

## Office of the Chief Executive Officer

April 26, 2011

Ms Diane McArthur  
 Assistant Deputy Minister and Executive Officer  
 Ontario Public Drug Programs  
 Ministry of Health and Long-Term Care  
 80 Grosvenor Street, 9<sup>th</sup> Floor  
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 Toronto ON M7A 1R3

Dear Ms McArthur:

The Ontario Pharmacists' Association (OPA) welcomes the opportunity to comment on the proposed amendment to Ontario Regulation 201/96 under the *Ontario Drug Benefit Act* (ODBA). As proposed, this amendment would set the dispensing fee at \$4.00 for listed drug products dispensed to ODB-eligible persons from either a technology-based (kiosk) or pharmacy technician-based (satellite) remote dispensing location.

Since 2006 and the introduction of the *Transparent Drug System for Patients Act*, the Ontario Pharmacists' Association has been vocal about the growing economic challenges facing owners of community pharmacies. These challenges have become increasingly apparent, particularly in the aftermath of the June 2010 regulatory changes which have led to decreased dispensing revenues and have necessitated many difficult operational changes that affect our members. Notwithstanding, OPA is encouraged by some of the recent policies implemented by the Ministry of Health and Long-Term Care that not only enable new professional services by community pharmacists but also introduce funding mechanisms for them.

OPA, as the professional association representing all pharmacists, is committed to playing a leadership role in defining the future of the profession, and helping pharmacists through the transition. We acknowledge and appreciate the value that the Government believes pharmacists provide. Notwithstanding this, OPA is unable to support the newly proposed differential fee for remote dispensing locations based on the following four concerns:

1. Absence of a mutual understanding between the Ministry and pharmacy stakeholders of the breakdown of costs attribute to remote dispensing locations, and how those different from the current model,
2. Apparent absence of a definitive understanding of the value attached to the critical role of the pharmacist in the dispensing process,
3. Introduction of financial disparity for patients with respect to ODB copayments based on the prescription dispensing model, and
4. Potential downgrading or reassessment of a traditional pharmacy's categorization within zones 2, 3 or 4 based on the introduction of a remote dispensing location in that pharmacy's vicinity.



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Indeed, the current base ODB fee of \$8.20 was not derived from any activity-based or other costing study; rather, it has been based on history and via empirical decisions, stakeholder advocacy and budgetary considerations. OPA maintains that the value of the services that can only be provided by a pharmacist in the dispensing of medications is independent of the method of preparation or distribution applied, whether via a different work flow, utilization of labour, or introduction of robotic technologies. An arbitrary fee reduction that is in no way based in fact is not an acceptable approach.

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With the goal of providing the Ministry and pharmacy a much needed understanding of the various costs associated with dispensing medications, OPA recommends that an immediate working group be struck to assess the component costs of dispensing and to consider the various ways the technical component can be achieved. The results of this study can be used to guide any future discussions relating to the payment of dispensing fees to pharmacies under the Ontario Public Drug Program. OPA would be willing to lead that work as the broadest representative stakeholder, with the support and participation of the Ministry.

### **Conclusion and Recommendations:**

In summary, the Ontario Pharmacists' Association cannot support the proposed regulatory amendment, which to the best of our knowledge, is not based on any formal assessment of either the cost or value of the dispensing activities. It is the position of OPA that there needs to be a much greater degree of consideration as to the impact of differential dispensing fees. We propose that a one-year costing analysis be undertaken as a joint initiative between the Ministry and the Ontario Pharmacists' Association to determine the implications of differential fees for remote dispensing models and that any regulatory amendment be based upon the outcomes of this joint analysis. On this basis, OPA recommends that section 13 subsection (5) be withdrawn as proposed and that subsection (6) be renumbered as subsection (5)

*13 (5) Despite subsection (4), for the purposes of subclause 6 (2) (c) (i) of the Act, the dispensing fee for a listed drug product that is dispensed from:*

*— (i) a remote dispensing location within the meaning of the Drug and Pharmacies Regulation Act is \$4.00.*

*(65) A remote dispensing location shall not be considered a pharmacy for the purposes of applying the rules set out in Column 1 of the Table to subsection (4).*

The Ontario Pharmacists' Association appreciates the opportunity to comment on this proposed regulatory amendment and offers its support to the Ministry to gain a greater understanding of the true costs and professional value associated with remote dispensing models. This approach will surely support the need by Government to control dispensing costs and while helping pharmacies drive efficiencies in all areas of community practice. We look forward to working together with the Ministry in this very important area and welcome any questions or comments in this regard.

Yours truly,



Dennis A. Darby, P. Eng  
 Chief Executive Officer