



Neighbourhood
Pharmacy
Association of Canada

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Mr. Patrick Dicerni
Assistant Deputy Minister, Drugs and Devices Division
Executive Officer, Ontario Public Drug Programs
Ministry of Health
5700 Yonge St., 3rd Floor
Toronto ON M2M 4K5

Dear Patrick Dicerni,

The Neighbourhood Pharmacy Association of Canada (Neighbourhood Pharmacies) appreciates the opportunity to provide this Submission Brief regarding the Ministry of Health's proposed amendments to Ontario Regulation 201/96; Regulation 935, under the Ontario Drug Benefit Act and the Drug Interchangeability and Dispensing Fee Act.

Neighbourhood Pharmacies represents Canada's leading pharmacy organizations who deliver high value, quality care to Canadians in all models including chain, banner, long-term care, specialty and independent pharmacies as well as grocery chains and mass merchandisers with pharmacies. Our members are home to the most trusted providers of drug therapies, pharmacy-based patient services and innovative healthcare solutions. We advocate for community-based care through our members' high accessibility and proven track record of providing optimal patient care closer to where patients live, work and play. By leveraging close to 4,500 points of care with pharmacies conveniently located in every neighbourhood across Ontario, Neighbourhood Pharmacies aims to advance sustainable healthcare for all stakeholders.

Neighbourhood Pharmacies supports the government's objective to reduce administrative burden for drug manufacturers and pharmacies. While items #1 through #5 are more specific to pharmaceutical manufacturers, we strongly support the proposed changes to items #7 and #8. We also support proposed changes to item #6 and believe these changes will address some of the drug coverage challenges that arise in the event of a drug shortage, however, pharmacists and pharmacies can do so much more. In most provinces, pharmacists can help to manage drug shortages by prescribing alternatives or by making therapeutic substitutions for other molecules within a drug class, however Ontario pharmacists do not have the scope to do this. We believe that by giving pharmacists the scope to adequately substitute or prescribe in these situations, pharmacists can help ensure continuity of care, while managing costs of the drug program. We welcome the opportunity to work with government to explore ways in which pharmacists can be part of the solution to better management of drug shortages.

Ontario's pharmacists and pharmacies play a critical role in ensuring that patients have timely access to the safe and effective medications they need to stay healthy. For the people of Ontario, pharmacists are often the most accessible healthcare providers – playing a key role as

a community resource for health information, particularly in rural or remote communities. As pharmacists, our patients rely on us to provide trusted advice and counsel and ensure a safe and secure supply of medication. We also play a critical role in the health system by helping to reduce health care costs by preventing illness and keeping people out of hospital.

We appreciate the Ontario government's willingness to work with the pharmacy sector so that we can continue to deliver excellent care to our patients. As a sector, we have worked collaboratively to demonstrate alignment on drug reforms that will preserve and enhance patient access, stabilize supply, reduce costs to government and protect jobs.

Specifically, the pharmacy sector has come to alignment on two key regulatory changes consistent with our initial proposal shared with the Ontario government in November 2018:

- 1) Removing the current 10 per cent restriction on ordinary commercial terms; and
- 2) Enabling private label generic products to be considered as listed products under the *Ontario Drug benefits Act* (ODBA) and/or as interchangeable products in accordance with the *Drug Interchangeability and Dispensing Fee Act* (DIDFA).

These changes, when considered together, will bring Ontario in line with regulations and policies in other provinces, promote fair competition and deliver value for government. Most importantly, these changes will help to preserve and enhance patient access, stabilize drug supply, reduce costs to government and protect jobs.

It is our recommendation that Ontario Regulation 201/96; Regulation 935 is amended to completely remove the current 10 per cent cap on Ordinary Commercial Terms.

When private label products were prohibited in 2010, the previous government created Ordinary Commercial Terms (OCT). OCT are permitted if they relate to any of the following: a prompt payment discount, a volume discount or a distribution service fee, and only if the total value of any benefit does not exceed 10 per cent of the value of the listed drug.

The arbitrary cap imposed on these terms (whether it is at 10%, 25% or another figure) represents red tape and presents administrative burden which prohibits pharmacies from running their businesses effectively and prevents pharmacies from operating under widely accepted business terms that exist in any other retail business.

Our position is that the cap on OCT should be removed completely, thereby allowing the Ontario government to reduce red tape and ensure the competitiveness and sustainability of Ontario pharmacies.

By removing the cap on OCT and following through with the implementation of the regulation to allow for private label generics as posted in October 2018, the Ontario government can continue to support the sustainability of the pharmacy sector and ensure that pharmacists can continue to provide high-quality care to their patients across the province. These changes, when considered together, will bring Ontario in line with regulations and policies in other provinces, promote fair competition and deliver value for government.

We appreciate the opportunity to provide our feedback to Ontario Regulation 201/96; Regulation 935.and look forward to continuing to work with the Ontario government and Ministry of Health.

If you have any questions, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to be 'S. Hanna', written in a cursive style.

Sandra Hanna
Chief Executive Officer