CPhA POSITION STATEMENT

Catastrophic Drug Coverage

Canadian Pharmacists Association position on catastrophic drug coverage:

- CPhA supports the development of a national catastrophic drug plan, integrated with existing drug plans wherever possible, to ensure all Canadians have equitable access to medically necessary drugs and are protected from undue financial hardship.
- In addition to access, improved drug therapy management is needed. A catastrophic drug coverage plan should fund both catastrophic drug costs and public coverage of pharmacists' medication management services in primary care to ensure optimal outcomes.
- To ensure portability of drug benefits for medically necessary drug therapies, CPhA supports the portability of existing drug programs across provinces and territories.
- CPhA supports a variable income threshold model as being more equitable. Further work is needed by policy makers and health care stakeholders to determine the thresholds.
- CPhA recognizes that private payers have an important role in the long-term sustainability of a catastrophic drug coverage (CDC) program. Further consideration is needed as to how CDC might be delivered in a public-private plan model. Systems for adjudication and administration must not place the burden of managing drug plans on pharmacists.
- CPhA supports the development of a program or organization to improve patient care through better use of drugs and post-marketing surveillance. A national drug prescribing service/program should be developed to encourage quality use of drugs by providing balanced, evidence-based information and practice tools to health care providers. A process for effective dissemination of the information must be part of this group's mandate.
- The National Pharmaceuticals Strategy (NPS) should involve the public, health care providers and stakeholders, through a transparent process, in the design and implementation of a catastrophic drug program. CPhA and pharmacy must continue to be engaged in Catastrophic Drug Coverage development and implementation issues.

Canadian Pharmacists Association, 1785 Alta Vista Drive, Ottawa, ON K1G 3Y6
www.pharmacists.ca | info@pharmacists.ca | Tel: 1-800-917-9489 613-523-7877 | Fax: 1-800-601-1904 613-523-0445

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CANADIAN PHARMACISTS ASSOCIATION ASSOCIATION DES PHARMACIENS DU CANADA

Background

The Canada Health Act ensures Canadians have access to medically necessary hospital and medical services. Pharmaceuticals are the most widely used health care intervention but are not included as benefits in the Canada Health Act when prescribed outside a hospital. Provinces created public drug plans to address the lack of drug coverage for seniors and people receiving social assistance. More recently five provinces have introduced public plans for the wider population, but there is significant cost sharing.

An additional factor in the current coverage situation is the increasing trend towards outpatient care over in-hospital care. Drug therapy is covered for all patients in hospital and patients receive the clinical services of pharmacists who make therapy recommendations, monitor drug therapy, and prevent and manage drug related problems. When treatment is shifted to the community setting, the cost of drugs is borne by the patient if they do not have public or private drug coverage. In addition, the current reimbursement model does not support the level of pharmacists' medication management services required by patients in the community. Patients treated in outpatient and primary care settings should have the same access to drug therapy and care they would have received if the care occurred in an institution.

Medically necessary drugs are not different than surgery or diagnostic services like X-rays or blood tests to ensure the health of Canadians. Quality health care for all Canadians, regardless of ability to pay is the spirit of the Canada Health Act. Equitable access to medically necessary drug therapy must be part of our care.

Catastrophic drug coverage has been identified as one of five areas for short-to-medium term focus by the National Pharmaceuticals Strategy (NPS).[1] Also recognized as priorities in the June 2006 NPS Progress Report were: 1) expensive drugs for rare diseases; 2) common national formulary; 3) pricing and purchasing strategies; and 4) real world drug safety and effectiveness.

NPS CDC stakeholder consultations were held in the fall of 2007 with providers, employers and the insurance industry. NPS has defined CDC as:

- CDC is: based on individual out-of-pocket expenses only; a "safety net"; supplementary coverage; about protecting Canadians from undue financial hardship due to necessary drug expenses; protection relative to your ability to pay.
- CDC is NOT: just about single high-cost drugs; a new mechanism to pay for new high cost drugs; age, gender or disease specific; about where you live or work.

The NPS proposed any plan to provide catastrophic coverage should meet the following criteria:

1. Universality: all Canadians are eligible.
2. Equity: comparable coverage across the country.
3. Transparency: coverage levels are easy to understand and access.
4. Evidence-based: eligible drugs selection based on best evidence.
5. Integrated: catastrophic protection is integrated with other pubic and private drug plans
6. Sustainable: affordable, sustainable, and balanced with other health care priorities.

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These criteria could easily be applied to a national drug program. Many employers offer private health insurance including drug plans to fill the gaps in the Canada Health Act. In spite of this, a Health Canada survey estimated that about 2% of Canadians, primarily in Atlantic Canada have no drug insurance through public or private plans. It also estimates that up to 20% of the population has inadequate coverage for catastrophic costs.[2]

The NPS has recommended two main options for determining access to catastrophic drug coverage:[3]

- Option 1: Variable percentage
  - — Based on drug costs exceeding a percentage of family income
  - — proportion of income increases as family income increases
  - — 1% of income per $10K in income with cap of 9% and no contribution for income below $20K.
- Option 2: Fixed percentage
  - — Based on drug costs exceeding a fixed percentage of family income
  - — Fixed threshold set at 4.3% of family income.

There are advantages to the two options, Option 1 helps to ensure universality and is similar to the Canadian system for income tax which requires higher wage earners to pay a larger portion of their income in taxes. Option 2 is simpler but has a relative disadvantage to low income earners, since it requires all users to devote a similar proportion of their income to medication use. CPhA supports a variable income threshold model as being more equitable; however further work is needed to determine the thresholds.

Additionally, while drugs are beneficial and central to the care of Canadians, better medication management is needed. Pharmacists' expertise lies in how medications should be used, how to maximize benefits and minimize adverse effects. Any catastrophic drug plan must include pharmacists' clinical services to ensure appropriate drug selection and monitoring.

Pharmacists' clinical services have proven benefits. A randomized study of heart failure patients comparing a multilevel pharmacist intervention to usual care over 12 months found medication adherence to be greater in the intervention group. Emergency department visits were lower in the intervention group and there was a trend towards reduced annual direct health care costs.[4] A study of patients in a pharmacist-managed lipid clinic found that over 2 years 73% achieved a target lipid level compared to 26% at the beginning of the study.[5] Patients in a psychiatric facility were compared in two phases: one receiving usual care and one receiving intensive pharmacist services. A significant clinical improvement and a decrease in important side effects were found in the patients receiving intensive pharmacist services compared to those receiving usual care.[6]

The provincially funded MedsCheck program in Ontario is a step in the right direction. Basic medication reviews conducted by community pharmacists are available free of charge to all residents of Ontario once yearly. A number of provinces have recently introduced reimbursement for limited pharmacist services but Quebec's Opinion Pharmaceutique is the most extensive and longest standing reimbursement for clinical services. Pharmacists are reimbursed for a number of services including recommending a change in therapy due to a drug

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interaction, lack of efficacy or side effect. These Canadian programs are good starts at improving patient care, but still underutilize pharmacists' extensive drug therapy and disease management knowledge and do not come close to matching the level of pharmacist clinical services provided in hospitals.

A further use of pharmacist services can be found in Australia, which funds a Home Medicines Review program. A pharmacist assesses the patient's current treatment regimen in the patient's home and determines drug related problems. Findings and recommendations from the consultation are communicated to the patient's primary care physician. A study of 1000 patients who underwent a Home Medicines Review found that 2764 problems were identified by the pharmacists.[7] Of those, 37% related to drug selection, 20% to patient knowledge and 17% to therapy regimen. A chart audit of 49 patients who had received a home review found they resulted in a change of therapy in 84% of patients.[8]

In summary, a national plan to cover catastrophic drug coverage is necessary, but in itself is not sufficient to meet the needs of Canadians. The current system of drug coverage uses both the public and private sectors to provide medically necessary drug therapy and it fails to fund pharmacist clinical services outside of the institutional setting. This approach is inconsistent with traditional Canadian healthcare values. A new national program to fund drug costs and pharmacists' clinical services must be developed to ensure public coverage of medically necessary drugs and pharmacist medication management services for all Canadians.

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