

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

Effective date: April 1, 2022

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, 2022, the Policy remains in effect and all other conditions set out in the [Manual](#), the December 2019 [EO Notice](#), the [EO Notice](#) dated September 21, 2021 (effective September 27, 2021), and [accompanying documents](#) posted on the Ministry of Health's website on December 16, 2019 and September 21, 2021 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 schedule for reductions in the Policy was already amended on April 1, 2021 due to the COVID-19 pandemic (see EO Notice and accompanying materials posted on January 15, 2021 [here](#)).

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, 2022 is ON HOLD and the current \$1,500 payment per bed per year will be maintained for Fiscal Year (FY) 2022/23.

The Ministry will delay decreasing the fee-per-bed for professional pharmacy services provided to residents of LTC homes by one more year. The current annual fee of \$1,500 would remain in effect until March 31, 2023, at which time it will decrease \$100 each year until it reaches \$1,200 on April 1, 2025.

The Ministry hereby amends the Policy to provide for revised annual fees-per-bed for FY 2022/23 to FY 2025/26. 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 2022-23 (\$125/month)
- \$1,400 in 2023-24 (\$116.67/month)
- \$1,300 in 2024-25 (\$108.33/month)
- \$1,200 in 2025-26 (\$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).

All other requirements under the Policy (as amended) remain the same.

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: April 1, 2021	UPDATED Annual Fees-Per-Bed Effective: April 1, 2022
<ul style="list-style-type: none"> • \$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) 	<ul style="list-style-type: none"> • \$1,500 in FY2022-2023 (\$125/month) • \$1,400 in FY2023-2024 (\$116.67/month) • \$1,300 in FY2024-2025 (\$108.33/month) • \$1,200 in FY2025-2026 (\$100/month)

Additional Information:

For the complete Executive Officer Notices 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

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

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

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