

# Important Notice:

## Proposed Regulation to Enable Changes Under the Ontario Drug Benefit Act Now Open for Public Consultation

Earlier today, the Ministry of Health and Long-Term Care released its proposed regulation to enable changes under the Ontario Drug Benefit (ODB) Act. Specifically, the regulation outlines the methods through which the Executive Officer will be enabled, for a set period of time, to reduce the amount paid to pharmacies for claims submitted to the ODB program.

The draft regulation can be found on the Ontario's Regulatory Registry for public consultation for the next 45 days and comments will be received until August 10, 2017. There you will find more information on how to submit your comments.

### Background

Members will recall that in October 2015, the Ontario government passed amendments to the Ontario Drug Benefit Act aimed at helping reduce the provincial deficit in part through operational and regulatory reductions in expenditures and enforcement within pharmacy. Faced with the prospect of deep cuts to the dispensing fee to satisfy the MOHLTC need to produce savings, the Ontario Pharmacists Association, Neighbourhood Pharmacy Association of Canada and the MOHLTC instead negotiated the following changes to mitigate the impact to pharmacy and pharmacists:

- reducing the mark-up percentage for high-cost drugs;
- reducing the dispensing fee for long-term care (LTC) claims and enhancing medication management in the LTC sector;
- limiting the number of billable dispensing fees to a maximum of five per 365-day period per patient per chronic therapy drug; and
- requiring patients to try more than one generic before the brand product is reimbursed by the Ministry as a "No Substitution" claim.

The discussions that led to these measures were and continue to be subject to a non-disclosure agreement. To date, however, there remains a shortfall of \$35 million in the required savings for fiscal year 2016-17. The subtraction from pharmacy payments specified in the Stronger, Healthier Ontario Act (Budget Measures), 2017 is designed solely to close this gap. Again, faced with the prospect of deeper, more immediate cuts, the OPA has worked on your behalf to lessen the impact by advocating successfully for a longer period to spread out the reductions.

### Proposed Regulation

The proposed amendments to O. Reg. 201/96 made under the Ontario Drug Benefit Act would allow the Executive Officer to reduce the amount paid to pharmacies for claims submitted to the ODB program. The reduction would be calculated as 2.8 per cent of the sum of the dispensing fee, compounding fee, and mark-up claimed by a pharmacy for all funded drug products. This temporary adjustment would come into force on September 1, 2017, and would end after 18 months (March 1, 2019) or after the savings gap is realized, whichever occurs first. Based on approximately 4,376 pharmacies in Ontario, this subtraction will amount to approximately \$444 per month per pharmacy over an eighteen-month period. The subtraction amount is proportionate to your pharmacy volume and the dollar amount subtracted will, therefore, vary accordingly.

The Ontario Pharmacists Association has forcefully communicated your concerns about the impact that these changes will have on pharmacists and pharmacies with the Ministers of Health and Long-Term Care and Finance, as well as the Premier's office. We have also shared these views with opposition party politicians, as the next election is less than a year away.

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While the subtraction from pharmacies' remittance advice notices will inevitably, and negatively, impact your ability to deliver the healthcare services Ontarians deserve, the Ontario Pharmacists Association remains encouraged that our recommendation to restrict and time-limit the Bill's broad language has been adopted by the government. Spreading the subtractions out over an 18-month period will ultimately help keep the percentage reduction from the pharmacy remittance advice to a more manageable level.

## What is OPA doing?

1. OPA continues to intervene and advocate on proposed government changes to ensure the impact to pharmacists and pharmacies is recognized and potential negative repercussions mitigated where possible.
2. We have stepped up our advocacy efforts in recent months. Earlier this month, we met with Minister Hoskins and have had several meetings with various members of Minister Hoskins' team. We are also arranging for a meeting with the Premier's office.
3. On the proposed changes to the Employment Standards Act and the Changing Workplaces Review, we are an active participant in the process and the respective ministries are consulting with OPA. We continue to speak to the Ministers responsible. These include the Minister of Labour, the Minister of Economic Development and the Minister Responsible for Small Business.
4. We are telling government that there is still more value that pharmacists can provide to patients and to the healthcare system. But that value cannot be realized if the profession continues to face cuts in funding.
5. OPA is fighting to ensure that government provides a fair, not excessive, system of reimbursement for the services that you provide.
6. We continue to interact with all political parties; PCs and NDP. We will be vigilant in ensuring that our patients are not forgotten in the election and intend to leverage our ability to speak on your behalf.
7. OPA will be taking a more proactive approach in listening to your concerns. We will schedule more listening sessions, more town halls, and more opportunities for member input.
8. We will continue to serve you and fight for you each and every day.

In the next few weeks, we will be reaching out to our members to have you actively participate in engaging MPPs across the province.

## What can you do?

Given that any new regulation must be posted for public comment, we encourage you, and those you work with to use the opportunity to demonstrate the impact these cuts will have on your ability to provide valuable healthcare services. While acknowledging that OPA played a major role in HOW these cuts are implemented (to mitigate the impact as best we could), we nevertheless have always made sure that government hears that the cuts will hurt services.

Submit your comments to the proposed regulation before the August 10, 2017 deadline. Share this information with your network of colleagues as well as on social media and encourage similar action on their part. It is imperative that we advance the message of pharmacists to the ministry and explain how the government's policy is affecting us and may impact patient care. We would appreciate if you cc OPA's CEO and Chair on your submissions and emails to the Ministry.

Stay tuned for further updates from OPA in the weeks and months ahead seeking your participation to engage elected officials and express your concerns about these cuts as well as other government initiatives that impair the ability of pharmacists to provide the valuable healthcare services Ontarians deserve and expect from the profession.

We will provide members with updates on these issues as they become available. In the meantime, your questions and feedback are welcome via email to OPA's CEO and Chair.

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