



November 27, 2019

Ministry of Health  
Drugs and Devices Division  
5700 Yonge St., 3<sup>rd</sup> Floor  
Toronto ON M2M 4K5  
Sent via email

Re: O. Reg. 201/96, Regulation 935 - *“Reducing Administrative Burden to Drug Manufacturers and Pharmacies”*

On behalf of the Canadian life and health insurance industry, I would like to thank you for the opportunity to provide input into the proposed regulatory changes identified on October 28, 2019. In 2018, insurers through benefit plans provided by employers, accounted for over 35% of the spending on prescription drugs in Ontario.

The CLHIA is a voluntary trade association with member companies that account for 99 percent of Canada's life and health insurance business. In Ontario, at the end of 2017, the health insurance industry provided 9.8 million Ontarians with extended health care coverage and made payments of \$5.1 billion in prescription drug benefits.

We support the initiatives contained within the proposal that would result in a more streamlined entry to market, including the reduction of requirements for biosimilar drug submissions to simplify and align with national processes. In addition, the changes that may result in drug price reduction for Ontarians are welcomed, including generic drug price adjustments and streamlining drug submission requirements for generic line extension. We would expect that private plans would also be positively impacted and this is important to reduce costs and assist with plan sustainability.

On the issue of drug shortages, we agree, this is a concerning and growing issue and has an impact on private plans as well, sometimes resulting in additional cost to the plan sponsor and plan member. We are encouraged that the government will take a role in the facilitation of drug shortages, although the role still needs to be defined and align with Health Canada's role. Private insurers want to be part of the conversation and solution as well and suggest to be included as participants.

Canadian Life and Health Insurance Association  
79 Wellington St. West, Suite 2300  
P.O. Box 99, TD South Tower  
Toronto, Ontario M5K 1G8  
416-777-2221 www.clhia.ca

Association canadienne des compagnies d'assurances de personnes  
79, rue Wellington Ouest, bureau 2300  
CP 99, TD South Tower  
Toronto (Ontario) M5K 1G8  
416-777-2221 www.accap.ca



In the area of electronic drug claim reversals, it is suggested that Ontario change from 7 days to 90 days. There is note that this change would “align with claims processing parameters used currently for private payer drug claims adjudication by pharmacies”. In fact, the private payer industry has generally aligned around a 30-day window for drug claim reversals and this is the timeframe that is generally noted within pharmacy manuals and contracts. We would suggest that 90 days is too long. While waiting to be picked up, the claim has already been billed to the private or public plan and this proposal delays reversing the transaction. Indeed, if a 90-day repeat dispense is again filled automatically, there is risk this will create further impact to plans if the pharmacy is not diligent about checking their ‘awaiting pickup’ basket.

If an individual has not picked up their drug within 30 days, they likely will not pick it up. For those claims with both a public plan payer and private plan payer, there would be impact on private plans to an additional 60-day window on top of the existing 30-day window.

We would be pleased to discuss this with your officials at their convenience or provide any other information that you would find helpful. Please contact me directly at (416)-359-2003 or [jweir@clhia.ca](mailto:jweir@clhia.ca).

Yours sincerely,

*Original Signed by*

Joan Weir  
Director, Health and Disability Policy