

IMPORTANT INFORMATION FOR MANUFACTURERS / VENDORS

Alberta Drug Benefit List – Update to the Alberta Price Policy

Background

In March 2013 the Minister of Health announced effective May 1, 2013, the Alberta Government will reduce the price it pays for generic drugs.

Policy Changes

Manufacturers are advised that the Government of Alberta has revised and updated the policy affecting drug pricing.

Please review the complete Price Policy for these changes by referring to the DBL Table of Contents at https://www.ab.bluecross.ca/dbl/pdfs/dbl_sec1_prpol.pdf.

Highlights of Price Policy Updates Include:

Reduction of the price of generic drugs (referred to as Fixed Price Products within the Price Policy) on the *Alberta Drug Benefit List (ADBL)*, *Palliative Care Drug Benefit Supplement (PCDBS)* and *Alberta Human Services Drug Benefit Supplement (HSDBS)*:

- To less than or equal to 18% of the published price of the brand name product price.
- If there is no Brand Price, or if the Brand Price is equal to or less than the LCA Price for that Established IC Grouping in the March ADBL, 51.43% of the lowest price published in the Established IC Grouping in the March ADBL.

Alberta Price Confirmation (APC) Process

Between March 20 and April 4, 2013, manufacturers and vendors **MUST** provide and confirm drug pricing information for all currently listed products. Drug manufacturers and vendors will access the APC through the Manufacturers / Vendor Online Service website. Failure to submit to the APC during this time period will result in the product(s) being delisted on May 1, 2013.

Please direct any questions or concerns about the APC process, in writing, to:

Senior Coordinator
Pharmaceutical Product & Pricing Administration
Alberta Blue Cross
E-mail: APCINO@ab.bluecross.ca

APC Terms and Conditions, and Terms of Use

The *APC Terms and Conditions* and *Terms of Use* are defined in the online APC. Drug manufacturers and vendors will be required to review and agree to the *Terms and Conditions* for each individual login.

Alberta Health and Alberta Blue Cross are committed to working closely with manufacturers and vendors to ensure a smooth transition for these policy changes.



Questions & Answers

If a confirmed price is higher than permitted in the price policy, will the product be delisted?

Manufacturers should refer to the update to the Price Policy to determine if an exception applies. If an exception(s) applies a higher price may be requested by the manufacturer. The requested exception and rationale may then be considered by the Minister, who has the authority to continue listing, to cancel or modify the listing of a drug product. Manufacturers may be contacted to address specific exception requests.

What information should be provided if an exception is being requested?

Manufacturers should identify the exception(s) that may apply to the product and include **comprehensive** supporting documents according to the criteria defined within the Price Policy for the exception(s) being requested. Supporting information should be submitted within the Manufacturer Vendor Online Services website. In addition, the information could also be sent to APCINQ@ab.bluecross.ca.

Will the APC for May include all drug products or only the interchangeable products being affected by the new price policy?

Manufacturers will receive an APC for all products that are listed in the *ADBL*, *PCDBS* and *HSDBS* as of March 1, 2013 unless a discontinuation notice has been received prior to March 5, 2013. Manufacturers **MUST** provide and confirm drug pricing information for each of their products. Failure to submit to the APC during this time period will result in the product(s) being delisted on May 1, 2013.

I applied for a CPI increase in the APC for April 1, 2013, will that CPI be in the May 1, 2013 APC as the prices are based on the March 1, 2013 ADBL?

The Confirmed Price in respect of a Drug Product may only increase from the price most recently published in an ADBL once per 12 month period commencing on April 1 in one year and continuing through March 31 in the next year, and must be submitted through a Price Confirmation.

To ensure any CPI increase requested for the April ADBL is carried forward, please request the same CPI increase in the APC for the May ADBL.

Can my price confirmation be submitted lower than the new price established by the price policy?

Yes, Alberta Health will accept prices lower than required by the price policy. Prices confirmed under the APC process will be effective until December 31, 2013 with the Maximum Term to March 31, 2014. The LCA policy will continue to apply.

Will manufacturers be required to credit pharmacies for existing drug product inventory obtained at the old price?

The policies do not require manufacturers to credit pharmacies for existing inventory.

For Drug Products that have been submitted and are presently under consideration for listing, which Price Policy applies?

The March 15, 2013 Price Policy will apply to these Drug Products.

Does the update to the pricing policy apply to drugs outside of the *ADBL*, *PCDBS* and *HSDBS*? (e.g. cancer drugs, drugs administered in a hospital setting)

No.