

Health Charities Coalition of Canada
La Coalition canadienne des organismes bénévoles en
santé

Draft Position Statement on the
National Pharmaceuticals Strategy

Executive Summary

October 2005

The theme of this paper, from the perspective of the Health Charities Coalition of Canada (HCCC), is that health-care consumers — patients, people with chronic and progressive illnesses, and their immediate families — are under-represented throughout Canada’s pharmaceutical regulatory system.

Background

The cost of pharmaceutical products is a fast growing line-item in the budgets of federal, provincial, and territorial (FPT) health ministries and insurance companies.

The use and cost of prescription drugs has risen steadily for the last 20 years. This trend is likely to continue for at least another two decades, despite various strategies by governments to contain costs. Those strategies include: de-listing¹, reference-based pricing², generic substitution³, pre-authorization⁴, prescribing guidelines⁵, price freezes, glacially slow regulatory review, and so on.

One result of all these tactics is a lack of uniform access to and coverage of prescription medications among the provinces/territories.

In 2001, the ministers of health launched the FPT Pharmaceutical Management Initiatives, which led to the creation of new initiatives including:

- » a centralized common drug review, known as “The Common Drug Review”;
- » a database that tracks trends in pharmaceutical use and prices; and
- » and promotes a fast approval process for generic alternatives.

The 2004 FPT First Minister’s Health Accord on Health Care Renewal included an agreement to form an FPT health minister’s taskforce to develop and implement a comprehensive National Pharmaceuticals Strategy (NPS).

The National Pharmaceuticals Strategy (NPS)

The National Pharmaceuticals Strategy encompasses a nine-point agenda that seeks to transform and harmonize pharmaceutical regulations and formulary coverage⁶ among federal, provincial and territorial governments. The Strategy also encourages the use of digital technology to support clinical decision-making and evidence-based medicine ensuring the right patient gets the right drug at the right time.

The following outlines the implications of each of the nine NPS agenda-items from the

¹ De-listing means revoking reimbursement for certain types of medications.

² Reference-based pricing determines one price for a whole category of drug therapy. It was popularized in New Zealand and has been adopted by British Columbia. Other provinces are considering its adoption, although it is considered the most contentious pricing system of all.

³ Generic substitution means forcing the use of generics when available.

⁴ Pre-authorization refers to a requirement that physicians submit requests for higher cost/high volume medications.

⁵ Prescribing guidelines means identifying which medicines should be prescribed over other alternatives.

⁶ Formulary coverage refers to the list of drugs that are approved for coverage under provincial and territorial health plans.

HCCC perspective and recommends public positions that should be of benefit to the Coalition's constituents – the people of Canada. While these positions may sometimes coincide with the interests of the regulator or the industry, above all they have the interests of patients and consumers in mind.

1. Catastrophic Pharmaceutical Coverage

This agenda item would guarantee that all Canadians have access to a minimum level of pharmaceutical coverage that would otherwise be denied some people due to financial hardship.

Recommendations:

HCCC believes:

- There should be, at a minimum, consistent standards that ensure that all Canadians are protected from undue financial hardship due to high prescription costs.
- Additional financial support would create a robust drug-coverage program, as indicated in both the *Report of the Commission on the Future of Health Care in Canada* and the *Kirby Report* (The Health of Canadians – The Federal Role. Oct. 2002).

2. National Drug Formulary

This agenda item would create a mechanism for setting minimum pan-Canadian standards regarding which medications should be made available by all provinces/territories. To this end, a federal-provincial agreement launched the Common Drug Review (CDR) in September 2003.

Recommendations:

HCCC believes:

- Patients matter the most, therefore a national drug formulary should be patient-centred.
- A national drug formulary should be based on the principles of quality, timeliness, affordability and comprehensive access to innovative medications.
- A national drug formulary should support the appropriate use of medications to ensure best outcomes within a context of:
 - unbiased, third-party educational programs;
 - partnerships to assist patients in using their medications as prescribed; and
 - wellness promotion (diet, exercise, smoking cessation, etc.)

3. Accelerate access to breakthrough medications through an improved drug-review and drug-approval process

This agenda item is designed primarily to accelerate/reform the Health Canada regulatory-review process.

Recommendations:

HCCC believes:

- Efforts should be made to reduce unnecessary delays in the approval process for *all* new therapies, instead of focusing solely on improving the system for ‘breakthrough’ medications.

4. Strengthen the evaluation of real-world drug safety and effectiveness

This agenda item appears to be a first step toward a much-needed and wanted post-marketing surveillance system for prescription medications.

Recommendations:

HCCC believes:

- Health Canada should develop an arm’s length post-marketing surveillance system — a way of tracking and monitoring adverse reactions to a drug after it reaches the marketplace — co-funded by government and industry.
- Patients and patient groups must play a central role in directing a post-marketing surveillance program.

5. Pursue purchasing strategies in order to obtain best prices

Generally, bulk-purchasing strategies take advantage of volume to reduce prices within a competitive marketplace. Provincial/territorial drug plans have been seeking ways to implement such cost-savings strategies for years.

Recommendations:

HCCC believes:

- The Patented Medicine Prices Review Board should continue to set drug prices.
- Health Canada should establish a Generic Medicine Prices Review Board.
- The decision-making process should engage patient groups and other stakeholders.
- Any money saved through bulk-buying or rebate programs with manufacturers should be returned to the drug budget, not the general budget.

6. Influence the prescribing behaviour of health-care professionals

Provincial and territorial drug-plan managers want to ensure that the decisions physicians make in issuing prescriptions are based on evidence that demonstrates a given medication is the most cost-effective choice for a given patient. To this end, the FPT deputy ministers of health approved the creation of COMPUS (Canadian Optimal Medication Prescribing and Utilization Service).

Recommendations:

HCCC believes:

- Drug therapy should be considered as part of a multidisciplinary, patient-focused approach to health care.
- Whenever possible, prescribing practices should be informed by evidence-based best practices so that the right person gets the right drug at the right time.
- Patients and health-care providers would benefit from more information about the importance of compliance and the optimal use of prescription medicines, respectively.
- COMPUS should be transparent and responsive to stakeholders, taking advantage of websites, newsletters, facilitators, feedback from prescribers, and peer-group meetings to distribute information.

7. Support e-prescribing and the development of the digital health records

There is a growing recognition that patient care would be significantly improved and adverse events decreased if all the health-professionals involved in an individual's care had access to his or her medical records at the point-of-service.

Recommendations:

HCCC believes:

- The provinces/territories and their ministries of health should make efforts to increase e-prescribing and support the distribution of electronic health records. Such efforts should focus on improving care for the individual, preserving patient confidentiality, and ensuring records are immune to computer hacking.
- Medical and pharmacy associations should support the National e-Therapeutics Network (an initiative of the Canadian Pharmacists Association).

8. Accelerate access to off-patent drugs and reduce prices of generic drugs

This agenda item addresses the cost of non-patented drugs (older off-patent or generic) through additional pricing regulations.

Recommendation:

HCCC believes:

- Health Canada should establish a Generic Medicine Prices Review Board.

9. Enhanced analysis of cost drivers

Since the mid-1990s, provincial/territorial governments have been collaborating to collect information about which factors have the most impact on their increasing pharmaceutical budgets. This initiative is intended to expand efforts to isolate the best way to manage these costs.

Recommendation:

HCCC believes that:

- Better analysis of cost drivers and cost-effectiveness is essential, and that the savings associated with medication use should be analyzed in the context of the whole health-care system (i.e. does their use leave to savings from reduced doctor and hospital visits).
- The analyses should be made available to all interested stakeholders, so they can help find the best way to improve the system.

There's little doubt that the National Pharmaceuticals Strategy will have a profound effect on the delivery and accessibility of prescription drugs in Canada. HCCC believes the above position statements will help identify the Coalition and our constituents as stakeholders in the deployment of the National Pharmaceuticals Strategy.