

## AHWDBL - Updated Price Policy Effective May 17, 2012

### PRICE POLICY

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#### DEFINITIONS

In this Price Policy,

**Alberta Blue Cross or ABC or Blue Cross** means the ABC Benefits Corporation,

**Alberta Health and Wellness Drug Benefit List, List or AHWDBL** means, unless otherwise indicated, the most recent drug benefit list (including drug benefit listing policies and processes and benefit supplements) published by the Minister from time to time,

**Alberta Price Confirmation or APC** means an Alberta Price Confirmation that may be issued by the Minister from time to time,

**APC Terms and Conditions** means the terms and conditions outlined in an APC,

**Base Cost** means the price per unit of issue, less any permitted Distribution Allowance, submitted in respect of a Drug Product in a Drug Product submission or in a prior APC (whichever is most recent),

**Brand Drug** means an originator/brand Drug Product listed or under consideration for listing in the AHWDBL,

**Brand Price** means the price of the Brand Drug published in the May AHWDBL in an Established IC Grouping or, if there is more than one originator/brand product in the Established IC Grouping, the Brand Price is the lowest published price of a Brand Drug in the Established IC Grouping,

**Confirmed Price** means a Confirmed Price as set out in clause 3,

**Distribution Allowance** means an amount which may not exceed 7.5% of the Confirmed Price of a Drug Product subject to the Non-Fixed Pricing Rules.

**Device** means a product approved by Health Canada as a device and listed or under consideration for listing by the Minister on the AHWDBL,

**Drug Product** means anything that is listed or under consideration for listing by the Minister on the AHWDBL,

**Drug Program Act or DPA** means the *Drug Program Act* of Alberta,

**Effective Brand Price** means the price of the Brand Drug published in the AHWDBL in the New IC Grouping effective the date Alberta Blue Cross received the IC Drug submission or submissions (that trigger the creation of the New IC Grouping) in accordance with the AHWDBL submission requirements or, if there is more than one Brand Drug, the Effective Brand Price is the published price of the lowest priced Brand Drug in the New IC Grouping,

**Effective Other Drug Price** means the price of the Other Drug published in the AHWDBL in the New IC Grouping effective the date Alberta Blue Cross received the IC Drug submission or submissions (that trigger the creation of the New IC Grouping) in accordance with the AHWDBL submission requirements,

The DBL is not a prescribing or a diagnostic tool. Prescribers should refer to drug monographs and utilize professional judgment.

## ALBERTA HEALTH AND WELLNESS DRUG BENEFIT LIST

**Effective Period** means the Effective Period stated in an APC,

**Entry IC Drug** means a Drug Product that is listed or under consideration for listing in a New IC Grouping,

**Established IC Grouping** means an IC Grouping that was established on or before May 1, 2012 and listed in the May AHWDBL,

**Fixed Price** means the applicable Fixed Price as set out in the Fixed Pricing Rules,

**IC Drug** means a Drug Product that is listed, or is under consideration for listing, as interchangeable with one or more Drug Products as determined by the Minister in accordance with the requirements relating to interchangeability in the AHWDBL,

**IC Grouping** means a category on the AHWDBL where there are two or more IC Drugs listed or under consideration for listing as part of one grouping on the AHWDBL as determined by the Minister,

**Interim APC** means an APC issued by the Minister for one or more Drug Products, or one or more categories or groupings of Drug Products during an Effective Period,

**Interim APC Terms and Conditions** means the terms and conditions outlined in an Interim APC,

**Least Cost Alternative Price or LCA Price** means the maximum amount established by the Minister which will be paid by the Government of Alberta for a Drug Product in an Established IC Grouping or New IC Grouping for members of a Plan,

**Licensed Pharmacy** means a pharmacy that is licensed or required to be licensed under the *Pharmacy and Drug Act of Alberta*,

**List** has the same meaning as “Alberta Health and Wellness Drug Benefit List”,

**MAC Grouping** means a grouping of Drug Products that have been listed in the AHWDBL and are subject to a MAC Price; a MAC Grouping may include a grouping of IC Drugs, in which case the grouping shall be treated as an Established IC Grouping,

**Manufacturer** means an entity that manufactures, sells or distributes a Drug Product,

**Maximum Allowable Cost Price or MAC Price** means the maximum amount established by the Minister that will be paid by the Government of Alberta for a Drug Product in a MAC Grouping for members of a Plan,

**May AHWDBL** means the AHWDBL published by the Minister on or about May 1, 2012,

**Minister** means Her Majesty the Queen in Right of Alberta, as represented by the Minister of Health and Wellness,

**New IC Grouping** means an IC Grouping that was established or may be established after May 1, 2012,

**Other Drug** means a Drug Product that is not an IC Drug, an Entry IC Drug, or a Brand Drug listed or under consideration for listing on the AHWDBL. For further clarity, the status of an Other Drug Product changes to that of an IC Drug when another IC Drug is listed or under consideration for listing in the same grouping as the Other Drug, which grouping becomes an IC Grouping,

The DBL is not a prescribing or a diagnostic tool. Prescribers should refer to drug monographs and utilize professional judgment.

## ALBERTA HEALTH AND WELLNESS DRUG BENEFIT LIST

**Plan** means a plan or program for which the Government of Alberta provides benefits in respect of Drug Products listed on the AHWDBL,

**Price Confirmation** means the package of documents identified in an APC which must be completed and submitted in accordance with this Price Policy and the APC Terms and Conditions,

**Product Listing Agreement or PLA** means a product listing agreement that is entered into or may be entered into by the Minister in respect of any Drug Product in accordance with the Minister's Product Listing Agreement Policy, including any Drug Product that is listed or under consideration for listing on the AHWDBL,

**Product Listing Agreement Policy** means any product listing agreement policy (including any processes related thereto) that may be published by the Minister from time to time.

**ALBERTA PRICE CONFIRMATION (APC)**

1. The Minister may from time to time issue an Alberta Price Confirmation (APC), where a Manufacturer will be invited to submit a Price Confirmation, with one or more Confirmed Prices, in accordance with the APC Terms and Conditions.
2. The Manufacturer must ensure that a Price Confirmation and a Confirmed Price submitted by a Manufacturer comply with this Price Policy and the APC Terms and Conditions.
3. For purposes of an APC and submitting a Price Confirmation, and subject to exceptions permitted by and approved under the Price Policy, the **Confirmed Price for a Drug Product is:**
  - a. **For a Drug Product subject to the Fixed Pricing Rules**, a price that is less than or equal to the Fixed Price (per unit of issue) as defined in the Price Policy (and shown in the Base Cost column of the electronic APC that may be accessed through the Alberta Blue Cross Manufacturer/vendor Online Services web site).
  - b. **For a Drug Product subject to the Non-Fixed Pricing Rules:**
    - i. either
      - (a) the **Base Cost**, or
      - (b) a **revised Base Cost**, as set out in section 21,both of which must not exceed the highest price permitted in the Non-Fixed Pricing Rules.
4. In addition, a **Confirmed Price:**
  - a. is applicable to a Drug Product regardless of the package size for each Drug Product;
  - b. must not include the Goods and Services Tax (GST) or any other tax; and
  - c. must not include any amount for a Distribution Allowance.
5. Exceptions to the Fixed Pricing and Non-Fixed Pricing Rules may be requested.
6. If an exception is requested for a Drug Product in a Price Confirmation, but is not approved by the Minister, the Manufacturer will not be given another opportunity to submit a new Price Confirmation or a new Confirmed Price in respect of such Drug Product, unless:
  - a. the Minister, at the Minister's sole discretion, determines it is advisable to do so; or
  - b. the Manufacturer follows the applicable resubmission process referred to in the AHWDBL.
7. (a) The Manufacturer is responsible for ensuring that sufficient supply of a Drug Product, for which a Confirmed Price has been submitted, is available for the Alberta market for the duration of the Effective Period.  
  
(b) If the Manufacturer anticipates that it may be unable to comply with the provisions of section 7(a), the Manufacturer must advise Alberta Blue Cross immediately in writing.

The DBL is not a prescribing or a diagnostic tool. Prescribers should refer to drug monographs and utilize professional judgment.

## ALBERTA HEALTH AND WELLNESS DRUG BENEFIT LIST

8.
  - a. For a Drug Product subject to the Fixed Pricing Rules, the Manufacturer agrees and warrants that the Confirmed Price is the maximum price at which the Drug Product will be available for sale to a Licensed Pharmacy for the duration of the Effective Period.
  - b. For a Drug Product subject to the Non-Fixed Pricing Rules, the Manufacturer agrees and warrants that the maximum price at which the Drug Product will be available for sale to a Licensed Pharmacy for the duration of the Effective Period is the Confirmed Price plus a Distribution Allowance provided such Drug Product is distributed or sold only through a licensed wholesaler.
  - c. For a Drug Product subject to the Non-Fixed Pricing Rules, the Manufacturer agrees and warrants that the maximum price at which the Drug Product will be available for sale to a Licensed Pharmacy for the duration of the Effective Period is the Confirmed Price, provided such Drug Product is not distributed or sold only through a licensed wholesaler.
9. Further, the Manufacturer agrees that it will take all necessary steps to ensure that any distributor, wholesaler or other person with whom it enters into a contract or any other arrangement, including (without limitation) the transfer or assignment of any or all rights and/or obligations in connection with a Drug Product that is listed on the AHWDBL:
  - i. makes the Drug Product available for sale to a Licensed Pharmacy, for the duration of the Effective Period, at a price that does not exceed the maximum price permitted for such Drug Product as set out in clause 8 (a), 8 (b), or 8 (c), as applicable and
  - ii. complies with the Price Policy and all the APC Terms and Conditions relating to such Drug Product.
10. The Minister may consider a Price Confirmation or Confirmed Price and may, at the Minister's sole discretion:
  - a. accept none, one or more Price Confirmations (with or without any request for an exception to the Fixed Pricing or Non-Fixed Pricing Rules (as applicable)); and
  - b. accept none, one or more Confirmed Prices (with or without any request for an exception to the Fixed Pricing or Non-Fixed Pricing Rules (as applicable)) submitted in one or more Price Confirmations.
11. Notwithstanding the acceptance of a Confirmed Price, the Minister is not obligated to pay that price for members of a Plan, but may establish special or exceptional prices, including but not limited to establishing:
  - a. an LCA Price,
  - b. a MAC Price, or
  - c. a special or exceptional price.
12. When considering a Price Confirmation or Confirmed Price for acceptance, and in determining whether to establish an LCA Price, a MAC Price, or a special or exceptional price, the Minister may consider any factor or criteria outlined in the AHWDBL, any matter permitted by the *Drug Program Act*, or any matter that the Minister determines is in the public interest.

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**INTERIM APC**

13. Notwithstanding the acceptance of a Price Confirmation, or all or part of a Price Confirmation, or one or more Confirmed Prices, in the event that, during an Effective Period:
- a. a new Drug Product is being considered for listing in an Established IC Grouping, New IC Grouping or MAC Grouping,
  - b. a Manufacturer submits a price reduction in accordance with this Price Policy for a Drug Product listed in an Established IC Grouping, New IC Grouping or MAC Grouping, or
  - c. for any reason that the Minister determines that it is advisable to do so,

the Minister may, at the Minister's sole discretion, issue an Interim APC for one or more Drug Products, or one or more groupings of Drug Products.

14. If a Manufacturer submits a new Drug Product submission for review and listing on the AHWDBL, and an Interim APC is issued, the Manufacturer must submit a Confirmed Price for that Drug Product that:
- a. is equal to or less than the price as outlined in the Drug Product submission, and
  - b. does not exceed the prices permitted under this Price Policy,

or the Drug Product may not be listed or the listing of the Drug Product may be delayed.

15. When an Interim APC is issued, all Manufacturers who have a Drug Product listed in the affected Established IC Grouping, New IC Grouping or MAC Grouping will be invited, but are not required, to submit a new Price Confirmation and Confirmed Price for the affected Drug Product, and in the event that a new Price Confirmation for an affected Drug Product is not submitted, or if a Price Confirmation with the same Confirmed Price for the affected Drug Product is submitted, then the Confirmed Price shown in the most recent AHWDBL (prior to the issuance of the Interim APC) shall continue to apply to the affected Drug Product.

16. In the event the Minister issues an Interim APC, and a Price Confirmation or all or part of a Price Confirmation, or one or more Confirmed Prices are accepted as a result of the Interim APC, the Interim APC Terms and Conditions supercede any previous APC or Interim APC Terms and Conditions for the affected Drug Products for the remainder of the Effective Period, with the exception of an affected Drug Product that continues to subsist on the AWHDBL in accordance with the provisions of section 15. For further clarity, this provision does not affect the Minister's unfettered discretion at any time to make any decisions or take any steps including (without limitation) to amend a published price, an LCA Price, a MAC Price, the Price Policy, the Product Listing Agreement Policy, the AHWDBL or make any other adjustments the Minister considers advisable.

17. Publication of amended Confirmed Prices is at the discretion of the Minister.

18. Unless permitted in this Price Policy or by the Minister, at the Minister's sole discretion, a Price Confirmation and a Confirmed Price may not exceed a Price Confirmation and a Confirmed Price for a Drug Product that has been submitted and approved by the Minister through a prior APC relating to such Drug Product.

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19. The provisions in this Price Policy that apply to an APC also apply to an Interim APC, and where the term APC is used in such sections, it shall be deemed to read Interim APC in the case of an Interim APC. This section does not apply to section 16.

### **FIXED PRICING RULES**

20. The Fixed Pricing Rules apply to any Drug Product, other than any Brand Drug or Other Drug, that is listed or under consideration for listing on the AHWDBL. Effective July 1, 2012, a Confirmed Price:

- a. must not exceed the Fixed Price as follows:
- i. For an IC Drug listed or under consideration for listing in an Established IC Grouping, the Fixed Price will be less than or equal to:
    - A. 35% of the Brand Price;
    - B. If there is no Brand Price, or if the Brand Price is equal to the LCA Price for that Established IC Grouping in the May AHWDBL, 62.5% of the lowest price published in the Established IC Grouping in the May AHWDBL.
  - ii. For an Entry IC Drug, the Fixed Price will be less than or equal to:
    - A. 35% of the Effective Brand Price, where the Drug Product is listed or under consideration for listing in a New IC Grouping which includes or will include a Brand Drug; or
    - B. 35% of the Effective Other Drug Price, where the Drug Product is listed or under consideration for listing in a New IC Grouping which includes or will include an Other Drug,
- b. and must not include a Distribution Allowance.

### **NON-FIXED PRICING RULES (FOR BRAND DRUGS AND OTHER DRUGS)**

21. Effective July 1, 2012, the Confirmed Price for a Brand Drug and an Other Drug must comply with the following:
- a. The Confirmed Price must be less than or equal to:
- i. the Base Cost; or
  - ii. a revised Base Cost may be submitted that is equal to (i) the Base Cost plus (ii) a percentage (%) of the Base Cost that is equal to the annual average percentage change from the previous year of the Consumer Price Index for Canada, all items, not seasonally adjusted, published by Statistics Canada.
- b. and the Confirmed Price must not include a Distribution Allowance.

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## ALBERTA HEALTH AND WELLNESS DRUG BENEFIT LIST

- c. The Confirmed Price in respect of a Drug Product may only increase once per 12 month period commencing on April 1<sup>st</sup> in one year and continuing through March 31<sup>st</sup> in the next year, and must be submitted through a Price Confirmation.

### **EXCEPTIONS**

22. Notwithstanding the Fixed Pricing Rules and the Non-Fixed Pricing Rules, exceptions to the Fixed Pricing Rules and Non-Fixed Pricing Rules may be considered at the sole discretion of the Minister. Where an exception is requested, the Minister reserves the right to request such additional evidence and information in support of such request as the Minister deems appropriate.
23. The Minister may, but is not required to, consider exceptions where:
  - a. For an Entry IC Drug, there was a decrease of greater than 20% in the price of the Brand Drug or the Other Drug (as applicable) published in the AHWDBL within the 12 months preceding the date that the Drug Product submission in respect of the Entry IC Drug was received by Alberta Blue Cross;
  - b. For Drug Products with:
    - i. less than 250 claims<sup>1</sup>; and
    - ii. an annual net cost<sup>2</sup> of less than \$50,000;for Plans, as calculated by the Minister and based on claims experience information provided by Alberta Blue Cross relating to Plans, for the period of time that the Drug Product was listed on the AHWDBL in the previous 12 months;
  - c. The manufacturing and distribution costs for a Drug Product exceed the maximum price for such Drug Product permitted by the Fixed Pricing Rules or Non-Fixed Pricing Rules (as applicable<sup>3</sup>);
  - d. Where exceptional circumstances exist<sup>4</sup>, and the Minister determines that an exception is appropriate.
24. Exceptions will not be considered for an IC Drug if the Confirmed Price for another Drug Product in the Established IC Grouping or New IC Grouping is at or below the Fixed Price.
25. Requests for an exception may delay the listing or price publication of the Drug Product.

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<sup>1</sup> "claims" means the total number of prescriptions submitted for reimbursement to the Plans for all Drug Products in the grouping.

<sup>2</sup> "cost" means the drug material cost for claims

<sup>3</sup> Please provide a breakdown of the costs attributed to (a) the costs for each raw material separately, including that of the active pharmaceutical ingredient, (b) the cost of manufacturing (excluding costs of raw materials), (c) cost of distribution (including direct distribution fees paid to distributors but excluding all rebates/professional allowances), and (d) other (if applicable, please specify what "other" costs represent). Rebates/professional allowances must be excluded from all costs provided herein. Costs must be stated in one unit of measure consistent for all costs requested herein (for example, cost per tablet).

<sup>4</sup> Exceptional circumstances include, but are not limited to, circumstances where, in the opinion of the Minister, significant patient safety or access concerns, or significant increased costs to the Plans could result if the Drug Product was not available on the AHWDBL.

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**PRICE REDUCTIONS**

26. During an Effective Period, further price reductions for Drug Products listed on the AHWDBL will be considered as follows:
- a. For IC Drugs and Drug Products listed in a MAC Grouping if the proposed price is
    - i. 5% less than, or
    - ii. would represent an annual net cost<sup>5</sup> savings of more than \$100,000 for the Plans, as calculated by the Minister, for the period of time that the Drug Product was listed on the AHWDBL in the previous 12 months, in comparison to  
  
the LCA Price or MAC Price published at the time Alberta Blue Cross receives the proposed price reduction.
  - b. For all other Drug Products, by notifying the Minister by sending a written notice to Alberta Blue Cross.
27. Establishment of a new LCA Price or MAC Price and publication of a reduced price is subject to:
- b. the Manufacturer submitting a Price Confirmation and a reduced Confirmed Price for the new price in accordance with the APC Terms and Conditions;
  - c. acceptance of the new Confirmed Price by the Minister; and
  - d. the Minister's sole discretion regarding the establishment of a new LCA Price or MAC Price, and the time, place and method of publication.

**MINISTER'S AUTHORITY**

28. Notwithstanding anything to the contrary, where
- a. no Price Confirmation and Confirmed Price is submitted in respect of a Drug Product;
  - b. there is a failure to submit a Price Confirmation or Confirmed Price in respect of a Drug Product in accordance with the APC Terms and Conditions;
  - c. there is a rejection or non-acceptance of a Price Confirmation, or of all or part of a Price Confirmation, or of one or more Confirmed Prices, or of a request for an exception to either the Fixed Pricing Rules or Non-Fixed Pricing Rules;
  - d. there is a failure by the Manufacturer to comply with the APC Terms and Conditions in respect of a Drug Product listed or under consideration for listing on the AHWDBL;
  - e. the Minister considers that a PLA that is satisfactory to the Minister must be entered into prior to and/or as a condition of the listing, or continued listing, of a Drug Product on the AHWDBL;

the Minister may, at the Minister's sole discretion, do any one or more of the following:

- i. cancel the listing of,

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<sup>5</sup> "cost" means the drug material cost for claims

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- ii. modify the listing of,
- iii. refuse to add to the AHWDBL,
- iv. refuse to expedite the submission of,
- v. cancel or modify the benefit payable for,
- vi. modify or impose rules, terms, restrictions or conditions (including the execution of a PLA satisfactory to the Minister) relating to, or
- vii. take any other action in relation to

the Drug Product for any period of time deemed appropriate by the Minister.

29. Notwithstanding any other provision in this Price Policy, and for the avoidance of doubt, the Minister, in his sole discretion, has and retains the sole right to determine all matters relating to the listing or continued listing of a Drug Product on the AHWDBL, including (without limitation) the sole right to determine:
  - a. whether or not the Fixed Pricing Rules or the Non-Fixed Pricing Rules apply to a Drug Product,
  - b. whether or not a Drug Product is to be considered as an IC Drug, a Brand Drug, or an Other Drug for purposes of this Price Policy and an APC, and
  - c. whether or not a PLA must be executed as a condition of the listing or continued listing of a Drug Product on the AHWDBL
30. For further clarity, in all cases where the execution of a PLA in respect of a Drug Product is required as a condition of the listing or continued listing of a Drug Product on the AHWDBL, the provisions of the Product Listing Agreement Policy must be satisfied. Nothing in this Price Policy is intended to limit or override the application or any provisions of the Product Listing Agreement Policy. The requirements for listing or continued listing of a Drug Product outlined in the AHWDBL, including (without limitation) this Price Policy, as well as the Product Listing Agreement Policy must be satisfied.
31. Notwithstanding anything to the contrary, and notwithstanding the acceptance of a Price Confirmation, or all or part of a Price Confirmation, or one or more Confirmed Prices, the Minister shall have the unfettered discretion to
  - a. make any decisions or take any steps to amend a published price, an LCA Price, a MAC Price, a special or exceptional price, the Price Policy, the Product Listing Agreement Policy, the AHWDBL or make any other adjustments the Minister considers advisable;
  - b. make any decisions, take any actions or steps, or do anything that is authorized by the *Drug Program Act*;
  - c. pursue, negotiate and enter into agreements with one or more Manufacturers, distributors or vendors, including (without limitation) a PLA Agreement,
  - d. make arrangements with other persons to provide access to Drug Products for members of the Plans,

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## ALBERTA HEALTH AND WELLNESS DRUG BENEFIT LIST

- e. make any decisions, or take any actions or steps, or do anything that the Minister considers appropriate (including, without limitation, issuing an APC), and
- f. terminate an APC, a Price Confirmation, or all or part of a Price Confirmation, or one or more Confirmed Prices, or the listing of any or all Drug Products on the AHWDBL, upon 10 days written notice to any affected Manufacturer, which notice is deemed to be given by the Minister and received by the Manufacturer upon (a) publication of the written notice on the AHWDBL website operated by Alberta Blue Cross, or (b) by sending the notice via telefax to the last known telefax number of the Manufacturer, and the method of notice is at the Minister's discretion,

in order to maintain the integrity of the AHWDBL, to ensure reasonable access to treatment for members of the Plans, or to serve the public interest.

- 32. Subject to section 31, where the Minister amends the Price Policy during an Effective Period, the Minister shall provide Manufacturers of Drug Products listed on the AHWDBL as at that date with 30 days notice of such amendment, and the Minister may also issue an APC in relation to any Drug Product affected by such amendment.
- 33. The Minister reserves the right to pursue any remedies available to the Minister in the event of any non-compliance with, or any breach of, the Price Policy or APC Terms and Conditions.
- 34.
  - a. The Minister, Alberta Blue Cross, and their respective officers, employees, and agents, are not liable for any actions, damages, claims, liabilities, costs, expenses, or losses in any way, including consequential, special, indirect, incidental, punitive or special damages, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs) arising out of or relating to an APC, an Interim APC, any Price Confirmation, a Confirmed Price, or the AHWDBL, even if the Minister or Alberta Blue Cross have been advised of the possibility of such damages beforehand. The provisions of this clause shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise, and
  - b. in no event shall the maximum aggregate liability of the Minister, Alberta Blue Cross, and their respective officers, employees, and agents, for damages related to an APC, an Interim APC, a Price Confirmation, a Confirmed Price, or the AHWDBL be greater than \$25,000, or the Manufacturer's actual costs of preparing and submitting a Price Confirmation in response to an APC, whichever is less.

**LEAST COST ALTERNATIVE (LCA) PRICE POLICY**

1. The Least Cost Alternative Price or LCA Price means the maximum amount established by the Minister which will be paid by the Government of Alberta for a Drug Product in an Established or New IC Grouping for members of a Plan.
2. Where the Minister establishes an LCA Price in Established and New IC Groupings the LCA Price:
  - a. is the lowest unit cost for a Drug Product in an IC Grouping that was submitted by the Manufacturer and accepted by the Minister in the most recent Alberta Price Confirmation.
  - b. appears in bold type in the far right column of the AHWDBL.
  - c. applies to all Drug Products in the applicable IC Grouping, unless the Minister determines that an exception should be made.
3. Where the Minister establishes an LCA Price in Established and New IC Groupings, the Government of Alberta will pay the Actual Acquisition Cost for the Drug Product to a maximum of the LCA Price.
4. Notwithstanding section 2 above, the LCA Price Policy does not apply to:
  - conjugated estrogens;
  - devices; and
  - injectable Drug Products with different package sizes in an IC Grouping.
5. Subject to a Special Authorization being granted pursuant to section 6, where a physician prescribes or a patient chooses an IC Drug that is priced higher than the LCA Price established by the Minister in the applicable IC Grouping, the patient will be responsible for any additional costs (being the difference in price between the higher-priced IC Drug and the LCA Price).
6. A physician may request Special Authorization if an IC Drug that is priced higher than the applicable LCA Price is essential in the care of a patient. For further information refer to the Special Authorization Guidelines section of the AHWDBL.

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**MAXIMUM ALLOWABLE (MAC) PRICE POLICY**

1. The MAC Price means the maximum amount established by the Minister which will be paid by the Government of Alberta for a Drug Product in a MAC Grouping for members of a Plan.
2. A MAC Grouping means a grouping of Drug Products that have been listed in the AHWDBL or the List as being subject to a MAC Price; a MAC Grouping may include a grouping of IC Drugs, in which case the grouping shall be treated as an Established IC Grouping.
3. Where the Minister has established a MAC Price for a MAC Grouping:
  - a. The MAC Price appears in ***bold italic*** type and is displayed in the AHWDBL in the second column from the right where two price columns are listed. A comment in ***bold italic*** type appears following a MAC Grouping to explain the basis for establishing the MAC Price.
  - b. The Government of Alberta will pay the Actual Acquisition Cost for the Drug Product to a maximum of the MAC Price.
4. The MAC Price Policy applies to the following MAC Groupings:
  - PTC 28:08.04.92  
Selected Oral Modified-Release Dosage Forms of Nonsteroidal Anti-Inflammatory Drugs (NSAIDs)
  - PTC 40:12  
Potassium Chloride (K+) 8 mEq Oral Sustained-Release Tablets
5. Subject to a Special Authorization being granted, where a physician prescribes or a patient chooses a Drug Product in a MAC Grouping that is priced higher- than a MAC Price established by the Minister for the applicable MAC Grouping, the patient will be responsible for any additional costs (being the difference in price between the higher-priced Drug Product and the MAC Price).
6. A physician may request Special Authorization if the Drug Product that is priced higher than the applicable MAC Price is essential in the care of a patient. For further information refer to the Special Authorization Guidelines section of the AHWDBL.