PHARMACARE TARIFF AGREEMENT
(the "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 as if executed on October 1, 2019 (the "Effective Date") through to September 30, 2024

WHEREAS the Parties entered into an agreement (the "former Agreement") for the period of October 1, 2014 to September 30, 2019 respecting conditions and maximum tariffs payable to Providers for the provision of Benefits to a Beneficiary under the Insured Prescription Drug Plan;

AND WHEREAS the Parties have conducted themselves as if the former Agreement has continued in effect in accordance with Article 9.4 of that Agreement;

AND WHEREAS the Parties now wish to enter into a new Agreement, setting out new conditions and maximum tariffs payable to Providers for the provision of Benefits to a Beneficiary under the Plan;

NOW THEREFORE in consideration of the mutual covenants, promises, and agreements contained in this Agreement, and other good and valuable consideration, the parties to this Agreement agree as follows:

1.0 Definitions

1.1 In this agreement,

1.1.1 "Act" means the *Fair Drug Pricing Act*, 2011, c.7.

1.1.2 "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 the 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 the AAC.

1.1.3 "Benefit" means a drug, device or service designated by the Minister under the *Act* to which some level of coverage applies under a Program.

1.1.4 "Beneficiary" means a person who is enrolled as a member of a program pursuant to the *Act* and regulations.

1.1.5 "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.

1.1.6 "MRP" means the maximum reimbursable price, which is the maximum drug cost established by the Minister under the Plan that is reimbursed to a Provider or a Beneficiary for a category of interchangeable products.

1.1.7 "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.

1.1.8 "Pharmacy Guide" means the Guide to the Nova Scotia Pharmacare Programs and Services, as published by the Nova Scotia Department of Health and Wellness, as amended from time to time.

1.1.9 "Plan" means the Insured Prescription Drug Plan established under the *Act*.

1.1.10 "PRP" means Pharmacare Reimbursement Price, as assigned by the Minister to each of the following:

1.1.10.1 Certain groups of drugs that are similar in therapeutic effect;
1.1.10.2 Specific services for which coverage is established;
1.1.10.3 Certain unit dose and special delivery formats that are also available in less expensive bulk formats; and
1.1.10.4 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 Benefit.

1.1.11 "Pharmacy" means a pharmacy as defined in the *Pharmacy Act* and licensed with the Nova Scotia College of Pharmacists.

1.1.12 "Program" means any program established under the Insured Prescription Drug Plan.

1.1.13 "Provider" means:

1.1.13.1 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

1.1.13.2 A supplier of a Benefit that is not licensed as a pharmacy under the Pharmacy Act but is designated as a provider or in a class of providers.

1.1.14 "Steering Committee" means the Pharmacy Services Steering Committee established under this Tariff Agreement and in accordance with the Terms of Reference attached thereto as Appendix A.

1.1.15 "Usual and Customary Dispensing Fee", hereafter referred to as the "Pharmacare dispensing fee", means the dispensing fee the provider charges customers who pay cash for their prescriptions.

2.0 Minimum and Maximum Supply

2.1 The Program will reimburse a minimum and maximum number of Pharmacare Dispensing Fees in accordance with the Pharmacy Guide.

3.0 Uninsured Services

3.1 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 a Benefit will be honoured by the Program, only if it is received by the Program within 90 days of the date upon which the Benefit were supplied.

4.3 The Program shall pay the line charges for the electronic submission of Program claims.

5.0 Collection of Costs

5.1 Providers are expected to collect all required copayments and deductibles for an insured Benefit. With the exception of required copayments, deductibles and any costs that exceed the PRP and MRP (only if a patient requests a higher cost Benefit), Providers will not collect any other amount for an insured Benefit.

6.0 Pharmacare Tariffs

6.1 Prescriptions for drugs and supplies which are Benefits will be reimbursed to Providers as follows:

Effective Dates	Ostomy Supplies – AAC plus 10% (to a maximum of $50 per prescription), plus a maximum Pharmacare dispensing fee of:	Compounded extemporaneous products (except injectables) – AAC plus 2% (to a maximum of $50 per prescription), plus a maximum Pharmacare dispensing fee of:	Methadone MRP or PRP plus 8%, plus a Pharmacare dispensing fee of:	All other prescriptions	
				MLP plus 10.5% (if the ingredient cost is $3,000 or less) or MLP plus 8% (if the ingredient cost is greater than $3,000) plus a maximum Pharmacare dispensing fee of:	MRP or PRP plus 8% plus a maximum Pharmacare dispensing fee of:
October 1, 2019-March 31, 2020	$12.10	$18.15	$12.10	$12.10	$12.10

Effective Dates	Ostomy Supplies – AAC plus 10% (to a maximum of $50 per prescription), plus a maximum Pharmacare dispensing fee of:	Compounded extemporaneous products (except injectables) – AAC plus 2% (to a maximum of $50 per prescription), plus a maximum Pharmacare dispensing fee of:	Methadone MRP or PRP plus 10%, plus a Pharmacare dispensing fee of:	All other prescriptions	
				MLP plus 10% (if the ingredient cost is $3,000 or less) or MLP plus 8% (if the ingredient cost is greater than $3,000) to a maximum of $325 per prescription, plus a maximum Pharmacare dispensing fee of:	MRP or PRP plus 8% to a maximum of $325 per prescription, plus a maximum Pharmacare dispensing fee of:
April 1, 2020 to March 31, 2021	$12.25	$18.37	$12.25	$12.25	$12.25
April 1, 2021 to March 31, 2022	$12.39	$18.59	$12.39	$12.39	$12.39
April 1, 2022 to March 31, 2023	$12.54	$18.81	$12.54	$12.54	$12.54
April 1, 2023 to March 31, 2024	$12.69	$19.04	$12.69	$12.69	$12.69
April 1, 2024	$12.84	$19.27	$12.84	$12.84	$12.84

6.2 Restocking Fee

6.1 The Program will pay a restocking fee of 20% when medications are returned to inventory by a Provider, as per the Pharmacy Guide.

6.3 Other Services

6.3.1 The Parties agree that Providers may provide the following other Services, as approved by the Department and as subject to criteria identified by the Pharmacy Guide:

6.3.1.1 Advanced Medication Review: maximum special services fee of $150.00
6.3.1.2 Basic Medication Review: maximum special services fee of $52.50
6.3.1.3 Medication Review Follow-up: maximum special services fee of $20.00
6.3.1.4 Prescription Adaptation: maximum special services fee of $14.00
6.3.1.5 Therapeutic Substitution: maximum special services fee of $26.25
6.3.1.6 Such other services as may be agreed to by the Parties during the Term of this Agreement.

6.3.2 The Parties agree that no loyalty points or similar program may be offered by a Provider on any of the Services listed under this Article 6.3.

7.0 Maximum Reimbursement

7.1 If the total reimbursement to the Provider by the Department for the provision of a given Benefit exceeds the amount contracted for or accepted as payment by the Provider from any other payor or combination of payors for the same Benefit the Department may reclaim the difference as an adjustment to the bottom line payment to the Provider.

8.0 Audit

8.1 Providers will 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 Confirmation by Providers

9.1 The Parties acknowledge and agree that Providers will become parties to this Agreement, and cease to be parties to this Agreement, in accordance with a signed Confirmation of Agreement, in a form determined by the Department in its sole discretion.

10.0 Term and Termination

10.1 The Term of this Agreement will commence on October 1, 2019 to September 30, 2024 (the "Term").

10.2 The Parties may agree to extend the agreement beyond the end of the Term of September 30, 2024 subject, however, to the understanding that any extension may be terminated with a 30 day notice by either party.

10.3 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.

10.4 Upon expiry of this Agreement on September 30, 2024, if the Parties have not extended the term of this Agreement in accordance with clause 10.2 or served notice of termination pursuant to clause 10.3, the provisions of this Agreement will 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.

10.5 In the event that:

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

10.5.2 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 Provider Pharmacare number, will automatically terminate on the date of transfer of ownership. The Department agrees it will retain this information in confidence.

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

10.6 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 Article 8 of this Agreement.

11.0 Other

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

11.2 The Department agrees to establish a Pharmacy Services Steering Committee to provide oversight for the management of this Agreement, whose Terms of Reference are attached hereto as Appendix A and may be amended from time to time by the Committee on the mutual agreement of the Parties.

12.0 Amendment

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

13.0 Approval

This Agreement is subject to approval by Governor in Council.

Witness

DEC 0 9 2019

Date

Honourable Randy Delorey
Minister of Health and Wellness

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

Witness

Nov. 8, 2019

Date

Allison Bodnar
Chief Executive Officer
Pharmacy Association of Nova Scotia

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.
- Sharing of information as appropriate to the project.
- 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.