up and a 50% markup in place of the dispensing fee. For insulin, the pharmacy receives acquisition cost plus a negotiated mark-up.

Saskatchewan also allowed a wholesale markup on specific products: insulin: 5.0%; generic drugs: 6.5%; and most other drugs: 8.5%. 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 ODB high-cost claims (total drug cost equal to or greater than \$1,000) is reduced from 8% to 6%. For claims where the total drug cost is less than \$1,000, pharmacies will continue to receive an 8% markup on the drug benefit price of the product dispensed.

## NEW BRUNSWICK

A markup of up to 8% on interchangeable drugs.

## NOVA SCOTIA

Manufacturer 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 \$1.05 transition fee. Exceptions included: 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 \$1.05 transition fee.

## PRINCE EDWARD ISLAND

A maximum 6% markup was 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.

## 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.

