AGREEMENT

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF NOVA SCOTIA
As represented by the Department of Health and Wellness
(Hereinafter referred to as “Department”)

and

THE PHARMACY ASSOCIATION OF NOVA SCOTIA
(Hereinafter referred to as “PANS”)

Effective October 1, 2014 to September 30, 2019

1.0 Definitions

In this agreement,

(a) “Agreement” means this agreement.

(b) “AAC” means actual acquisition cost which is the net cost to the provider after deducting all rebates, allowances, free products, etc. No mark-up or buying profit is to be included in the calculation of AAC. The net cost to the provider is defined as the drug ingredient (or supply) cost based on date of purchase and inventory flow, even though the current price available may be lower or higher when the product is dispensed. Incentives for prompt payment (payment within 15 days up to a maximum of 2%) will not be included in the calculation of AAC.

(c) “Department” means the Nova Scotia Department of Health and Wellness.

(d) “MLP” means the manufacturer’s list price, which is the Nova Scotia Formulary published price at which a drug or device is sold to a provider or wholesaler and it does not include any mark-up for distribution.

(e) “MRP” means the maximum reimbursable price, which is the maximum drug cost established by the Minister under the Insured Prescription Drug Plan that is reimbursed to a provider or a beneficiary for a category of interchangeable products.

(f) “PANS” means the Pharmacy Association of Nova Scotia.

(g) “Pharmacare Dispensing Fee” is the LESSER of the usual and customary dispensing fee the provider charges to cash customers and the applicable maximum Pharmacare dispensing fee as described in 6.0 of this Agreement.

(h) “PRP” means Pharmacare reimbursement price. A PRP is assigned by the Minister to each of the following:
   - Certain groups of drugs that are similar in therapeutic effect;
   - Specific services for which coverage is established;
   - Certain unit dose and special delivery formats that are also available in less expensive bulk formats; and
   - Certain different supplies that are used for the same function.

The PRP is the maximum amount the Program reimburses providers or beneficiaries for one unit of a drug, supply or service.
“Pharmacy” means a pharmacy as defined in the *Pharmacy Act* and licensed with the Nova Scotia College of Pharmacists.

“Program” means any program established under the Insured Prescription Drug Plan.

“Provider” means:

i. A pharmacy licensed under the *Pharmacy Act* that has confirmed agreement with the tariff between the Minister and the Pharmacy Association of Nova Scotia and has been designated as a provider, or in a class of providers, and

ii. A supplier of drugs, devices or services that is not licensed as a pharmacy under the *Pharmacy Act* but is designated as a provider or in a class of providers.

“Usual and Customary Dispensing Fee” means the dispensing fee the provider charges customers who pay cash for their prescriptions.

### 2.0 Days' Supply

#### 2.1 Maximum Supply

(a) Providers shall fill claims to a maximum of a 100 day supply, if prescribed.

(b) The Program will not pay multiple fees where a quantity less than the quantity prescribed is dispensed.

Exception for Seniors’ and Family Pharmacare Program beneficiaries: Beneficiaries traveling outside the province for more than 100 days will be allowed to obtain three prescriptions for the same medication before leaving Nova Scotia. None of the prescriptions shall exceed a 90 day supply (maximum 270 day supply for three prescriptions). The usual dispensing fee and copayment are to be applied to each of the prescriptions, as per the Pharmacist Guide.

#### 2.2 Minimum Supply

The Program will reimburse a maximum of one Pharmacare dispensing fee per 28 day supply for all medication as determined by the Program, as per the Pharmacist Guide.

### 3.0 Uninsured Services

Any service for which a tariff level has not been established in 6.0 of this Agreement, is an uninsured service under this agreement.

### 4.0 Submission of Claims

4.1 Providers must electronically submit claims to the Program.

4.2 A claim submitted to the Program for payment of insured drugs, supplies and services shall be honoured by the Program, only if it is received by the Program within 90 days of the date upon which the insured drugs, supplies and services were supplied.

4.3 The Program shall pay the line charges for the electronic submission of Program claims.
5.0 Collection of Costs from Beneficiaries

Providers shall collect all required copayments and deductibles for insured drugs, supplies, or services for the Program, including any cost that exceeds the PRP. Providers shall not collect any other amount for insured drugs, supplies or services, including any cost that exceeds the MRP.

6.0 Tariff Levels

6.1 Prescriptions for drugs and supplies which are Pharmacare benefits will be reimbursed to providers as follows:

<table>
<thead>
<tr>
<th>Effective Dates</th>
<th>Ostomy Supplies - AAC plus 10.0% (to a maximum of $50 per prescription), plus a maximum Pharmacare dispensing fee of:</th>
<th>Compounded extemporaneous products (except methadone and injectables) - AAC plus 2.0% (to a maximum of $50 per prescription), plus a maximum Pharmacare dispensing fee of:</th>
<th>Methadone - MRP or PRP plus 8% plus a Pharmacare dispensing fee of:</th>
<th>All other prescriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1, 2014 to March 31, 2015</td>
<td>$11.50</td>
<td>$17.25</td>
<td>$11.50</td>
<td>$11.50</td>
</tr>
<tr>
<td>April 1, 2015 to March 31, 2016</td>
<td>$11.65</td>
<td>$17.47</td>
<td>$11.65</td>
<td>$11.65</td>
</tr>
<tr>
<td>April 1, 2016 to March 31, 2017</td>
<td>$11.75</td>
<td>$17.62</td>
<td>$11.75</td>
<td>$11.75</td>
</tr>
<tr>
<td>April 1, 2017 to March 31, 2018</td>
<td>$11.85</td>
<td>$17.77</td>
<td>$11.85</td>
<td>$11.85</td>
</tr>
<tr>
<td>April 1, 2018 to March 31, 2019</td>
<td>$11.95</td>
<td>$17.92</td>
<td>$11.95</td>
<td>$11.95</td>
</tr>
<tr>
<td>April 1, 2019 to September 30, 2019</td>
<td>$12.10</td>
<td>$18.15</td>
<td>$12.10</td>
<td>$12.10</td>
</tr>
</tbody>
</table>

6.2 Restocking Fee

Pursuant to the guidelines set out in the 'Return of Medication' Policy of the Nova Scotia College of Pharmacists, subsection 7.1 "Return of Prescription Medication From Homes For Special Care / Nursing Homes", the Program will pay a restocking fee of 20% when medications are returned to inventory by a provider.

6.3 Other services as approved by the Program or Department and subject to criteria as identified by Pharmaceutical Services Policy

6.3.1 Advanced Medication Review: maximum special services fee of $150

Basic Medication Review: maximum special services fee of $52.50

Medication Review Follow-up: maximum special services fee of $20.00

Prescription Adaptation: maximum special services fee of $14.00

Therapeutic Substitution: maximum special services fee of $26.25
6.3.2. Such other services as may be agreed to by the Parties during the term of this Agreement.

6.3.3. The Parties agree that no loyalty points or similar program may be offered by a provider on any of the services listed under this Section.

6.4 Demonstration Projects

6.4.1 The Department shall provide funding to conduct demonstration projects for new services under consideration, in the following maximum amounts:

<table>
<thead>
<tr>
<th>Funding Allocation</th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500,000</td>
<td>$1,000,000</td>
<td>$500,000</td>
<td></td>
</tr>
</tbody>
</table>

6.4.2 The Department and PANS agree that if monies allocated are not spent on demonstration projects in the year in which they are allocated, the remaining monies will be carried over to the subsequent year to be used for demonstration projects.

6.4.3 Any monies allocated for demonstration projects that remain unspent upon expiry or termination of this Agreement may be used to fund demonstration projects under subsequent agreements.

7.0 Maximum Reimbursement

7.1 If the total reimbursement to the provider by the Department for the provision of a given product, service or both exceeds the amount contracted for or accepted as payment by the provider from any other payor or combination of payers for the same product, service or both, the Department will reclaim the difference as an adjustment to the bottom line payment to the provider.

8.0 Audit

Providers agree to permit the Department or its authorized agents, access to all provider records deemed necessary by the Department to verify pricing and billings under this Agreement.

9.0 Term and Termination

9.1 This Agreement is in effect from October 1, 2014 to September 30, 2019.

9.2 The Parties may agree to extend the agreement beyond the September 30, 2019 date subject, however, to the understanding that any extension may be terminated with a 30 day notice by either party.

9.3 This Agreement may be terminated by either party sending a written notice of termination by registered mail addressed to the other party at that party’s last known mailing address, in which case the Agreement will expire on the 90th day following the date of mailing.

9.4 Upon expiry of this Agreement on September 30, 2019, if the Parties have not extended the term of this Agreement in accordance with clause 9.2 or served notice of termination pursuant to clause 9.3, the provisions of this Agreement shall remain in effect until such
time as the Parties agree upon a new Agreement, or the Agreement is terminated through a 30 day notice by either party.

9.5 In the event that:

(a) The provider has its license or certificate of accreditation revoked or suspended, the provider's rights under this Agreement, and the Pharmacare provider number are terminated without notice.

(b) There is a change in provider ownership, the provider will notify the Department 30 days in advance of the change in ownership, and the provider's rights under this Agreement, and Pharmacare provider number, will automatically terminate on the date of transfer of ownership. (The Department will retain this information in confidence.)

(c) The provider is found to contravene or default on the obligations under this agreement, the provider's rights under this Agreement and Pharmacare provider number will automatically terminate.

Upon termination, the rights of the provider hereunder automatically cease and terminate and the Department agrees to pay the provider all claims then properly due and owning pursuant to this Agreement, provided that such claims are submitted within 90 days of the date of the termination. Notwithstanding the termination of this Agreement, the Department may continue to exercise its audit rights pursuant to Section 8 of this Agreement.

10.0 Other

10.1. The Department agrees to deduct $0.05 per prescription from all claims and remit the amount to the PANS not less frequently than monthly.

10.2. The Department agrees to establish a Pharmacy Services Steering Committee to provide oversight for the management of this agreement. Refer to the Terms of Reference in Appendix A.
11.0 Amendment

11.1. This Agreement, including Appendix A, may be amended with the written consent of both Parties.

11.2. This Agreement is subject to approval by Governor in Council.

Witness
Honourable Leo A. Glavine
Minister of Health and Wellness

Date
Sept 22, 2014

Accepted on behalf of The Pharmacy Association of Nova Scotia subject to ratification by the Association’s Executive.

Witness
Allison Bodnar
Chief Executive Officer
Pharmacy Association of Nova Scotia

Date
July 31, 2014
Appendix A

PHARMACY SERVICES STEERING COMMITTEE

TERMS OF REFERENCE

1.0 PURPOSE

The Pharmacy Services Steering Committee (PSSC) is established, and is provided with these Terms of Reference, under the authority of the Minister of Health and Wellness (Minister).

The purpose of the PSSC is to provide a forum for senior management from the Nova Scotia Department of Health and Wellness (DHW), the Pharmacy Association of Nova Scotia (PANS) and as required, representatives from other stakeholder groups, to discuss and resolve issues of a strategic nature and to identify opportunities that support the ongoing relationship between community-based pharmacy and the Province of Nova Scotia.

2.0 MEMBERSHIP

The PSC consists of:
- Three members from the Department of Health and Wellness, as appointed by the Deputy Minister, including one member nominated to serve as co-chair.
- One member from the Department of Community Services, as appointed by the Deputy Minister.
- Three members from the Pharmacy Association of Nova Scotia, as appointed by the Board of Directors, including one member nominated to serve as co-chair.
- Representatives from other stakeholder groups may be invited to attend, as required.

3.0 MANDATE AND RESPONSIBILITIES

The PSSC is an oversight and advisory committee whose members are accountable to their respective organizations.

The PSC’s responsibilities include, but may not be limited to:
- The review, approval and ongoing revision of this Terms of Reference document.
- The establishment of reporting and communications processes, used to inform stakeholders of the objectives, activities, progress and accomplishments of the PSSC and any Working Group(s) or sub-committee(s) established by the PSSC.
- Development and implementation of an Information Sharing Agreement so that the PSSC has access to the data required to inform recommendations.
- Oversight for any agreement(s) (existing or new) between DHW and PANS.
- To provide a forum for discussion of issues related to the delivery of pharmacy services and new investments in pharmacy services.
- Identification, prioritization and development of recommendations to the Minister of Health and Wellness, for demonstration products and/or agreements for funded services that may be considered in the future.
- Direction for any Working Group(s) established to support the mandate identified.
4.0 MEETINGS

The PSSC will meet no less than three times per year and such additional times as necessary to efficiently carry out its mandate.

5.0 GENERAL PROVISIONS

5.1 Secretariat and Administrative Support

Secretariat and administrative support is provided by the PSSC co-chairs or their delegates.

5.2 Amendment to Terms of Reference

These Terms of Reference may be amended at any time with the agreement of the DHW and PANS and approval by the Minister.

5.3 Confidentiality

Committee members will be required to sign a Confidentiality Agreement.

5.4 Working Group(s) and Sub-Committees

Working Group(s) and/or sub-committee(s) can be created and disbanded on an "as-needed" basis by the PSSC to examine issues or opportunities on behalf of the PSSC.