

Briefing to Stakeholders

Right Drug, Right Person, Right Price:
Improving and Governing the Provincial
Drug System

Ministry of Health and Long-Term Care
Drug System Secretariat



Context for Action

- Ministry identified need for an objective and dedicated review of provincial drug system
- Drug System Secretariat established in June 2005 to lead system-wide review
- Drug System Secretariat did extensive research and consultation
 - consulted 250 experts worldwide; visited 2 jurisdictions (U.K., U.S.)
 - received 100 written submissions; held 105 meetings with more than 350 stakeholders; held public forum for patient groups; did public focus group research
- Package of recommendations presented to Minister in January 2006. Government has given direction to move forward on entire package
 - Some recommendations would require legislative and regulatory changes to the *Drug Interchangeability and Dispensing Fee Act* and *Ontario Drug Benefit Act*
 - Where policy recommendations, approved to move forward
 - Presentation includes complete details on the government's plan for the drug system; not all require legislative and/or regulatory changes. Therefore, there are some elements of the plan that are not in the legislation intended to be tabled

Context for Action

- Government is not getting value for money
- Government does not leverage its \$3.5 billion purchasing power
- Opportunities to achieve better results and have better access to drugs
 - Decision making process not transparent and poorly understood among all stakeholders
 - Public participation is absent in the decision making process and structure
 - Inconsistencies in drug funding policy need to be addressed
 - Administrative barriers to access, such as Individual Clinical Review (Section 8)
 - Need for accountability and enforcement
 - Better use of pharmacists' skill and expertise

Context for Action

- Need for collaboration with private sector to help employers manage drug costs and remain economically competitive in Ontario
 - Major employers in Ontario contribute significantly to the health care system
 - 5.5 million people employed in Ontario with private group plan coverage
 - Investment in health benefits: \$11 billion; combined payroll of \$220 billion
 - “Drug plans constitute the most significant component of an employer’s health plan liability...”

Recommendations: Five Key Areas

- Improving access for patients to drugs
- Strengthening our position as a customer to get value-for-money
- Promoting appropriate use of drugs
- Rewarding innovation
- Strengthening the governance and operations of the public drug system

Improving access for patients to drugs

Recommendations	Impact	Further consultation
<p><i>Improve Conditional Listing; Exceptional Access mechanism</i></p> <ul style="list-style-type: none"> • We intend to improve access to new drugs by enabling listing drugs under certain conditions while awaiting further evidence. • We intend to enable faster decisions and to have the reasons for them openly communicated. • We will dramatically reduce paperwork for physicians and pharmacists. 	<p>More drugs listed Funding decisions made more quickly No more paperwork for physicians</p>	<p>Likely through the legislative process Yes, with manufacturers, prescribers and pharmacist</p>
<p><i>Rapid review for breakthrough drugs</i></p> <ul style="list-style-type: none"> • We intend to significantly speed up the review process for breakthrough drugs, by starting the review prior to the drug being marketed in Canada. 	<p>Immediate decisions for breakthrough drugs</p>	<p>Yes, with manufacturers and prescribers</p>
<p><i>Align ODB and hospital drug formularies</i></p> <ul style="list-style-type: none"> • We will work with hospitals to create consistent drug lists in hospitals and the community. This will make patient care more seamless. 	<p>Get same drug, whether prescribed at hospital or community</p>	<p>Yes, with hospitals and prescribers</p>
<p><i>Interchangeability and Off-formulary Interchangeability</i></p> <ul style="list-style-type: none"> • We intend to make more generic drugs interchangeable with brand name drugs. 	<p>Less expensive drugs (benefits cash-paying consumers, employer benefit plans, & government)</p>	<p>Likely through legislative process</p>

Improving access for patients to drugs

Recommendations	Impact	Further consultation
<p><i>Align funding policies</i></p> <ul style="list-style-type: none"> • We are aligning our public drug programs, so that funding decisions are made irrespective of where or how the drug is given (i.e. IV, capsule). 	<p>Funding decisions made based on drug not form of drug</p>	<p>Yes, with other public drug programs, prescribers, and patient groups</p>
<p><i>Secondary payer</i></p> <ul style="list-style-type: none"> • We intend to become the second-in-line payer for the federal Public Service Health Care Plan and for working seniors with private insurance plans 	<p>Consistent with 2 other provinces re second-in-line payer</p>	<p>Discussions with federal government</p>
<p><i>CDR process</i></p> <ul style="list-style-type: none"> • We intend to channel feedback that we received concerning the Common Drug Review process through the consultation process to CEDAC 	<p>Input into CDR process</p>	<p>Yes.</p>

Strengthening our position as a customer to get value-for-money

Recommendations	Impact	Further consultation
<p><i>Partnership agreements & Competitive agreements for brand drugs</i></p> <ul style="list-style-type: none"> • We intend to improve access to new drugs by entering into partnership agreements with manufacturers. • We aim to secure more competitive prices in the Ontario marketplace. 	<p>More drugs listed</p> <p>Lower prices (value for money) for some drugs used to fund new drugs</p>	<p>Likely through legislative process</p> <p>Yes, with manufacturers and prescribers Limited.</p>
<p><i>Generic pricing rule & Competitive agreements</i></p> <ul style="list-style-type: none"> • We intend to set the reimbursement price of generic drugs at a fixed percentage - 50% - of the reimbursement price of the equivalent brand-name product. • We intend to secure more competitive prices in the Ontario marketplace. 	<p>Lower prices (value for money) for generic drugs</p>	<p>Yes, with manufacturers and prescribers</p>
<p><i>Enforce drug prices</i></p> <ul style="list-style-type: none"> • We intend to enforce drug benefit prices, to ensure manufacturers fulfill their pricing commitments and protect pharmacists from unauthorized price increases. We intend to allow the establishing of price increases in exceptional cases. 	<p>Lower prices</p> <p>More transparent system</p>	<p>Likely through legislative process</p>

Strengthening our position as a customer to get value-for-money

Recommendations	Impact	Further consultation
<p><i>Change pharmacy reimbursement structure</i></p> <ul style="list-style-type: none"> • We intend to increase the dispensing fee for all community pharmacies to \$7 and decrease the mark-up to 8% with a \$25 cap, to better reflect the cost of dispensing drugs to Ontario Drug Benefit recipients. • We intend to remove the promotional allowances that generic manufacturers pay to pharmacies, in order to reduce generic pharmaceutical prices. • We will partner with the generic manufacturers to develop a Code of Conduct that defines acceptable marketing practices. 	<p>More accurate reimbursement</p> <p>Lower prices (value for money) for some drugs used to fund new drugs</p>	<p>Likely through legislative process</p> <p>Yes, in partnership with CGPA, ministry, pharmacy</p>
<p><i>Pay pharmacists for professional services</i></p> <ul style="list-style-type: none"> • We recognize the value of pharmacists as front-line healthcare providers for patients. We intend to introduce a new payment for specific services that pharmacists provide for patients. 	<p>Pharmacists will be paid to provide professional services (med management)</p>	<p>Likely through legislative process</p> <p>Yes, through multi-stakeholder Pharmacy Council</p>
<p><i>Give pharmacy greater voice</i></p> <ul style="list-style-type: none"> • We recognize the importance of more actively engaging pharmacy in public drug programs. The Pharmacy Council, jointly chaired by the ministry and a pharmacy representative, will give pharmacy a greater voice in guiding policy. 	<p>Pharmacists will be further trained to provide professional services</p>	<p>Ongoing</p>

Strengthening our position as a customer to get value-for-money

Recommendations	Impact	Further consultation
<p><i>New payment model for long-term care pharmacies</i></p> <ul style="list-style-type: none"> • We are evaluating alternative payment models for different types of pharmacy services, in order to ensure value-for-money. 	Value-for-money	Yes, through Pharmacy Council
<p><i>Long-term care pharmacies can access to government stock of drugs</i></p> <ul style="list-style-type: none"> • We are reducing wastage of drugs at long-term care homes. This will benefit long-term care pharmacies as well as government. 	More efficient; less wastage	Yes, through Pharmacy Council

Promoting appropriate use of drugs

Recommendations	Impact	Further consultation
<p><i>Pharmacists in primary care</i></p> <ul style="list-style-type: none"> • We recognize the value of pharmacists in primary care, as front-line healthcare providers for patients. We intend to introduce a new payment for specific services that pharmacists provide for patients. 	<p>Pharmacists will be part of primary care team</p>	<p>Yes, with primary care physicians and pharmacists</p>
<p><i>Shared Care Network</i> (best prescribing practices)</p> <ul style="list-style-type: none"> • We will partner with prescribers, patients, pharmacists and manufacturers to make sure that the right drug is used for the right person at the right time. 	<p>Consistently get the right drug at the right time</p>	<p>Yes, with many stakeholders</p>
<p><i>All Drugs All People</i></p> <ul style="list-style-type: none"> • We will assess the opportunity for an All Drugs All People model (electronic access to prescription history) 		<p>Yes, with many stakeholders</p>

Rewarding innovation

Recommendation	Impact	Further consultation
<p><i>Innovation fund</i></p> <ul style="list-style-type: none">• We recognize the importance of innovation to our health system, and will fund innovative research projects that will show the value of drugs within the health care system.	Concrete evidence of better health outcomes	Yes.

Strengthening the governance and operations of the public drug system

Recommendations	Impact	Further consultation
<p><i>Transparent Drug System for Patients Act</i></p> <ul style="list-style-type: none"> • We intend to strengthen the governance of the public drug system, by defining principles - such as transparency and accountability - for all participants. • This would enable the government to get better value-for-money for Ontarians. 	<p>Transparent and accountable system</p> <p>Value for money for taxpayers</p>	<p>Likely through legislative process</p>
<p><i>Executive Officer, Drug Programs</i></p> <ul style="list-style-type: none"> • We intend to create an Executive Officer position, to make the public drug system more efficient by: <ul style="list-style-type: none"> ▪ Making decisions faster, and being more responsive to patients, prescribers, and manufacturers ▪ Communicating decisions and the rationale publicly ▪ Partnering with manufacturers to improve the process for listing drugs 	<p>Faster decisions</p> <p>Clear communication about decisions and the rationale</p> <p>More accessible</p>	<p>Likely through legislative process</p>

Strengthening the governance and operations of the public drug system

Recommendations	Impact	Further consultation
<p><i>Committee to Evaluate Drugs</i></p> <ul style="list-style-type: none"> • We will include two patient representatives as full members on the Committee to Evaluate Drugs (formerly the Drug Quality and Therapeutics Committee). These patients will be involved in individual drug funding decisions. • The Committee will support the Executive Officer to improve access to drugs. • Ontario will be the first province in Canada and one of the first jurisdictions worldwide to give patients an active role in both decision making and policy setting for drugs. 	<p>Patient involvement in drug funding decisions</p> <p>Clear communication about decisions and the rationale</p>	<p>Yes.</p>
<p><i>Citizen's Council</i></p> <ul style="list-style-type: none"> • We will give the public an opportunity to guide public drug policy. 	<p>Citizen involvement in policy setting</p>	<p>Yes.</p>

What the recommendations mean for Ontarians

- No changes in co-pay, deductibles, eligibility criteria
- Patients will be involved in priority setting and decision making process re funding drugs
- Citizens will be involved in social and ethical views about drug policy
- Faster drug funding decisions, meaning patients could access drugs faster.
- Section 8 would be replaced with “Exceptional Access” and a new, much faster process and minimal paperwork
- More drugs would be funded, through Conditional Listing process
- Clear and concise communication as to the rationale and decisions concerning funding drugs; Ontarians can monitor the status of drugs being reviewed
- Pharmacists would be trained and compensated for providing patient counselling, and would integrate in primary care models
- Best practice prescribing guidelines will ensure the right drug for the right person at the right time
- Strive to achieve value for money for Ontarians in all aspects of drug system
- Clear roles, responsibilities, accountabilities, and reporting requirements for all providers throughout drug system