

Pharma in brief - Canada

Quebec implements 3 year suspension on professional allowance cap payable by generic manufacturers to Quebec pharmacists

Act: *An Act respecting prescription drug insurance*, chapter A-29.01
Regulation: *Regulation respecting the benefits authorized by pharmacists*, c. A-29.01, r. 1, Gazette Officielle du Québec, April 13, 2016, Vol. 148, No. 15 (“Regulation”)
Date: April 28, 2016

Summary

Effective April 28, 2016, Quebec has passed a 3 year suspension of its 15% maximum professional allowance cap payable by generic drug manufacturers to pharmacies in Quebec. The amendment to the Regulation allows for a phased increase to the professional allowance cap to 25%, and then 30% over nine months, with no cap in place for the remaining 2 years and 3 months of the suspension.

The regulatory amendment was first proposed in December 2013 with the aim of providing increased income for owner pharmacists in the form of professional allowances. The regulatory amendment comes into force on April 28, 2016 (15 days after the publication in the Gazette Officielle du Québec).

Background

In Quebec, section 22 of *An Act respecting prescription drug insurance* allows for certain benefits to be paid to pharmacies for pharmaceutical services or medications. Section 2 of the Regulation states that the only benefits authorized for a pharmacist to receive from a generic pharmaceutical manufacturer, are professional allowances and other benefits that are defined in these regulations. A “professional allowance” is defined as

“a reduction as a discount, rebate or premium, good, service, gratuity or any other benefit granted, paid or provided, directly or indirectly, by a generic drug manufacturer to an owner pharmacist, other than the discount referred to in paragraph 2 of section 2 of Schedule 1 to the Regulation respecting the conditions governing the accreditation of manufacturers and wholesalers of medications [discount for prompt payment] shall be recognized (chapter A-29.01, r. 2), that is used only for the purposes and before the expiry date and limit set in this section.”

Typically, professional allowances are authorized for the purposes of funding professional skill development, training, continuing education programs, activities for Quebec pharmacists, and activities intended for the general public that take place in the pharmacy for the promotion or protection of health, disease prevention or education. The Regulation provides a list of authorized purposes for which a professional allowance may be given.

The current regulatory amendment

Previously, the Regulation capped the amount of professional allowance payable by a generic manufacturer to a given pharmacy per year, at 15% of the total value of the generic manufacturer's sales of drugs on the List of Medications to a pharmacy. The regulatory amendment now increases the cap on professional allowances from 15% to 25% for 6 months, then to 30% for 3 months, and then eliminates the cap altogether for the remaining 2 years and 3 months of the suspension. The amended text added to section 2 of the Regulation reads as follows:

"How ever, this percentage will be 25% for a period of six months effective from 28 April 2016 and 30% for the follow ing three months. After these last three months, no limit will apply for a period of two years and three months." [emphasis added]

The amendment to the Regulation does not presently affect professional allowances paid to Quebec pharmacies by innovative pharmaceutical manufacturers.

Link to regulatory amendment:

[Gazette Officielle du Quebec, Part 2, April 13, 2016, Vol. 148, No. 15](#)

Link to the current Regulation:

[Regulation respecting the benefits authorized by pharmacists](#)

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