

Ontario Public Drug Programs

Notice from the Executive Officer: Proposal to amend Ontario Regulation 201/96 made under the *Ontario Drug Benefit Act* to Strengthen Pharmacy Payment Management

June 29, 2017

Improving access and protecting Ontario's universal public health care system are two of the key objectives of Ontario's health system transformation. To this end, improving access to and ensuring the sustainability of the Ontario Public Drug Programs is of critical importance.

In 2015, the government committed to achieving \$200M in savings through the drug programs by implementing a number of pharmacy related and drug pricing initiatives. To implement these changes, the Ministry of Health and Long-Term Care (the "ministry") consulted with the Ontario Pharmacists Association (OPA) and the Neighbourhood Pharmacy Association of Canada (NPAC) to define these initiatives and their associated savings targets. The ministry implemented the following initiatives:

- Reduced mark-up for high-cost drugs;
- Reduced dispensing fee for claims for residents of long-term care homes;
- Introduction of a maximum quantity policy for chronic use medications; and
- A change to the "no substitution" policy in order to enhance the use of safe, effective generic alternatives to brand name products.

The pharmacy related initiatives, while yet to fully mature, are currently not meeting the savings expectations. In order to recover the shortfall that accrued in FY2016/17, the ministry is proposing regulatory amendments to Ontario Regulation 201/96 made under the *Ontario Drug Benefit Act* that would, if approved, enable the Executive Officer to temporarily adjust the amount paid to pharmacies for supplying a listed drug product under the ODB program. The amount deducted would be 2.8% of the sum of the dispensing fee, mark-up and compounding fee for the drug claim.

This **temporary** adjustment in the amount paid would also apply to non-drug therapeutic substances listed on the Formulary (e.g. nutritional products and blood glucose test strips). The amount deducted would be 2.8% of the dispensing fee paid for the listed substance.

These proposed changes align with previous initiatives the government has undertaken to reduce the cost of our public drug programs, and allow the Province to invest more in new drug coverage for Ontarians. The ministry recognizes the important contribution made by pharmacies to strengthening Ontario's health care system and acknowledges the effect the proposed amendments, if approved, would have on the pharmacies that make the delivery of Ontario Public Drug Programs possible.

A copy of the proposed regulatory amendments and summary of the proposed amendments are available on the Regulatory Registry website at:

<http://www.ontariocanada.com/registry/view.do?postingId=24291&language=en>

The content of the final regulations are at the discretion of the Lieutenant Governor in Council ("LGIC") who may make the regulations with any changes that the LGIC considers appropriate.

Interested parties are invited to provide written comments on the proposed changes to the regulations as part of the review. The ministry will consider comments received on or before August 10, 2017 at midnight EST ("comment period"). Please be advised that submissions received after the comment period may not be considered.

Additional Information:

For pharmacies:

Please call ODB Pharmacy Help Desk at: 1-800-668-6641

For all other Health Care Providers and the Public:

Please call ServiceOntario, Infoline at 1-866-532-3161 TTY 1-800-387-5559. In Toronto, TTY 416-327-4282