

Changes to Generic Drug Pricing in British Columbia

On July 9, 2010, the government of British Columbia announced that the price of generic drugs in the province will drop to 35% of the brand price, pursuant to an agreement with the B.C. Pharmacy Association and the Canadian Association of Chain Drug Stores.

The agreement applies to public and private payers and will be rolled out as follows:

	Now	October 15, 2010	July 4, 2011	April 2, 2012
Existing Generics	65%	50%	40%	35%
New Generics (launched since November 2008)	65%	42%	40%	35%

The reduced prices only apply to products covered by PharmaCare (therefore some generic prices will remain at a higher percentage).

PharmaCare payments to pharmacies

The agreement also provides for increases in mark-ups and dispensing fees paid by PharmaCare to pharmacies as follows:

	Before July 2010	July 28, 2010	October 15, 2010	July 4, 2011	April 2, 2012
Maximum dispensing fee	\$8.60	\$9.10	\$9.60	\$10.00	\$10.50
Maximum drug mark-up	7%	7%	8%	8%	8%

Impacts on group insurance plans

This announcement should be good news for plan members and their dependents as they will benefit from the same price reductions as long as their generic drugs are also on the list of products covered by PharmaCare.