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.¹

<table>
<thead>
<tr>
<th>Acquisition drug cost</th>
<th>Maximum pharmacy markup allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.01–$6.30</td>
<td>30.0%</td>
</tr>
<tr>
<td>$6.31–$15.80</td>
<td>15.0%</td>
</tr>
<tr>
<td>$15.81–$200.00</td>
<td>10.0%</td>
</tr>
<tr>
<td>&gt;$200.01</td>
<td>$20.00</td>
</tr>
</tbody>
</table>

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.
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.