



# Memorandum/ Note de Service

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**XO/30/10**

December 10, 2010

**To/Destinataire:** National Board of Directors

**From/Expéditeur:** Patty Ducharme  
National Executive Vice-President

**Subject/Objet:** **PSHCP - Generic Drug Substitutions**

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This week, many of you requested clarification with regards to the Public Service Health Care Plan drug card and the issue of generic drug substitutions as a result of PIPSC circulating a document in the workplace to their stewards alleging “that this practice is unfair to Plan members...and that they will be holding discussions with Treasury Board to resolve it”. The message is somewhat misleading and unfortunately has led to unnecessary confusion among PSAC members.

A generic drug is a product with the same medicinal ingredients as its corresponding brand name drug. These drugs are approved by Health Canada using the same standards as for brand name drugs. In fact, most provincial/territorial drug programs require that pharmacists dispense the lowest-cost alternative medication. Not all drugs have a generic equivalent, however where they do, they usually cost significantly less than the brand name drug. Dispensing the lowest cost drug means that the member of the Plan pays less and the Plan pays less.

During the 2006 renegotiation of the Plan between Treasury Board, the Bargaining Agents of the National Joint Council and the FSNA, it was decided that the PSHCP would adopt the practice of dispensing the lowest-cost alternative. (PIPSC was part of this process and agreed with the decision to do so.) However, it could not be properly implemented until the drug card was in place.

That being said, in the event that the prescribing doctor believes that the brand name drug is necessary, the doctor is required to indicate “no substitution” on the prescription and the name brand drug will be dispensed.

So members essentially have three choices:

- accept the lowest-cost alternative (which is almost always the generic equivalent);
- request the brand name drug and pay the difference in cost;
- discuss the issue with their doctor and if the doctor believes that the brand name is required, then indicate “no substitution” on the prescription and the plan will pay the cost.

It is regretful that this information wasn't clearly indicated to members prior to the card being implemented. Treasury Board has posted a “Frequently Asked Questions – PSHCP Benefits Card”, [www.tbs-sct.gc.ca/](http://www.tbs-sct.gc.ca/), which addressed this issue and others. The PSHCP site also links to it and a Bulletin will be posted early in the new year that addresses several issues in more detail.

Please do not hesitate to call me if require further clarification.

In Solidarity,



Patty Ducharme

cc: Management Team