

Nova Scotia Prescription Monitoring Program Annual Report 2011/2012

Prescription Monitoring Program PO Box 2200, Halifax NS B3M 4W2 T 902.496.7123 F 902.481.3157 www.nspmp.ca

Introduction

The Prescription Monitoring Association of Nova Scotia (PMANS) was incorporated in October 1991. In January 1992, the PMANS began operating a prescription monitoring program to monitor the prescribing and dispensing of specific narcotic and controlled drugs in Nova Scotia with the objective of curbing the overuse, misuse and diversion of these substances.

Although PMANS was a voluntary association, it played a vital role in identifying the need to establish a legislative framework to support the operations of a prescription monitoring program. Consequently, the Prescription Monitoring Act was approved in October 2004 and subsequently proclaimed along with the Prescription Monitoring Regulations in June 2005. A Prescription Monitoring Board was appointed with the legislated mandate to establish and operate a prescription monitoring program for Nova Scotia. The objects of the Nova Scotia Prescription Monitoring Program (NSPMP) are to promote:

- the appropriate use of monitored drugs; and
- the reduction of abuse or misuse of monitored drugs.

Under the authority of the *Prescription Monitoring Act*, Medavie Blue Cross was appointed as the Administrator of the NSPMP.

In conjunction with the new legislation, the Administrator implemented an on-line system to receive prescription information for the specified list of monitored drugs. This information had historically been compiled using the part of the triplicate prescription pad which pharmacies were required to send into the program. By the end of 2007, all community pharmacies were submitting this information via the on-line system. In 2008, the prescription pad was reduced to a duplicate form.

Early in 2007, the Prescription Monitoring Board held a governance session. As a result, the Prescription Monitoring Board now operates under a governance charter, which clearly defines its governance responsibilities. The Board maintains a policy framework to provide guidance to the Administrator and to ensure the NSPMP meets its legislative requirements. It was during this year that the first Three-Year Strategic Plan (2007-2010) was developed which focused on the areas of reputation/brand, finances, business process excellence, programs and services, human resources and infrastructure, and relationships with stakeholders. Achievements to date include the establishment of a Service Agreement with the Administrator, branding of the NSPMP, development of a drug utilization review (DUR) "hub", and the creation of a public website.

In 2009, the Prescription Monitoring Board revisited its Strategic Plan and updated its mission, values and vision to reflect the successful achievement of the operational and strategic outcomes set forth in the 2007-2010 Strategic Plan. The Board also reviewed outstanding operational and strategic outcomes and established new priorities with the development of a new Strategic Plan for the next three-year period (2010-2013).

This document provides an overview of the activities that have occurred during the 2011/12 fiscal period in terms of strategic goals, operational activity and financial reporting.

Strategic Outcomes

The following chart provides an update of the status of the goals for the second year of the Board's three year strategic plan:

	Year One Outcomes (2011/12)	Status			
Area		Complete	In Progress	Outstanding	Comments
Reputation /Brand	Implement communications plan.		X		Development of Communications Plan is ongoing. Continue to liaise with prescribers, pharmacists and law enforcement stakeholder groups to communicate the services and information available.
Financial	Pursue sources of funding for stakeholder meetings, conferences, workshops, etc.			X	Fall 2012 is projected target date for stakeholder meeting.
Business Process Excellence	Implement opportunities for refining and improving the Program's DUR activities.		X		Ongoing review of the Program's threshold reports by the DUR Committee. Methylphenidate is the first category under review.

	Year One Outcomes (2011/12)	Status			
Area		Complete	In Progress	Outstanding	Comments
Programs and Services	Act on direction from Minister regarding system changes.		X		IT system changes are ongoing and have been a large area of focus. The new
					Provincial Drug Information System (DIS) implementation, will require system changes such as the pad removal, new data feed and DUR requirements.
	Advocate and facilitate support for education and research that meet the objects of the Program and/or measure its effectiveness.		X		Progress has been made and will continue as part of an ongoing strategic initiative. Research continues to be an area of focus. Research groups have been pursued however funding remains outstanding. Some progress has been made towards identification of Program outcomes.

	Year One Outcomes (2011/12)	Status			
Area		Complete	In Progress	Outstanding	Comments
Human Resources and Infra- structure	Define a process for Board staff review.		X		Board Initiative
Stakeholder Relations	Implement plan to establish a framework to facilitate regular communication with key stakeholders though meetings, conferences, workshops, etc.		X		This will be further developed and refined through the communications plan.

The Program has made significant progress on many of the strategic initiatives to date. The status of several initiatives set for the 2011/12 period; remain outstanding due to increased effort with the successful implementation of the NSPMP eAccess for prescribers and pharmacists along with the Program Audit conducted by the Office of the Auditor General of Nova Scotia. Both of these initiatives have impacted considerably and have been a significant focus for Program staff in 2011/12. As a result of the recommendations in the Auditor General Report, the Board's strategic plan will be revisited and revised accordingly.

Monitoring & Reporting Activities

Annual Program Activity:

Overall Program activities compared to the previous fiscal years are outlined below.

Item	2008/09	2009/10	2010/11	2011/12
Prescriptions Processed	578,325	624,217	709,222	747,227
Requests for Patient Profiles	943	1161	1643	2134
Requests for Prescriber Profiles	23	65	33	44
Requests – Pharmacy Profiles	3	1	3	9
Referrals – Medical Consultant	28	37	35	62
Referrals – Practice Review Committee	8	3	10	16
Referrals – Licensing Authorities	1	21	14	27
Multiple Prescriber Notifications	676	917	1390	1341
Drug Utilization Review Inquiries	167	147	386	369
Referrals to Law Enforcement	1	1	1	4
Request for Patient Profiles by Law Enforcement	16	32	113	167
Notification of Charges				53

A review of the activity indicates that while the prescribing of monitored drugs continues to increase, the overall usage of the Program by prescribers, pharmacists, and other groups is also increasing. A key indicator is the continued increase in requests for patient profiles.

Referrals to Licensing Authorities have seen a large increase for a second consecutive year. Contributing to this increase are the changes implemented to the NSPMP's Prescription Process Audit. The revisions were the result of analysis completed on audits conducted on community pharmacies since 2009. The Prescription Process Audit was revised to include more stringent criteria to better facilitate the required outcomes of the NSPMP's Data Integrity Policy. In order to ensure that the data submitted on-line by pharmacies reflects the written information on the original prescription for monitored drugs and adheres to the requirements for submission of claims through the NSPMP on-line system, the NSPMP has referred non-compliant pharmacies to the Nova Scotia College of Pharmacists.

Referrals to law enforcement have also increased and include situations where the NSPMP has reasonable grounds to believe that an offence has been committed contrary to the Controlled Drugs and Substances Act (Canada) or the Criminal Code (Canada).

¹ Numbers for 2009/2010 have been revised due to a re-examination of referrals to licensing authorities.

Requests for patient profiles by law enforcement are an area which has seen growth over the past several years. Under the *Prescription Monitoring Act,* law enforcement may request access to patient profile information as is reasonable to achieve the objects of the Program. Law Enforcement must submit a formal written request to the NSPMP. The request is then reviewed and based on established parameters a determination is made whether to approve or deny the request.

Notification of Charges is a new service which started in April 2011. The NSPMP provides information to prescribers and pharmacies about their patients when charges have been laid related to a monitored drug. Only charges pertaining to drugs which are monitored by the NSPMP will be communicated. The purpose of this notification is to keep prescribers and pharmacies informed, as the NSPMP cannot dictate professional practice.

Analysis of Multiple Doctoring Notifications:

Review of data collected through the NSPMP over the last four calendar years demonstrates that the level of multiple prescriber involvements with patients in the province has remained stable:

Multiple Prescriber Involvement	2008	2009	2010	2011
Receiving prescriptions from 1-2 prescribers	93.5%	93.4%	93.1%	92.9%
Receiving prescriptions from 3-5 prescribers	6414	6622	7123	7381
	(6.0%)	(6.2%)	(6.4%)	(6.6%)
Receiving prescriptions from 6-11 prescribers	425	476	495	495
	(0.4%)	(0.4%)	(0.5%)	(0.4%)
Receiving prescriptions from 12+ prescribers	8	17	11	18
	(0.01%)	(0.02%)	(0.01%)	(0.02%)

While 92.9% of individuals, on average, receive monitored drugs from only one to two prescribers per year, approximately 7% of individuals have received them from multiple prescribers (between three and twenty).

Many legitimate situations may account for cases that appear to represent multiple doctoring activities. Examples of individuals whose activity may not be intentionally illegal or inappropriate include the following:

- Individuals without a general practitioner, who seek treatment through emergency rooms to obtain required pain medication.
- Individuals with acute conditions that require numerous investigations and treatments to determine an appropriate diagnosis and treatment plan.
- Individuals who are treated in a large clinic by numerous prescribers.

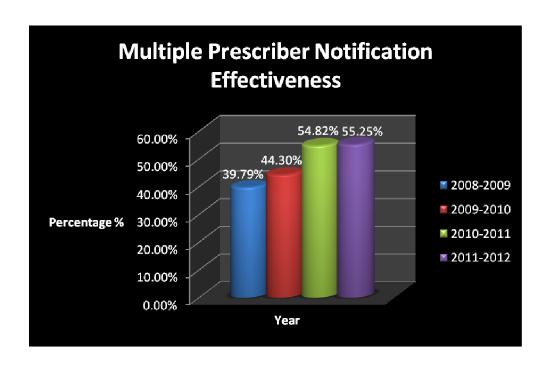
Individuals who are treated in a teaching facility and see numerous interns and residents.

As part of its mandate, the NSPMP strives to identify and address the situations within this group that relate to criminal offences of drug abuse or diversion.

When situations of concern are identified, notification letters are sent to each prescriber involved with the individual. These letters indicate which drugs were prescribed, by whom, where the prescription was filled and on what date. This encourages prescribers to work with each other and with these individuals around the appropriate use of monitored drugs.

Each year the overall effectiveness of the multiple doctoring notifications is analyzed. To complete this analysis, all individuals on which a notification was sent out are identified. The number of prescribers in the three months prior to the notification and the number of prescribers in the three months following notification are compared. For the 2011/12 period, there was a 55.25% decrease in the number of prescribers involved with these individuals in the three-month period following notification. Note: In completing this analysis, individuals who had multiple prescribers prior to the period and no prescribers in the subsequent period, or who died in the subsequent period, were removed from the analysis.

The following graph demonstrates the overall effectiveness of the NSPMP's Multiple Prescriber Notification process for the last 4 fiscal years. This graph shows the percent decrease in the number of prescribers seen by individuals before and after a multiple prescriber notification was issued by the NSPMP.



Data Reporting & Releases:

During the 2011/12 period, the NSPMP worked with several organizations to clarify information requests, extract the appropriate data and provide information reports in a timely fashion. These included the following:

Requested By	Information Requests		
Pictou County Health Authority	Aggregate data on opioid utilization		
Cape Breton Post	Aggregate data on oxycodone, hydromorphone and methadone utilization for DHA 8		
Chronicle Herald	Aggregated data on oxycodone utilization		
Cape Breton Partnership on Prescription Drug Abuse	District Health Authority (DHA) 8 – Drug utilization review of hydromorphone, methylphenidate, and oxycodone		
Addiction Services – DHA 4, 5 & 6	Aggregate methadone data		
Non Insured Health Benefits	Aggregate data on methadone utilization		
Nova Scotia Department of Health and Wellness	Aggregate data on OxyContin® use in Nova Scotia		
Dalhousie University Continuing Medical Education	Aggregate Butrans® utilization and prescribing data		
Cancer Care Nova Scotia	De-identified data on opioid utilization as part of a research project		
Nova Scotia College of Pharmacists	Aggregate data on oxycodone and acetaminophen utilization		
Researcher - Dalhousie University	Aggregate data on opioid and methadone utilization in Nova Scotia		
Prescriber	Aggregate data on opioid utilization in Nova Scotia		
Prescriber	Aggregate data on opioid utilization in DHA 9		
Researcher - Department of Community Health and Epidemiology, Dalhousie University	Aggregate data on opioid utilization in Nova Scotia from 1993 - 2007		

Several of these groups had multiple data requests. There was a total of 22 data requests processed during 2011/12 for external groups.

Media Inquiries:

This past year has seen a significant increase in the number of media requests to the NSPMP. The numbers of request in previous years have averaged from 3 to 6 whereas this past year the Program has had a total of 17 media requests. The recent issues in the Annapolis Valley District Health Authority have heightened awareness on the topic of prescription drug misuse which has impacted on the increase in media inquiries to the Program.

Requested By	Information Requests			
CBC	Phone interview granted and information provided about how the NSPMP works and issues in the Annapolis Valley.			
CTV/ATV News	Background information on how the PMP works. On Camera interview provided.			
CBC	Information on how the Program works. On camera interview given.			
Drugstore Canada Publications	Phone interview and information provided about the routine reporting and analysis the Program conducts.			
Chronicle Herald	Telephone interview granted about how the Program operations.			
Chronicle Herald – Cape Breton Bureau	Telephone interview about how the Program operations.			
CBC	Question about the monitoring of benzodiazepines. The Chair of the NSPMP Board provided a telephone interview.			
CBC – Information Morning	Dr. Gus Grant, Vice Chair of the NSPMP Board provided a telephone interview about how the Program works.			
CBC – Information Morning	Telephone interview granted to provide commentary on a previous interview and information about how the Program operates.			
Globe and Mail	Request for data on physician violations and penalties. Media inquiry referred to the Nova Scotia College of Physicians and Surgeons.			
Independent Requestor	Request for documentary on Valley Issue for YouTube video. The request did not progress and was not pursued by the requestor.			
Chronicle Herald	Story on individuals arrested for trafficking and telephone interview provided about how the Program operations.			

Community Involvement & Education

Throughout 2011/12, members of the NSPMP Administrative Team have continued to remain involved with appropriate industry related activities and stakeholders. In addition to providing educational seminars and presentations to interested groups, the following is a summary of community, provincial and national initiatives in which NSPMP staff members are involved:

Annapolis Valley Health District Opiate Issues Council:

This committee was developed as a result of the Opiate Issues Think Tank held in the Annapolis Valley in June 2011. The purpose of this committee is to facilitate public participation and carry out planning, and effective implementation of plans, across many services and organizations with issues relating to opiate use and misuse. Meetings are held at a minimum of 4 meetings annually and membership includes a wide range of stakeholders including AVH Mental Health and Addictions Services, Nova Scotia Department of Health and Wellness, Department of Community Services, Department of Justice, the Royal Canadian Mounted Police (RCMP), Kentville and Annapolis Town Police, Corrections Canada, Annapolis Valley Community pharmacist and physicians, Annapolis Valley Regional School Board and the NSPMP.

85th Annual Dalhousie Refresher Course:

The Manager of the NSPMP along with Dr. Peter MacDougall, the Program's Medical Consultant, and Dr. John Fraser presented "Opioid Prescribing and the Provincial Monitoring Program." The presentation provided an overview of how to manage opioid prescribing along with urine drug screening information and the services which the NSPMP can provide to prescribers. This presentation was part of the plenary session and there were approximately 350 registered participants in attendance.

Canadian Health Care Anti-Fraud Conference (CHCAA):

This annual conference was held in Gatineau, Quebec and was titled Health Care Fraud: Time to Drop the Gloves. The Manager of the NSPMP presented "The Nova Scotia Prescription Monitoring Program, From the Pad to the Street: Bridging the Silos." The presentation provided an overview of the NSPMP and the services we provide along with recent initiatives which are proactive and deal specifically with bridging the silos which are involved in the complex issue of prescription drug misuse.

College of Physicians and Surgeons of Nova Scotia (CPSNS) Council Presentation:

The CPSNS is the regulator of the medical profession and is overseen by a Council made up of medical physicians and public members. The Council provides governance and strategic direction to the College. The Manager of the NSPMP along with Dr. Peter MacDougall, the Program's Medical Consultant presented to the Council on "Managing Opioid Prescribing: From the Pad to the Street." The presentation provided an overview of the information we have learned from law enforcement about the issue of drug diversion.

Dalhousie College of Pharmacy:

The Manager of the NSPMP presented an overview of the NSPMP to third year pharmacy students.

Drug Diversion Continuing Medical Education (CME) and Continuing Pharmacy Education (CPE) Program:

The Manager of the NSPMP participated in the development and delivery of the Dalhousie Continuing Medical Education and Continuing Pharmacy Education as a panel member for the educational sessions titled, Drug Diversion: An Inter-Professional Approach. Presentations of this innovative program continue across the province throughout 2011/12. The program underwent a format change and it is now a 1.5 hour case-based program. This new format has been well-received by participants across the province. Sessions were held in Middleton, New Glasgow and Halifax.

Drug Evaluation Alliance of Nova Scotia (DEANS):

The Manager of the NSPMP is a member of the DEANS Management Committee to ensure that a close relationship is forged and maintained with this group of experts.

Illicit Use of Pharmaceuticals Workshop:

This workshop was organized by Public Safety Canada and was a national gathering of approximately 100 attendees representing various stakeholders with the common concerns and challenges regarding the complexities associated with the illicit use of pharmaceuticals. The workshop highlighted speakers who presented from a law enforcement perspective, health perspective and shared integrated responses to address prescription drug diversion and misuse.

Inverness Multi-stakeholder Meeting:

The NSPMP staff and Dr. Peter MacDougall, the Program's Medical Consultant, presented to a multistakeholder group in the community of Inverness. Attendees included physicians, pharmacists, law enforcement, Addiction Services staff and various other health professionals. The session included an overview of the services the Program can provide and managing the prescribing of monitored drugs.

Law Enforcement Agencies throughout the Province:

The NSPMP has continued to present to various law enforcement agencies across the Province of Nova Scotia. These presentations have included law enforcement agencies in Shelburne, Amherst and Truro. These sessions have been very informative, providing law enforcement with information about the Program's services and initiatives to address the appropriate use and potential diversion and/or misuse or monitored drugs. As part of the sessions, the NSPMP's Medical Consultant presented on the issues and challenges which prescribers face on a daily basis around appropriate pain management. These sessions have helped both the Program and law enforcement to gain a better understanding of each group's challenges around monitored drugs. The sessions have also provided an excellent opportunity to exchange information relevant to issues which law enforcement encounters, around prescription drug diversion.

National Dialogue on Prescription Drug Misuse:

The Canadian Centre on Substance Abuse hosted a two day invitational session which brought together various experts and stakeholders in the area of prescription drug misuse. The goals of this meeting was to continue a pan-Canadian dialogue on prescription drug misuse with key stakeholders, and to begin developing a national strategy to address issues and concerns surrounding prescription. The Manager of the NSPMP has been asked to participate as a member of the National Advisory Council on Prescription Drug Misuse.

Pictou Landing First Nations Community and Law Enforcement Presentation:

The Manager of the NSPMP along with Dr. Peter MacDougall, the Program's Medical Consultant presented to the staff of the Pictou Landing First Nations Community Health Centre, band council members, law enforcement and community members. We provided an overview of the Program's services and also presented on the issues related to providing appropriate pain management from a prescriber's perspective.

Prescription and Drug Overdoses in Nova Scotia Working Group:

This Working Group was organized to provide advice on how to facilitate more timely interventions and respond more effectively to the negative impacts of prescription drug abuse, including overdoes and death. Representation on this working group included there government departments plus other key The Working Group met on four occasions to discuss community and professional concerns about the number of prescription drug - related deaths and the lack of availability and accessibility of services and supports to treat individual and their families with prescription drug-related problems. Recommendations were released in June 2011 and four key areas for action: (1) surveillance, (2) preventing diversion and encouraging safe disposal, (3) information sharing, and (4) education and treatment. The NSPMP was a member of this Working Group and has continued to play a key role in several of the Report recommendations.

Provincial Opiate Dependency Working Group:

The Manager of the NSPMP sat as a member of this provincial working group. The purpose of this group is collaborate to promote and improve access to quality opiate treatment through coordinated, integrated, evidence-informed continuum of service and supports for opiate dependent individuals. The membership of this working group includes a vast representation of key stakeholders.

Research Publications & Presentations

The NSPMP supports research using the Program's rich resource of data to examine patterns and trends of monitored drug prescribing within the province. Research initiatives continue to be an area of priority for the Board. The NSPMP Strategic Plan 2010/11 to 2012/13 highlights the Board's continued focus on research initiatives that will facilitate the measurement of quantitative and qualitative Program outcomes. This information can be shared with stakeholders to assist with the appropriate use of monitored drugs and the reduction of abuse or misuse of monitored drugs. Listed below are highlights of recent research projects and publications.

Clark R, Fisher J, Sketris IS, Johnston G. An examination of trends in acetaminophen/opioid combination prescriptions in Nova Scotia using data from the Nova Scotia Prescription Monitoring Program, 2011 Canadian Agency for Drugs and Technologies in Health Symposium. Vancouver BC. April 3-5, 2011. * Winner of the 2011 CADTH Symposium Best Student Poster Award

Fisher J, Sketris IS, Zhang Y, Johnston G, Burge F. The effect of an educational intervention on meperidine use in Nova Scotia, Canada: A time-series analysis. 2011 Annual Canadian Association for Health Services and Policy Research Conference. Halifax NS. May 2-12, 2011 (Oral presentation).

Fisher J, Sketris IS, Zhang Y, Johnston G, Burge F. The effect of an educational intervention on meperidine use in Nova Scotia, Canada: A time-series analysis. 2011 Annual Dalhousie Pharmacy Refresher. Halifax NS. October 30, 2011. (Oral presentation).

Fisher J, Zhang Y, Sketris IS, Johnston G, Burge F. The effect of and educational intervention on meperidine use in Nova Scotia, Canada: a time-series analysis. Pharmacoepidemiol Drug Saf 2012:21(2);177-183. Doi: 10.1002/pds.2259.Epub 2011 November.

Fisher J, Broadfield L, MacIntyre M, Sketris IS, Crabtree K, Dewar R, Walsh, G, Wang H, Pellerin D. Opioid us among Nova Scotia cancer patients: Methodology for a population – based observational study. Poster session presented at: the Beatrice Hunter Cancer Research Institute 3rd Annual Cancer Research Conference in Atlantic Canada. Halifax NS. November 7, 2011.

Projects & New Initiatives

Notification of Charges

Over the past year the Nova Scotia Prescription Monitoring Program (NSPMP) has been working with the Nova Scotia Chiefs of Police Association and meeting with various law enforcement agencies across the province in an effort to share information between law enforcement and the Program. The focus of these meetings is to build a stronger relationship with law enforcement and share information on the issues of diversion and inappropriate use of monitored drugs. Through our discussions with law enforcement, it has become apparent that increased information sharing is essential to work collaboratively on the issue of monitored drug misuse and abuse.

The NSPMP, under the Prescription Monitoring Act, has the ability to report inappropriate use of monitored drugs to a prescriber and/or pharmacist if the release of information furthers the objects of the Program, which is to promote the appropriate use of monitored drugs; and the reduction of abuse or misuse of monitored drugs. As a result of increased discussions with law enforcement and in keeping with the Program's mandate, in April 2011, the NSPMP began a new service of providing information to prescribers and pharmacies about their patients when charges have been laid related to a monitored drug. Only charges pertaining to drugs which are monitored by the NSPMP will be communicated. The purpose of this notification is to keep prescribers and pharmacies informed, as the NSPMP cannot dictate professional practice.

As part of the Notification of Charges initiative for 2011/12 the Program has received 53 notifications from law enforcement. The Program continues to communicate this service to law enforcement and have received positive feedback from prescribers and pharmacists about this initiative.

eAccess

The Provincial Working Group on Prescription Drugs and Overdose released its recommendations in August 2011. The recommendations focused on changes to improve the system and increase the collaboration of those working in the prescription drug field. The report recommended that prescribers and pharmacists have increased access to patient profiles outside of NSPMP business hours.

A project team worked to implement eAccess within a six month period. On April 1, 2012 the Nova Scotia Prescription Monitoring Program (NSPMP) eAccess web application went live. The new service allows prescribers and pharmacists to log on to a secure website and obtain a patient profile either during or outside of the NSPMP's business hours. This new enhancement provides prescribers and pharmacists with access to information they need, when they need it, to determine the best treatment for their

patient while promoting the appropriate use and the reduction of abuse and misuse of these monitored drugs.

Drug Information System

The province's move towards a Drug Information System (DIS) will result in system changes which will be necessary for the NSPMP to implement in order to receive prescription data from the DIS and maintain its system's functionality. Currently, the Program is working to assess the required system modifications to support the PMP operations with the implementation of the DIS. Clarification and investigation on the impacts of the required system changes will be managed through the change request process between DHW and the Administrator.

Program Financial Report

Cost Area	Projected 2011/12 ¹ (\$)	Revised Projections 2011/12 ²	Actual 2011/12 (\$)	Variance (\$)
Fixed Fees ³	299,855	410,181	410,181.24	(.24)
Variable Fees ⁴	582,603 ⁵	452,338 ⁶	442,961.86	9,376.14
Flow Through (line charges) ⁷	77,991	83,865 ⁸	71,906.52	11,958.48
Flow Through (Board/Committee Expenses) ⁹	10,500	10,500 ¹⁰	10,558.52	(58.52)
Total	970,949	956,884	935,608.14	21,275.86

¹ The projected column is based on the old pricing model.

² Revised projections for 2011/12 have been provided due to the new pricing model effective December 1, 2011. They are a combination of the old pricing model and the new pricing model which became effective December 1, 2011.

³ Fixed fees under the new pricing model now include the cost of salaries for all Program staff members which includes; Customer Service Representatives, Business Support Analysts and the Manager. The base annual fixed cost established in the 2005 Agreement. This cost increases each year by the EPA (Economic Price Adjustment) as stipulated in the contract. The EPA for 2011/12 was 2%.

Variable fees under the old costing model variable costs were based on the calculated based on a transaction rate which use to include items which change based on the activity of the Program customer service representative salaries, administrative support, prescription pad costs, overhead related to staff, data processing, and data storage. Under the new costing model the variable cost component consists of a fee per prescription processed by the Program and is only associated with the systems and systems maintenance required. This provides a significantly lower variable fee for the NSPMP and assist in managing costs with increased volumes of prescriptions.

 $^{^{5}}$ The transaction rate for 2010/11 was \$0.775 (based on a projected 2% EPA over the 2010/2011 transaction fee).

⁶ The transaction rate used to calculate the effective Dec 1, 2011 under the new pricing model is \$0.133 per transaction processed

Flow Through Line Charges represent line charges levied by claims carriers to transmit claims.

⁸ The flow through under revised projections 2011/12 now includes the PMP pad production and distribution and the reduced line charge rate.

⁹ Flow Through – Board/Committee Expenses represent billing items that are charged directly to the Department of Health and Wellness on behalf of the Board on an "incurred basis" - all expenses related to Board and Committee meetings.

¹⁰ Under the new costing model flow through will also include courier charges for the shipping of emergency pads.