

Frequently Asked Questions: Amendments to Policy for Pharmacy Payments under the Long-Term Care Home Capitation Funding Model, 2020

This Questions and Answers document accompanies the Executive Officer (EO) Notice: Amendments to Policy for Pharmacy Payments under the Long-Term Care Home Capitation Funding Model, 2020 (the “Policy”)

1. What change is being made effective April 1, 2022?

Effective April 1, 2022, the Ministry of Health is amending the Policy to change the annual fees-per-bed / the fee reduction schedule under the fee-per-bed capitation model by delaying the decreasing fee-per-bed for professional pharmacy services provided for residents of long-term care (LTC) homes by one year.

Previously, the Policy (as amended effective April 1, 2021) provided that primary pharmacy service providers would be paid an annual fee-per-bed (in monthly allotments) as follows:

- \$1,500 in FY 2021-2022 (\$125/month)
- \$1,400 in FY 2022-2023 (\$116.67/month)
- \$1,300 in FY 2023-2024 (\$108.33/month)
- \$1,200 in FY 2024-2025 (\$100/month)

Effective April 1, 2022 the Ministry of Health is revising the 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 (as amended), over the next four FYs as follows:

- \$1,500 in FY 2022-2023 (\$125/month)

- \$1,400 in FY 2023-2024 (\$116.67/month)
- \$1,300 in FY 2024-2025 (\$108.33/month)
- \$1,200 in FY 2025-2026 (\$100/month)

2. How much will primary pharmacy service providers to LTC homes be paid under the capitation model for FY 2022/23 and future FYs?

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.

Primary pharmacy service providers will be paid an annual fee-per-bed (in monthly allotments), in accordance with the Policy (as amended), over the next four FYs as follows:

- \$1,500 in FY 2022-2023 (\$125/month)
- \$1,400 in FY 2023-2024 (\$116.67/month)
- \$1,300 in FY 2024-2025 (\$108.33/month)
- \$1,200 in FY 2025-2026 (\$100/month)

3. What remains the same?

All other aspects of the Policy (as amended on September 27, 2021) remain the same. Please refer to the Executive Officer Notices posted on December 16, 2019 (effective January 1, 2020) and September 21, 2021 (effective September 27, 2021) and accompanying documents, as well as the Ontario Drug Programs Reference Manual for additional information.

4. Why is the Ministry delaying the reduction in the annual fee-per-bed?

The Ontario government continues to work with sector stakeholders and as a result of the COVID-19 pandemic's significant impact to the long-term care sector is delaying the reduction in the annual fee per-bed under the Policy for another year.

5. How did the Ministry determine the annual fee-per-beds in the new capitation model?

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 by the pharmacy service provider. In 2017, the Ontario Auditor General reported that dispensing fees paid for

prescriptions dispensed to long-term care home residents were about four times higher than the average dispensing fees paid for seniors living in the community and significantly higher compared to other Canadian jurisdictions. The changes to the payment model were implemented following public consultations and collaborative engagement with the Ontario Pharmacists Association and the Neighbourhood Pharmacy Association of Canada.

The Ministry delayed decreasing the fee-per-bed for professional pharmacy services provided to residents of LTC homes last year and will delay for one more year. The current annual fee of \$1,500 will 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.