

**MAXIMUM ALLOWABLE COST POLICY CHANGES  
DECEMBER 5, 2016  
QUESTIONS AND ANSWERS**

**The November 22, 2016 Mid-Year Financial Report referred to changes to drug coverage under the Saskatchewan Drug Plan. What are the changes?**

Effective January 16, 2017, the existing Maximum Allowable Cost (MAC) Policy will:

- Change the MAC price threshold for proton pump inhibitors (PPIs); and
- Expand the MAC policy to another group of drugs, the intranasal corticosteroids (INCS).

Effective January 1, 2017, two INCS products will no longer be benefits under the Drug Plan. Over-the-counter versions of these medications are now available for purchase without a prescription for some individuals. The two products are:

- Fluticasone nasal spray (Flonase® and its generics); and
- Triamcinolone nasal spray (Nasacort® and its generics).

**What is the Maximum Allowable Cost (MAC) Policy?**

For many common medical conditions, drug manufacturers market a wide variety of prescription drugs that often vary in price but achieve the same medical effect.

Under the MAC policy, the price of the most cost effective drug is used as a guide to set the maximum price the Drug Plan will cover for other similar drugs listed on the Formulary.

**What do these changes mean for someone taking a Proton Pump Inhibitor (PPI)?**

Effective January 16, 2017, for the drug category of Proton Pump Inhibitors (PPI), the generic versions of pantoprazole magnesium (Tecta®) and generic versions of rabeprazole (Pariet®) fall within the MAC price threshold.

Esomeprazole (Nexium®), lansoprazole (Prevacid®), omeprazole (Losec®), pantoprazole sodium (Pantoloc®) and their generics will be subject to the MAC price threshold. Individuals who are on these drugs will pay an additional cost for the medication.

Individuals will be responsible for the difference in cost between the MAC price threshold and the higher priced drug. Individuals may contact their pharmacist or prescriber to discuss switching to a drug that falls within the MAC price threshold if they do not want to pay the difference between the MAC price threshold and the higher priced drug.

### **What do these changes mean for someone using Intranasal Corticosteroids (INCS)?**

Effective January 16, 2017, for the drug category of intranasal corticosteroids (INCS), the generic versions of beclomethasone, generic versions of budesonide (64 mcg strength only), and generic versions of mometasone (Nasonex<sup>®</sup>) fall within the MAC price threshold.

Budesonide (generic and Rhinocort Turbuhaler<sup>®</sup>, 100mcg strength only), ciclesonide (Omnaris<sup>®</sup>), and flunisolide (generic) and their generics will be subject to the MAC price threshold. Individuals who are on these drugs will pay an additional cost for the medication.

Individuals will be responsible for the difference in cost between the MAC price threshold and the higher priced drug. Individuals may contact their pharmacist or prescriber to discuss switching to a drug that falls within the MAC price threshold if they do not want to pay the difference between the MAC price threshold and the higher priced drug.

### **What do these changes mean for someone using Flonase<sup>®</sup> or Nasacort<sup>®</sup>?**

Effective January 1, 2017, two INCS products available over-the-counter, fluticasone (Flonase<sup>®</sup> and generics) and triamcinolone (Nasacort<sup>®</sup> and generics), will no longer be benefits under the Drug Plan. Over-the-counter products of fluticasone and triamcinolone are now available for purchase without a prescription.

Individuals will be responsible for the full cost of prescription or over-the-counter fluticasone (Flonase<sup>®</sup>) and triamcinolone (Nasacort<sup>®</sup>) nasal sprays. Individuals may contact their prescriber to discuss switching to a prescription drug that falls within the MAC price threshold if they do not want to pay the full price for the prescription or over-the-counter versions of these medications.

### **Who provides the expert advice to determine the MAC?**

The Drug Plan consults with the Ministry's expert drug review committee, the Drug Advisory Committee of Saskatchewan (DACs). This committee is comprised of health care professionals with expertise in the area of drug therapy, as well as two public members. The committee's experience in evaluating and comparing the therapeutic effect and cost-effectiveness of new and existing drug therapy is invaluable to the MAC policy.

### **Does the MAC policy mean that Saskatchewan residents will be limited to coverage of cheaper, less effective drugs?**

No. Drugs priced below the MAC price threshold are as effective but less costly than others within the group of similar drugs.

### **Will this policy limit a prescriber's freedom to prescribe and limit access to medications that are best for their patients?**

Prescribers can continue to prescribe the drug they feel is most appropriate for the condition they are treating. The MAC policy only limits the cost that is reimbursed by the Saskatchewan Drug Plan.

Individuals do not have to switch medications under the Maximum Allowable Cost Policy. They have the option of continuing to take their higher-priced prescription drug and paying the difference in cost.

### **Will individuals also save money due to Maximum Allowable Cost (MAC)?**

The policy may also provide savings to individuals, if their therapy is changed to a drug that falls within the MAC price threshold. Some individuals may not be aware there is a lower cost alternative to their present medication and take this opportunity to work with their prescriber to change to a drug that falls within the MAC price threshold.

### **Will my private insurance coverage change based on the Maximum Allowable Cost (MAC) Policy?**

Individuals should contact their private insurer to determine if the difference in cost would be covered under their insurance policy.

### **What is the amount that will be covered by the Drug Plan within these two categories of drugs? How is this amount determined?**

For PPIs, the Drug Plan will pay up to the MAC price threshold for any of the PPI drugs listed on the Saskatchewan Formulary (subject to the individual's usual co-payment and deductible). Two PPI drugs fall within the MAC price threshold - generic versions of pantoprazole magnesium and rabeprazole.

For INCS, the Drug Plan will pay up to the MAC price threshold for an INCS drug listed on the Saskatchewan Formulary (subject to the individual's usual co-payment and deductible). Three INCS drugs will fall within the MAC price threshold - generic versions of beclomethasone, budesonide (the 64mcg strength product only) and mometasone.

### **Will the Government be contacting individuals who will be affected by this change to their Proton Pump Inhibitors and Intranasal Corticosteroid coverage?**

The Drug Plan will communicate with pharmacists and prescribers through information bulletins via fax and email. Information will also be posted on the Saskatchewan Formulary website under the "What's New" section, which can be found at: <http://formulary.drugplan.health.gov.sk.ca/>.

### **If I am taking one of these medications, will I have to visit my prescriber?**

If you are taking a PPI or INCS drug that is listed on the Saskatchewan Formulary and falls within the MAC price threshold (i.e., generic versions of beclomethasone, budesonide 64mcg strength or mometasone), you should not notice a change in your drug coverage benefits (subject to deductible and/or co-payment).

If you are **not** taking a PPI or INCS drug that falls within the MAC price threshold, you may consult with your prescriber or pharmacist about switching medications to a drug that falls within the MAC price threshold. These lower cost medications are safe and effective, but less expensive than your current medication. If you would like to switch drugs, you will require a new prescription from your prescriber.

You also have the option of continuing to take the higher-priced prescription drug and paying the additional cost above the MAC price threshold.

### **What if I can't see my prescriber before January 16, 2017?**

If individuals are not able to see their prescriber before January 16, 2017, there may be an additional cost depending on your pharmacy prescription charge as well as an individual's coverage, deductible and/or co-payment.

As of January 16, 2017, all prescriptions for a PPI or INCS will be subject to the MAC Policy and individuals will be responsible for any resulting additional cost of their medications.

### **Will individuals currently receiving prescriptions for fluticasone (Flonase®), triamcinolone (Nasacort®) or their generics be "grandfathered" for coverage when these products are no longer benefits?**

No. As of January 1, 2017, individuals will be responsible for the full cost of prescription or over-the-counter fluticasone (Flonase®) or triamcinolone (Nasacort®).

Individuals may contact their pharmacist or prescriber to discuss switching to a prescription drug that falls within the MAC policy if they do not want to pay the full price for the prescription or over-the-counter versions of these medications.

### **I am currently on a specific PPI or INCS drug and it is priced higher than the MAC price threshold, do I have to switch medications?**

No, you have the option of continuing to take the higher-priced drug and paying the additional cost over the MAC price threshold.

### **Some PPI drugs require Exception Drug Status (EDS) approval. Does a pharmacist or prescriber need to make a new EDS application if there is a switch to a PPI that is below or at the MAC price threshold?**

Nexium® (esomeprazole) 20 and 40mg tablets, Losec® (omeprazole) 10mg tablets, and Prevacid Fastabs® (lansoprazole) are still listed under Exception Drug Status (EDS). All other PPIs listed on the Formulary do not require an EDS application.

### **How will the MAC policy work for individuals who have coverage under Special Support?**

Individuals and families will continue to receive coverage under the Special Support Program and will continue to pay according to their deductible and/or co-payment.

For those who receive a PPI or INCS that is within the MAC price threshold, the prescription cost will be based on your deductible and/or co-payment.

For those who receive a PPI or INCS that is higher in cost than the MAC price threshold, the prescription cost will be based on your deductible and/or co-payment PLUS the difference in cost between the MAC price threshold and the higher cost drug.

### **Is my total drug cost used to calculate the Special Support coverage?**

This difference in cost between the MAC and the higher cost drug will not be included in the calculation of your Special Support coverage. Some may notice their co-payment percentage change.

**How will the MAC policy work for individuals with coverage under the Seniors' Drug Plan?**

A senior receiving a PPI or INCS will continue to have coverage under the Seniors' Drug Plan.

If the PPI or INCS falls within the MAC price threshold, then the cost for a prescription will be \$25 or less.

If the PPI or INCS falls outside the MAC price threshold, then the individual will pay \$25 PLUS the additional/difference in cost between the MAC price threshold and the higher cost drug.

**How does this affect my deductible balance if I have coverage under Family Health Benefits (FHB) or receive Guaranteed Income Supplement (GIS) or Seniors Income Plan (SIP)?**

The MAC policy will apply equally to all Saskatchewan residents eligible for benefits under the Drug Plan. Individuals are responsible for the difference in cost between the MAC price threshold and the higher cost drug. This difference in cost will not be applied towards your semi-annual deductible.

**I have coverage under Supplementary Health Benefits (SHB), Saskatchewan Aids to Independent Living (SAIL) or Palliative Care. Does this mean I will have to pay the difference between the MAC price threshold and the higher cost drug?**

Yes. This policy will apply equally to all Saskatchewan residents eligible for benefits under the drug plan. Individuals are responsible for the difference in cost between the MAC price threshold and the higher cost drug.

**Is the MAC policy like the Low Cost Alternative program?**

They are similar. The Low Cost Alternative (LCA) program applies to drugs that have identical active ingredients, whereas the MAC program applies to drugs that do not have identical active ingredients but are used to treat the same medical condition and have similar safety and effectiveness.

**Are there similar programs to the MAC Policy in other provinces?**

British Columbia (BC) and Alberta have introduced policies that affect the PPI class, similar to our MAC policy. The Drug Plan is only aware of Saskatchewan as the only province to apply a MAC type policy to the INCS class.