

NOTICE FROM THE EXECUTIVE OFFICER

June 10, 2011

RE: Extension of Transition Fee Payments and Conditions for Payment of Dispensing Fees for Remote Dispensing Location under the Ontario Public Drug Programs

Two separate notices were posted on the Regulatory Registry and the Ministry of Health and Long-Term Care (“Ministry”) website on March 11, 2011 (dispensing fee for remote dispensing location) and March 23, 2011 (extending the \$1 transition fee payment for an additional three months) that provided stakeholders with information on proposed amendments to Ontario Regulation 201/96 under the *Ontario Drug Benefit Act* (the “ODBA Regulation”).

The purpose of this notice is to provide you with information regarding changes that have been made to the ODBA Regulation establishing dispensing fees for a remote dispensing location and extending the \$1 transition fee payment for an additional three month period under the Ontario Drug Benefit (“ODB”) Program.

(1) Extending the \$1 transition fee period for pharmacies

As part of the changes to Ontario’s drug system in July 2010, a fee was established to support pharmacies in implementing the professional services programs. The transition fees are noted below and will reduce over a three year period as follows:

July 1, 2010 – March 31, 2011: \$1 per claim
April 1, 2011 – March 31, 2012: \$0.65 per claim
April 1, 2012 – March 31, 2013: \$0.35 per claim

The transition fee payment was reduced to \$0.65 on April 1, 2011.

I am pleased to advise you that effective June 10, 2011, the \$1 transition fee payment to pharmacies has been extended from April 1, 2011 to June 30, 2011, and this payment will be applied to all eligible ODB claims made during this period, including claims that have already been processed. Transition fee payments will be processed and added to the pharmacy’s regular payment cycle that is anticipated for the August 15, 2011 payment. Pharmacies will be notified of the payment amount through a payment adjustment entry which will appear on the remittance advice e-mailed to the pharmacy through its ONE Mail account.

The transition fee will decrease to \$0.65 on July 1, 2011; \$0.35 on April 1, 2012; and \$0 as of April 1, 2013.

(2) Dispensing Fees for Remote Dispensing Location

Subsection 13(4) of the ODBA Regulation provides for the payment by the Executive Officer of differential dispensing fees based on the classification of a pharmacy as either a category 1, 2, 3,

or 4 pharmacy. The pharmacy categories are based on the location of a pharmacy and its distance from other pharmacies. Most pharmacies are within Category 1 and receive a dispensing fee of \$8.20.

Effective **July 1, 2011**, operators of a pharmacy that is a remote dispensing location will be eligible to receive the same dispensing fee as a category 1 pharmacy (e.g., \$8.20) under the ODB program regardless of the remote dispensing location. The dispensing fee for category 1 pharmacies will increase as follows:

April 1, 2012: \$8.40

April 1, 2013: \$8.62

April 1, 2014: \$8.83

The regulatory changes further clarify that a remote dispensing location will not have any impact on the classification of a pharmacy operating in a rural or remote area that meets the criteria for the higher dispensing fee. This means that rural pharmacies that are currently eligible for a higher dispensing fee (Categories 2, 3 or 4) will continue to receive the higher dispensing fee.

As well, remote dispensing locations that are linked to a pharmacy that is currently receiving a higher dispensing fee will only be eligible for a payment of \$8.20 for claims submitted through a remote system.

Dispensing fee payments for remote dispensing locations will be made through the usual process through the ministry's Health Network System.

Please note that the requirements for owning and operating a remote dispensing location are set out under the *Drug and Pharmacies Regulation Act* and its regulation. In brief, remote dispensing refers to the dispensing of prescription drug products under the supervision of a pharmacist, but without the pharmacist being physically present at the dispensing location. There may be different models of remote dispensing, including the operation of remote dispensing machines and remote supervision by pharmacists of pharmacy technicians using technology such as video-conferencing. The ministry will monitor the claims submitted by remote systems and continue to evaluate the fee payments for these claims to assess whether changes (i.e., increasing or decreasing the fee) need to be made in future.