

Notice from the Executive Officer: Amendments to Ontario Regulation 201/96 made under the Ontario Drug Benefit Act to Change Mark-ups Paid to Dispensers

Effective April 1, 2024

Amendments to Ontario Regulation 201/96 under the *Ontario Drug Benefit Act* (ODBA) have been made to expand the current mark-up payment structure for Ontario pharmacies and dispensing physicians (“dispensers”) from a two-tier to a six-tier payment structure. This new mark-up structure is being introduced to align with previous initiatives the government has and continues to undertake to support the sustainability of the Ontario Drug Benefit program. The time-limited reconciliation adjustments that began January 1, 2020 have come to an end.

Under the six-tier mark-up payment structure, the mark-up percentage for lower-cost drug claims has increased and the mark-up percentage for higher-cost drug claims has decreased. The mark-up on the drug benefit price of a listed drug product per claim is:

- 8.5% of the drug benefit price, if the total drug cost of the product when supplied is less than \$100;
- 8% of the drug benefit price, if the total drug cost of the product when supplied is \$100 or more but less than \$500;
- 7% of the drug benefit price, if the total drug cost of the product when supplied is \$500 or more but less than \$1,000;
- 6% of the drug benefit price, if the total drug cost of the product when supplied is \$1,000 or more but less than \$2,000;
- 5.5% of the drug benefit price, if the total drug cost of the product when supplied is \$2,000 or more but less than \$4,000; and
- 5% of the drug benefit price, if the total drug cost of the product when supplied is \$4,000 or more.

This mark-up payment structure applies to the following claims made through the Ontario Drug Benefit Program for which a mark-up is paid: all Formulary listed drug products (including General Benefit, Limited Use products, and Temporary Benefit products), Extemporaneous Preparations, drug products reimbursed through the Exceptional Access Program, Facilitated Access Products, claims for long-term care

home residents, Allergen Products, claims for Methadone Maintenance Treatment, valved holding chambers, and flash glucose monitoring system.

The mark-up percentage paid for the following claims would not change: listed substance claims (e.g., diabetic testing agents (no mark-up is paid), nutrition products (no mark-up is paid); approved non-prescription drug claims (up to 8% mark-up is paid); Special Drug Program claims (no mark-up is paid), and professional pharmacy service claims¹ (no mark-up is paid, unless incorporated into the fee for the professional service).

The new mark-up payment structure will be reflected in the Ontario Drug Programs Reference Manual in a subsequent update to the Manual. If there is a discrepancy between the information in this Executive Officer (EO) Notice and the Ontario Drug Programs Reference Manual, this EO Notice shall prevail. This EO Notice is a Ministry policy that dispensers must comply with when submitting claims through the Health Network System (HNS). Compliance with the Ministry policy is required under section 3.2 of the HNS Subscription Agreement.

Additional Information:

For pharmacies:

For billing inquiries, please call ODB Pharmacy Help Desk at: 1-800-668-6641

For all other Health Care Providers and the Public:

Please call ServiceOntario, Infoline at 1-866-532-3161 TTY 1-800-387-5559. In Toronto, TTY 416-327-4282

¹Professional Pharmacy Services claims include claims for the MedsCheck Program, Pharmaceutical Opinion Program, Pharmacy Smoking Cessation Program, Ontario Naloxone Program for Pharmacies, Drugs for Medical Assistance in Dying, Mifegymiso, Minor Ailment Services, Universal Influenza Immunization Program (including claims for epinephrine auto-injectors administered after vaccine), COVID-19 Testing, COVID-19 Vaccines (including claims for epinephrine auto-injectors administered after vaccine), and COVID-19 Therapeutics.