



New Multi-Tiered Markup for Ontario Drug Benefit Claims

Update Pricing in PharmaClik Rx

ACTION REQUIRED

*****This notice contains an amendment to the section, [Rebiling ODB Claims Submitted with Incorrect Markups](#) and two new sections titled [Reviewing the Markups for Drug Benefit Plans](#) and [Low or Negative Markups on the Gross Profit by Prescription report](#). A note was also added at the end of [Setting Up Tiered Markups in PharmaClik Rx](#) regarding the 1st tier.*****

On Monday, April 1, 2024, a new multi-tiered markup framework will be applied to Ontario Drug Benefit (ODB) claims. The allowable markup for an ODB claim will depend on the drug cost, with higher markups allowed for lower-cost drugs. For more information, please refer to the [Executive Officer Notice](#).

Table 1. New Markup Tiers for ODB.

Tier	Drug Cost Minimum (\$)	Drug Cost Maximum (\$)	Allowable Markup (%)*
1	0	99.99	8.5
2	100	499.99	8
3	500	999.99	7
4	1,000	1,999.99	6
5	2,000	3,999.99	5.5
6	4,000	No max	5

*The allowable markup is based on the Drug Benefit price.

Before the start of business on Monday, April 1, 2024, make the following adjustments in the Pricing and Variable Pricing modules of PharmaClik Rx.



ALERT: Failure to make these adjustments may result in loss of revenue and/or audit cutbacks on ODB claims. You only have a 7-day window to [rebill ODB claims](#) to recoup lost markups.

Setting Up Tiered Markups in PharmaClik Rx

The Pricing and Variable Pricing modules in PharmaClik Rx are used to set up dispensing fees and markups for online and offline third parties. Pricing Rules allow you to set a fixed markup. Variable Pricing Rules allow you to stratify the markup based on different ranges and override a fixed markup. You will use both types of Rules to set up the new ODB markup tiers.



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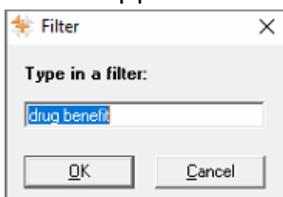
 **NOTE:** To perform the steps below, your user account must have [Pharmacy Pricing access](#).

To update the markup for ODB in PharmaClik Rx:

1. Select **More > Pharmacy > Pricing**.
2. Locate the **Drug Benefit** row.
3. For Drug Benefit, in the **Markup** field, enter 0.085. PharmaClik Rx will convert this to 8.5%. This will set your **1st markup tier (\$0 – \$99.99)**.

Pharmacy	Rx Detail	Patient	User	Pricing	Var. Pricing	Capitation	System
Description	Method	Fee	Mix \$	x\$/π	Markup	1kp.CagFee	^
Drug Benefit	E/S/A	\$8.83	\$0.00	\$0.00	0.0850	9,999.00	99.9

4. Select **Save**.
5. Select the **Var. Pricing** tab.
6. Select the **Filter** button.
7. In the Filter textbox, enter “drug benefit” and select **OK**. Only the Drug Benefit rows should appear in the grid.



Filter dialog box with a search field containing 'drug benefit' and OK/Cancel buttons.

8. Locate any Rules that meet the following description:
*Third Party = **Drug Benefit – All**, Custom Class = **All**, Apply To = **Markup**, Check = **Cost***

In the example below, there’s one Variable Pricing Rule that fits this description. It applies a 6% markup to drug costs between \$1,000 and \$9,999.99.

Pharmacy	Rx Detail	Patient	User	Pricing	Var. Pricing	Capitation	System
TP - Plan*	Custom Class*	Apply To*	Check*	Min*	Max*	% Cost	
Drug Benefit - All	All	Markup	Cost	1000.0000	9999.9900	6.0%	

9. If any Rules were found in step 8, highlight one of them and select **Remove**. Repeat till all the Rules found in step 8 are removed.
10. Select **Save**.
11. Select **Add**. A new row appears in the Variable Pricing grid.
12. Enter the following in the new row:
 - **Third Party** = Drug Benefit – All
 - **Custom Class** = All
 - **Apply To** = Markup
 - **Check** = Cost
 - **Min** = 100
 - **Max** = 499.99
 - **% Cost** = 0.08 (PharmaClik Rx will convert this to 8%)

This will set your **2nd markup tier**.



Pharmacy	Rx Detail	Patient	User	Pricing	Var. Pricing	Capitation	System
TP - Plan*		Custom Class*	Apply To*	Check*	Min*	Max*	% Cost Ct
Drug Benefit - All		All	Markup	Cost	100.0000	499.9900	8.0%

13. Repeat steps 11 – 12 for tiers 3 – 6 in [Table 1](#). In the end, you should have 5 newly created rows in Variable Pricing.

Pharmacy	Rx Detail	Patient	User	Pricing	Var. Pricing	Capitation	System
TP - Plan*		Custom Class*	Apply To*	Check*	Min*	Max*	% Cost
Drug Benefit - All		All	Markup	Cost	100.0000	499.9900	8.0%
Drug Benefit - All		All	Markup	Cost	500.0000	999.9900	7.0%
Drug Benefit - All		All	Markup	Cost	1000.0000	1999.9900	6.0%
Drug Benefit - All		All	Markup	Cost	2000.0000	3999.9900	5.5%
Drug Benefit - All		All	Markup	Cost	4000.0000	9999.9900	5.0%



NOTE: For the sixth tier, enter \$9,999.99, which is the highest drug cost that can be submitted in a single CPhA claim.



NOTE: If you have any ***All* – All** Variable Pricing Rules that apply to the **Markup** when the **Cost** is anywhere between **\$0** and **\$99.99**, you must create a Drug Benefit Variable Pricing Rule for the 1st tier (\$0 – \$99.99) as shown below. This is because the ***All* – All** Variable Pricing Rule will override the 8.5% markup set up in the Pricing Rule.

To view the Rules for TP – Plan ***All* – All**, clear the filter.

Pharmacy	Rx Detail	Patient	User	Pricing	Var. Pricing	Capitation	System
TP - Plan*		Custom Class*	Apply To*	Check*	Min*	Max*	% Cost
Drug Benefit - All		All	Markup	Cost	0	99.9999	8.5%
Drug Benefit - All		All	Markup	Cost	100.0000	499.9900	8.0%
Drug Benefit - All		All	Markup	Cost	500.0000	999.9900	7.0%
Drug Benefit - All		All	Markup	Cost	1000.0000	1999.9900	6.0%
Drug Benefit - All		All	Markup	Cost	2000.0000	3999.9900	5.5%
Drug Benefit - All		All	Markup	Cost	4000.0000	9999.9900	5.0%

14. Select **Save**.

Reviewing the Markups for Drug Benefit Plans

In PharmaClik Rx, there are 5 different plans underneath Drug Benefit:

- General
- Trillium
- Non-ODB Recipient
- Drug Benefit Long Term Care
- Drug Benefit Chronic Care

When you set up the Pricing and Variable Pricing Rules for **Drug Benefit – All**, the new markups should be inherited by the above plans **unless customized markups were previously entered for these plans**. In most cases, the markups should be inherited, and no updates should be required for each plan.



To review the markups for the Drug Benefit plans:

1. Select **More > Pharmacy > Pricing**.
2. Underneath the Drug Benefit row, locate one of the plans (e.g., Trillium). It should appear in **purple** font.
 - If you don't have any plans located underneath Drug Benefit, proceed to step 6.
3. Review the **Markup** field. If it is incorrect, enter 0.085 (8.5%).



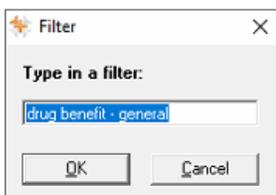
NOTE: If the Markup was previously customized for a plan, it will not inherit Markup changes made to the parent third party row. You can tell if a value was customized by its colour.

- Values that were inherited appear in the same colour as the Description for the parent row (i.e., Drug Benefit).
- Values that were customized appear in the same colour as the Description for the current row (e.g., Trillium).

In the example below, a custom Markup of 10% was previously entered for Trillium. This must be updated to 8.5%.

Description	Method	Fee	Mix \$	x\$/n	Markup	4kp.Cap	Fee ^
Trillium	E/A/S	\$8.83	\$0.00	\$0.00	10.0%	9,999.00	99,9

4. Repeat steps 2 – 3 for the remaining Drug Benefit plans.
5. Select **Save**.
6. Select the **Var. Pricing** tab.
7. Select the **Filter** button.
8. In the Filter textbox, enter “drug benefit – general” and select **OK**. Only the Drug Benefit – General rows should appear in the grid.
 - If no rows were found, proceed to step 11.



9. Locate any Rules that meet the following description:
*Third Party = **Drug Benefit – General**, Custom Class = **All**, Apply To = **Markup**, Check = **Cost***
10. If any Rules were found in step 9, highlight one of them and select **Remove**. Repeat till all the Rules found in step 9 are removed.



ALERT: Do not remove the **Drug Benefit – All** rows that you previously set for the markup tiers.

11. Repeat steps 7 – 10 for the remaining plans. Use the following as the filters:
 - Trillium
 - Non-ODB recipient
 - Drug Benefit Long Term Care
 - Drug Benefit Chronic Care



- If no rows are found, no further action is needed.
12. Select **Save**.

Rebiling ODB Claims Submitted with Incorrect Markups

If you processed ODB claims **prior** to setting up the new tiered markups in PharmaClik Rx, you may need to rebill these prescriptions. ODB will accept rebills within 7 days of the Fill Date.



ALERT: You only need to rebill ODB claims if the new tiered markups were not set up before the start of business on April 1, 2024.

The **Gross Profit by Prescription** report can provide you with a list of prescriptions that were submitted to ODB within a given period.

To identify prescriptions that need to be rebilled:

1. Select **More > Reports**.
2. Select the **Gross Profit by Prescription** report.
3. Select **Next**.
4. In the **Start Date** field, enter April 1, 2024.
5. In the **End Date** field, enter the date that you set up the new tiered markups in PharmaClik Rx.
6. In the **Third Party** field, enter Drug Benefit.
7. Select **Preview**.
8. From the **Workbench Completed** tab, select **Detail**.
9. Enter a few prescription numbers from the report, separated by a forward slash (/) (e.g., 200515/200516/200517). Select **OK** to open the prescriptions in Rx Detail.
10. In the **Rx Detail Price** section, calculate the markup percentage by dividing the **Markup** by the **Cost**.

Price	
<input type="checkbox"/> Capitation	
Cost:	\$11.78
Markup:	\$0.94
Fee:	\$8.83
Total:	\$21.55
Trp Paid:	\$0.00
Copay:	\$21.55
Deduct:	\$0.00
Pays:	\$21.55

$$\text{Markup \%} = \frac{\text{Markup (\$)}}{\text{Cost (\$)}} \times 100$$

11. Use [Table 1](#) to determine if an incorrect markup was submitted for a drug cost.
12. [Rebill the prescriptions](#) that were submitted with an incorrect markup to ODB.
13. Repeat steps 8 – 12 for the remaining prescriptions on the report.

Low or Negative Markups on the Gross Profit by Prescription Report

On the [Gross Profit by Prescription report](#), there are 2 Markup columns: **Markup %** and **Markup \$**. Both values on the report are calculated based on the **Acquisition Cost (Acq Cost)** of the Drug and take into consideration **waived amounts**.

For some ODB prescriptions, you may notice the Markup values on the report are lower than what was submitted or even negative. This can happen if:



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- The Acquisition Cost (Acq Cost) is higher than the Drug Benefit Price (Prov \$). In other words, ODB may be reimbursing the drug at a lower price than what you pay to acquire it.
 - The Acquisition Cost in the Drug Folder is incorrectly entered.
 - Amounts were waived following adjudication. Waived amounts are subtracted from the Markup \$.
 - Negative Variable Costs were applied to the prescription, reducing the submitted cost. These could be the result of Variable Pricing Rules set up in the Pricing module. Variable Costs can be seen from the [Requested Cost & Fee window](#).

To see the actual markup that was submitted for a prescription, detail the prescription, and review the **Price** section, as indicated above.

