

ONTARIO DRUG REFORM

One Year Later

A progress report on the Transparent Drug System for Patients Act

“These changes will result in a stronger, more effective, more transparent drug system for the people of Ontario. A system that puts patients first, and enhances their access to truly innovative drugs.”

— *The Honourable George Smitherman,*

Ontario Minister of Health and Long-Term Care, April 10, 2006, House Statement

A REPORT FROM:

**The Asthma Society of Canada
Canadian Arthritis Patient Alliance
Canada’s Association for the 50 Plus
Cancer Advocacy Coalition of Canada
The Centre for ADD/ADHD Advocacy, Canada
Why Choice Matters**

Introduction

In June 2005, the Honourable George Smitherman, Minister of Health and Long-Term Care created the Drug System Secretariat (DSS). The mandate of the DSS was to conduct a system-wide review of the drug programs in Ontario. That review took place over several months and included more than 100 meetings with over 350 stakeholders. The result was a package of recommendations delivered to the Minister in January 2006.

On April 10, 2006, Minister Smitherman rose in the Ontario Legislature and announced the government’s intention to bring about significant and much-needed changes to the province’s drug system. He promised reforms that would create a drug system that is efficient, transparent, accountable and fair.

Three days later, on April 13, Minister Smitherman introduced the *Transparent Drug System for Patients Act* or Bill 102. The legislation, which the Minister called the cornerstone of the government’s comprehensive plan to reform Ontario’s drug system, sought to amend two pieces of existing legislation; the *Drug Interchangeability and Dispensing Fee Act* and the *Ontario Drug Benefit Act*. In addition to Bill 102, the Minister announced a five-part plan that day consisting of a series of promises and commitments designed to improve the overall drug system.

The *Transparent Drug System for Patients Act* was signed into law on June 20, 2006.

The purpose of this report is to review the progress of the government’s five-part drug reform plan one year later. This will be done by examining the various promises and commitments made as part of that plan, and comparing it with what has actually happened since June 2006. The report also looks at the impact that the various reforms may have had on patients over that time.

Note: All information for this report was pulled from public documents on the Ministry web site, Hansard, and a recent presentation from the Public Drug Programs.

1. PROMISE

Strengthening the governance and operations of the public drug system

“The people of Ontario will be well-served by this bill. They deserve a more efficient, more transparent, and more accountable drug system ... a system they can understand and trust.”

— *The Honourable George Smitherman, April 13, 2006, House Statement*

“Patients need an explanation of why some new drugs are covered and others are not.”

— *Dianne Azzarello, pharmacist, June 20, 2007*

COMMITMENT	ONE YEAR LATER	IMPACT ON PATIENTS
<p>Legislation to strengthen governance Defining principles, such as transparency and accountability, for all participants.</p>	<p>PARTIALLY IMPLEMENTED Accountability provisions largely implemented or substantially underway.</p> <p>Transparency and disclosure commitments not implemented.</p>	<p>Several indirect benefits from the new government powers built into the legislation.</p> <p>Effectively withholds essential information from patients about their drugs and the process for making them available.</p>
<p>Appoint an Executive Officer for Drug Programs</p>	<p>IMPLEMENTED Executive Officer appointed June 15, 2007.</p>	<p>No direct impact on patients.</p>
<p>Patient Voice Two patient representatives as full members on the Committee to Evaluate Drugs.</p>	<p>IMPLEMENTED 2 new members to attend July 2007 meeting; 2 new subcommittee members intended in Fall 2007; 2 new physician/health care profession members being recruited.</p>	<p>Will provide a voice for patient interests in the policy and decision-making process.</p>
<p>Citizen’s Council To give the public an opportunity to guide public drug policy.</p>	<p>PARTIALLY IMPLEMENTED Workshops in September 2006 and February 2007. Recently received approval on implementation plan.</p>	<p>Will provide an avenue for public input.</p>

2. PROMISE

Improving access for patients to drugs

“The changes we’re introducing will give the people of Ontario better access to better drugs, and do it more quickly.”

— *The Honourable George Smitherman, April 13, 2006, House Statement*

“In Ontario, cancer patients are not being treated like other critical illness patients. If cancer patients choose to live, some must pay the hospital for the necessary life-saving drugs.”

— *Toni Codispoti, patient advocate, June 20, 2007*

COMMITMENT	ONE YEAR LATER	IMPACT ON PATIENTS
<p>Improve access to new drugs.</p> <p>Enable drug listings under certain conditions while awaiting further evidence.</p> <p>Faster drug listing decisions with the reasons openly communicated.</p> <p>Reduced paperwork for physicians and pharmacists.</p> <p>Create an exceptional access mechanism to allow certain patients to access certain drugs.</p>	<p>UNKNOWN No indication from the Ministry whether any Conditional Listings fall into this category (requires transparency and disclosure).</p> <p>NOT IMPLEMENTED</p> <p>PARTIALLY IMPLEMENTED 4 of the top 10 “Section 8” products were moved to Conditional Listing, eliminating 40,000 (or 25%) requests/year.</p> <p>NOT IMPLEMENTED</p>	<p>Would permit faster access to new drugs.</p> <p>No transparency or disclosure of the reasons for decisions or the length of the review time.</p> <p>Reduces the wasted time of special requests for coverage.</p> <p>The process for exceptional access has not changed from the “Section 8” mechanism it was meant to replace.</p>
<p>Rapid review for truly innovative drugs</p>	<p>PARTIALLY IMPLEMENTED 10 drugs were submitted for rapid review; 4 were accepted for rapid review; 1 was funded and 2 are still under review.</p>	<p>In a full year, only a single drug has moved through the rapid review process.</p>

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COMMITMENT	ONE YEAR LATER	IMPACT ON PATIENTS
Align ODB and hospital drug formularies.	NOT IMPLEMENTED	Continuity of medication is jeopardized by the two different formularies.
<p>Interchangeability and off-formulary interchangeability.</p> <p>OFI is the application of interchangeability designations to drug products that are not listed as ODB benefits in the Formulary.</p>	<p>IMPLEMENTED</p> <p>Generic substitution definition expanded. OFI effective April 1, 2007; Formulary 40, update 2 had 44 OFI products.</p>	Enables off-Formulary interchangeability for the private sector including cash-paying customers.
Align funding policies so that funding decisions are made irrespective of where or how the drug is given (i.e., IV, capsule).	NOT IMPLEMENTED	Barriers to accessing IV drugs persist, with enduring inequities for cancer patients in particular.
Government to become the secondary payer, after private insurers pay for federal civil servants and working seniors with benefits plans.	NOT IMPLEMENTED	No direct impact on patients.

3. PROMISE

Promote the Appropriate Use of Drugs

“Our legislation also promotes the appropriate use of medications by paying pharmacists for some of the services they are providing as direct patient care.”

— *The Honourable George Smitherman, May 15, 2006, Speech to the Economic Club of Toronto*

“I would have expected the appropriate use of medications to be a priority.”

— *Holly Vengroff, Canada’s Association for the 50Plus, June 20, 2007*

COMMITMENT	ONE YEAR LATER	IMPACT ON PATIENTS
Developing web-based, independent, best practice guidelines or “Shared Care Network.”	NOT IMPLEMENTED	Patients still do not have access to these anticipated benefits.
Pharmacists as part of the primary care team.	NOT IMPLEMENTED	Potential benefits from integration of pharmacists with primary care providers in the community.
Pharmacy Council To advise on matters concerning the delivery of pharmaceutical services including: education, conduct, compensation and policy.	IMPLEMENTED	In time this may improve pharmacy services to patients. The Council includes 1 patient representative.

4. PROMISE

Rewarding Innovation

“Our plan calls for us to invest in health system research by establishing a fund to help pharmaceutical companies make the case that certain drugs help to save on overall health costs.”

— *The Honourable George Smitherman, April 13, 2006, House Statement*

“My hope is that the Drug Innovation Fund will help politicians understand how important it is that people get the drugs they need to live better lives.”

— *Mary Kim, patient, June 20, 2007*

COMMITMENT	ONE YEAR LATER	IMPACT ON PATIENTS
Establish a \$5 million Innovation Research Fund.	PARTIALLY IMPLEMENTED On April 5, 2007 the government announced the creation of the Drug Innovation Fund. The annual fund is designed to provide Ontario researchers with resources needed to perform systems outcomes research and prove the value of medicines. The first Call for Letters of Intent is to be announced in June 2007.	To date, no patients have benefited from this initiative.

5. PROMISE

Strengthening our position as a customer to get value for money

“We’re going to leverage our \$3 billion in purchasing power to ensure we get the best-possible value for what we spend. And we’re going to recoup approximately \$222 million of that.”

— *The Honourable George Smitherman, May 15, 2006, Speech to the Economic Club of Toronto*

“As a taxpayer, I appreciate the government’s effort to save money by reforming the drug system in Ontario. I just ask that they re-invest those savings into health care so that patients can have access to the best medications in the world.”

— *Lembi Buchanan, mental health patient advocate, June 20, 2007*

COMMITMENT	ONE YEAR LATER	IMPACT ON PATIENTS
Partnership agreements & competitive agreements for brand drugs.	<p>PARTIALLY IMPLEMENTED 26 listing agreements for 34 new drugs funded.</p> <p>Competitive agreements framework under development.</p>	Potential savings unknown, but if realized could be reinvested into the drug program.
Lower the price paid for generic drugs.	<p>IMPLEMENTED 99.3% of generic products were priced at 50% (per regulations). Some exceptions allowed for single source generics and new regulations proposed to enable negotiations.</p>	Potential savings unknown, but if realized could be reinvested into the drug program.
Enforce drug prices to ensure manufacturers fulfill their pricing commitments.	<p>IMPLEMENTED Agreements signed with 99.8% of companies.</p>	No direct impact on patients.

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COMMITMENT	ONE YEAR LATER	IMPACT ON PATIENTS
<p>Change pharmacy reimbursement structure.</p> <p>Increase the dispensing fee for community pharmacies to \$7.00</p> <p>Decrease the mark-up to 8% with a \$25 cap.</p> <p>Remove the promotional allowances that generic manufacturers pay to pharmacies.</p> <p>Develop a Code of Conduct that defines acceptable marketing practices by generic manufacturers.</p>	<p>IMPLEMENTED</p> <p>IMPLEMENTED</p> <p>IMPLEMENTED</p> <p>PARTIALLY IMPLEMENTED Professional allowances permitted, up to 20% of generic drug costs. Awaiting further consultation on reporting requirements (how pharmacists use the money).</p>	<p>No direct impact on patients.</p> <p>No direct impact on patients.</p> <p>No direct impact on patients.</p> <p>Creates a list of professional services to patients to be funded from the professional allowance, including clinic days, education days, disease management initiatives and clinical pharmacy services.</p>
<p>Introduce a new payment for specific services that pharmacists provide for patients.</p>	<p>IMPLEMENTED Launch of <i>Meds Check</i> April 1, 2007. Gradual uptake among pharmacies, expected to grow during the year.</p>	<p>Benefits those patients who are eligible for ODB and take a minimum of 3 chronic prescription medications to qualify.</p>
<p>Work to develop chronic disease partnerships with brand name drug companies.</p>	<p>NOT IMPLEMENTED There has been no public announcement by the government on the progress of this commitment.</p>	<p>Patients still do not have access to these anticipated benefits.</p>

Conclusion

One year later, of the 26 distinct commitments made, 10 were fully implemented, 7 were partially implemented, 8 were not implemented and the status of 1 commitment remains unknown. Giving credit for everything fully or partially implemented, 17 out of 26 commitments is an overall grade of 65%.

The table below is an attempt to identify not only the status of each promise, but whether the intended benefits were achieved. We started with the name of the legislation — “Transparent,” “Drug System,” “For Patients.” Each distinct commitment was assessed to see how it contributes to transparency, a better drug system, or better access to drugs for patients.

Transparency — means information that patients and taxpayers would want to know, including the decision-making process, policies and disclosure of the rationale for drug decisions.

Drug System — means changes that help to re-align and control the drug program including accountability, efficiency and potential savings.

For patients — means direct improvement in access to drugs, including services from pharmacists, and indirect benefits by saving money to reinvest in the drug program.

For simplicity, this table treats promises as kept or not kept. Anything fully or partially implemented is shown here as a promise kept.

Promises for transparency were largely kept or are obviously underway, ranking as the area of greatest improvement (70% of promises kept). Less successful are improvements to the drug system itself (65% of promises kept or obviously underway) and for better access to drugs for patients (60% of promises kept or obviously underway).

	FOR TRANSPARENCY		FOR THE DRUG SYSTEM		FOR PATIENTS	
	Commitments	Kept	Commitments	Kept	Commitments	Kept
Promise #1 – Strengthening the governance and operations of the public drug system 4 commitments	3	3	4	4	3	3
Promise #2 – Improving access for patients for drugs 9 commitments	1	0	9	3	8	3
Promise #3 – Promote the appropriate use of drugs 3 commitments	3	1	3	1	3	1
Promise #4 – Rewarding innovation 1 commitment	1	1	1	1	1	1
Promise #5 – Strengthening our position as a customer to get value for money 9 commitments	2	2	9	8	5	4
TOTALS	10	7	26	17	20	12

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