

Executive Officer Notice: Amendments to Policy for Pharmacy Payments under the Long-Term Care Home Capitation Funding Model, 2020

Effective date: April 1, 2024

Overview

On January 1, 2020, the Ministry of Health implemented changes to the payment model for pharmacy services for residents of long-term care (LTC) homes, including moving from a fee-for-service model to a fee-per-bed capitation model for primary pharmacy service providers, with the expectation that LTC home residents would continue to receive pharmacy services including dispensing services and medication reviews (or medication reconciliations) by the pharmacy service provider. The purpose of this Executive Officer (EO) Notice is to announce changes to the annual fees-per-bed / the fee reduction schedule under the fee-per-bed capitation model.

Background

As a precondition to obtaining billing privileges under the *Ontario Drug Benefit Act* (ODBA), all pharmacy operators are required to enter into a Health Network System (HNS) Subscription Agreement with the Executive Officer. Under section 3.2 of the HNS Subscription Agreement, pharmacy operators are required to comply with all Applicable Law, Ontario College of Pharmacists Rules, and Ministry Policies.

The Executive Officer of the Ontario Public Drug Programs of the Ministry of Health (the “Ministry”) established a Policy, effective January 1, 2020, regarding payments made to pharmacies for supplying listed drug products or listed substances and providing professional services to residents of LTC homes (the “Policy”). The Policy is set out in the [EO Notice on the Policy for Pharmacy Payments under the Long-Term Care Home Capitation Funding Model, 2020](#) posted on the Ministry’s website on December 16, 2019 (the “December 2019 EO Notice”) and [published in the Ontario Drug Programs Reference Manual](#) (the “Manual”).

Except for the changes described in this EO Notice effective April 1, 2024, the Policy remains in effect and all other conditions set out in the [Manual](#), the December 2019 [EO Notice](#), the [EO Notice](#) dated September 21, 2021 (effective September 27, 2021), and [accompanying documents](#) posted on the Ministry of Health's website on December 16, 2019 and September 21, 2021 continue to apply. Please refer to these documents for additional information.

Changes to Annual Fees-Per-Bed / Fee Reduction Schedule

In accordance with the Policy, under the LTC Home Capitation funding model, primary pharmacy service providers are paid an annual fee-per-bed (on a monthly schedule) for all medication dispensing and professional pharmacy services based on the number of licensed LTC home beds serviced. The Policy provided for an initial annual fee-per-bed of \$1,500 and a schedule for reductions until the annual fee-per-bed reached \$1,200. The schedule for reductions to the annual fee-per-bed in the Policy was put on hold for the past 3 years, as follows:

- April 1, 2021 (see [EO Notice](#) and accompanying materials posted on the EO Communications [website](#) on January 15, 2021);
- April 1, 2022 (see [EO Notice](#) and accompanying materials posted on February 18, 2022); and
- April 1, 2023 (see [EO Notice](#) posted March 31, 2023)

The fee reduction previously scheduled for April 1, 2024 is ON HOLD for another year. The current annual fee of \$1,500 will remain in effect until March 31, 2025. As of April 1, 2025, the annual fee will decrease by \$100 each year until it reaches \$1,200 on April 1, 2027.

The revised schedule for annual fees-per-bed for FY 2024/25 to FY 2027/28 is as follows:

- \$1,500 in 2024-25 (\$125/month)
- \$1,400 in 2025-26 (\$116.67/month)
- \$1,300 in 2026-27 (\$108.33/month)
- \$1,200 in 2027-28 (\$100/month)

Capitation payment dates will follow the HNS payment schedule. The monthly capitation payment will be reflected on the second HNS payment date of the month (i.e., the end of the month).

All other requirements under the Policy (as amended) remain the same.

Additional Information:

For the complete Executive Officer Notices regarding Amendments to Policy for Pharmacy Payments under the Long-Term Care Home Capitation Funding Model, 2020: please access the Executive Officer Communications website at:

http://www.health.gov.on.ca/en/pro/programs/drugs/opdp_eo/eo_communiq.aspx

For the Policy for Pharmacy Payments under the Long-Term Care Home Capitation Funding Model, 2020, please access the Executive Officer Communications website at:

[Notice: Policy for Pharmacy Payments under the Long-Term Care Home Capitation Funding Model, 2020 \(archive-it.org\)](#)

For the Ontario Drug Programs Reference Manual, please access the Ministry website at:

http://health.gov.on.ca/en/pro/programs/drugs/resources/odp_reference_manual.pdf

For pharmacies:

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