CANCERTAINTY
EQUAL AND FAIR CANCER TREATMENT FOR ALL

February 7, 2018

The Honourable Charles Sousa
Minister of Finance
c/o Budget Secretariat
Frost Building North,
3rd floor
95 Grosvenor Street
Toronto ON M7A 1Z1

Subject: Submission to 2018 Ontario Budget

Dear Minister Sousa,

The CanCertainty Coalition is the united voice of 35 Canadian patient groups, cancer health charities, and caregiver organizations from across the country, joined together with oncologists and cancer care professionals to significantly improve the affordability, accessibility and safety of take-home cancer treatments in **Ontario** and Atlantic Canada. Our focus on Ontario and Atlantic provinces is due to the fact that these are the remaining provinces that have yet to ensure that take-home cancer treatments (such as pills, capsules and self-injectables) are accessible to all populations in a universal manner.

Today, almost half of drugs used to treat all types of cancer are taken at home. That can offer patients convenience and freedom from travel, but most importantly it offers patients effective ways to treat their cancer. Most cancer patients today will require a take-home cancer drug, either on its own or in combination with an intravenous treatment.

The Western Provinces, the Northern Territories, and Quebec have all developed mechanisms to offer universal access to oral cancer treatments regardless of one's age. In Nova Scotia, the government's fall 2017 budget addressed the funding gap for take-home cancer treatments, which will help eliminate much of the financial hardship and related stress for cancer patients in the province. Ontario is now an outlier in Canada with respect to the fair and equitable provision of cancer treatment. Most recently, the Ontario Auditor General's Annual Report called for system change to remedy the numerous issues related to cancer patients who need take-home cancer treatments.

CANCERTAINTY

To date, two of the three major political parties in Ontario have made commitments to address the issues of inequities in the way in-hospital and at-home cancer medications are treated. The Ontario PCs included the funding for take-home cancer medications in their platform released in November 2017. In April 2017, the Ontario NDP made a commitment to improving access to take-home cancer treatments in their Vision for Ontario. In advance of the provincial election in June, it is our hope that all parties will make cancer treatment a priority and make this commitment to Ontarians.

Our coalition is encouraged by your government's most recent efforts to advance universal pharmacare through the introduction of OHIP+, as it strongly indicates your commitment to universality and fairness in our health care system. However, recognizing that Ontario is now lagging behind much of Canada with respect to universal access to take-home cancer treatments, we believe Ontario should, as a priority, solve this very serious cancer drug access problem.

To assist the Ontario Government in determining the investment required to close the gap on cancer treatment, the CanCertainty Coalition has worked with a professional health economist estimate the budget impact to Ontario for two scenarios: First Dollar Coverage and Closing the Gaps. Our estimates, along with assumptions are detailed below.

BUDGET IMPACT: Paying for Take-Home Cancer Treatments (THCTs) in Ontario

Introduction

In the past, all cancer drugs were administered by IV in hospital. But now, the majority of new cancer drugs are developed to be taken at home by pill or injection. Over three times more cancer patients are treated with THCTs than intravenous (IV) drugs.

It is important to recognize that take-home cancer drugs are not an oral version of an IV drug. They are different chemicals that are often the first-line choice of therapy for many cancers.

Who Pays for Cancer Drugs in Ontario?

IV drugs are 100% funded for all cancer patients regardless of age and income status.

For take-home cancer treatments, it gets complicated. Approximately 60% of Ontarians can access THCTs through a myriad of government drug plans with varying patient copays. This includes seniors 65 years of age and older, who have a small patient copayment + deductible. It also includes people on social assistance, who pay a small patient copayment + deductible. Now, with OHIP+, individuals under the age of 25 can access THCTs with NO copayment or deductible. Ontario also has the income-tested Trillium Drug Plan (TDP) for those with very high drug costs.

The remaining 40% (estimated) either self-fund their cancer treatments (especially if costs are under 4% of net household income), or rely on private drugs plans that have varying patient copays (typically 20%) if available, and self-fund otherwise (again, if costs are under 4% of net household income).

MOHLTC Current Expenditures (2015/16)

IV Drugs: In 2015/16 the MOHLTC paid $344M for IV cancer drugs. 100% of Ontarians who required IV cancer drugs were funded by the MOHLTC, with 100% coverage (no deductible, no copayment, no out of pocket cost).

Take-Home Cancer Treatments: In 2015/16 the MOHLTC paid $371M for take-home cancer treatments (THCTs). Only about 60% of Ontarians who required THCTs were funded by the MOHLTC, with varying levels of copayment, deductible, out-of-pocket expenses.

How Ontario Could Pay for THCTs

The CanCertainty Coalition has costed out two options for the Ontario Government to consider with respect to paying for THCTs: *First Dollar Coverage* and *Closing the Gaps.*

Option #1: First Dollar Coverage

It is estimated by Cancer Care Ontario that $200M is currently paid by private insurance for THCTs. However, the Ontario government, as demonstrated with OHIP+ budget impact modeling, would not be assuming the full costs paid by private drug plans because:

i. private drug plans include more drugs, for more types of patients, and with fewer restrictions, than public plans;
ii. approximately 50% of private insurance claim costs might not be eligible for public coverage (as was estimated for OHIP+ patients);
iii. public drug plans negotiate significantly discounted prices which are not available to private plans;
iv. public drug plans have rigid generic substitution requirements (private plans pay for more "brand").

As a result, CanCertainty has concluded that the $200M in current private insurance costs for THCTs would likely commute $100M in public costs. We have deducted costs already committed for the payment of cancer drugs through OHIP+, and have added in the estimated costs of covering the costs of THCTs for individuals without private insurance who are 25 to 65.

Estimated additional cost to fully fund THCTs for all Ontarians: $142M

Option #2: Closing the Gaps

In this estimate, we have modeled a scenario where Ontario would only 'close the gap', leaving private insurance in place. Essentially, we are proposing that Trillium Drug Plan be extended to all (cancer) patient out-of-pocket costs with no deductible/co-payment as is the case for IV drugs. Our estimates are that this would amount to $50M (estimated to be the current patient out of pocket expenses for THCTs). We deduct costs already committed for OHIP+.

Estimated additional cost to eliminate patient-borne costs of THCTs for all Ontarians: $42.5M

Cost Efficiencies and Offsets

Potential savings could be realized by streamlining two divergent systems into one.

- **Reduce/eliminate mark-ups.** Dispensing THCTs through cancer clinic pharmacies (vs community pharmacies) could eliminate the 6 to 8% markup currently paid to community pharmacists on expensive cancer drugs. (Estimated at $26M in 2013).

- **Reduce wastage.** THCTs in many provinces are dispensed through community pharmacies, which may have only a few patients (or one patient) on any specific cancer medication. Dose changes or discontinuations are very common in cancer treatment, which results in a high amount of drug wastage, estimated to be in the 10% range. Cancer clinic pharmacies have a large volume of patients, and can dispense smaller, weekly amounts to these patients who frequently have dose changes or discontinuations.

- **Include THCTs in Computerized Physician Order Entry (CPOE) systems.** Most jurisdictions have Computerized Physician Order Entry (CPOE) systems in place to support improved patient safety, decrease costs, and improve compliance with treatment guidelines. From 2006 to 2011, it is estimated that Ontario's CPOE System prevented 8,500 adverse drug events, 5,000 physician office visits, 750 hospitalizations, 57 deaths, and saved millions in annual health care costs. **BUT only for patients receiving IV drugs**. Patients requiring THCTs are (currently) subject to significant safety challenges, and health systems are subject to significant annual costs (physician office visits, hospitalizations, etc.).

Assumptions

- Utilizing the existing Ontario Drug Benefit Formulary ONLY – the list of THCTs currently funded for people 65+, social assistance, <25, Trillium Drug Plan.
- Assumes per-patient THCT costs are the same across all ages.
- Limited data exist in the public domain, especially for private insurance costs.
- OHIP+ covers ~1,000 new cancer cases/year in Ontarians <25.
- Estimate accuracy could be improved by analysing MOHLTC data for THCT drug costs by patient age (ODP, TDP and CCO datasets) as well as mean per-patient out of pocket expenses (TDP dataset).