

THIS AGREEMENT MADE THIS 3 DAY OF Dec. 2018

BETWEEN: Her Majesty in right of Newfoundland and Labrador as represented by the Minister of Health and Community Services and the President of Treasury Board (hereinafter referred to as the "Ministers")

AND:

PHARMACISTS' ASSOCIATION OF NEWFOUNDLAND AND LABRADOR (hereinafter called the "Association")

## **1. Definitions**

- 1.1 “Association” means the Pharmacists’ Association of Newfoundland and Labrador, a corporation established under the *Pharmacy Act*.
- 1.2 “Beneficiary” means an individual who meets the criteria and has been deemed eligible for coverage under the NLPDP in accordance with the *Pharmaceutical Services Act*, its Regulations and applicable policy.
- 1.3 “Benefit List” means the current list of Covered Products, including any amendments and revisions, published from time to time by the Minister of Health and Community Services, which establishes the benefits available to Beneficiaries.
- 1.4 “Claim” means a claim for payment by a Provider under the NLPDP in relation to the dispensing of a Covered Product to a Beneficiary and/or the provision of an Enhanced Pharmacy Service.
- 1.5 “Co-payment” means the portion of the prescription price that a Beneficiary is required to contribute to the cost of a Covered Product.
- 1.6 “Covered Products” means the medications, medical devices and other products listed in the current edition of the Benefit List, published updates to the Benefit List, or those that have been approved through the Special Authorization process for specified Beneficiaries which are reimbursed under the NLPDP.
- 1.7 “Enhanced Pharmacy Services” means services provided to a NLPDP beneficiary by a community pharmacist as outlined in section 5.2 of this Agreement.
- 1.8 “Expiry Date” has the meaning set out in section 3 of this Agreement.
- 1.9 “Extemporaneous Preparation” refers to a mixture of three or more ingredients, where the mixture is prepared by a Pharmacist and eligible for 1.5X Base Professional Fee as outlined in section 5.1 of this Agreement;
- 1.10 “Maximum Allowable Cost (“MAC”) Pricing” refers to the maximum allowable price the NLPDP will reimburse for a group of similar medications.
- 1.11 “Markup” refers to a negotiated percentage of a covered product payable to pharmacies;
- 1.12 “Medication Management” refers to a variety of professional activities, undertaken by the participating registered pharmacist, as the medication expert, to optimize safe and effective drug therapy outcomes for patients;

- 1.13 “Medication Review” refers to a patient-care service in which a pharmacist meets one-on-one with a NLPDP Beneficiary, their health proxy or care giver to review his/her medication regime.
- 1.14 “NLPDP” means the Newfoundland and Labrador Prescription Drug Program, which is a program established pursuant to the *Pharmaceutical Services Act* and administered by the Minister of Health and Community Services and provides coverage of eligible Covered Products to Beneficiaries.
- 1.15 “NLPDP List Price” refers to the cost of covered products as determined by the Minister, without going below the lowest Manufacturer List Price (“MLP”) available to Pharmacies in NL for a covered product or for the targeted reference molecule in a given category, if MAC Pricing is implemented.
- 1.16 “Pharmaceutical Services” means those services (as referenced in section 5.1 of the Agreement) provided by a Pharmacist resulting in the supplying and dispensing of a Covered Product.
- 1.17 “Pharmacist” means a pharmacist as defined and registered under the *Pharmacy Act, 2012*.
- 1.18 “Pharmacy” means a pharmacy as defined in the *Pharmacy Act, 2012* and licensed with the Newfoundland and Labrador Pharmacy Board.
- 1.19 “Prescribed” means prescribed by a Prescriber.
- 1.20 “Prescriber” means a person authorized under the *Pharmacy Act, 2012*, to prescribe any drug or classes of drugs.
- 1.21 “Professional Fee” refers to a negotiated amount which is payable to pharmacies for Pharmaceutical Services and which the Provider may charge, pursuant to this Agreement.
- 1.22 “Provider” means, for the purposes of this Agreement: a Community-based Retail Pharmacy that provides professional services, Covered Products and has been assigned a provider number by the NLPDP.
- 1.23 “Refusal to Fill” refers to an enhanced service for which the Provider has decided not to dispense a medication as a result of probable double doctoring or suspected abuse/misuse by the Beneficiary;
- 1.24 “Retail Pharmacy” means a pharmacy that is not hospital-based.

- 1.25 “Service Date” means the date on which a Pharmaceutical Service or Enhanced Pharmacy Service was provided to a Beneficiary.
- 1.26 “Service Fee” means the fee for Enhanced Pharmacy Services, and which the Provider may charge pursuant to this Agreement.
- 1.27 “Special Authorization Process” refers to the request for, and internal review of coverage for drugs that are listed with specific, defined criteria.
- 1.28 “The Newfoundland and Labrador Interchangeable Drug Products Formulary” (“NIDPF”) lists commonly used drugs, which have chemical and therapeutic equivalence, and establishes the maximum amounts that can be charged for drugs within defined categories.

## **2. Application of the Agreement**

- 2.1 This Agreement applies to and is binding upon the Ministers, the Association, and Providers.
- 2.2 The Ministers recognize the Association as the sole and exclusive bargaining agent for all of its Retail Pharmacies that are Providers as defined by this Agreement, in respect of all matters arising from this Agreement.
- 2.3 The Parties recognize that nothing in this Agreement supersedes Federal or Provincial legislation or regulations, or the By-Laws or professional standards of practice of the Newfoundland and Labrador Pharmacy Board.
- 2.4 The Parties recognize that the NLPDP will post policies, rules, procedures and instructions related to the administration of the NLPDP on the NLPDP website, and that these materials may be amended from time to time. The NLPDP List Price of all Covered Products will be listed on the Benefits List which will also be posted on the NLPDP website.
- 2.5 All Pharmaceutical Services and Enhanced Pharmacy Services reimbursed under this Agreement shall be deemed compliant with published policies of the NLPDP as of the Service Date.

## **3. Term and Termination**

- 3.1 This Agreement shall remain in full force and effect from date of execution to March 31, 2021 (the "Expiry Date").
- 3.2 The Parties agree to commence negotiations with respect to the terms and conditions of a new agreement at least 90 days prior to the Expiry Date.
- 3.3 If at the expiration of this Agreement on March 31, 2021, a new agreement has not been negotiated and executed, the provisions of this Agreement shall continue to remain in effect until the earlier of the negotiation and execution of a new agreement or termination by any party upon 90 day notice.

## **4. Dispute Resolution**

- 4.1 In the event that a disagreement arises regarding the interpretation of a clause in this Agreement, the Parties may either:
  - a) Refer the matter to the Pharmaceutical Services Liaison Committee, which shall have membership representing the Department of Health and Community Services and the Association, with terms of reference

as agreed to by the Minister of Health and Community Services for their guidance;

- b) By mutual agreement, engage the services of a mediator to assist the Parties in reaching a resolution of this matter;
- c) By mutual agreement, engage the services of an arbitrator, in accordance with the *Arbitration Act*; and/or
- d) Engage in some other alternate dispute resolution that is mutually acceptable to both Parties.

## 5. Fee Structure

5.1 NLPDP shall reimburse Providers a product cost, Markup and Professional Fee, for Covered Products only, as follows:

	Product Cost	Markup	Professional Fee (All Plans except 65Plus Plan)	Professional Fee (65Plus Plan)
Products listed in NL Interchangeable Drug Products Formulary (NIDPF)	NIDPF Published Price	9% (included in published price)	\$11.96 (1)* \$23.93 (2) \$50.00 (3)	\$12.00 (1)** \$40.00 (2)
Extemporaneous Preparations	As per NLPDP policy (Section 10.3 NLPDP Provider Guide)	The NLPDP List Price plus 8.5% for each Covered Product used in the Extemporaneous Preparation	1.5X Base Professional Fee***	1.5X Base Professional Fee***
Methadone	\$1.50 per dose		\$11.96	\$12.00
All other products	NLPDP List Price	8.5%	\$11.96 (1)* \$23.93 (2) \$50.00 (3)	\$12.00 (1)* \$40.00 (2)

\* Tier 1 – Drug Costs between \$0 and \$49.99  
 Tier 2 – Drug Costs between \$50.00 and \$249.99  
 Tier 3 – Drug Costs \$250.00+

\*\* Tier 1 – Drug Costs between \$0 and \$249.99  
 Tier 2 – Drug Costs \$250.00+

\*\*\*NOTE: Base Professional Fee refers to the Professional Fee indicated for Tier 1 for each applicable year.

## 5.2 Enhanced Pharmacy Services

<b>Service</b>	<b>Professional Fee (All Plans except 65Plus Plan)</b>	<b>Professional Fee (65Plus Plan)</b>
Refusal to Fill	2X Base Fee***	2X Base Fee***
Medication Management	\$11.96	\$12.00
Medication Review Up to 72 per fiscal year (April 1 – March 31) per provider, all Beneficiaries diagnosed with a chronic illness taking 3 or more medications and not residing in a Personal Care Home or Long Term Care Home.	\$52.50	\$52.50

### **5.3 Other Remuneration (Rural Subsidy)**

- a) A fund is established under this Agreement, valued at no more than \$1,000,000 annually, to subsidize rural and remote Retail Pharmacies operating in underserved areas.
- b) The Parties have agreed to establish a working group to review the payment formula.

### **5.4 All Pharmaceutical Services and Enhanced Pharmacy Services for which payment is claimed, shall be deemed to have been provided on the Service Date indicated on the transmission for payment, with the exception of Medication Reviews which shall be deemed to have been provided within thirty (30) days of the date indicated on the transmission for payment.**

### **5.5 NLPDP shall only pay Providers for Covered Products.**

## **6. Collection of Costs from Beneficiaries**

- 6.1 The Parties understand and agree that where a Beneficiary is required to make the Co-payment on a Covered Product to a Provider in accordance with the terms and conditions of participation in the NLPDP, the Co-payment amount shall be as established under the NLPDP.
- 6.2 No incentives, including coupons, points or merchandise shall be provided to Beneficiaries for any claims partially or entirely paid by NLPDP.
- 6.3 The Provider shall not charge the Beneficiary more than his/her Co-payment calculated based on the Fee Structure Table in section 5 of this Agreement except in the cases when benefits are coordinated or if MAC Pricing is implemented.

## **7. Rights of the Minister of Health and Community Services**

- 7.1 This Agreement does not impact or interfere with the ability of the Minister of Health and Community Services to manage and administer the NLPDP, in accordance with his or her authority under the *Pharmaceutical Service Act* or other provincial legislation.

## **8. Auditing of Claims**

- 8.1 Auditing of Claims billed to the NLPDP shall be in accordance with the *Pharmaceutical Services Act*, Regulations and NLPDP policy.

## **9. Indemnification**

- 9.1 The Association, Pharmacies and Providers shall indemnify and hold harmless the Ministers, their agents, representatives and employees from and against all claims, demands, losses, costs, damages, actions, suits or proceedings of every nature and kind whatsoever ("Losses") arising out of or resulting from the provision of Pharmaceutical Services and Enhanced Pharmacy Services described in this Agreement to the extent that such Losses are caused by an act, error or omission, including, but not limited to, those of negligence, of the Association, Pharmacies, and Providers or anyone directly or indirectly employed by the Association, Pharmacies, and Providers or anyone for whom the Association, Pharmacies, and Providers may be liable. The Association, Pharmacies and Providers shall be severally liable for Losses caused by them as opposed to jointly liable, for any liabilities determined in accordance with this section. For greater certainty, the Association shall not indemnify the Ministers for Losses caused by Pharmacies or Providers, and Pharmacies and Providers are not, as a group or collectively, required to indemnify the Ministers, but rather individual Pharmacies or Providers are only liable to indemnify the Ministers for Losses attributable to them.

## **10. General**

- 10.1 This Agreement shall be interpreted and applied in accordance with the laws of Newfoundland and Labrador and of Canada, where applicable, and the Parties agree to the exclusive jurisdiction of the courts of the Province of Newfoundland and Labrador.
- 10.2 This Agreement supersedes any agreement, whether prior to or contemporaneous with this Agreement, whether oral or written, between the Parties hereto with respect to the subject matter hereof. This Agreement constitutes and expresses the entire agreement of the Parties hereto and any amendment or addition thereto shall be in writing and signed by the respective Parties. No prior representations, undertakings or



promises whatsoever, whether expressed or implied, shall form part of this Agreement.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement as of the day and year above written.

in the presence of:

in the presence of:

Claine Pever  
Witness

gmc.  
Witness

[Signature]  
Minister of Health and Community Services,  
or authorized designate

[Signature]  
Pharmacists' Association of  
Newfoundland and Labrador

In the presence of:

E. Lane  
Witness

[Signature]  
President of Treasury Board, or authorized  
designate

## **SCHEDULE A**

The Department of Health and Community Services ("HCS") intends on launching a Deprescribing Initiative to reduce the inappropriate prescribing and use of some overprescribed medications.

HCS will continue to remunerate Pharmacies for the Antibiotic Adherence program until the launch of the Deprescribing Initiative or until December 31, 2018 if the commencement of the Deprescribing Initiative is delayed.

Upon signing of this contract, HCS and PANL agree to immediately establish an ad hoc working group consisting of members from the Association and HCS to discuss future areas of investment in Enhanced Pharmacy Services currently funded at \$1,000,000. The Enhanced Pharmacy Services programs(s) developed by this committee will be in place to provide HCS options in the event Deprescribing Initiative does not proceed as planned, or as an additional future service as determined by the Minister.