



Brief to the Drug System Secretariat

Ministry of Health and Long Term Care

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Submitted By:

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Drug System Secretariat  
Ministry of Health and Long Term Care  
Ontario Drug Benefit Program Review, November 28, 2005

Thank you for giving us the opportunity to provide input to your program review of the Ontario Drug Benefit Program. We are Canadian Pensioners Concerned Ontario Division, founded in 1969, part of a national voluntary organization of seniors which advocates on issues such as pensions, health care, housing and transportation. We are concerned not only about those matters which involve older citizens but about all of the factors which make for a just, caring, compassionate, civil society for all age groups.

You have asked us to address three issues:

- a) Identify the most significant problem(s) or challenges in the current drug benefit system,
- b) Recommend possible solutions to meet these challenges and as a means to improve the drug system,
- c) Propose how you and /or your organization would contribute to the solution.

We wrote a letter to Minister Smitherman in early May (attached) in response to the rumours that were going around concerning the possible introduction of Reference Based Pricing (RBP) to the Ontario Drug Benefit program (ODB). The arguments we presented to him at that time are part of our brief.

**Significant Problems**

1. The overall cost of prescription drugs has been of great concern to Canadian Pensioners Concerned for many years. The costs of prescription drugs are rising faster than any other component in the Health Care system and the implications for the sustainability of the system is worrying.

2. Ontario has been among the slowest of the provinces to introduce new drug treatments on to its formulary and as a result many seniors have had to pay the costs themselves – costs that are very hard to meet in many cases.

3. Ontario has been slow to recognize the importance of “Orphan Drugs” to small groups of patients, and, in fact in some cases the patients have had to go to the media in order to get the province to respond to their critical need.

4. We have had great difficulty in understanding why the Province has refused to pay for treatments that could prevent diseases, such as wet macular degeneration, preferring, for some reason, to have people go blind.

5. User fees are a regressive way to raise funds. User fees do not take into account the payer’s capacity to pay. Some provinces have tackled the cost of Drug Benefit Programs by escalating their “premiums” or “user fees” at great cost to the consumer. The income of seniors may, in many cases, increase at less than the cost of living per year.

6. Decisions about the placement of drugs on the formulary, the utility of the drugs etc. are not made in an open and publicly accountable manner. We are concerned that the appropriate experts in the different fields of practice are not involved, and that evidence based best practices are not being fully considered. We are especially concerned about the obvious pressures coming from the pharmaceutical industry.

7. Unlike virtually every other jurisdiction in North America, the Ontario government currently does not designate a generic drug as “interchangeable” with its higher-priced brand-name equivalent unless it is listed as a benefit on the ODB formulary.

Just because a drug is not covered by the ODB does not mean that it will not be prescribed by a health-care professional. Under Ontario’s current rules, the pharmacist is not allowed to interchange the lower priced generic for the higher priced brand name because the government does not designate generic drugs as "interchangeable" unless they are listed on the ODB formulary. The consumer is trapped as there is little option for consumers but to pay for the higher-priced brand-name version, even if a less expensive generic product has been approved by Health Canada and is on the market. This is

ridiculous as the cost is being born by the consumer or their insurance company or employer (what ever the case may be), not the government.

8. All too often consumers are frightened by special interest groups who are pushing the latest and most expensive new drugs. Physicians do not have the time to really assess new versus old drugs and tend to go with the newest drug – given the pressure they are under from drug company representatives. Direct advertising is telling consumers what they should demand from their doctor and appear to be creating new “syndromes” that must be treated by the latest drug therapy. This is needlessly driving up the expenditures on prescription drugs. Unfortunately much of the direct advertising comes from the United States which makes it impossible to control. . The public is not being well-informed about these issues.

9. We are deeply concerned about the over medication and improper medication of older persons. This is not a new problem but with the expanded use of prescription drugs we believe it is a growing problem.

10. Many people that require drugs for heart conditions, cancer treatment etc. who, when informed of the cost of the drugs they need, know that this is beyond their ability to pay. The assistance offered is an application form to be filled in and sent to The Trillium Foundation. This puts a tremendous burden on people who at the time are undergoing stress related to an illness and who then have to undergo further stress trying to get an application filled in and hope they will be accepted.

## **Possible Solutions**

### ***1. The Cost of Drugs***

Join with coalitions of citizens groups such as ours who are fighting to bring down the cost of prescription drugs in Canada. We have been struggling for years to get the Federal Government to reign in the special privileges given to the big Patent Drug Manufacturers under the Patent Act. We have been very surprised by the silence from our Provincial government on this matter. We are deeply concerned that the very powerful lobby of the

Patent Drug Manufacturers has had a significant role to play in ensuring this silence. This is occurring at great cost to the consumers and to ODB.

Delisting drugs from the provincial formulary and thus the ODB is **not** an appropriate policy response to the rising cost of prescription drugs.

We support the consideration of a Reference Based Pricing program (RBP) or Evidenced Based Drug coverage to help control costs under the following conditions:

1. That you would establish a consultation/advisory process that would have a panel of experts that would include leading specialists in Geriatric Medicine and Pharmacology. Decisions would be based on scientific data.
2. We also believe that people who are currently stabilized on their medication should be allowed to continue provided the evidence is there to support their current medication use. However, if evidence comes forward that the older less expensive treatment is just as effective, we believe the RBP should come into play. If the patient is able to pay for the higher priced medication then they should be able to do so. It would be worth considering whether the ODB would pay for the base price and the consumer would pay the difference.
3. We recommend that Ontario follow the example of British Columbia and introduce this program to deal with a limited number of illnesses, where the research evidence is available, to identify the best cost effective treatments. As new research comes forward, then new treatment modalities can be covered. Independent Clinical specialists in each area must be part of the process. There must also be independent academic researchers/advisers assigned to provide on going evidence on the validity of the program.<sup>1</sup>
4. For additional savings see #7 below.

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<sup>1</sup> Extensive academic research, published in refereed journals, has studied the practice in British Columbia and has found consistently that there are no adverse effects on the health of patients under this program.

## ***2. The Ontario Formulary***

We have gone on record supporting the Federal /Provincial / Territorial agreement that appeared to move on this agenda. We understood that there would be one approval process for new prescription drugs – not eleven or so – and that once drugs were approved the time for acceptance on the formulary would be very much shortened from the current practice. We strongly support the concept that all Canadians should have access to the same level of Drug Benefits – idealistic as that might be.

## ***3. Orphan Drugs***

We strongly support the value that we are the keepers of our community. We do not believe that individual families should be denied access to life saving drugs because of the cost. We believe that we must respond collectively to the real needs of our fellow citizens and not rely on the media to put pressure on the government to respond.

## ***4. Special Treatments that combine prescription drugs with other therapies.***

We believe that the government must fully support treatments that can arrest problems such as wet macular degeneration. It is madness to let people go blind when a solution is at hand. Blindness is a greater cost to the individual and the community than the cost of the treatment. As the population ages this will become an even more significant problem than it is today.

## ***5. User Fees***

We strongly oppose the use of user fees to help cover the cost of the ODB. We do support the use of a **progressive income tax based on the capacity to pay**. We reject the fear of governments to look at the taxation system as a source of revenues and their refusal to consider **increases** in income taxes as a principle source of new revenues. The ODB requirement for \$100 up front before the benefits start to work can create hardship for people living with very modest incomes. Even the dispensing fee can create hardship.

### ***6. The Placement of Drugs on the Formulary***

The Government should publicize its process of deciding what drugs are being considered for inclusion and the timelines taken to make a decision. We believe the model of the Patent Medicines Review Board is one that should be looked at.

We are deeply concerned about the vast number of drugs introduced by the large research based pharmaceutical companies that are simply “copy cat” drugs that carry no proven additional benefit to older drugs that are on the market at a lower price. The ODB should treat these “copy cat” drugs with great caution and demand proof of additional significant efficacy before listing them on the formulary.

### ***7. The Placement of Equivalent Generic Drugs on the Formulary***

We also ask that the Ontario government designate equivalent generic pharmaceutical products approved by Health Canada as “interchangeable,” even if they are not covered by the ODB plan. Designating generic drugs as interchangeable with brand-name drugs that are not listed on the ODB formulary would provide Ontarians with easier access to lower-cost generic drugs and save Ontario consumers and businesses tens of millions of dollars annually.

### ***8. Public Education and Advertising***

We acknowledge that the Federal Government has the pre-eminent jurisdiction over advertising in the media. Furthermore we acknowledge that much of the advertising comes from the United States. However, the province has a responsibility to counteract the misinformation that the public is being given by developing a permanent public education program on the use and abuse of prescription drugs. We believe that Pharmacists must play an important role and must be empowered to do so.

### ***9. The Over Medication of Older People***

This practice must be stopped. Physicians must be monitored and made accountable if this is identified in their patients. It is too easy to say “my patients demanded the medication”.

It would be interesting if the Province would require that all drugs accepted for the Formulary would have to prove that clinical trials had taken place using older persons. Such is not the case today.

Here too public education is critical. Care givers, family members and friends and people in the community must see that they can play a role in stopping this invidious practice.

#### ***10. Restrictive access to essential medications***

We believe that the province must have evidenced based clinical committees that can ensure that essential medications are available for those who need them. The unnecessary process of appealing to the Trillium Drug Program for financial help is a reprehensible bureaucratic nightmare for those in need. We believe that a Federal/Provincial agreement on catastrophic drug cost coverage is the answer to this problem in combination with our other cost control suggestions noted above.

#### **Our Role**

We would be very pleased to participate in any way you deem to be helpful. Public education is part of our organization's mandate. We could go to seniors groups raising their awareness of the issues. We would be willing to participate on any advisory panels that you might consider establishing. But, most particularly, we would be especially pleased if you were to join our campaign to change the regulations under the Patent Act that have needlessly kept the cost of prescription drugs artificially high in this province.

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