

What you need to know about BC Provincial Pricing



If your plan includes BC Provincial Drug Plan Pricing, your plan has adopted a cost-effective approach to encourage the use of equally effective drugs that are more affordable.

Low Cost Alternative applies

In this approach, if a brand-name drug is dispensed, it will be reimbursed at the cost of the lowest cost generic equivalent. This saves your plan money, helping to keep it affordable into the future.

Pacific Blue Cross has developed a list of medications where brands no longer have marketing exclusivity and equivalent generic versions of the same drugs are available. These brand drugs are called multi-source brands because now there are multiple manufacturers allowed to produce the drugs. Based on available pricing data, you will be

reimbursed up to the lowest price equivalent drug. In rare cases, the brand drug can even be the lowest cost product.

Reference Drug Pricing also applies

For plans with provincial drug plan pricing, Reference Drug Pricing also applies. In this case, our approach is to select the most cost-effective drug treatment within a therapeutic class and designate it as the “reference drug.” If a doctor prescribes a drug for you and it is more expensive than the reference drug, then the plan will only reimburse you up to the price of the reference drug.

Brand and generic drugs — What’s the difference?

Generic drugs are copies of brand-name drugs. They are just as safe, are equal in quality, and usually much lower in cost than brand-name drugs.

Choosing generic drugs means you can keep money in your pocket while helping control the cost of your extended health plan.



Reference drug pricing

Your physician prescribed an acid suppressant for your indigestion. He prescribes **Drug A** once daily which costs \$0.46 per day. However, the reference product for this class of drugs is **Drug B**, which costs \$0.37 per day.

This means your plan would reimburse you for the cost of **Drug B** because it is the most cost-effective treatment in this class with the same health outcome.

As of December 1, 2016, there are eight classes where reference pricing is applied. Within these eight classes, there are about 20 drugs (and all of their doses and dosage forms) that are included in the program.

The eight therapeutic classes of drugs are:

- Histamine 2 receptor blockers (for acid suppression)
- Non-steroidal anti-inflammatory drugs (for pain or inflammation)
- Nitrates (for heart conditions)
- Angiotensin converting enzyme inhibitors (for blood pressure/heart conditions)
- Dihydropyridine calcium channel blockers (for blood pressure/heart conditions)
- Proton-pump inhibitors (for acid suppression)
- Angiotensin II receptor blockers (for blood pressure/heart conditions)
- Statins (for cholesterol)

Other costs that may affect your claim

Even with a plan that covers 100% of eligible costs with no deductible, plan members might still be out of pocket under the provincial pricing approach. Pharmacies are private businesses and can vary considerably in what they charge. For example:

- The pharmacy may charge a drug mark-up beyond the maximum allowed under your plan. The excess cost would be paid by you.
- The pharmacy may choose not to stock the lowest cost alternative product. Here, the pharmacy may dispense a more costly drug and charge you for it.
- You may be prescribed a drug in one of eight therapeutic categories which is more expensive than the one selected as the reference drug.

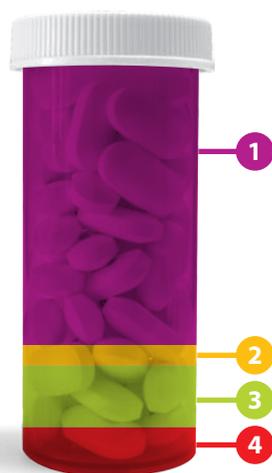
- Other factors may also affect your out-of-pocket costs. For example, your plan may include coinsurance, dispensing fee limits, deductibles, annual or overall plan limits. If you have coverage provided by another plan, coordination of benefits may also be required.

What you can do to lower your costs

1. Like any shopping experience, know your prices. Use pharmacycompass.ca to compare drug prices from pharmacies in your area.
2. You can also use our Preferred Pharmacy Network to take advantage of lower prices on all prescription drugs and dispensing fees.
3. Determine what matters to you: cost or convenience. This might mean visiting a pharmacy a bit further from where you normally go and finding a new pharmacist.
4. Work with your doctor to manage costs within your plan coverage. You might ask your doctor to prescribe less expensive first line therapies when possible. If your physician determines that you require a more costly therapeutic alternative or the brand-name drug (as opposed to the generic) and you receive PharmaCare Special Authority approval, then notify Pacific Blue Cross. We will ensure that your claim is reimbursed at the eligible amount within your plan's limits.

More resources to help you

Drug plans can be difficult to understand. Pacific Blue Cross has developed several resources to help you get the most out of your benefit plan. Visit *How Benefits Work* at pac.bluecross.ca for other money-saving suggestions.



Understanding drug costs

- 1 **INGREDIENT COST** — the cost of the drug from the manufacturer (Manufacturer's List Price or MLP).
- 2 **WHOLESALE MARK-UP** — distribution allowance for drugs shipped to pharmacies via wholesaler.
- 3 **PHARMACY MARK-UP** — like most retail businesses, the pharmacy often applies a mark-up when they sell the medication.
- 4 **DISPENSING FEE** — in addition to the cost of the drug, the pharmacy charges the customer a dispensing fee when they fill the prescription.