



## Impact of Quebec's Bill 28 on prescription drug plans – Update

As mentioned in our last newsletter, on April 21<sup>th</sup>, 2015, the Quebec government sanctioned Bill 28, which was meant *mainly to implement certain provisions of the Budget Speech from June 4<sup>th</sup>, 2014 and return to a balanced budget in 2015-2016*. This bill includes a host of budget measures and numerous changes to different laws. Among others, the modification regarding the **minimum reimbursement required by law** and the **reimbursement of new pharmacy services**.

### Minimum reimbursement required by law

Currently, the law provides that insurers must reimburse at least 66 % of the bill paid at the pharmacy (percentage of reimbursement of the RAMQ since July 1<sup>st</sup>, 2015), whether for a brand name drug or for a generic drug, even if your contract indicates that drug reimbursement is based on the lowest cost generic equivalent.

This amended law has been in effect since **October 1<sup>st</sup>, 2015**.

Here are the insurers for which the new provisions apply, providing their contracts have the **generic substitution clause**:

Blue Cross  
Great-West (including CADA plans)  
La Capitale  
Standard Life  
Sun Life  
SSQ Financial Group

Therefore, since October 1<sup>st</sup>, 2015, these insurers reimburse the drugs based on the lowest cost generic equivalent, regardless of the amount paid at the pharmacy.

For the following insurers, the new provisions will be applicable only at the beginning of 2016:

Desjardins Insurance  
Empire Life  
Manulife Financial  
Humania  
Industrial Alliance  
Union Life

This new law only affects groups with a mandatory generic substitution clause and does not change the reimbursement of the brand name drugs without an available generic.

**EXAMPLE OF A BRAND NAME DRUG WITH AN AVAILABLE GENERIC  
IN A PLAN OFFERING A 80% REIMBURSEMENT WITH A MANDATORY GENERIC SUBSTITUTION**

	BEFORE October 1st, 2015	AFTER October 1st, 2015
Brand name drug cost	\$100	\$100
Lowest cost of the generic equivalent drug	\$50	\$50 <sup>1</sup>
Percentage reimbursed by the insurer	80 % of the lower cost of the generic equivalent drug subject to a minimum of 66 % of the brand name drug cost claimed	80 % of the lower cost of the generic equivalent drug
Amount reimbursed by the insurer	\$66 Amount paid by the insurer (cost of the generic drug): 80 % x \$50 = \$40 Minimum that the insurer has to pay according to the law (brand name drug cost): 66 % x \$100 = \$66	\$40 Amount paid by the insurer (cost of the generic drug): 80 % x \$50 = \$40
Amount paid by the insured	\$34	\$60
Amount accumulated in the annual maximum contribution of the patient <sup>2</sup>	\$34 Amount paid by the insured	\$10 Eligible amount <sup>1</sup> - reimbursed amount \$50 - \$40 = \$10

<sup>1</sup> Eligible amount for the calculation of the annual maximum contribution of the patient.

<sup>2</sup> \$1,029 for the year 2015-2016. If the insured has reached this amount, all future claims are reimbursed at 100%.

## Reimbursement of new pharmacy services

Following an agreement with the Quebec government and the *Association Québécoise des Pharmaciens Propriétaires* (AQPP), the *Régie de l'assurance maladie du Québec* (RAMQ) confirmed that **four** out of the seven new acts will be considered billable. They will be included as covered benefits under the Act Respecting Prescription Drug Insurance and thus, these services will also have to be covered by private drug plans covering Quebec residents.

The **four billable** services are:

- Extending prescriptions for more than 30 days (price fixed at \$12.50 by the RAMQ);
- Adjusting prescriptions to achieve therapeutic targets (price fixed by the RAMQ varying from \$16 to \$50);
- Prescribing drugs when there is no diagnosis required (price fixed at \$16 by the RAMQ);
- Prescribing drugs to treat minor conditions where the diagnosis and the treatments are known (price fixed at \$16 by the RAMQ).

The following three new services will be **provided free of charge** by pharmacists:

- Performing therapeutic substitution in case of a shortage of product;
- Ordering and interpreting laboratory tests;
- Administering a drug to demonstrate the proper usage.

Even though the new Act means pharmacists have been allowed to perform these services since June 20<sup>th</sup>, 2015, the exact fees that will be attached to these new services have still not been determined for **private drug insurers**. The coverage and adjudication guidelines for reimbursing these new services also remain unclear. Until then, we invite the insured employees to keep their receipts for expenses paid for any of these acts.