

# Questions and Answers: Amendments to the Policy for Pharmacy Payments under the Long-Term Care Home Capitation Funding Model

Effective date: April 1, 2026

## General Questions:

### 1. What is changing?

Effective April 1, 2026, the monthly capitation payments will be based on the number of licensed LTC home beds **excluding** unoccupied third and above beds in ward rooms to reflect the number of LTC home residents residing in each home requiring professional pharmacy services. **The annual fee-per-bed pharmacy capitation rate of \$1,500 is being maintained for 2026-27 and ongoing** to support the ongoing delivery of high-quality pharmacy services to long-term care residents in Ontario. Previously scheduled reductions to the fee-per-bed rate will not be implemented.

### 2. How will this change in funding impact long-term care pharmacy service providers?

Pharmacy service providers (PSPs) that service LTC homes with unoccupied third and above ward beds will experience a decrease in overall pharmacy capitation payments.

The stabilization of the fee-per-bed capitation rate at \$1,500 will provide stability in funding to the sector in comparison to previously scheduled rate reductions.

### 3. How will this change in funding impact long-term care (LTC) homes?

Changes to the LTC capitation funding model will not directly impact LTC homes. In Ontario, each home is required under section 128 of [Ontario Regulation 246/22](#) (the Regulation) under the *Fixing Long-Term Care Act, 2021* to retain a pharmacy service provider (PSP) that is responsible for providing clinical pharmacy services to residents and professional services to the home, as outlined in the Regulation. PSPs retained by LTC homes are remunerated by the government for these services at a fee-per-bed capitation rate. LTC homes will continue

to be required to ensure that PSPs fulfill the service requirements as outlined in the Regulation.

**Updates to the Formula for Number of Licensed LTC Home Beds:**

**4. How do PSPs retained by LTC homes determine the number of licensed beds in a home?**

PSPs can contact the LTC home directly for the current number of serviced licensed beds.

**5. How do PSPs determine whether the LTC homes they service have ward rooms? How does the ministry know how many ward rooms have unoccupied third and above licensed beds?**

The pharmacy can contact the LTC home directly. The Ministry of Long-Term Care (MLTC) provides the Ministry of Health (MOH) with updated numbers of licensed beds on a monthly basis, including which ones are unoccupied third and above licensed beds located in ward rooms. This information is used to calculate the monthly capitation payments to PSPs.

**6. Why is this change in capitation payments happening?**

The change to exclude compensation for unoccupied third and above beds in ward rooms when calculating monthly capitation payments to PSPs is to reflect the number of LTC home residents requiring pharmacy services, including medication dispensing and other professional services. Since the COVID-19 pandemic, the maximum number of residents in ward rooms is two – even if the room contains additional unoccupied licensed beds. This helps to prevent the spread of respiratory illnesses.

This change is intended to ensure that existing funding is most effectively employed to support the delivery of clinical services to long-term care residents and promote high quality care.

**7. Why doesn't MLTC remove the licenses for the extra beds in ward rooms so they become "unlicensed" instead of excluding them when counting the number of beds serviced by a PSP?**

There is a specific process in place for LTC homes to obtain licenses for LTC beds. Keeping the licenses ensures that the LTC home can use these beds in the future (e.g., once the home has been redeveloped and/or the rooms have been reconfigured).

**8. Will capitation payments continue for licensed beds (not in ward rooms) that may be unoccupied?**

The Policy states that capitation payments are based on the number of licensed beds. The exception is licensed unoccupied third and above beds in ward rooms in respect of which no capitation payment is made.

### **9. What if I notice a discrepancy in my capitation payments?**

If, after contacting the LTC home to determine the number of licensed beds (excluding unoccupied third and above beds in ward rooms), the capitation payment received appears incorrect, please contact the MOH at [ODBLTCcap@ontario.ca](mailto:ODBLTCcap@ontario.ca). Please note that any recent changes in LTC home contracts, bed numbers, etc. may not have been captured in time for processing of payments and will be reflected in the payment the following month. For LTC home contract changes, changes in pharmacy information (e.g., ownership changes, relocations, etc.), PSPs are reminded to notify the ministry (at [ODBLTCcap@ontario.ca](mailto:ODBLTCcap@ontario.ca)) by the 15<sup>th</sup> of the previous month before the effective date of the change to ensure payments are processed in a timely manner.