

Ontario Public Drug Programs

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

September 1, 2017

In 2015, the government committed to achieving \$200M in savings 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. Post-consultation, 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 has made regulatory amendments to Ontario Regulation 201/96 made under the *Ontario Drug Benefit Act* to 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 will 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 will also apply to non-drug therapeutic substances listed on the Formulary (e.g. nutritional products and blood glucose test strips). The amount deducted will be 2.8% of the dispensing fee paid for the listed substance.

This temporary adjustment is effective as of September 1, 2017 and will end on whichever of the following dates occurs earlier: February 28, 2019 or the day the total payment adjustment reaches \$35,000,000. The regulatory amendments will be removed from the regulation on March 1, 2019 as the authority to deduct an amount from pharmacy payments will have expired by that date.

These 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 changes will have on the pharmacies that make the delivery of Ontario Public Drug Programs possible.

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