

Changes to Dispensing Fees

When pharmacists fill a prescription, they charge what is known as a dispensing fee to cover costs of storing and preparing medication, as well as providing services to clients. These fees can vary from pharmacy to pharmacy, and can be a significant cost for patients. Manitoba Pharmacare¹ is also required to pay dispensing fees on prescriptions covered by the program.

Other provinces and territories across Canada have a cap on retail pharmacy dispensing fees. This ensures pharmacies are able to recover costs for providing services while reducing costs for patients and programs that are paying for prescriptions.

Effective August 18, Manitoba will be introducing a cap on dispensing fees. Pharmacies will be able to charge provincial drug programs up to \$30 per prescription, regardless of the base cost of a drug or how a drug is packaged (such as in a pill bottle or blister pack).

In addition, pharmacies will be able to charge Pharmacare up to \$30 for compounding services in a pharmacy (when medicinal ingredients are mixed and prepared to meet an individual patient's clinical needs).

In cases where drugs need to be compounded in sterile conditions, pharmacies will be able to charge Pharmacare up to \$60. Additionally, Pharmacare will only consider a compounded drug an eligible benefit if the main ingredient in the preparation is a Pharmacare benefit.

These changes will help reduce costs for patients and the provincial drug plan, while ensuring pharmacists remain able to recover costs associated with dispensing drugs.

Questions and Answers

What are professional fees? What are dispensing fees?

Pharmacies charge professional fees for services that require the skill and expertise of a pharmacist or pharmacy technician to help patients manage their medications and chronic diseases.

Dispensing fees are one kind of a professional fee, and are charged for filling your prescription.

Why do pharmacists charge these fees?

Dispensing fees help cover costs to run a pharmacy, including a pharmacist's time for talking with patients about their treatment, maintaining and checking medication records, stocking medications and dispensing drug products.

Who gets charged these fees?

The public pays dispensing fees on drug purchases. In addition, the Manitoba government pays dispensing fees for prescriptions covered under any of the provincial drug programs, including Pharmacare, the Palliative Care Drug Access Program and the Home Cancer Drug Program. In 2016/17, Manitoba spent \$54.9 million on dispensing fees through Pharmacare, representing approximately 22 per cent of prescription drug costs to provincial drug programs².

Why does the Manitoba Pharmacare program have to pay these fees?

Professional and dispensing fees are paid by anyone accessing pharmacy services. This includes the Manitoba Pharmacare program.

How are these fees set?

In Manitoba, pharmacies can charge a professional fee of their own choice. Pharmacy is a service industry and like other business, prices are set according to many business factors including overhead costs, profit margins and market dynamics. This means dispensing fees can vary widely from pharmacy to pharmacy.

Some pharmacies charge a flat fee – such as \$9.95 for all prescriptions they dispense. Other pharmacies base their dispensing fees on a proportion of the ingredient cost – such as 10 per cent of the cost of the drug.

¹ Provincial drug programs governed by The Prescription Drugs Cost Assistance Act (PDCAA) include Pharmacare, the Palliative Drug Access Program and the Home Cancer Drug Program. For simplicity we refer to all of these programs as "Pharmacare" or "provincial drug programs". In general, amendments to the PDCAA do not apply to Employment Insurance and Assistance (EIA) drug program.

² This does not apply to drugs and dispensing fees for drugs dispensed to Family services clients and through their drug program.

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Why are these changes being made?

Dispensing fees can vary from pharmacy to pharmacy, and can be a significant cost for patients. In Manitoba, approximately 97 per cent of dispensing fees on Pharmacare claims are less than \$30. However, about 3 per cent of fees are more than \$30 and in some cases, exceed \$900.

Last year, the province spent more than \$9 million on fees greater than \$30, which is 16 per cent of the total budget spent on dispensing fees.

How do these changes compare to other provinces?

Other provinces and territories across Canada have a cap on retail pharmacy dispensing fees. This ensures pharmacies are able to recover costs for providing services while reducing costs for patients and government programs that are paying for prescriptions.

Province	
NL	Foundation/Assurance/Access Plan: \$11.96 (when drug cost is less than \$50) \$23.93 (\$50 - \$249.99) \$50.00 (when drug cost is greater than \$250)
	Seniors Plan: \$12.00 (drug cost less than \$250) \$40.00 (drug cost greater than \$250)
	NB
	PE
NS	\$11.75
QC	\$8.37 to \$9.34 (per 30 days service)
ON	\$8.83 (up to \$13.25 depending on location; higher fees for rural pharmacies)
MB	Market rates (Pharmacare/other programs)
SK	\$11.40
AB	\$12.30
BC	\$10.00

What are compound drugs? Why is the maximum fee higher for compound drugs?

Compound drugs are a mixture of at least two or possibly more ingredients that are prepared to meet the needs of an individual patient. Compounding drugs in a sterile environment requires some additional steps and resources above and beyond what is normally required for drug preparation. We have accounted for this by establishing a higher maximum fee for compounding drugs in a sterile environment.

Why is Manitoba introducing a cap on dispensing fees? Don't pharmacists deserve to be paid for the services they provide?

Other provinces and territories across Canada have a cap on retail pharmacy dispensing fees. This ensures pharmacies are able to recover costs for providing services while reducing costs for patients and programs that are paying for prescriptions.

Careful consideration was given to these changes and Manitoba is now more in line with coverage in other jurisdictions. This change will help reduce costs for patients and the provincial drug plan, while ensuring pharmacists are able to recover costs associated with dispensing drugs.

Why are limits being placed on how often I can get a prescription filled? What if my doctor says I need to pick up my medication every day?

Every time a pharmacist fills a prescription, they can charge a dispensing fee. If medications are filled daily, dispensing fees can quickly add up.

Prescriptions that are filled regularly and are taken on a long-term basis, such as cholesterol-lowering or blood pressure medication, oral contraceptives, insulin, etc., can be safely dispensed in larger quantities to patients who are stable on these products.

The province is making the change to ensure people have access to the medication they need while best managing dispensing fee costs.

Changes to dispensing fees will encourage pharmacists to minimize the number of times a prescription is dispensed for medications used to treat chronic diseases. For example, by dispensing a three month supply instead of just one month, Manitobans will experience a reduction in the amount of times they are charged a dispensing fee.

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However, some medications must be dispensed on a more frequent interval (such as weekly or even daily). In those cases, the province has a process for exceptions, which can be considered for coverage.

Will these changes make it harder for pharmacists to provide services?

Manitoba Health, Seniors and Active Living analyzed drug claims and dispensing fees over the past five years. Fees are being capped at \$30 to allow pharmacies to recover costs while offering customers affordable fees. These changes will only have a small effect on the majority of pharmacies.

Won't pharmacists just raise their professional fees?

Pharmacy is a service industry and like other business, prices among pharmacists can differ. Pharmacies can charge a professional fee of their own choice. Manitobans can visit different pharmacies and choose where they pick up their prescriptions based on dispensing fees. Manitobans are reminded to consult with their pharmacy about the dispensing fee charged and the services included in that fee.

How much will these changes save?

This change will help reduce costs for patients and the provincial drug plan, while ensuring pharmacists are able to recover costs associated with dispensing drugs. It is expected to save an estimated \$11 million annually.

What do these changes mean for me?

The changes mean that more affordable dispensing fees will be available to both members of the public and to programs that provide coverage for medications.

Can a pharmacy charge me a professional fee more than the amounts listed above? Are there other fees that I may be required to pay for pharmacy services?

Yes. There is no existing legislation that would prohibit a pharmacy from charging a professional fee higher than the amount permitted under Section 1.1 of the Regulation or for other fees that are not reimbursed by Manitoba's public drug plans.

The following demonstrates how pharmacy fees which exceed the amount that Pharmacare will pay for, are applied towards your deductible or which amounts the pharmacy may charge you directly:

Total Ingredient Cost	\$100.00	\$100.00	\$100.00
Professional Fee	\$25.00	\$30.00	\$45.00
Amount Applied to your deductible or paid by Pharmacare	\$125.00	\$130.00	\$130.00
Amount paid by the client out-of-pocket	\$0.00	\$0.00	\$15.00

Everyone should talk to their pharmacy provider and make an educated decision about what they are willing to pay out-of-pocket. Pharmacists or a pharmacy owner must disclose the total price of the drug and professional fee: (a) to a patient at the patient's request; or (b) to a person responsible to pay for the drug if the person is authorized by law to obtain the information. The requirements were intended to support transparency in professional fees to enable informed decisions by consumers in choosing a pharmacy. In many cases, the professional fee charged by the pharmacy provider may change depending on the medication dispensed.