

January 25, 2013

Bulletin

BC PharmaCare tie-in will reduce benefits costs and ensure that members are covered for necessary medications

In the last round of bargaining, BCNU negotiated changes to the extended health care plan drug coverage that now includes a PharmaCare tie-in. The change will go into effect on February 1, 2013.

Why did BCNU agree to this change?

The costs of extended health plans with prescription drug coverage are escalating by as much as six times the rate of inflation. From 2008 to 2010, the cost of drug coverage for BCNU members covered by the extended health plan provided by Pacific Blue Cross increased by 11%.

Without making changes to the drug coverage in the current plan, benefit costs are expected to rise at 11% per year due to inflation alone, which would amount to over \$150,000,000 in additional costs over the next 10 years. These increases are not sustainable – they threaten future benefits plans and they impact our ability to bargain for improvements to the collective agreement in other areas such as wage increases.

Bargaining Benefits

In the last three rounds of collective bargaining, the Health Employers' Association has been looking for ways to control benefits costs. They have pushed hard to introduce cost sharing into our plans.

BCNU has consistently rejected cost sharing agreements. Cost sharing does nothing to control benefits costs or maximize benefits. Rather, it shifts the cost of extended health benefits onto members. BC is the only province where nurses do not pay a portion of their benefit plan premiums.

We agreed to introduce a managed formulary through the PharmaCare tie in to help us manage these rising costs and ensure that our members can access the medications they need, or an equivalent alternative.

How does it work?

Drug coverage is based on the provincial formulary – PharmaCare. Formularies are usually developed by a committee of physicians and pharmacists, based on quality and cost criteria.

Only drugs covered by the formulary are eligible for reimbursement. A rigorous, evidence-based process is used to determine which medications will be covered by the formulary and by Special Authority. We are confident in the processes followed. Details about how decisions are made by PharmaCare are available on their website at www.health.gov.bc.ca/pharmacare/decision.html.

What drugs are covered?

Reimbursement of prescription drugs purchased from a licensed pharmacy will apply only to those medications approved by BC PharmaCare unless a Special Authority is granted.

Covered drugs are chosen for their cost and therapeutic value. New medications are not automatically covered by the formulary. For example, a newer, more expensive capsule form of a drug may not be covered, while the less expensive tablet form is covered. Or, a brand name drug may not be covered because a less expensive version of the drug, a generic version, is covered. Your pharmacist or doctor can help identify when generic products are available. Sometimes the drug your physician is considering prescribing will not be eligible but a different drug (therapeutic alternative) that provides similar treatment may be included on the formulary. It is important to discuss your drug plan coverage with your doctor so that s/he may be able to prescribe a drug therapy that is eligible for coverage.

Please note, prescription drugs will continue to be reimbursed based on PharmaCare's Low Cost Alternative (LCA) and Referenced Based Pricing (RBP) restrictions as they were prior to this change. Drug reimbursement continues to be in accordance with the PharmaCare price limit, including maximums for mark up and dispensing fees.

What if my medication is not covered?

There are some drugs that are not included in the PharmaCare formulary or by Special Authority. In these circumstances you will need to ask your physician to prescribe a medication included in the formulary or pay for the drug yourself. *In some circumstances* you may be eligible for partial coverage.

Are there any exceptions?

Exceptions to this include prometrium, standard oral contraceptives, and contraceptive injectables which will continue to be reimbursed.