



# OHMEPA 2026 ADP Pricing Review Report

## Executive Summary

The Ontario Home Medical Equipment Providers Association (OHMEPA) is a not-for-profit industry association representing providers and manufacturers of home medical equipment in Ontario. OHMEPA's members primarily focus on mobility devices. Therefore, this document speaks directly to the mobility element of the Assistive Devices Program (ADP).

This report provides a review and analysis of ADP's current pricing model and ADP's Pricing Review Standard Operating Procedure (SOP). It identifies some of the significant challenges with these structures and presents actionable recommendations to align ADP policies with Ministry of Health goals and objectives and vendor sustainability. The recommendations provided will enhance client satisfaction, support quality care, prevent hospital admissions and re-admissions, and create efficiencies within the Ministry of Health's budget.

We have three recommendations:

1. Adjust ADP prices to reflect the increased operational costs and device acquisition cost for vendors.
2. Streamline and modernize the pricing review SOP to reduce ADP staff time and provide for adequate margin to allow vendors to operate within the program.
3. Consider a similar funding model to those of B.C., Alberta and New Brunswick.

Under these provinces' pricing models, clients might be responsible for a larger share of the device cost in some cases. However, these models would unlock administrative efficiencies for ADP. Additionally, clients under the current ADP pricing system are already indirectly incurring similar or higher costs due to the limitations of the current system.

By adopting the recommendations outlined in this report, the Ministry of Health can increase the Assistive Devices Program's sustainability and align it more closely with the Ministry's goals and objectives of enhancing client satisfaction, supporting quality care, reducing hospital and long-term care admissions, and improving overall efficiency.

NOTE: The observations and recommendations in this report relate specifically to devices listed in the Mobility Devices Product Manual.

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## Introduction

The Assistive Devices Program is a highly valuable contributor to cost savings in the healthcare system. Mobility devices provide safety and independence for seniors and Ontarians with disabilities.

- Enabling ageing in place for seniors.
- Enabling people with disabilities to stay safe and independently mobile.

Both of these relieve pressure on hospitals and long-term care homes. The Assistive Devices Program has served and continues to serve as an important component of the province's healthcare system. As time and circumstances have evolved, opportunities have emerged for modernization, transparency and cost savings.

A healthy and vibrant home medical equipment (HME) vendor sector goes hand-in-hand with the sustainability of ADP and Ontario's healthcare system at large. Vendors are vital stakeholders who bridge the gap between clients and the assistive devices they rely upon.

Vendor sustainability is critical for ensuring client satisfaction, supporting quality of care, and reducing healthcare costs by enabling effective health management at home. Additionally, a robust and sustainable vendor sector benefits the government by facilitating efficiencies in ADP program delivery and relieving an overburdened hospital and long-term care system.

ADP's foundational commitments to supporting Ontarians and collaborating with the assistive devices industry remain strong. However, pricing no longer reflects vendors' operational costs. Areas for improvement include modernizing pricing to better reflect inflationary pressures facing vendors and expanding device coverage to include products available in other Canadian jurisdictions. Addressing these issues will help align the program more closely with the Ministry of Health's goals of enhancing client satisfaction, supporting quality care, preventing hospital admissions and re-admissions, and ensuring efficiency within the provincial healthcare budget.

This report examines the ADP's current pricing policies, identifies areas for improvement, and proposes actionable recommendations to address these challenges. Drawing on comparisons with funding programs in B.C., Alberta, and New Brunswick, as well as an analysis of the impact of inflation on the assistive devices sector, the report outlines steps that ADP can take to ensure that the assistive devices industry can remain a strong partner in meeting the growing demands of Ontario's aging population.

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## Methodology

The insights presented in this report are drawn from a multi-pronged approach. This includes comparisons with pricing models in B.C., Alberta, and New Brunswick and an analysis of the impact of rising costs on vendors and clients. Data was gathered through publicly available sources and operational data collected from OHMEPA’s members.

### Review of ADP Pricing Review SOP

ADP has a standard operating procedure (SOP) that sets out the process for a pricing review. We recognize the value of this SOP, and we have some suggestions to consider. If the SOP were to be streamlined and modernized, the pricing review process would be more relevant and less time-consuming for ADP staff. In its current form, the pricing review process is onerous, and is not designed to provide a timely response to rapidly evolving market conditions.

### Fixed Price Model

The current ADP pricing process sets fixed reimbursement amounts for assistive devices based on program-specific guidelines<sup>1</sup>. This process accounts for device categories, markups, associated service costs, and other factors.

This model restricts ADP’s flexibility in responding to market dynamics like inflation, foreign exchange fluctuation, or sudden increases in input costs. It also focuses heavily on the device cost with a fixed markup that is meant to encompass ancillary services associated with dispensing the device, overhead, and all other costs incurred by the vendor.

These fixed prices remain in place until the next pricing review is undertaken. The pricing review process as it stands is a significant undertaking. Its directives cannot be completed quickly or undertaken at reasonable intervals without substantial staff resources. In this context, ADP faces difficult choices:

1. Complete each pricing review following explicitly the directives in the SOP.
2. Complete each pricing review without explicit adherence to the SOP.

The first option is the most desirable from an adherence perspective.

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<sup>1</sup> Section 2.1.3 of the SOP advises that, “Program approved prices are based on several factors, including approved prices paid by similar public programs in other domestic and international jurisdictions, retail prices for off-the-shelf products that are available for purchase out-of-pocket by clients at retail locations, the vendor cost to supply the device, and recommendations/advice provided by experts...The purpose is to ensure that ADP approved prices are fair, consistent and equitable.”

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The second option obviates the purpose of having an SOP and makes a strong case for revising the SOP.

Pricing reviews do not happen frequently enough to adjust for rising device costs and the markups applied do not cover the costs vendors incur to provide the services related to prescription fulfillment.

### Fixed Markup

The SOP allows for a markup between 5% and 33% to the assumed vendor acquisition cost<sup>2</sup>. However, we understand that the actual markup applied by ADP for the majority of mobility devices ranges from 5-15%. The markup applied is based on the complexity of customizing the device.<sup>3</sup>

Even low customization devices require appropriate set-up to ensure they meet safety and performance standards. And set-up activities such as calibration, seating and initial checks require specially trained technicians, which is an ongoing cost to the vendor.

All devices are subject to fixed costs, regardless of the level of customization. A partial list of these costs includes:

- Rent, utilities
- Insurance
- Inventory
- Order processing, invoicing
- Compliance with ADP reporting requirements
- ADP audit preparation and response
- Skilled labour

Vendors participating in the Assistive Devices Program are required to provide the following ancillary services as included in the ADP-funded price. None of these expenses are reimbursed.

- Authorizer support and assessment:
  - Authorizers often require support and assistance in selecting the appropriate device for the client.

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<sup>2</sup> ADP advises that it has the flexibility to assign a higher markup in cases where ADP deems it to be required.

<sup>3</sup> Section 6.3.3 Targeted Margin Analysis (a.) Fixed Mark-Up Percentage states that the markup is ...”based on a qualitative estimate of the value added by the vendor through how much customization of the device is required, what additional services are required, cost of repairs and warranties, profit, etc...”

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- Authorizers in long-term care homes, hospitals and community services are under resourced and often must rely on vendors to help meet client needs.
- Device customization:
  - For most devices, customization is required for the unique needs of each client.
  - Assessment and customization typically take place on-site at the client's location.
- Device trial:
  - Following the initial customization, the client will typically trial the customized device for a period of time to ensure it meets the client's needs.
  - This equipment must be provided at the vendor's expense.
  - There is an often-lengthy assessment period between the time that trial equipment is purchased by a vendor and when the equipment authorization is completed. Vendors incur additional expenses related to travelling on-site to homes or long-term care facilities to demonstrate and customize equipment. This period averages 2-4 weeks.
- ADP application submission:
  - Authorizers do not have access to the e-submission portal, so vendors must transcribe the authorizer-provided information. This requires significant staff time and labour costs.
- Follow up visit(s) for adjustments and trouble-shooting:
  - During the trial period and beyond, the client may require further adjustments to the device.
- Post-sale warranty service:
  - Vendors provide complimentary service for a pre-determined period following the dispensing of a device.
- Client education and training:
  - The client must be trained to use the device safely and effectively. This training must be provided by vendors' technical staff with specialized training. This training typically includes:
    - One-on-one demonstrations.
    - Written or video instructions customized for the client.

These services are not trivial. Based on data collected from vendors, the overall process to fit and dispense an ADP wheelchair requires on average between eight and ten person-hours. These services are provided by trained professionals employed by the vendors.

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In addition to the costs of skilled labour, vendors have all the costs of running physical retail locations plus transport and delivery vehicles.

In the past three years alone, the cost of labour, vehicle costs and insurance have increased between 9% and 29% on average for vendors.<sup>4</sup>

- Labour: +9%.
- Vehicle costs: +29%.
- Insurance: +19%.

*This issue is exacerbated in rural communities. The time and fuel required to serve clients is higher, shipping costs are higher, and because vendors in rural communities typically run smaller sales volumes, their device costs are higher. As vendors' margins continue to be squeezed, rural communities are hardest hit. This threatens a core principle of ADP: ensuring equitable access to assistive devices for all Ontarians, regardless of geographic location.*

ADP does not have the vendor business data to assess the appropriateness of the markup assigned to a device, and there is no process to review and revise the markup formula as circumstances evolve.

The SOP states that the markup is “...based on a qualitative estimate of the value added by the vendor through how much customization of the device is required, what additional services are required, cost of repairs and warranties, profit, etc...”<sup>5</sup>

The assumption that a 5-15% markup can cover all costs in producing and delivering mobility devices is not supported by market evidence and vastly underestimates the expenses of ADP vendors.

In addition, the application of a fixed markup to a fixed price means that the dollar value of the markup constantly diminishes in real terms as inflation erodes the underlying ADP price. Once the ADP price is set, any increase in the vendor acquisition cost or delivery costs must be borne by the vendor until when and if a new pricing review deems a price increase valid.

Mobility prices have not increased in over a decade so the current pricing review process and/or frequency is clearly not accounting for increased acquisition and dispensing costs.

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<sup>4</sup> Data provided by a survey of Ontario vendors.

<sup>5</sup> Section 6.3.3 Targeted Margin Analysis (a.) Fixed Mark-Up Percentage

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## Assumptions of Vendor Costs

In order to estimate the vendor cost to which the markup is applied, section 6.1.3d of the SOP instructs ADP staff to estimate manufacturers' costs. This is indeed an ambitious undertaking. Mobility medical devices are complex, highly specialized, and require substantial investment in research and development.

At the same time the SOP notes that *"...due to constraints of time and staffing levels as well as availability of publicly available information, it is very difficult to arrive at a precise Manufacturer Cost."*

The SOP goes on to instruct that if the manufacturer price is not available but the MSRP is available, a 30% discount to MSRP pricing should be applied to arrive at the vendor cost.

It's not clear that a 30% discount is a relevant estimate. Given that the SOP references a 2011 PwC report, this is at best a very dated benchmark.

In B.C. and Alberta, the approved price is typically set at 5-8% below MSRP. Using the methodology in the ADP SOP, mobility prices for the most commonly sold devices in Ontario currently range from MSRP less 8% to MSRP less 28%.<sup>6</sup>

In the long run, excessive financial and operational pressure on Ontario's assistive devices sector undermines the effectiveness of the Assistive Devices Program.

Current ADP pricing does not account for inflationary increases in vendors' operational costs. This strains both their sustainability and ability to maintain high client service standards. The costs that have seen the largest increases include labour, supply chain, vehicle and fuel costs, and insurance.

## Evaluation of Technological Advancements

New mobility technologies and devices are considered for funding based on reviews and recommendations made by the Ontario Health Technology Advisory Committee at Health Quality Ontario.

Although these decisions are not in the scope of the pricing review process, many new technologies are either excluded from funding or are difficult to fit within existing ADP product categories. This limits access to potentially life-changing solutions and restricts opportunities for ADP clients to reduce their reliance on caregivers and increase their ability to live, learn, and work independently.

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<sup>6</sup> See Table 1 for interprovincial price comparisons.

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Advanced drive control systems illustrate this issue. For example, the mo-vis Foot Control allows users to steer their wheelchairs with foot movements, ideal for individuals who cannot operate hand controls. Other devices, such as Munevo’s DRIVE, uses smart glasses to enable head-controlled navigation, while Ability Drive employs eye-gaze technology to control wheelchair operation through virtual buttons on a screen. These technologies require highly individualized set-up and vary widely in cost, as they involve not only drive-control hardware, but also customized displays, input devices, and specialized mounting.

Given the diversity and complexity of innovative assistive devices, a one-size-fits-all approach to funding is no longer viable. A new, more flexible pricing policy is needed, one that can accommodate a wider range of devices and user needs, and that views the higher initial costs as investments in reduced caregiver needs and independent living.

## Data Analysis and Key Findings

The ADP’s pricing structure was analyzed through the lenses of a jurisdictional scan, market analysis, and inflation impact analysis with the goal of understanding its alignment with vendor and client needs and Ministry of Health objectives.

### Jurisdictional Scan

A comparative analysis with funding programs in B.C., Alberta, and New Brunswick revealed significant differences in pricing structures and device coverage across jurisdictions. Notably, funding programs in these provinces allow for greater pricing flexibility than does ADP. Cross-program differences are highlighted by a jurisdictional analysis of five of the most commonly prescribed mobility devices in Table 1, below.

With one exception, ADP-approved prices are lower than in the corresponding prices in B.C., Alberta, and especially New Brunswick for the same devices. These differences range from 45.3% lower for an Evolution Technologies Xpresso Trillium to 67.5% lower for a Power Plus Mobility Supertilt Plus, compared to New Brunswick.

**Table 1: Jurisdictional Price Analysis for Commonly Used Mobility Devices and Accessories**

Device	ON - ADP	AB - AADL	BC – MSDPR <sup>1</sup>	NB – M&AELP
<b>Power Wheelchair Type 3</b>				
Pride Edge 3 (no Power Positioning)	\$6,125 <sup>2</sup>	\$7,958.03 (– 6% off MSRP )	\$8,196.50 (– 3% off MSRP)	Max. MSRP \$14,000

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Device	ON - ADP	AB - AADL	BC – MSDPR <sup>1</sup>	NB – M&AELP
				(– 17% off MSRP)
<b>Manual Standard Wheelchair Type 2</b>				– 25% off MSRP
Motion Composites MOVE	\$1,449 <sup>3</sup>	\$1,841	\$1,841	Max. MSRP \$4,000
Handrims ADP code WAMO	\$106			\$500
QR Axle WAMU	\$87			
Total	\$1,642	\$1,712.13 (– 7% off MSRP )	\$1,785.77 (– 3% off MSRP)	\$4,500 (– 25% off MSRP)
<b>Adult Manual Dynamic Tilt Wheelchair (Type 5)</b>				
Power Plus Mobility - Supertilt Plus	\$2,110	\$2,325 (– 7% off MSRP)	\$2,564 (– 5% off MSRP)	Max. MSRP \$6,500 (– 25 % off MSRP)
<b>Adult Lightweight Performance Manual Wheelchair (Type 3)</b>				
Sunrise Medical Quickie 2	\$2,310 <sup>4</sup>	\$3,035	\$3,196	Max. MSRP \$6,500

<sup>1</sup> Varies per contract

<sup>2</sup> ADP price includes base, 2-point seat belt any closure and standard joystick control

<sup>3</sup> ADP price includes frame (sizes up to 18"wide x 18"deep), standard upholstery, swing away detachable footrests, height adjustable armrests, rear antitippers, 2-point seat belt any closure, brake extensions, front casters, wheels.

<sup>4</sup> ADP price includes frame (sizes up to 18"wide x 18"deep), standard, upholstery, swing away detachable footrests, height adjustable armrests, rear antitippers, 2-point seat belt any closure, brake extensions, front casters, wheel

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**Table 1: Jurisdictional Price Analysis for Commonly Used Mobility Devices and Accessories**

Device	ON - ADP	AB - AADL	BC – MSDPR <sup>1</sup>	NB – M&AELP
				(– 25% off MSRP)
Handrims ADP code WAMO	\$146	\$144		\$500
QR Axle WAMU	NC	NC		
<b>Total</b>	\$3,391	\$2,924.68 (– 8% off MSRP) <sup>5</sup>	\$3,100.12 (– 3% off MSRP)	Max. MSRP \$7,000 (– 25% off MSRP)
<b>Adult Wheeled Walker Type 3</b>				
Evolution - Xpresso Trillium	\$328 <sup>6</sup>	\$490 <sup>7</sup>	\$499 (– 5% off MSRP)	Max. MSRP \$600 (– 20% off MSRP)

This comparison highlights the relative transparency and simplicity of the B.C., Alberta, and New Brunswick pricing models. In all cases, the approved price is directly tied to the MSRP. This eliminates the need for the complex and time-consuming analysis that goes into an ADP pricing review.

### Market Analysis

In the mobility space, there is significant competition amongst manufacturers. So there is little opportunity for manufacturers to increase prices. They must practice competitive pricing to maintain their market share.

This underscores the need for ADP to re-evaluate its pricing policies to ensure that a competitive and sustainable assistive devices sector continues providing a high level of service to clients.

<sup>5</sup> Authorization Type: Category B Manual Wheelchair W137B, AADL maximum price: \$3,300

<sup>6</sup> Walker type most suitable for active use on most terrains. ADP price includes frame, four large wheels (6"/8" diameter), hand braking system, seat, and back support

<sup>7</sup> Four-wheeled walker – Standard brakes, minimum weight capacity 275 lbs.

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One method is for ADP’s SOP to adjust to account for the full costs of running a business, such as capital costs for facilities, equipment, and other expenses, to align the program more closely with vendor and client realities.

But the complexities in attempting to estimate manufacturer and vendor costs are self-evident. And these estimates are of debatable value when the data required to estimate them is privileged and confidential in a competitive environment, and highly variable depending on the vendor.

If ADP were to use MSRP-related pricing formulas as is the case elsewhere in Canada, it would save ADP staff time, and it would provide ADP with a simpler and more transparent mechanism to adjust prices.

**Inflation Impact Analysis**

Between 2015 and 2025, inflationary pressures have increased costs dramatically for all businesses, with an outsized impact on assistive device vendors operating under current ADP pricing policies. Rising labor costs, driven by increasing wages and benefits, and elevated administrative expenses due to greater regulatory requirements, have strained vendor operations. Supply chain disruptions have further exacerbated financial pressures, leading to higher freight and shipping expenses. Facility costs including rent, insurance, and vehicle fleet costs have also risen substantially.

Inflation has risen approximately 27% in the past nine years (Statistics Canada, 2024) and ADP pricing for assistive devices has either remained flat or, in some cases, even decreased. Inflation has effectively eroded vendors’ margins, pressuring their ability to maintain service quality and financial sustainability.

The table below shows a stark portrayal of the erosion of vendor margins. In inflation-adjusted dollars, ADP prices have dropped by 27% or more in the past ten years.

**Table 2: Pricing Actualized to CPI (2015-2025):**

Description	Current ADP Price	Price if it were Adjusted for CPI
Wheeled Walker Type 3	\$328.00	\$416.95
Manual Type 2	\$1,449.00	\$1,841.97
Manual Type 3	\$2,290.00	\$2,911.05
Manual Type 5	\$2,110.00	\$2,682.23
Power Type 3	\$6,125.00	\$7,786.10

ADP relies on vendors to provide comprehensive services, such as fitting, seating, customization, device trials, follow up visits and client education. However, current ADP pricing

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does not compensate vendors for these responsibilities, creating a misalignment that undermines vendor sustainability.

## Recommendations

We have three recommendations:

1. Adjust ADP prices to reflect the increased operational costs and device acquisition cost for vendors.
2. Streamline and modernize the pricing review SOP to reduce ADP staff time and provide for adequate margin to allow vendors to operate within the program.
3. Consider a similar funding model to those of B.C., Alberta and New Brunswick.

Under these provinces' pricing models, clients might be responsible for a larger share of the device cost in some cases. However, these models would unlock administrative efficiencies for ADP. Additionally, clients under the current ADP pricing system are already indirectly incurring similar or higher costs due to the limitations of the current system.

## Conclusion

The Assistive Devices Program must evolve to address the challenges posed by rising costs and outdated pricing models. By adopting the recommendations outlined in this report, the program can increase the Assistive Devices Program's sustainability and align it more closely with the Ministry of Health's goals and objectives of enhancing client satisfaction, supporting quality care, reducing hospital and long-term care admissions, and improving overall efficiency.

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