



NATIONAL PRESCRIPTION DRUG PLAN (NPDP)

**Presentation to Pharmacy Association
PHA Conference Room
January 14, 2010**



Organisation of Presentation

- 1. Statement of Problem**
- 2. The Action Program**
- 3. Other Drug Plans Reviewed**
- 4. Key Features of Plan (Act passed in October 2009)**
- 5. Contracts and Participating Pharmacies**
- 6. Supply and Purchase of Drugs**
- 7. Claims Processing /IT System**
- 8. Payment Arrangements**
- 9. Audits**
- 10. Copayments and Coordination of Benefits in Other Phase(s)**
- 11. Dispute Resolution**



Statement of Problem

- a) Health burden of chronic diseases —1 in 3 Bahamians**
 - Many days of illness, disability, hospitalization
 - Reduced length and quality of life.

- b) Inadequate access to prescription drugs and supplies**
 - Long waiting /uncertain supplies in public facilities
 - Cost barriers in private pharmacies
 - Many chronic patients do not seek treatment

- c) Major financial burden**
 - High expenses by individuals, families, government
 - Productivity losses by businesses



The Action Program

a) Treatment—Prescription Drug Program

***Enhance access to drugs in public and private pharmacies**

- **Reduce patient burden of paying for drugs**
- **Improve patient compliance in managing condition**

b) Prevention—Healthy People Program

- **Provide funds to support well-designed projects in health promotion, wellness, health education.**

c) Public-Private Partnership

- **Confront and reduce burden of chronic disease**



Other Drug Plans Reviewed

- a) **Barbados Drug Service (1980)**
- b) **T'dad & T'bgo Chronic Disease Assistance Program (2003)**
- c) **Jamaica National Health Fund (2003)**
- d) **Australia Pharmaceutical Benefit Scheme (1948)**
- e) **Drug Plans in Canadian Provinces eg British Columbia's Pharmacare and Ontario's Drug Benefit Program**
- f) **UK NHS Pharmacy Services**
- g) **US 340B Drug Program (1992)**



Feature 1—PHASED APPROACH

PHASE I COVERAGE	FUTURE PHASE(S)
1. NIB pensioners-- Contributory and Non-contributory	1. Employed and self-employed persons
2. NIB Invalids receiving Benefits and Assistance	2. Voluntary contributing persons
3. Children under 18 or under 25 yrs. if full-time students	3. Indigent persons
	4. Persons in government institutions
Funding—NIB resources	Funding—mix of contributions, copayments, grants, coordination of benefits.



Feature 2-Defined List of Diseases

- **Criteria for Inclusion:--high prevalence; financially burdensome to patient; available drug treatment**
- **11 Chronic Diseases (in first round):**
 1. Arthritis
 2. Breast Cancer
 3. Glaucoma
 4. Hypertension
 5. Major Depression
 6. Psychosis
 7. Asthma
 8. Diabetes
 9. High Cholesterol
 10. Ischaemic Heart Disease
 11. Prostate Cancer
- **List will be reviewed and amended over time.**



Feature 3-Defined Benefits

- **Quality cost-effective drugs and medical supplies recommended by Benefits Committee**
- **Maximum dosage/supply per month established by Committee.**
- **List of drugs—initially 93 items—will be reviewed and amended periodically.**



Feature 4-Defined Membership

- a) Must be NIB pensioner, 'invalid', or child under 18 or less than 25 (full-time student)**

- b) Certified by registered medical practitioner with 1 or more of listed diseases**

- c) Issued with unique drug plan membership card and number.**



Feature 5-Administration

- **Administered by NIB**
- **Support from 2 Committees:**
 1. ***Benefits Committee***—for annual reviews of list of diseases and drug
 2. ***Strategic Planning Committee***—for assessing annual performance and recommending action measures.
- **Annual and other periodic reports to NIB Board; Minister; Parliament**



Feature 6-Business Management Features

- **Computerized applications for efficient management of :--**
 - a. **Enrollment-Registration of members**
 - b. **On-line claims adjudication (validation) and processing**
 - c. **Drug inventory monitoring and auditing**
 - d. **Data on drug interaction**
 - e. **Prescribing and Dispensing reviews**
 - f. **Detecting fraud and abuse**
 - g. **Performance monitoring and assessment.**

- **Emphasis on customer-centered services –**
 - a) **Help Desk for software-claims processing matters**
 - b) **Call Centre for customers (members, others)**
 - c) **Pharmacist for pharmaceutical matters**



Feature 7-Healthy People Program

- **Objective:--to provide grant funds to local organisations for well-designed community projects fostering healthy lifestyles and wellness**
- **Proposed Priority Project Areas:--**
 1. **Diet, nutrition and obesity control**
 2. **Self-management training and toolkits for chronic diseases**
 3. **Screening for cancer, diabetes, hypertension**
 4. **Health education**
 5. **Research**



Feature 8-Defined Pharmacy Network

- **Public and private pharmacies will be invited to participate.**
- **Pharmacy must :--**
 - a. Have valid business license and number**
 - b. Meet requirements of Pharmacy Act, 2009**
 - c. Be up to date with payments to NIB**
 - d. Have IT system to interface with Plan**
 - e. Accept and sign provider contract.**
- **Special arrangements will be made for dispensing in remote Family Islands and in specialised treatment centres eg cancer care.**



Supply and Purchase of Drugs

- **Pre-tender:--Pharmacies send expected sales/requirements to Drug Plan for feeding into tender process.**
- **Tender:--Drug Plan collaborates with BNDA in tender process and contracts for supplies with wholesalers-distributors.**
- **Post-Tender:--Pharmacies make own arrangements to purchase drugs from contracted suppliers at agreed prices.**
- **Post-Tender:--Pharmacies send copy of orders for supplies to Drug Plan; Suppliers send copy of invoices to Drug Plan.**



Claims Processing/IT Systems

- **Drug Plan emphasises electronic claims processing with software, upgrades and training provided by the Plan.**
- **Members must present card when filling prescriptions .**
- **Swiping card activates the on-line claims adjudication system (business rules for eligibility/validity, drug supplies) and processing can be dealt with in sub-5 seconds.**
- **Accepted claims will be logged for payment. Rejected claims will receive an explanatory statement.**
- **Drug Plan's Customer services, Help Desk and Pharmacist may be called as necessary.**



Payments—Formula & Timing

- * Drug Plan will pay on a cost plus mark-up basis.
- Cost prices of drugs will be placed in 4 bands and percentage mark-up will vary inversely to cost (i.e. lower cost, higher percentage mark-up and vice versa).
- Minimum payment per item will be \$3.

- All accepted claims for payments will be paid once per week –perhaps every Thursday for claims in the preceding week--through transfers to pharmacy bank account.

- Pharmacy can request update on its claims activity to verify payments.



Copayments and Coordination of Benefits

- **In the next phase(s), provisions will be made for**
 - **copayments by some categories of members;**
 - **coordination of payments for benefits with private insurance carriers.**
- * **The IT claims processing system will provide on-line applications for managing these payments.**



Audits

- **Signed receipt for drugs should be kept by pharmacy for audits.**
- **Drug Plan audits will be conducted periodically to match supplies received (invoice) with claims activity/dispensed items.**
- **Audits will also match payments received against signed receipts for items dispensed.**



Disputes Resolution

- **In case of disputes, procedures will be similar as currently in place in NIB.**
- **If necessary, referral will be made in accordance with Arbitration Act (Ch. 180)**



NETWORK TIMELINES

- Review of draft contract-----JANUARY 22
- Signing of contracts-----FEBRUARY 12
- Installation of Software & Training -----FEBRUARY 26
- Orders for Supplies-----MARCH 5
- First Day of Business-----APRIL...



Summary of Key Points

1. **Objectives:-** Improve access; reduce cost of drugs; promote wellness.
2. **Diseases covered:-** 11 Chronic conditions
3. **Defined list of drugs/supplies:** 93 Items
4. **Defined membership:-** Certified by physician with condition
 - Phase 1—Children; NIB pensioners and invalids
 - Next Phase(s)--Workers; Wards of state; Other indigents; Voluntary members
5. **Providers:-** Contracted public and private pharmacies
6. **Supply of drugs:-** Negotiated (through BNDA) with wholesalers.
7. **Claims processing and Payments:-** On-line claims adjudication with payments based on cost-plus formula and made once per week.
8. **Administration:** NIB
9. **Key efficiency measures:** IT-driven applications; performance targets
10. **Comparable plans:** Jamaica, Trinidad & Tobago, Barbados



Q & A

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