February 7, 2019

Submission to: **The Honourable Vic Fedeli**
Minister of Finance

c/o Budget Secretariat
Frost Building North, 3rd floor
95 Grosvenor Street Toronto ON M7A 1Z1

Subject: **2019 Ontario Budget**
& Take-home Cancer Drugs

From: **The CanCertainty Coalition**

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CANCERTAINTY
EQUAL AND FAIR CANCER TREATMENT FOR ALL

Summary of Recommendations

Recommendation 1: Close the Gap on funding for take-home cancer drugs so that all cancer patients, regardless of age or private insurance status, have fair access to the treatments they require.

Recommendation 2: Make necessary reforms to the service delivery model of take-home cancer drugs to ensure that all Ontarians are receiving consistent, safe, high-quality care while simultaneously affording the government opportunity to achieve cost-efficiencies, and eliminate waste.

About the CanCertainty Coalition

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 drugs (THTD) 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 drugs (such as pills, capsules and self-injectables) are accessible to all populations in a fair manner.

About Take-Home Cancer Drugs (THCD)

In the past, all cancer drugs were administered by IV in hospital. Today, almost half of drugs used to treat all types of cancer are taken at home. While that can offer patients convenience and freedom from travel, most importantly when an oncologist prescribes a patient a THCD it is because that medication offers the patient the most effective ways to treat their cancer. 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.

Most cancer patients today will require a take-home cancer drug, either on its own or in combination with an intravenous treatment. Over three times more cancer patients are treated with THCD than intravenous (IV) drugs.

THCD refers to cancer drugs used for active treatment that are typically administered orally or sometimes by injection (e.g., drugs injected into the skin or muscle). THCD includes cytotoxic chemotherapy (drugs that kill tumour cells), targeted therapies (drugs that target specific types of cancer cells with less harm to non-cancer cells), immunotherapy (drugs that help the immune system fight cancer) and some hormonal therapy (drugs that slow or stop the growth of hormone-sensitive tumours).

Reimbursement of THCD in Ontario and other Provinces

The Western Provinces, the Northern Territories, and Quebec have all developed mechanisms to offer universal access to take-home cancer drugs regardless of one's age. In Nova Scotia, the government's fall 2017 budget addressed the funding gap for take-home cancer drugs, which will help eliminate much of the financial hardship and related stress for cancer patients in the province.

Policies from previous governments in Ontario did not keep pace with the evolution and advances in cancer care. Last year, 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 drugs. The result: **Ontario is an outlier in Canada with respect to the fair and equitable provision of cancer treatment**.

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

The current system of access and delivery of THCD is extremely inefficient and unfair. By addressing this drug access issue, the government has a significant opportunity to achieve cost-efficiencies, eliminate waste and improve safety and overall care.

Budget Estimates for Fair Funding of THCD in Ontario

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.

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 drugs, it gets complicated. Approximately 60% of Ontarians can access THCD 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 THCD with NO copayment or deductible. Ontario also has the income-tested Trillium Drug Plan 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 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 Drugs: In 2015/16 the MOHLTC paid $371M for THCD. Only about 60% of Ontarians who required THCD were funded by the MOHLTC, with varying levels of copayment, deductible, out-of-pocket expenses.

How Ontario Could Pay for THCD

The CanCertainty Coalition has costed out two options for the Ontario Government to consider with respect to paying for THCD:

Option #1: First Dollar Coverage

Cancer Care Ontario estimates that $200M is currently paid by private insurance for THCD. 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 THCDs 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 THCD for individuals without private insurance who are 25 to 65.

Estimated additional cost to fully fund THCD 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. This resembles the approach taken by the current government in the adjustments it made to OHIP+. 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 THCD). We deduct costs already committed for OHIP+.

Estimated additional cost to eliminate patient-borne costs of THCD 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 THCD 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**. THCD 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 THCD 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 THCD are (currently) subject to significant safety challenges, and health systems are subject to significant annual costs (physician office visits, hospitalizations, etc.).

Furthermore, in April 2017, Cancer Care Ontario established an Oncology Pharmacy Task Force with the mandate of developing recommendations on provincial best practices, and to identify service delivery model(s) for THCD to ensure that all Ontarians are receiving consistent high-quality care. The Task Force, via Cancer Care Ontario, will be submitting a report with recommendations very soon. While the focus of the Task Force was on delivery models, (and not reimbursement reform – the subject of this submission), the CanCertainty Coalition believes that reimbursement reform and reforms in the THCD delivery system would optimally proceed at the same time as the government would then have the greatest potential of achieving cost-efficiencies, eliminating waste, and improving fairness.

Assumptions

• Utilizing the existing Ontario Drug Benefit Formulary ONLY – the list of THCD currently funded for people 65+, social assistance, <25, Trillium Drug Plan.

• Assumes per-patient THCD 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 THCD drug costs by patient age (ODP, TDP and CCO datasets) as well as mean per-patient out of pocket expenses (TDP dataset).

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