

Pay-Direct Drug plans: changes to dispensing fee payments for Ontario pharmacies

Telus Health Solutions ("Telus"), Sun Life's pay-direct drug provider, is implementing a maximum amount that Ontario pharmacies will be paid for dispensing fees, effective March 9, 2010.

Note: This change does not affect reimbursement drug plans.

In collaboration with their insurance carriers, including Sun Life, Telus periodically reviews their controls for managing drug plan costs to ensure that they remain competitive in the marketplace. Based on a recent review, it was determined that it would be appropriate to place a maximum limit on dispensing fees in Ontario.

Currently, Telus/Sun Life drug card holders are paid up to the usual and customary dispensing fee posted in the pharmacy. Starting March 9, 2010, Telus will implement a usual and customary dispensing fee cap of \$11.99 to help manage drug claims effectively.

While a pharmacy may continue to charge customers (Telus/Sunlife drug card holders) its posted fee, the amount payable under the plan will not exceed \$11.99. Currently, only one per cent of pharmacies in Ontario (about 30) have a dispensing fee greater than \$11.99.

Telus has informed pharmacies of this change.

Impact on plan members

Since the current dispensing fee charged by most Ontario pharmacies is \$11.99 or less, this change should not have a significant impact. However, it is possible some plan members may be affected if their particular pharmacy charges a higher fee. Given this, we encourage you to share the accompanying [communication](#) with your plan members so they are aware of the change and can determine if they want to shop around for a pharmacy with a lower dispensing fee.

Notes

- Sun Life's Extended Health Care contracts limit payment of medical services and supplies, including drugs, to usual/reasonable and customary (R&C) rates within the area where the services are provided. We apply this provision to set R&C limits for many expenses, such as paramedical practitioners. Since the majority of pharmacies in Ontario have a dispensing fee at or below \$11.99, we consider that this amount represents the R&C rate in Ontario.
- Some plan sponsors may have a dollar limit on how much their members will be reimbursed for the dispensing fee portion of their drug claim. For example, the member may be reimbursed a maximum of \$5, \$7, etc. Plans with those dispensing fee limits will not be affected by this change.

Questions?

Please contact your Sun Life Financial group representative.