



| BBS Notice No. 8092 |

NOTICE FROM EXECUTIVE OFFICER

October 30, 2008

Conditions for Payment of Dispensing Fees under the Ontario Drug Benefit (ODB) Program

On July 28, 2008, the ministry posted notices on its website and the Bulletin Board System (BBS) regarding the new conditions for payment of dispensing fees under the ODB program ('Dispensing Fee Conditions'), as set out under section 18 of O.Reg 201/96 made under the Ontario Drug Benefit Act (the 'ODBA Regulation'). The Dispensing Fee Conditions came into effect on August 01, 2008.

Since that time, numerous stakeholders have raised concerns in respect of the new Dispensing Fee Conditions. The ministry has continued its discussions with the Ontario Pharmacists' Association with a view to addressing many of the concerns which have been raised.

The purpose of this notice is to provide you with information regarding new exemptions to the Dispensing Fee Conditions, as well as to provide additional clarification about these conditions and their application.

The following new exemptions to the Dispensing Fee Conditions will take effect on November 01, 2008:**(1) New Additions to the Exempted Medications List (e.g. Anticonvulsants, Lithium):**

In response to concerns raised by pharmacists and in recognition of the potential for frequent dosage changes, the list of products which are exempted from the Dispensing Fee Conditions will be expanded on November 1st to include anticonvulsants (as categorized in the Formulary), lithium, corticosteroids during periods of dosage tapering, and some of the products used to treat Parkinson's Disease and Alzheimer's Disease. For a complete list of products which have been exempted from the Dispensing Fee Conditions, please refer to the Exempted Medications List on the ministry website at:

http://www.health.gov.on.ca/english/providers/program/drugs/odbf/odbf_conditions_for_payment.html

(2) New Exemption for Residents of Homes for Special Care:

In addition, we are pleased to announce that, effective November 1st, residents of Homes for Special Care (HSC) homes, which are governed by the Homes for Special Care Act, have been designated for an exemption from the Dispensing Fee Conditions under section 18(8)(b)(ii) of the ODPA Regulation. To facilitate this exemption, HSC homes will be issued ODP numbers for the purposes of claim adjudication. For a complete list of HSC homes which will be exempted from the Dispensing Fee Conditions as of November 1st, please refer to the Exempted HSC list on the ministry website at:

http://www.health.gov.on.ca/english/providers/program/drugs/odbf/odbf_conditions_for_payment.html



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It is anticipated that Health Network System (HNS) changes will be implemented near the end of November 2008 to facilitate adjudication of the Dispensing Fee Conditions. After that time, claims submitted for HSC residents must include the ODP number of the home in order to be exempted. This is the same process that is currently followed for claims for residents of Long-Term Care (LTC) homes.

A complete list of ODP numbers for HSC homes will be provided prior to the implementation of the HNS changes. It is important to note that the ODP numbers for the HSC homes cannot be submitted prior to the implementation of the HNS changes, or the claim will be rejected by the HNS. Further information regarding the HNS changes scheduled for the end of November will be provided in the near future.

Additional Clarification on Dispensing Fee Conditions

Q1. After the HNS changes are implemented, will an intervention code be required when submitting a third or subsequent claim for the same 'non-exempted' drug in the same calendar month?

A1. Any third or subsequent claim for a non-exempted drug will not require any additional intervention codes in order to adjudicate properly. The claim can be submitted with or without a fee. Unless the medication or the recipient is exempted from the Dispensing Fee Conditions, no fee will be paid.

Q2: I am dispensing medications in a compliance package which has some medications which are on the Exempted Medications List and some medications which are not. Can I submit weekly claims for all medications in the package?

A2: Drug products or categories of drug products that have been designated by the Executive Officer on the Exempted Medications List and posted on the Ministry website are exempted from the Dispensing Fee Conditions. Drug products or categories of drug products not listed on the Exempted Medications List are subject to the Dispensing Fee Conditions (i.e. dispensers may receive payment for a maximum of two (2) dispensing fees per medication per patient in any calendar month). In other words, a dispenser is free to submit weekly claims for any medication, but will only receive payment of two dispensing fees per month in respect of those products that are not on the Exempted Medications List. Medications dispensed to residents of LTC homes or HSC homes are also exempted from the Dispensing Fee Conditions.

Q3. Is the Exempted Medications List based on the therapeutic classification of the medication or based on the indication for use?

A3. The exempted medications are based on the therapeutic classification of the medication, as outlined in the ODB Formulary. The Formulary is available in printed format and is also available online in a searchable format, on the ministry website at:

http://www.health.gov.on.ca/english/providers/program/drugs/odbf/odbf_conditions_for_payment.html

Q4. Do the Dispensing Fee Conditions allow 2 dispensing fees per month? Or 2 dispensing fees every 28 days? What happens if I dispense a 2-week supply three times in one month?



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A4. For the majority of ODB-eligible medications dispensed to ODB-eligible recipients, pharmacists will be reimbursed a maximum of 2 dispensing fees per medication per recipient in any calendar month. Some exceptions are allowed, where reduced quantity dispensing is warranted for patient care and safety.

If a pharmacist dispenses a 2-week supply three times in one month, only 2 dispensing fees are payable, unless the medication or the patient is exempted from the Dispensing Fee Conditions. For the third claim, the pharmacist is only entitled to be reimbursed the drug cost plus the markup.

Q5. How will residents of HSC residences be identified when claims are submitted on the HNS?

A5. Near the end of November, the HSC list will be updated with an ODP number for each HSC residence, which must be submitted on claims for residents of these homes. After the HNS changes are implemented (scheduled for late November 2008), the ODP number will be required for the claim to be exempted from the conditions for payment of dispensing fees. Please be advised, the ODP number cannot be entered before the HNS changes are implemented, or the claim will be rejected by the HNS. The ministry will provide notification through the BBS when the HSC list has been updated with ODP numbers.

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