
Ontario Drug System

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Ontario Public Drug Programs (OPDP) funds over 4,000 brand and generic drugs for eligible residents of Ontario. Pharmacists play an important role in dispensing these drugs and in providing support and clinical information to the patients.

Here's how the system works:

- Prescriptions - are typically issued in Ontario by physicians for drugs. These drugs are either brand or generic drugs. Brand name drugs are the original patented versions that are first approved to market. After the brand drug's patent has expired, generic drugs may enter the market. These products have the same active ingredient as brand name drugs but are priced lower than the original brand name drug.
- Patients – pay for their drugs in one of three ways:
 - Employer Benefit Plan – where the medicines are paid either wholly or partially through an insurance plan provided by your employer
 - Ontario Public Drug Programs, including the Ontario Drug Benefit Program– where individuals who qualify are covered under the provincial insurance program. These individuals will pay a small portion of the cost of a prescription
 - Cash Payment – where the patient pays directly out of their pocket
- Pharmacies – dispense for patients according to the prescription written by a doctor, using drugs they have obtained either directly from the manufacturer or from wholesalers. Pharmacies charge a mark-up fee on the medicines they sell and, in addition, they receive a dispensing fee. For those drugs paid for under the public drug plan, the dispensing fee and mark up charge is regulated and paid by the Ontario government. Pharmacies also receive payments from generic manufacturers called Professional Allowances.
- Professional Allowances – are payments made by generic manufacturers to pharmacies in exchange for stocking their products. These professional allowances totalled over \$750 million in 2009 and, consequently, drive up the real costs of medicines that patients, employer plans and the government pay.