

# Executive Officer Notice: Amendments to Policy for Pharmacy Payments under the Long-Term Care Home Capitation Funding Model, 2020

Effective date: April 1, 2021

## Overview

On January 1, 2020, the Ministry of Health implemented changes to the payment model for pharmacy services for residents of Long Term Care (LTC) homes, including moving from a fee-for-service model to a fee-per-bed capitation model for primary pharmacy service providers, with the expectation that LTC home residents would continue to receive pharmacy services including dispensing services and medication reviews (or medication reconciliations) by the pharmacy service provider. The purpose of this Executive Officer (EO) Notice is to announce changes to the annual fees-per-bed / the fee reduction schedule under the fee-per-bed capitation model.

## Background

As a precondition to obtaining billing privileges under the *Ontario Drug Benefit Act (ODBA)*, all pharmacy operators are required to enter into a Health Network System (HNS) Subscription Agreement with the Executive Officer. Under section 3.2 of the HNS Subscription Agreement, pharmacy operators are required to comply with all Applicable Law, Ontario College of Pharmacists Rules, and Ministry Policies.

The Executive Officer of the Ontario Public Drug Programs of the Ministry of Health (the “Ministry”) established a Policy, effective January 1, 2020, regarding payments made to pharmacies for supplying listed drug products or listed substances and providing professional services to residents of long-term care (LTC) homes (the “Policy”). The Policy is set out in the [EO Notice on the Policy for Pharmacy Payments under the Long-Term Care Home Capitation Funding Model, 2020](#) posted on the Ministry’s website on December 16, 2019 (the “December 2019 EO Notice”) and published in the [Ontario Drug Programs Reference Manual \(the “Manual”\)](#).

Except for the changes described in this EO Notice effective April 1, 2021, the Policy remains in effect and all other conditions set out in the [Manual](#), the December 2019 [EO Notice](#) and [accompanying documents](#) posted on the Ministry of Health's website on December 16, 2019 continue to apply. Please refer to these documents for additional information.

### **Changes to Annual Fees-Per-Bed / Fee Reduction Schedule**

In accordance with the Policy, under the LTC Home Capitation funding model, primary pharmacy service providers are paid an annual fee-per-bed (on a monthly schedule) for all medication dispensing and professional pharmacy services based on the number of licensed LTC home beds serviced. The Policy provided for an initial annual fee-per-bed of \$1,500 and a schedule for reductions until the annual fee-per-bed reached \$1,200; the first reduction was scheduled to occur on April 1, 2021.

The purpose of this notice is to announce changes to the annual fees-per-bed / the fee reduction schedule. The reduction to the fee-per-bed that was scheduled to take place on April 1, 2021 is ON HOLD and the current \$1,500 payment per bed per year will be maintained for Fiscal Year (FY) 2021/22.

The Ministry hereby amends the Policy to provide for revised annual fees-per-bed for FY 2021/22 to FY 2024/25. Primary pharmacy service providers will be paid an annual fee-per-bed (in monthly allotments), in accordance with the Policy, over the next four FYs as follows:

- \$1,500 in FY2021-2022 (\$125/month)
- \$1,400 in FY2022-2023 (\$116.67/month)
- \$1,300 in FY2023-2024 (\$108.33/month)
- \$1,200 in FY2024-2025 (\$100/month)

Capitation payment dates will follow the HNS payment schedule. The monthly capitation payment will be reflected on the second HNS payment date of the month (i.e., the end of the month).

A comparison of the initial and revised annual fees-per-bed is outlined in Table 1 below.

**Table 1: LTC Capitation Payment, Annual Fees-Per-Bed Comparison**

Initial Annual Fees-Per-Bed Effective: January 1, 2020	UPDATED Annual Fees-Per-Bed Effective: April 1, 2021
<ul style="list-style-type: none"> <li>• \$1,500 in FY2019-2020 (i.e. \$125/month; total \$375 for period of January 1, 2020 to end of FY2019/20)</li> <li>• \$1,500 in FY2020-2021 (\$125/month)</li> <li>• <b>\$1,400 in FY2021-2022 (\$116.67/month)</b></li> <li>• \$1,300 in FY2022-2023 (\$108.33/month)</li> <li>• \$1,200 in FY2023-2024 (\$100/month)</li> </ul>	<ul style="list-style-type: none"> <li>• \$1,500 in FY2019-2020 (i.e. \$125/month; total \$375 for period of January 1, 2020 to end of FY2019/20)</li> <li>• \$1,500 in FY2020-2021 (\$125/month)</li> <li>• <b>\$1,500 in FY2021-2022 (\$125/month)</b></li> <li>• \$1,400 in FY2022-2023 (\$116.67/month)</li> <li>• \$1,300 in FY2023-2024 (\$108.33/month)</li> <li>• \$1,200 in FY2024-2025 (\$100/month)</li> </ul>

**Additional Information:**

**For the complete Executive Officer Notice regarding Amendments to Policy for Pharmacy Payments under the Long-Term Care Home Capitation Funding Model, 2020:** please access the Executive Officer Communications website at:

[http://www.health.gov.on.ca/en/pro/programs/drugs/opdp\\_eo/eo\\_communiq.aspx](http://www.health.gov.on.ca/en/pro/programs/drugs/opdp_eo/eo_communiq.aspx)

**For the Policy for Pharmacy Payments under the Long-Term Care Home Capitation Funding Model, 2020,** please access the Executive Officer Communications website at:

[http://www.health.gov.on.ca/en/pro/programs/drugs/opdp\\_eo/notices/exec\\_office\\_20191216\\_2.pdf](http://www.health.gov.on.ca/en/pro/programs/drugs/opdp_eo/notices/exec_office_20191216_2.pdf)

**For the Ontario Drug Programs Reference Manual,** please access the Ministry website at: [http://health.gov.on.ca/en/pro/programs/drugs/resources/odp\\_reference\\_manual.pdf](http://health.gov.on.ca/en/pro/programs/drugs/resources/odp_reference_manual.pdf)

**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