

Improving Ontario's Drug System

June 7, 2010

Ontario has finalized its plans to ensure Ontarians pay a fair price for their generic prescription drugs and strengthen pharmacy services across the province.

Fairer Drug Prices and Elimination of Professional Allowances

Ontario is following through on its commitment to lower generic drug prices and eliminate professional allowances. Prices will come down and allowances will be eliminated as follows:

Date	For generic drugs purchased through Ontario's Public Drug Program		For generic drugs purchased through private insurance plans or by Ontarians who pay for their drugs out-of-pocket	
	Price of generic drug (as a percentage of the original brand name drug)*	Professional allowance that can be paid to pharmacy (as percentage of generic drug cost)	Price of generic drug (as a percentage of the original brand name drug)*	Professional allowance that can be paid to pharmacy (as percentage of generic drug cost)
Currently	50%	20%	approx. 65%	unregulated
July 1, 2010	25%	0%	50%	50%
April 1, 2011	25%	0%	35%	35%
April 1, 2012	25%	0%	25%	25%
April 1, 2013	25%	0%	25%	0%

* Note: Non-solid generic drug products — products such as creams or patches — may be priced up to 35 per cent of the original brand name drug in recognition of their higher manufacturing costs.

Supporting Rural Pharmacies

The government is supporting access to pharmacy services in rural communities by increasing dispensing fees for rural pharmacies by up to \$5 per prescription filled.

The different dispensing fees will be paid based on location in rural and remote areas and the distance between pharmacies:

- Where there is less than 5 km between pharmacies and more than two pharmacies in a town = will stay at new level of \$8
- Where there are no pharmacies within 5 to 10 km = \$9
- Where there are no other pharmacies for 10 to 25km = \$11
- Where there are no other pharmacies for more than 25km = \$12

Paying For Additional Patient Services

The government is investing \$150 million in 2010/11 for professional services to patients provided by pharmacists.

The MedsCheck program, a \$50 million investment, will be expanded to provide more services to more patients. The program – which currently provides an annual one-on-one consultation with a pharmacist for patients with a chronic condition and taking three or more prescription drugs – will be expanded to include:

- Initial and follow-up medication reviews for people with diabetes
- Quarterly medication review for long-term care home residents
- At-home in-depth review of medications for patients who have difficulty travelling to local pharmacy – includes frail, elderly persons with chronic conditions.

The government will also provide \$75 million in transition fees to pharmacies. This will come in the form of an additional \$1 payment until March 31, 2011, which will provide support to pharmacies until they can provide additional professional services. This additional payment will gradually decrease over the next three fiscal years while pharmacies begin offering more professional services.

In addition, the government intends to facilitate funding for delivery in rural communities for people with limited mobility.