



North Dakota Rx Reference Rate Pilot Program

PERS Identifies Most Costly Drugs

- Public employee retirement system (PERS) identifies the 25 most costly prescription drugs (net price x utilization)
- PERS sends list of drugs to Commissioner, with data on net spend for each listed drug over previous calendar year

Commissioner Identifies Referenced Drugs & Rates

- Commissioner publishes list of the 25 drugs subject to the referenced rate and the actual referenced rate
- To determine the referenced rate, Commissioner compares the WAC to published prices from the four most populous Canadian provinces, and selects the lowest cost
- If the referenced drug cannot be found in the provinces, the Commissioner considers the ceiling price published by Canada's Patented Medicine Prices Review Board
- Commissioner consults PERS and calculates the expected savings achieved by utilizing referenced rate for plan year

Reporting & Enforcement

- Commissioner receives mandated reporting by plans, and publishes annual report
- Commissioner enforces penalties for violations of statute

Legislative Report

- During the 2023-24 and 2025-26 interims, the Commissioner will provide an annual report to the Legislature

Example IPI Table*

Drug Name	NDC	Strength	Ontario (in CAN \$)	Quebec	British Columbia	Alberta	PMPRB Maximum Price	Reference Rate	Reference Rate in USD	Source of Reference Rate
Drug A	0000-0000-01	5mg tablet	\$500	\$450	\$500	\$475	\$550	\$450	\$335.33	Quebec
Drug B	0000-0000-02	100mg/mL syringe	\$890	\$860	\$880	\$860	\$950	\$860	\$640.97	Quebec, Alberta
Drug C	0000-0000-03	75mg tablet	\$13	\$15	\$17	N/A	\$25	\$13	\$9.69	Ontario
...										

<u>Drug Name</u>	<u>NDC</u>	<u>Strength</u>	<u>Source of International Reference Rate</u>	<u>Current Plan Net Price [in State]</u> <i>Net unit cost (after rebates and all other discounts). Please be sure to match price/units based on Unit of Reference Rate</i>	<u>Drug Utilization</u> <i>(utilization for specified time period)</i>	<u>Plan Total Net Spend</u> <i>Multiply Current Plan Net Price by Drug Utilization</i>	<u>International Reference Rate</u> <i>(in USD)</i>	<u>Canadian Unit of Reference Rate for Comparison</u>	<u>Plan Net Spend with International Reference Rate</u> <i>Multiply International Reference Rate by utilization</i>	<u>Plan Savings from International Reference Rate- Setting</u> <i>Subtract Plan Net Spend with International Reference Rate from actual Plan Total Net Spend</i>
Drug A	0000-0000-01	5mg tablet	Quebec	\$2,700	450	\$1,215,000	\$335.33	5mg tablet	\$150,898.50	\$1,064,101.50
Drug B	0000-0000-02	100mg/mL syringe	Quebec, Alberta	\$1,500	250	\$375,000	\$640.97	1 syringe	\$160,242.50	\$214,757.50
Drug C	0000-0000-03	75mg tablet	Ontario	\$800	180	\$144,000	\$9.69	75mg tablet	\$1,744.20	\$142,255.80
...										
								Total annual savings:		\$XXX

*Note: The above table is for illustrative purposes only – it does not reflect any drug products or prices

Resources

- Ontario Drug Benefit Formulary/Comparative Drug Index - <https://www.formulary.health.gov.on.ca/formulary/>
- Québec List of Medications (last updated December 14, 2022) - <https://www.ramq.gouv.qc.ca/en/media/14231>
- British Columbia PharmaCare Formulary Search - <https://pharmacareformularysearch.gov.bc.ca/Search.xhtml>
- Alberta Interactive Drug Benefit List - <https://idbl.ab.bluecross.ca/idbl/load.do>
- New Patented Medicines Reported to Patented Medicine Prices Review Board - <http://pmprb-cepmb.gc.ca/pmpMedicines.asp?x=611>