



Health Newsflash

Manitoba Pharmacare Changes to Affect Private Drug Plans in the Province



Optimizing the Value of Drug and Dental Benefits

Recent changes to Manitoba Pharmacare, the province's drug plan, will highlight the impact provincial decisions have on private drug plans. Effective November 1, 2004, Manitoba Pharmacare will change the benefit status of COX-2 inhibitors (Celebrex, Vioxx, Mobicox, Bextra, and generics) for treating pain and arthritis, from Part 2 to Part 3 in the provincial formulary. This move will essentially restrict access to these medications. Part 2 includes drug products eligible for Pharmacare benefits, while Part 3 requires a special letter from the patient's physician known as the Exception Drug Status (EDS). The EDS must be pre-approved based on specific circumstances for each patient. Patients who qualify must have one or more risk factors including: previous ulcer, risk of stomach bleeding, age greater than 65, concurrent warfarin (blood thinner) or long-term prednisone (oral steroid) therapy. Patients not matching these criteria will not qualify for coverage of these medications and must rely on access through their private drug plans, out-of-pocket payment or seek alternative therapy (e.g., NSAIDs such as Naprosyn or Motrin).

All Manitoba residents qualify for Manitoba Pharmacare and receive complete financial assistance for eligible prescription medications once the annual deductible has been satisfied. The yearly deductible is determined for each family and is a percentage of the total family income. Medications not eligible for Pharmacare coverage do not reduce a patient's annual deductible and costs must be absorbed by the patient or private insurance.

Based upon a recent study of ESI Canada claims in Manitoba from July 1, 2003 to June 30, 2004, 5.8% of all claimants received a COX-2 inhibitor, representing 2.5% of all prescriptions and 3.5% of the total drug costs paid. These findings indicate the substantial contribution COX-2 inhibitor claims have on ESI Canada drug claims in Manitoba and reflect the national trend for these medications as well.

Of these claimants, 6.7%, 4.6%, and 8.1% of claimants were eligible for Pharmacare coverage under the EDS program, because they were either receiving concurrent warfarin or long-term prednisone, or were over 65 years of age, respectively. The statistics also illustrate the small percentage of claimants who would qualify under the EDS program. Consequently, Manitoba Pharmacare's restrictive access to COX-2 inhibitors will increase the number of claims paid by employer drug plans.

For patients with private drug coverage, it is conceivable that if denied provincial coverage, pharmacies could submit the claims to private drug plans as the second payer, without having the physician apply for the EDS program for their patients. Therefore, these changes could have a direct financial impact on employer drug plans by increasing annual drug costs by as much as 3.2% for Manitoba claims. The specific rate impact to clients who choose to cover these drugs would be determined by their insurance carrier.

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