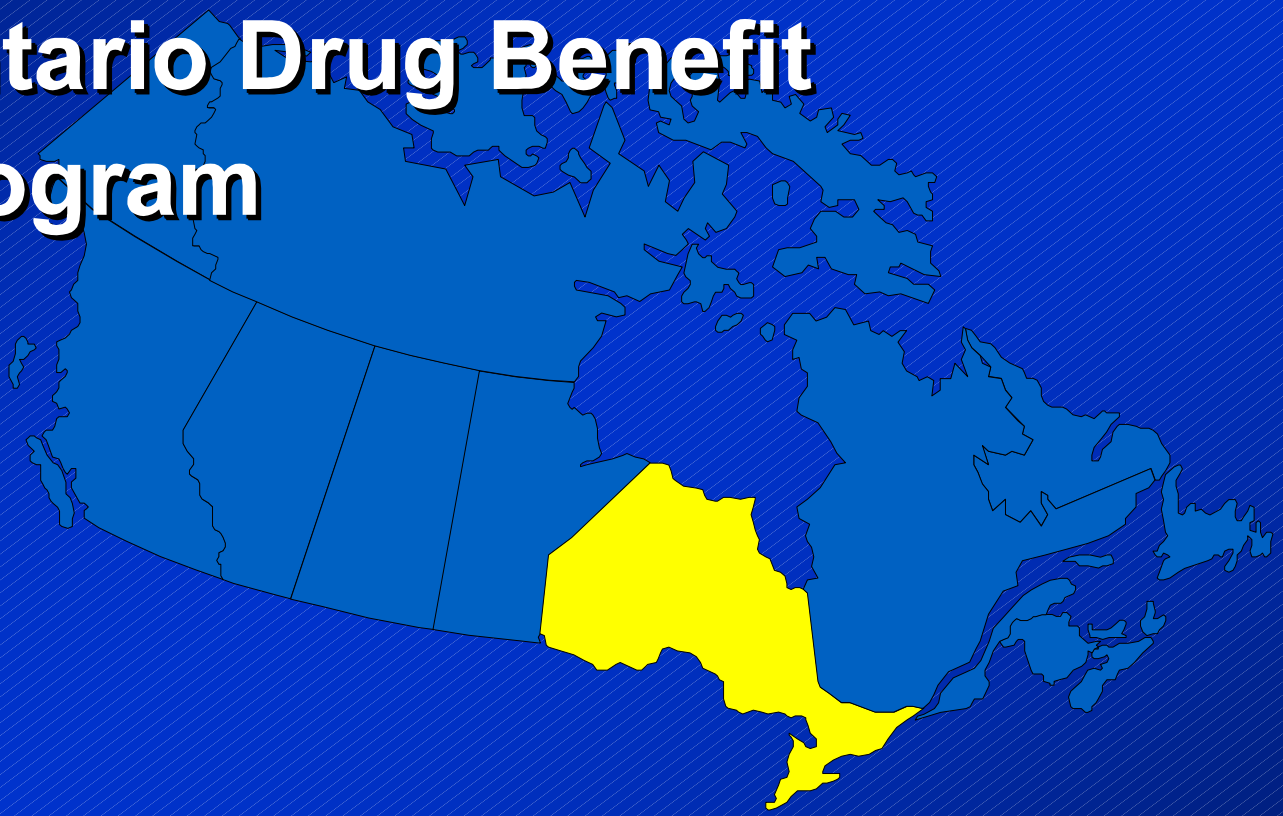
2000/01 Report Card for Ontario Drug Benefit Program

Ontario



MOHLTC Vision

"An accessible health system that promotes wellness and improves people's health at every stage of their lives and as close to their home as possible."

"...ensuring that all Ontarians have access to modern technologies and treatments."

"…all institutions work together to ensure accountability to the patient and the system."

MOHLTC 2000/2001 Business Plan

Introduction

- Ontario is continuing to experience high drug expenditure growth, like other national and international jurisdictions
- Long term growth is projected at 14%/year:
  - 5% growing and aging population + inflation
  - 9% new drugs, new indications, more health care delivered in the community
- Very modest projection and will be higher if there is significant scientific discovery

Growth Factors

- newer and more expensive drugs
- aging population
- new clinical evidence (indications) and better treatment outcomes involving drug therapy
- new diseases and new areas of pharmacology
- increased utilization
- restructuring of health system (shift to outpatient care)
- continued pressure for manufacturers to increase market share

Report Card Framework

I. Financial

How do we look to our funders?

II. Clinical

Can we continue to improve using clinical evidence?

III. Customer Satisfaction

How do our customers perceive us?

IV. Operational Policy

What must we excel at?

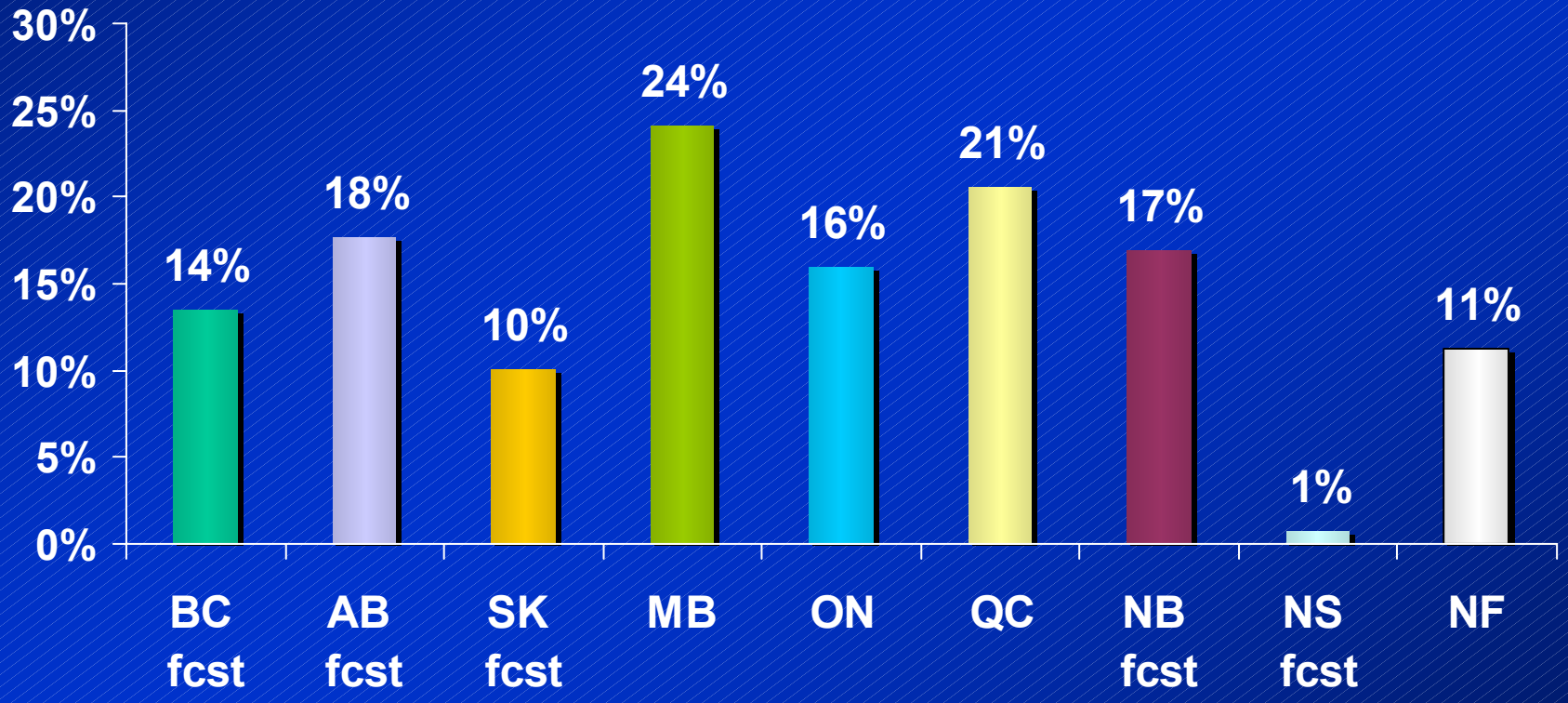
Definitions

- Drug cost = Ingredient cost + Mark up
- ODB cost = Drug cost + Dispensing fee
  - Deductible

I. Financial Indicators

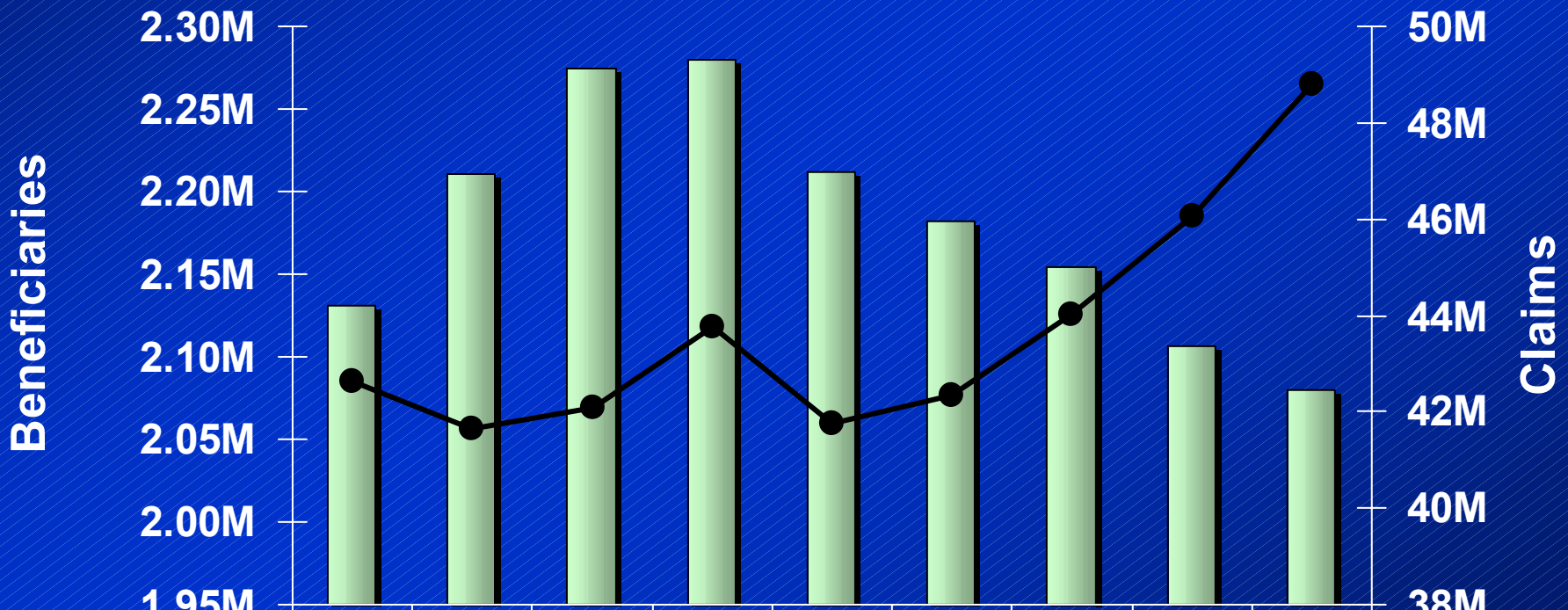
- National trends
- Program growth
- Beneficiaries
- Cost/beneficiary
- Cost/beneficiary/program

Increase in drug spending by province, 2000/01 vs. 1999/00 (forecast)



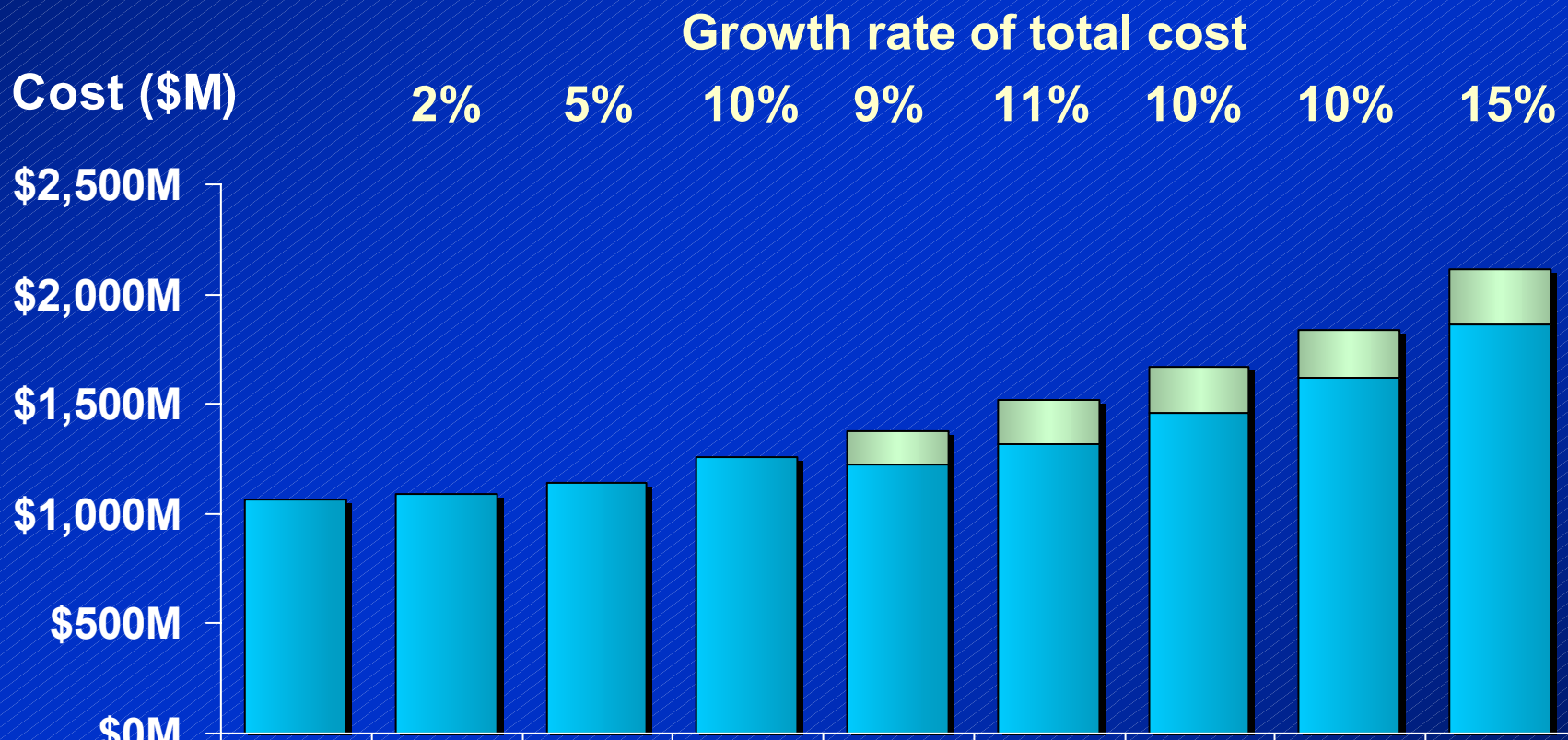
Note : NS, NB, SK, AB and BC figures are ingredient cost increase estimates from the provincial survey sent to the provinces. BC and MB figures are for fiscal 1999/00. QC and NF figures are on calendar years.
Newfoundland includes dispensing fee.

ODB beneficiaries & claims 1992/93 - 2000/01



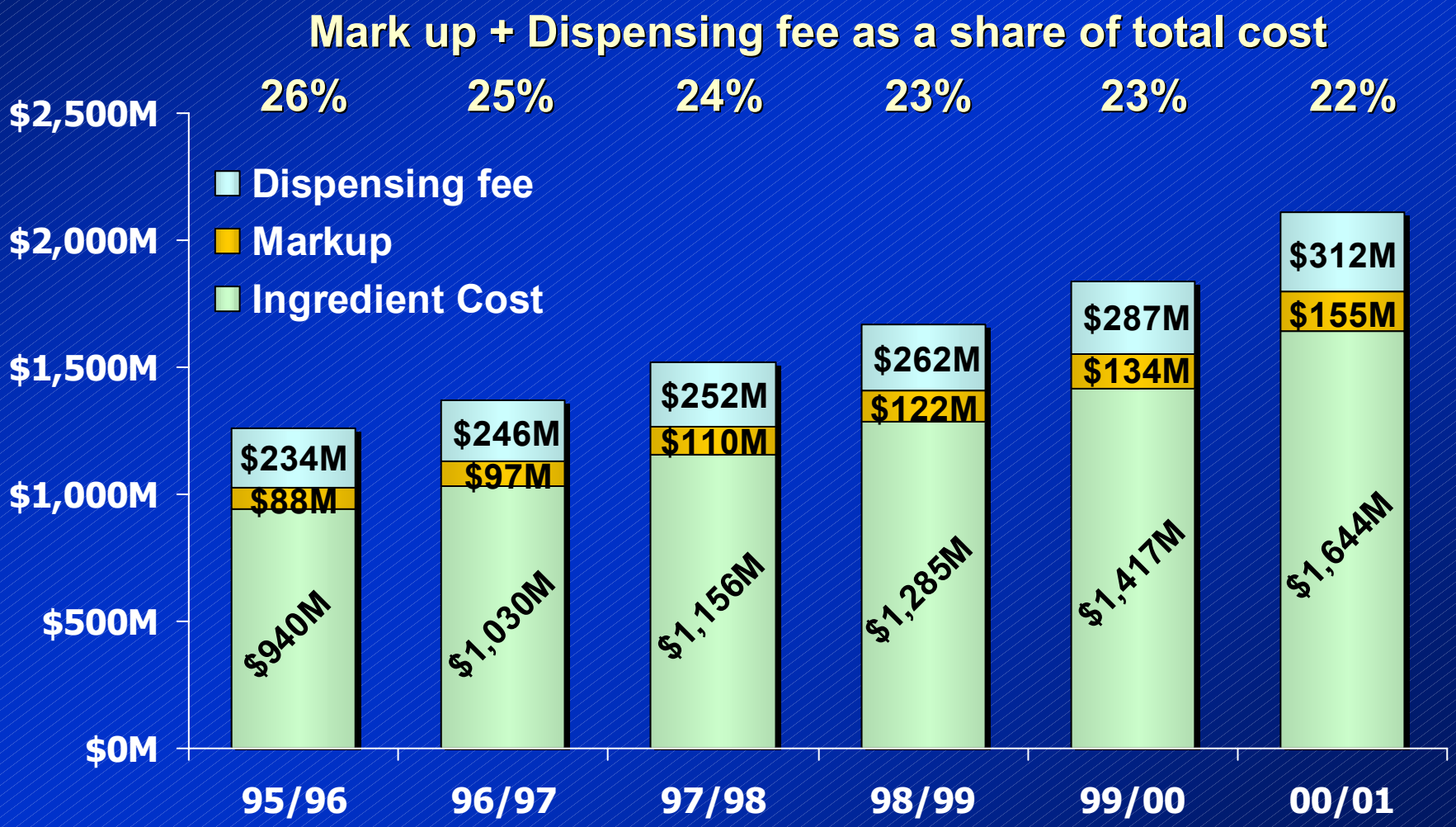
	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01
Beneficiaries	2.13M	2.21M	2.27M	2.28M	2.21M	2.18M	2.15M	2.11M	2.08M
Claims	43M	42M	42M	44M	42M	42M	44M	46M	49M

Government cost & patient cost 1992/93 - 2000/01

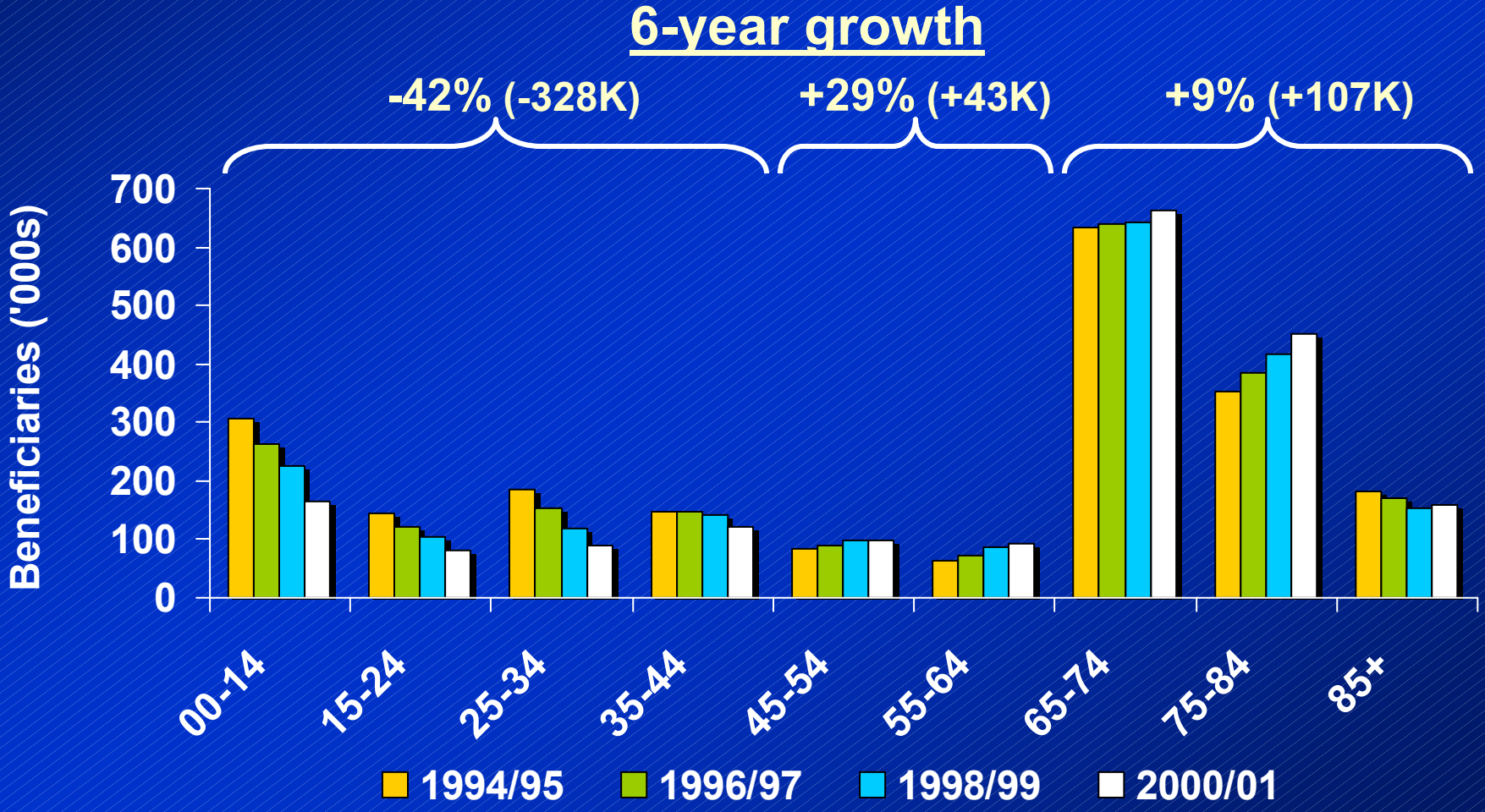


	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01
Deductible	$0	$0	$0	$0	$148	$200	$211	$222	$249
Gvt Cost	$1,066	$1,091	$1,144	$1,262	$1,225	$1,318	$1,458	$1,615	$1,862

Total cost by type 1995/96-2000/01

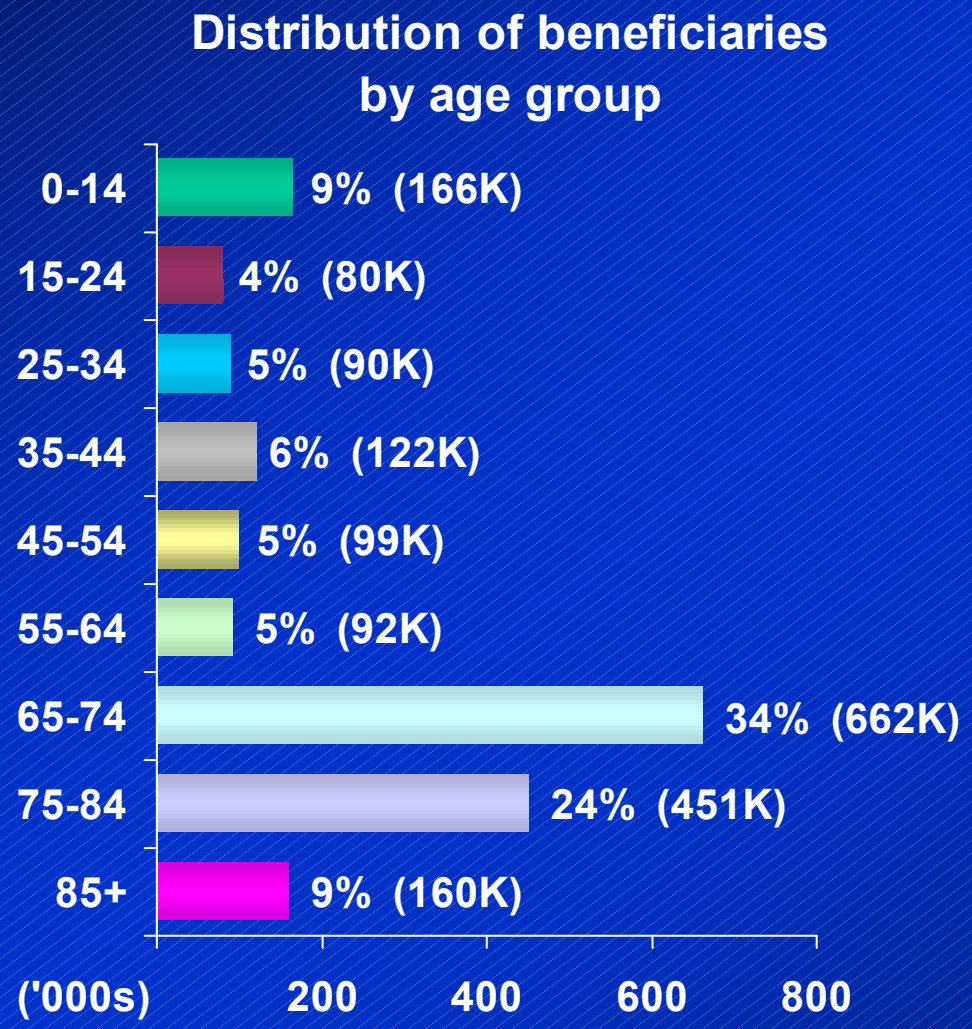


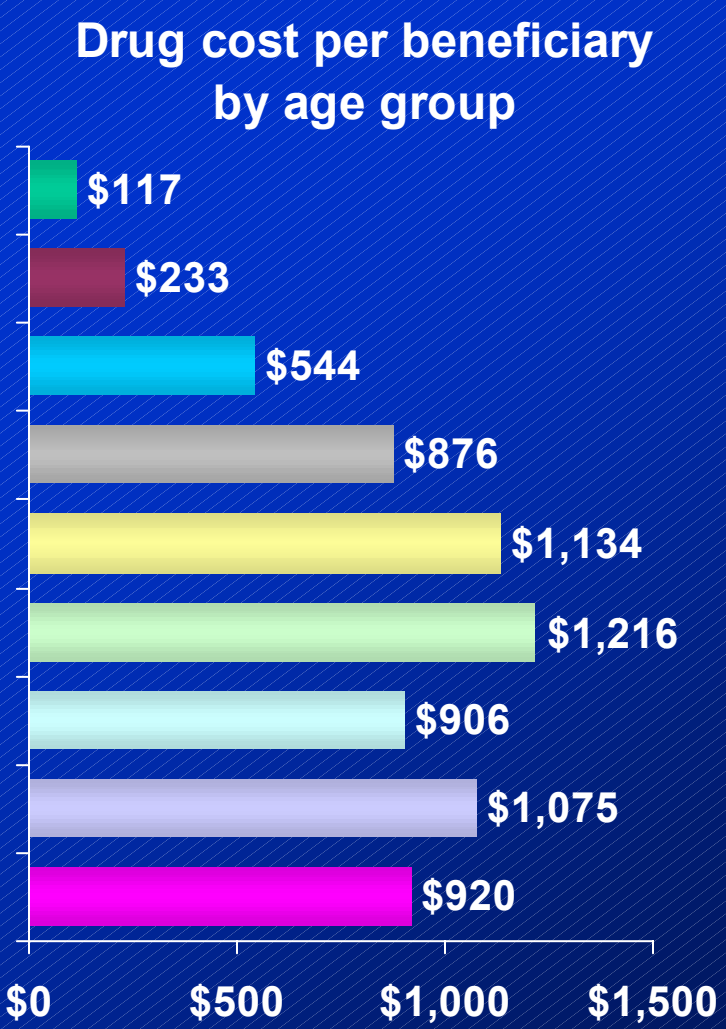
Age distribution of beneficiaries 1994/95-2000/01



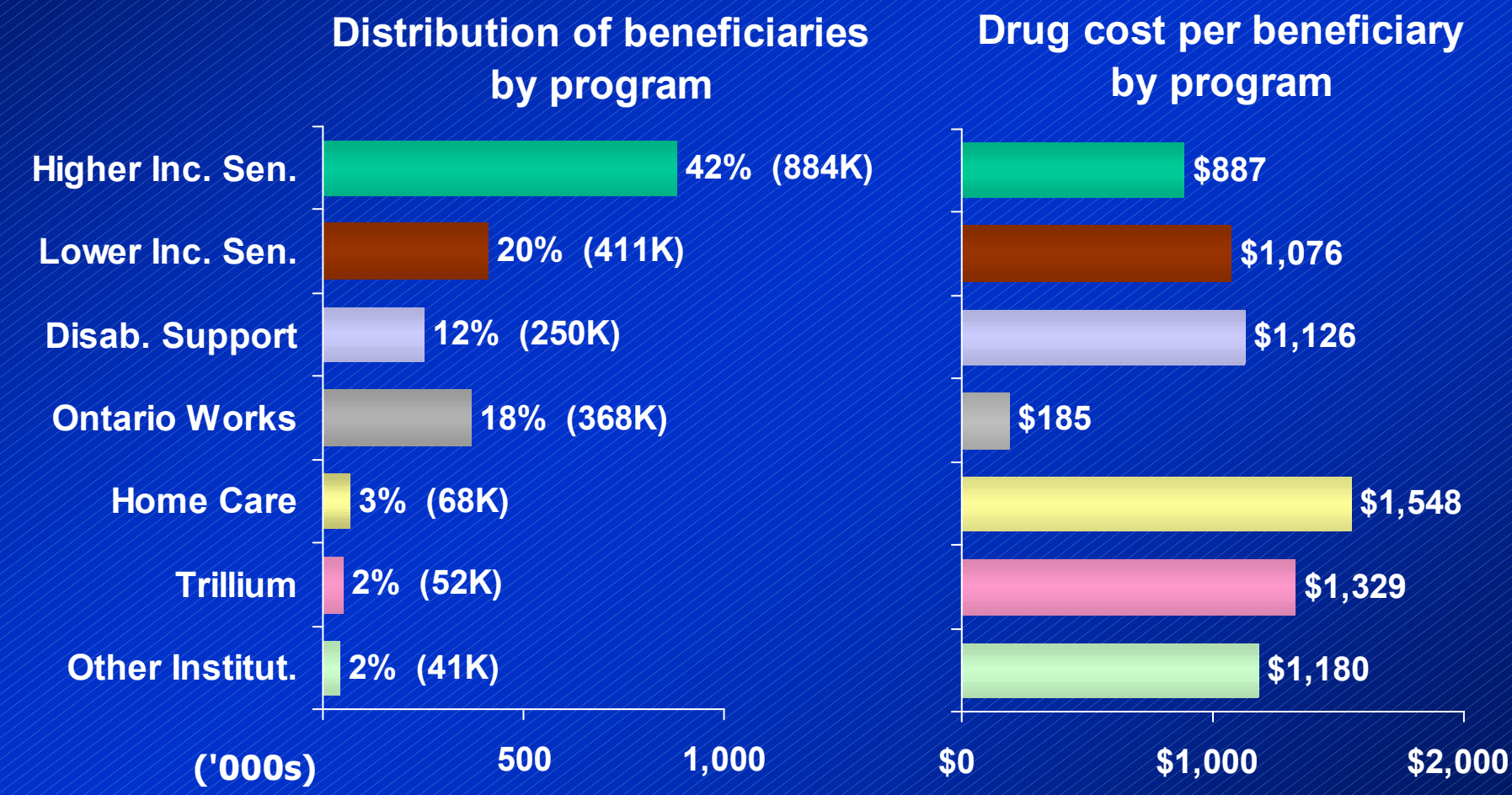
Note : Beneficiaries if unknown age are not shown.

Drug cost & beneficiary distribution by age, 2000/01



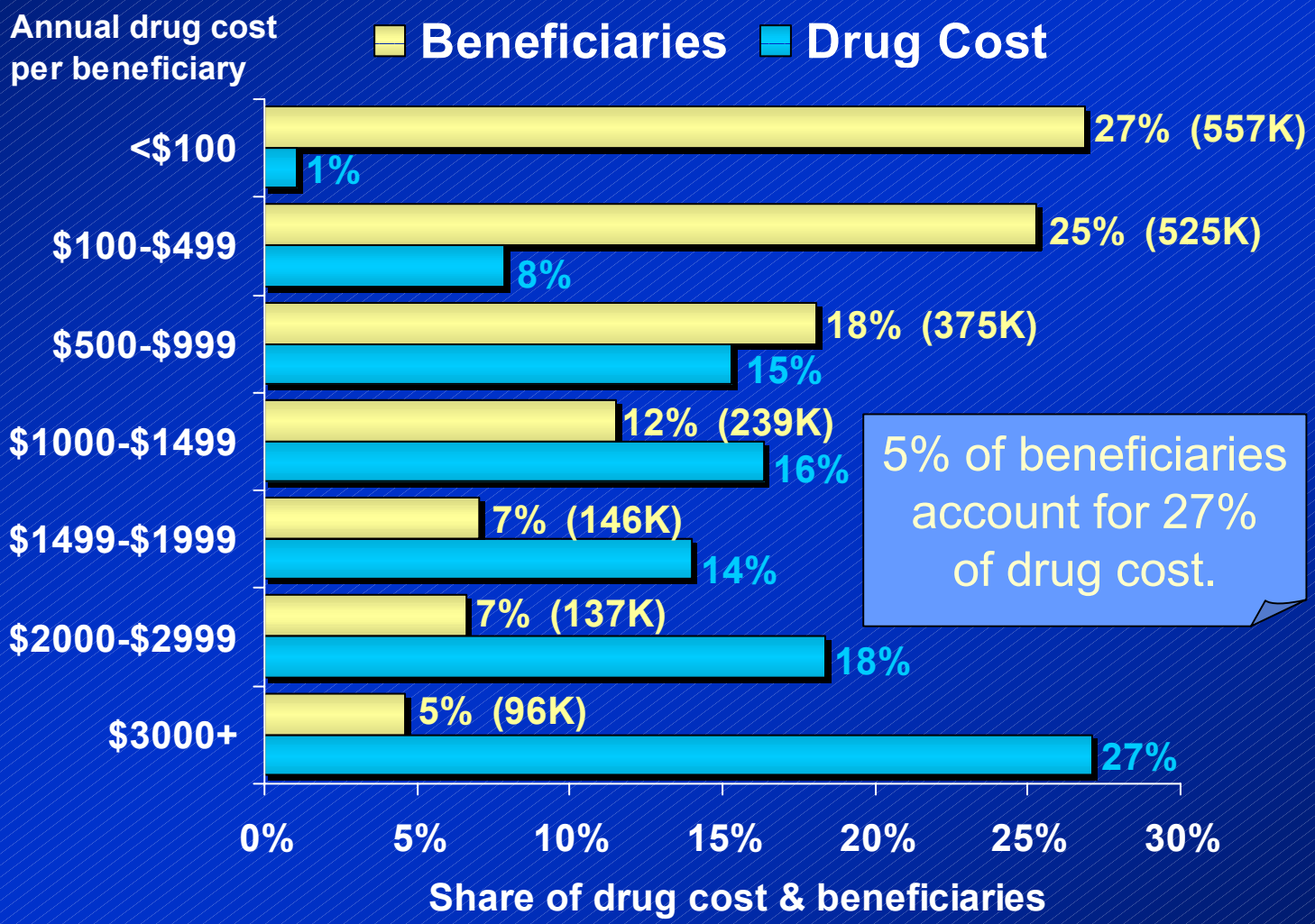


Drug cost & beneficiary distribution by program, 2000/01



Note : Other Institutions stands for Special Care and Long-Term Care.

Distribution of beneficiaries by annual drug cost, 2000/01



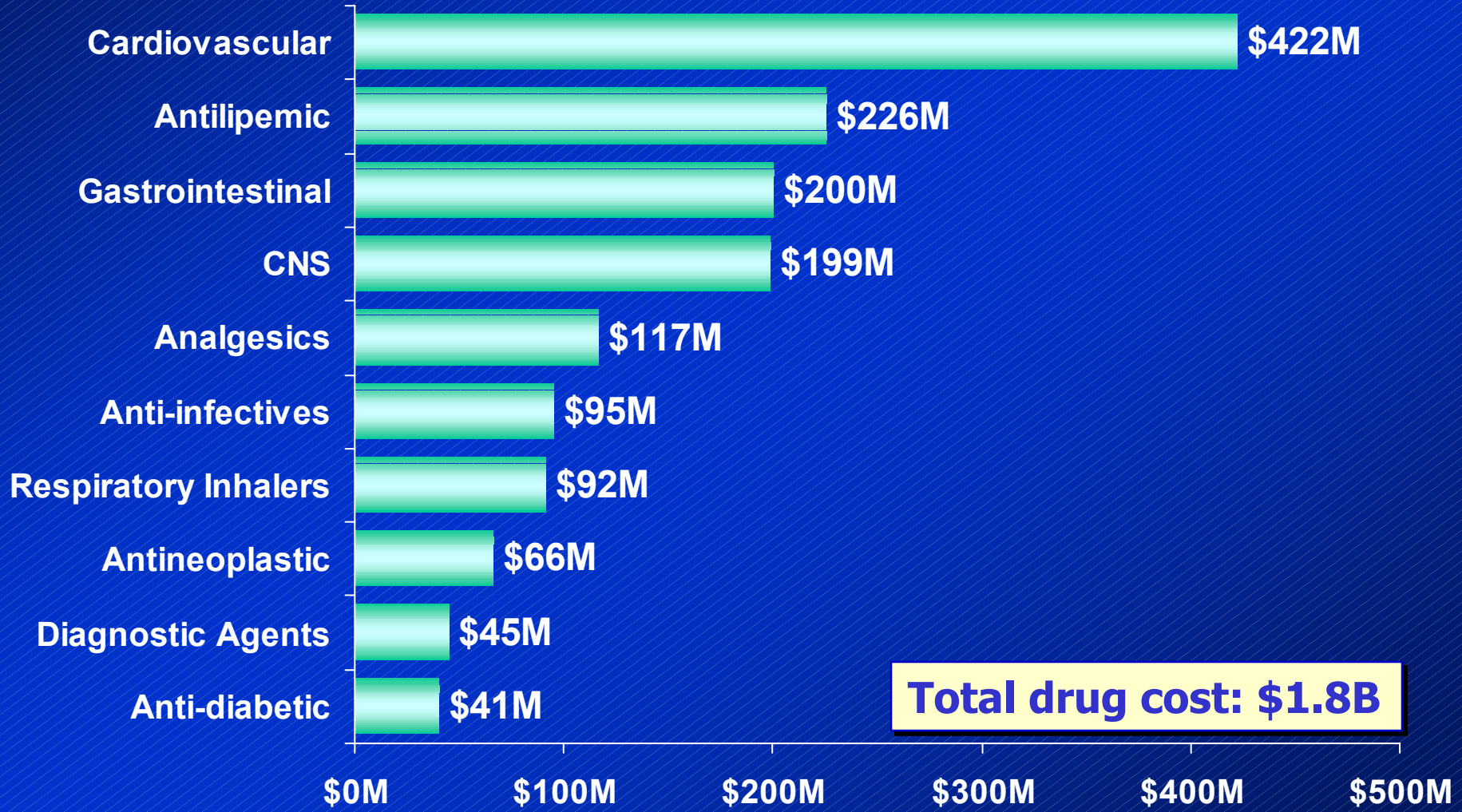
Summary on Financial

- Drug cost increased by 16% from last year, but some provinces increased faster than Ontario.
- Non-senior beneficiaries 0-44 decreasing (-328K) and senior beneficiaries increasing (+107K).
- 35-64 have the largest drug cost increase per beneficiary.
- Concentration of costs: 5% of beneficiaries account for 27% of drug cost. (Hypertension, cancer, psychoses)

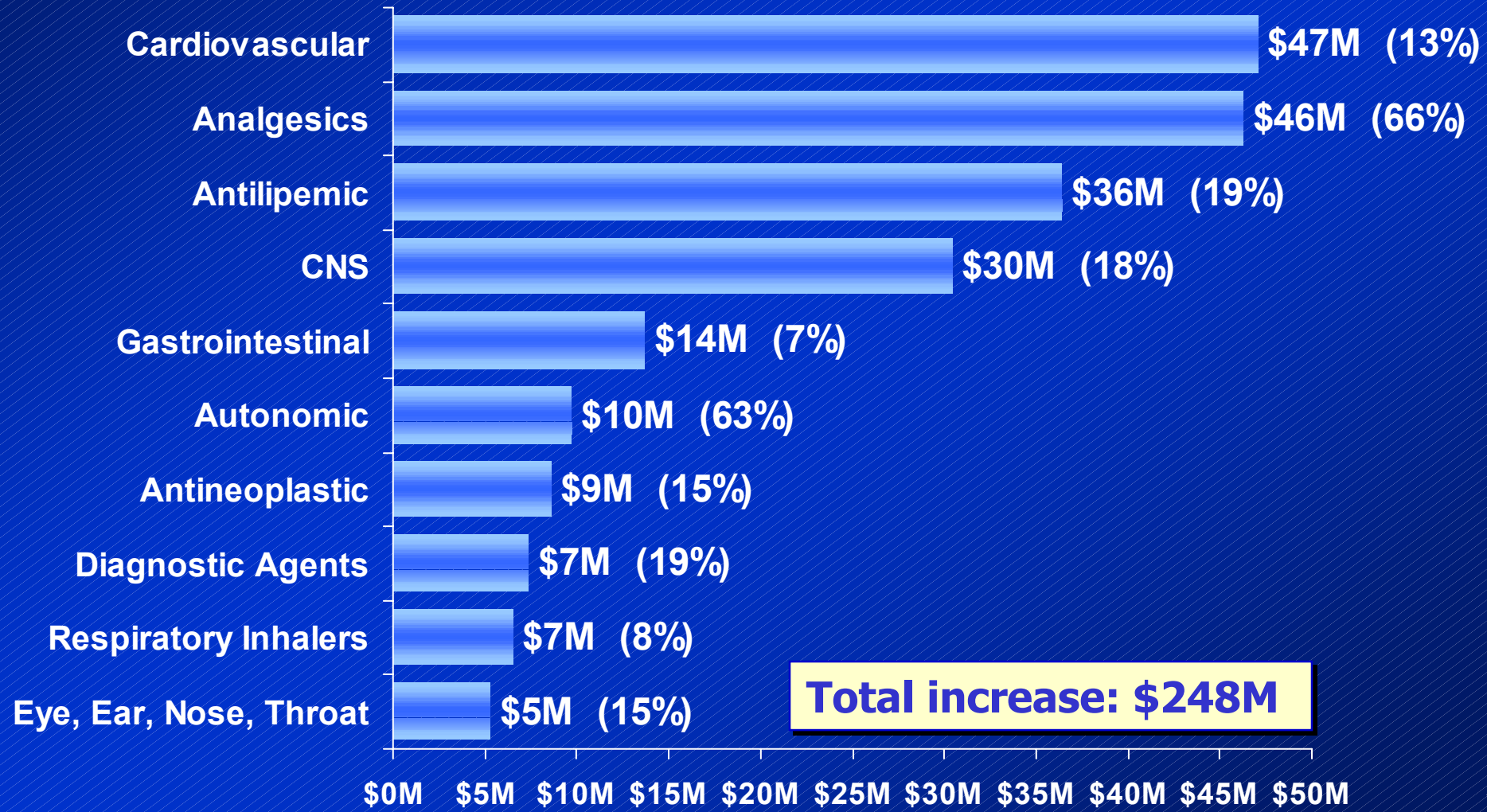
II. Clinical/Evidence Based Indicators

- Drug cost by Therapeutic Class
- Top-10 drugs

Drug cost by therapeutic class 2000/01



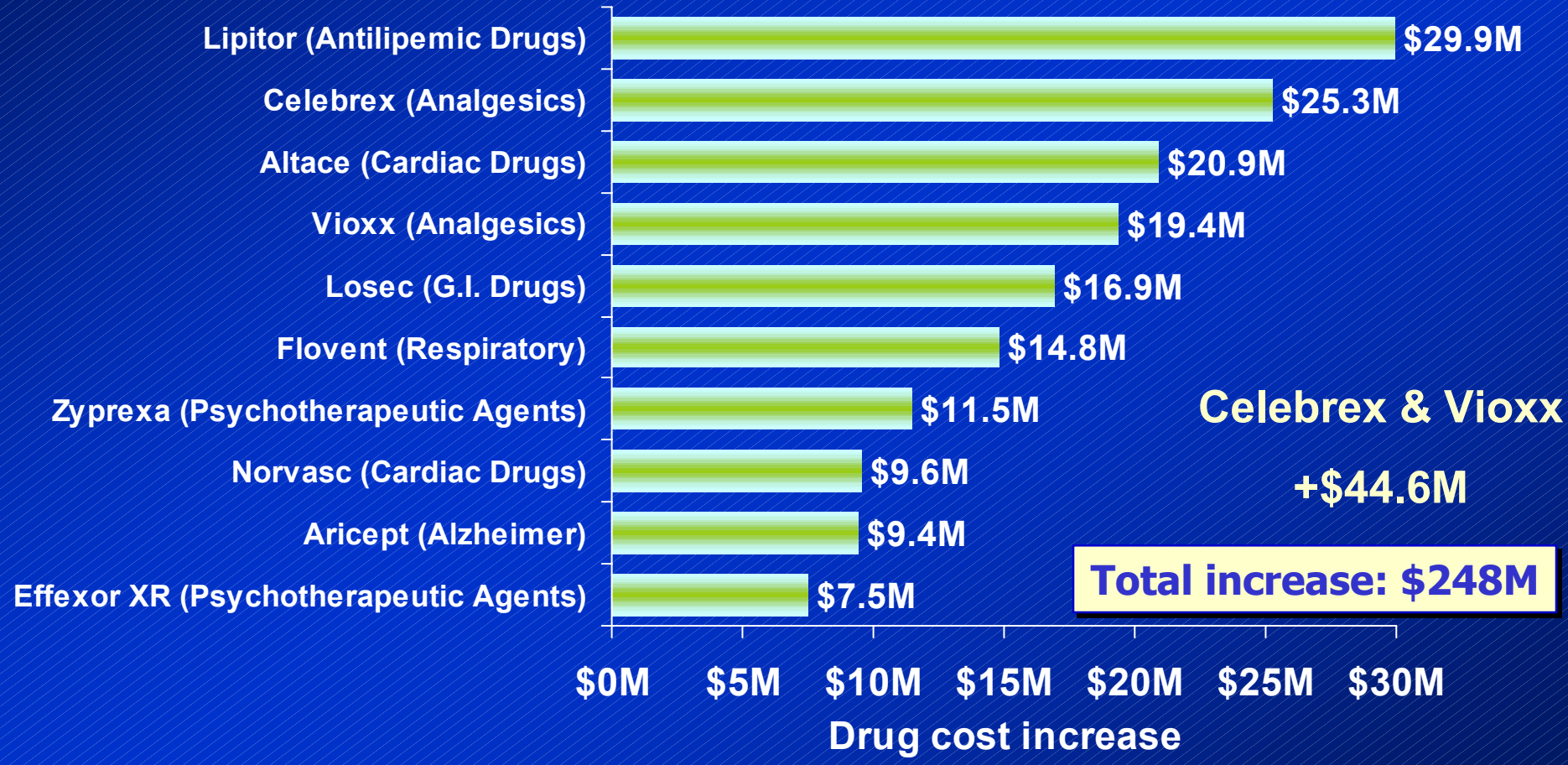
Drug cost increase by therapeutic class 1999/00-2000/01



Top-10 chemicals by drug cost, 2000/01

Rk	Drug Name	ODB SubClass	Launch Year	Drug Cost	Share of ODB
1	Atorvastatin	Antilipemic Drugs	1997	$ 87.1M	4.8%
2	Omeprazole	G.I. Drugs	Bef. 93	$ 84.9M	4.7%
3	Amlodipine besylate	Cardiac Drugs	Bef. 93	$ 64.4M	3.6%
4	Enalapril maleate	Cardiac Drugs	1993	$ 57.0M	3.2%
5	Simvastatin	Antilipemic Drugs	Bef. 93	$ 56.4M	3.1%
6	Olanzapine	Psychotherapeutic Agents	1996	$ 46.3M	2.6%
7	Blood glucose strips	Diabetes Mellitus		$ 45.1M	2.5%
8	Diltiazem HCl	Cardiac Drugs	Bef. 93	$ 40.9M	2.3%
9	Fluticasone propionate	Respiratory	1995	$ 40.2M	2.2%
10	Ranitidine HCl	G.I. Drugs	Bef. 93	$ 40.0M	2.2%
TOTAL				$562.3M	31.3%

Fastest growing products 1999/00-2000/01

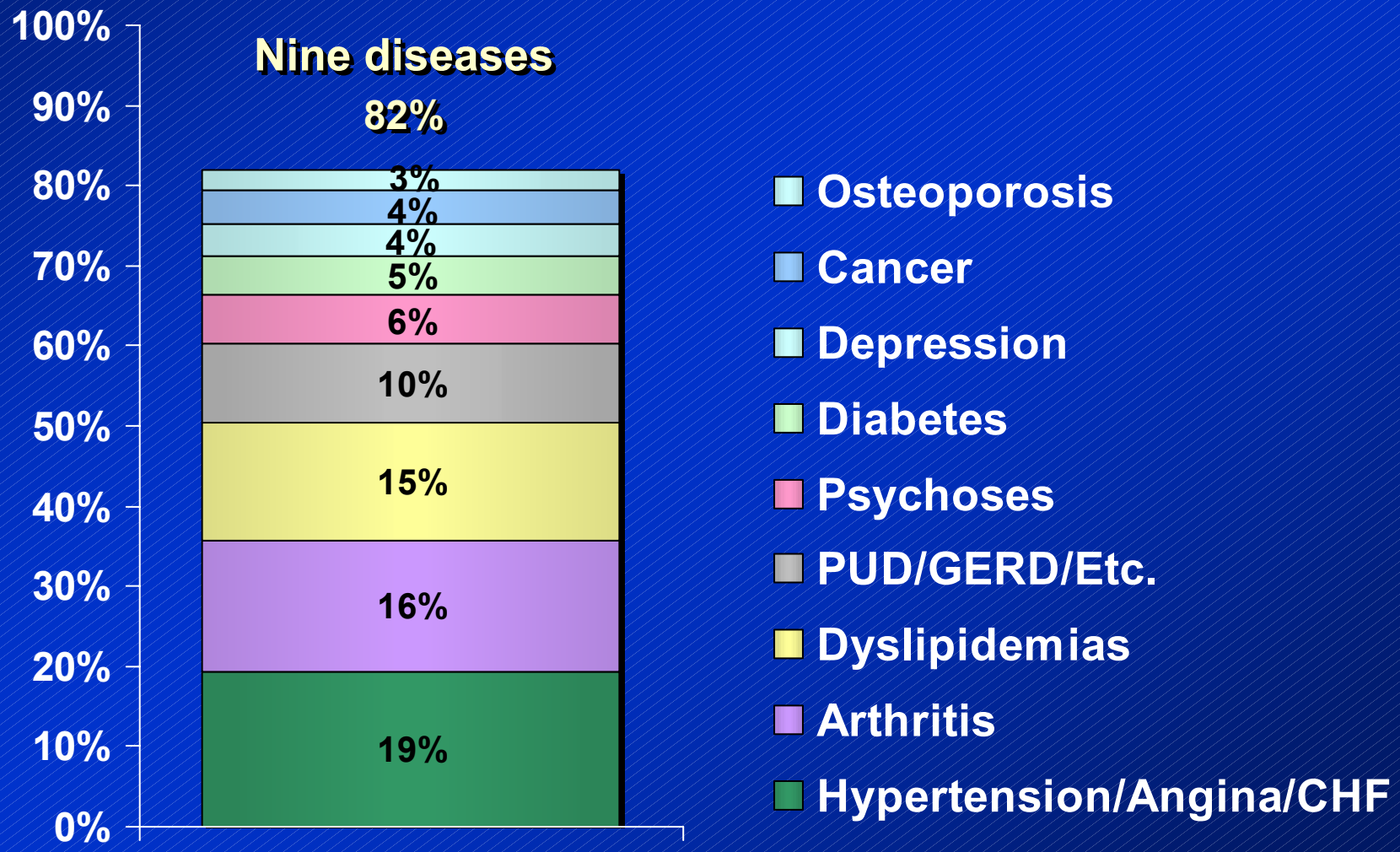


10 products = 70% of total increase

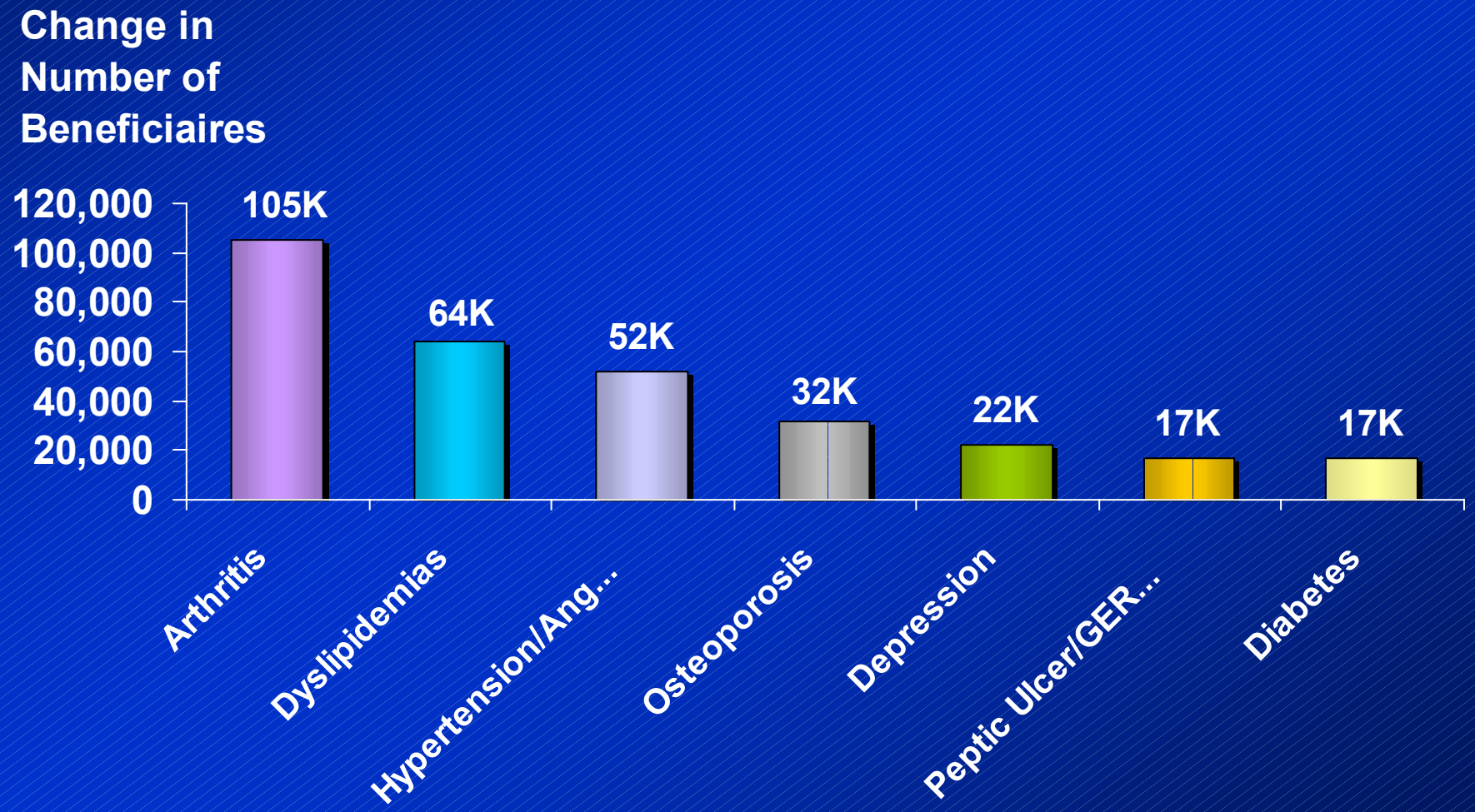
Section 8 top-10 requested drugs 2000/01

Rank	Drug	Requests	Approved	% Approved	Expenditure
1	Plavix	9,697	9,300	96%	$3,819,000
2	Fosamax	2,466	1,841	75%	$788,000
3	Neurontin	1,627	1,234	68%	$316,000
4	Neupogen	1,410	1,234	88%	$5,263,000
5	Rebetron	1,408	1,050	75%	$5,545,000
6	Intron A	825	700	85%	$2,227,000
7	Flomax	792	769	97%	$81,000
8	Avandia	748	328	44%	$25,000
9	Xeloda	747	670	90%	$647,000
10	Eprex	694	348	49%	$1,671,000
Top-10 Total		20,414	17,474	86%	$20,383,000

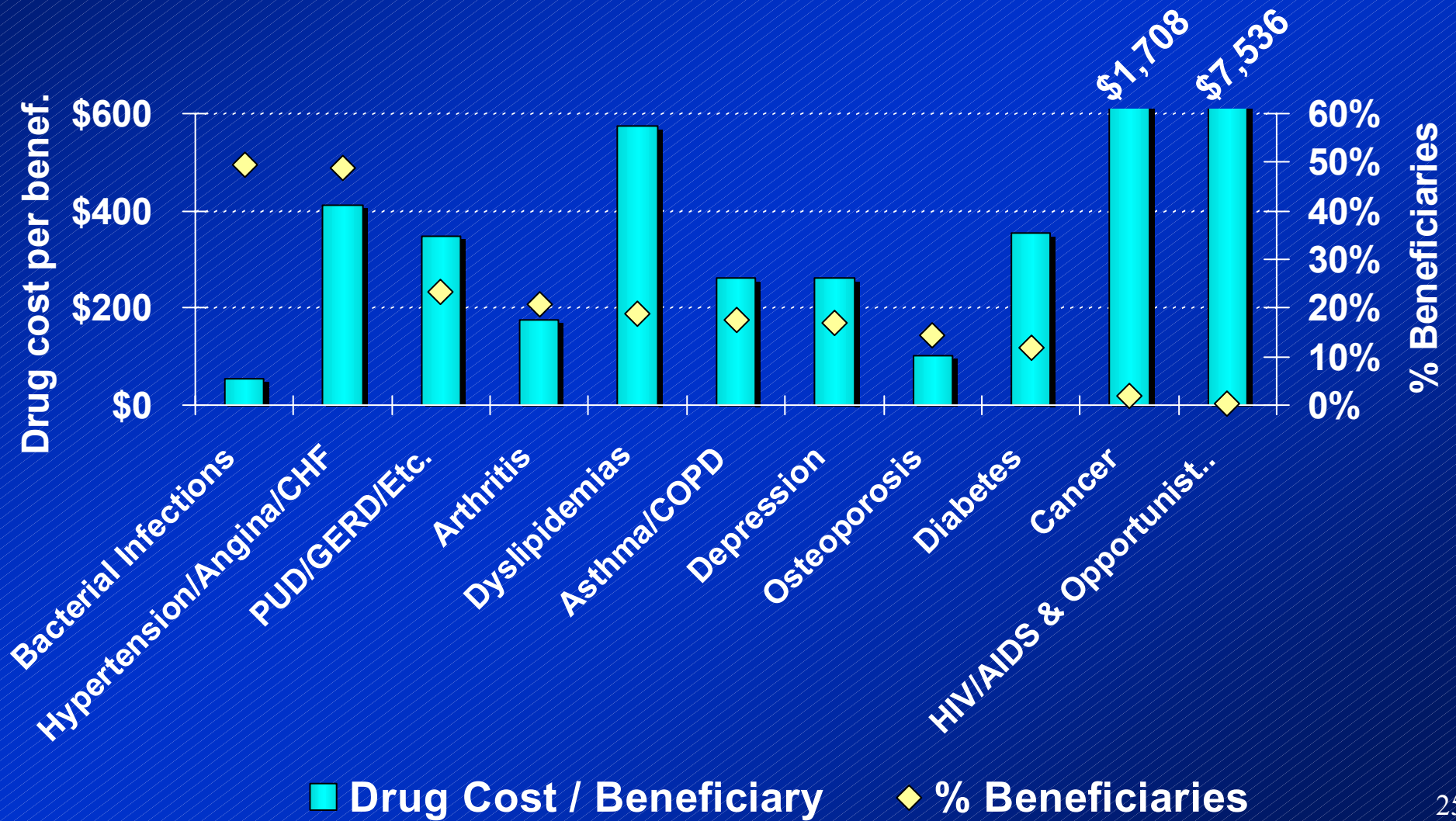
Contribution to drug cost increase by selected disease, 1999/00-2000/01



Growth in number of beneficiaries by selected disease, 1999/00-2000/01



Drug cost per beneficiary & % of beneficiaries, selected diseases



Prescribing Guidelines

- OPOT published 7 sets of guidelines
  - Musculoskeletal
  - Peptic ulcer GERD
  - Stable ischemic heart disease
  - Chronic heart failure
  - Diabetes mellitus
  - Osteoporosis
  - Anxiety disorders
- 4 additional sets are expected in 2001/02

Drug Utilization Reviews

- Comprehensive approach to ensure drugs are being used appropriately and that program costs are managed effectively
- moving toward an evidence based approach
  - manufacturers are being asked to do DUR as part of therapeutic class reviews
  - MOH is funding class reviews of drugs e.g antibiotics one year post formulary changes

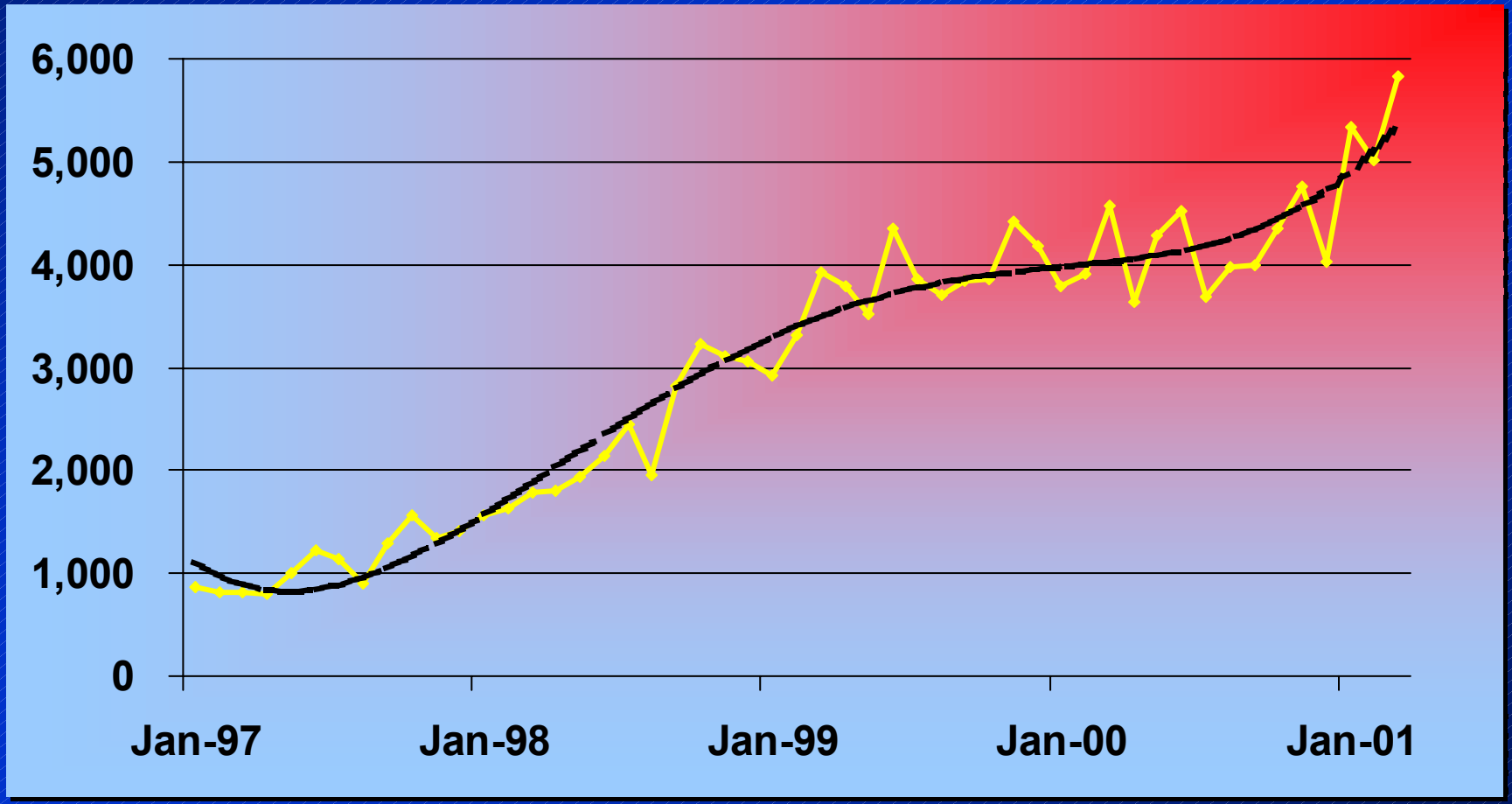
Clinical Criteria and Reimbursement

- Limited Use Criteria:
  - reimbursement for certain drugs within a class is dependent on specific clinical criteria
- Section 8:
  - individual requests for drug therapy are approved based on case by case basis using clinical criteria on an exceptional basis

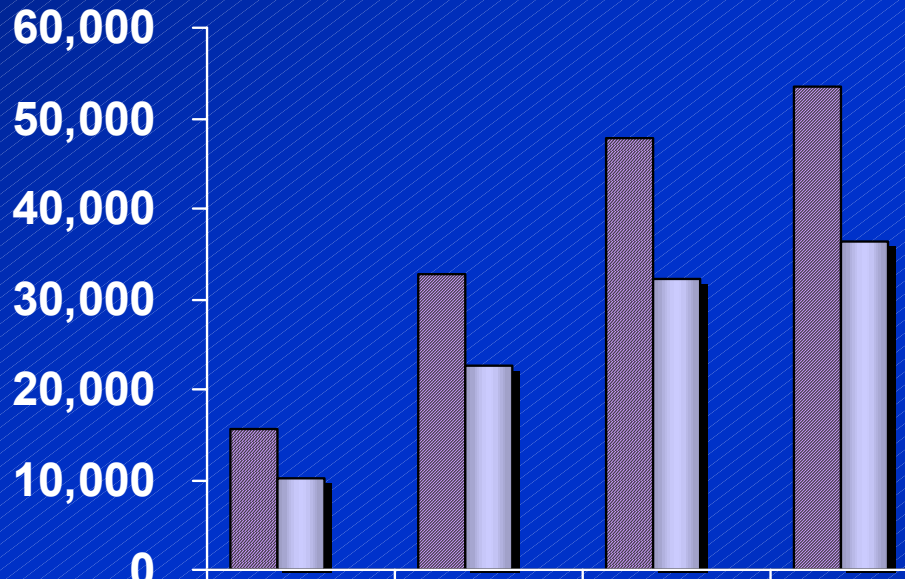
III. Customer Service Indicators

- Section 8 Claims
- New Drug Submissions
- Time to listing
- Trillium Drug Program
- Limited Use Tri-partite Committee

Monthly Section 8 requests January 1997 - March 2001

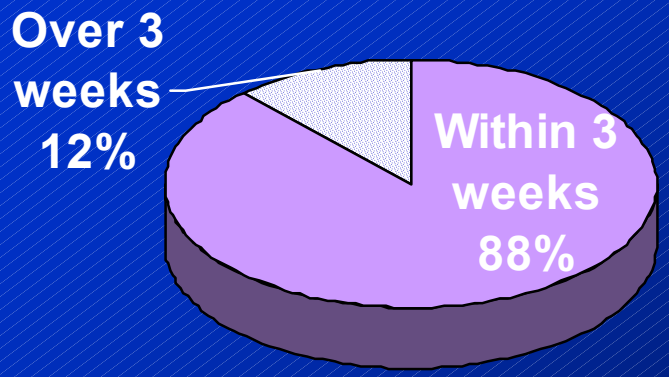


Section 8 requests & response time

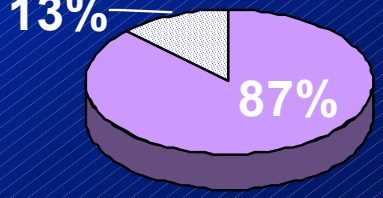


	97/98	98/99	99/00	00/01
Received	15,687	32,655	47,815	53,403
Approved	10,037	22,543	32,254	36,287
% Approved	64%	69%	67%	68%

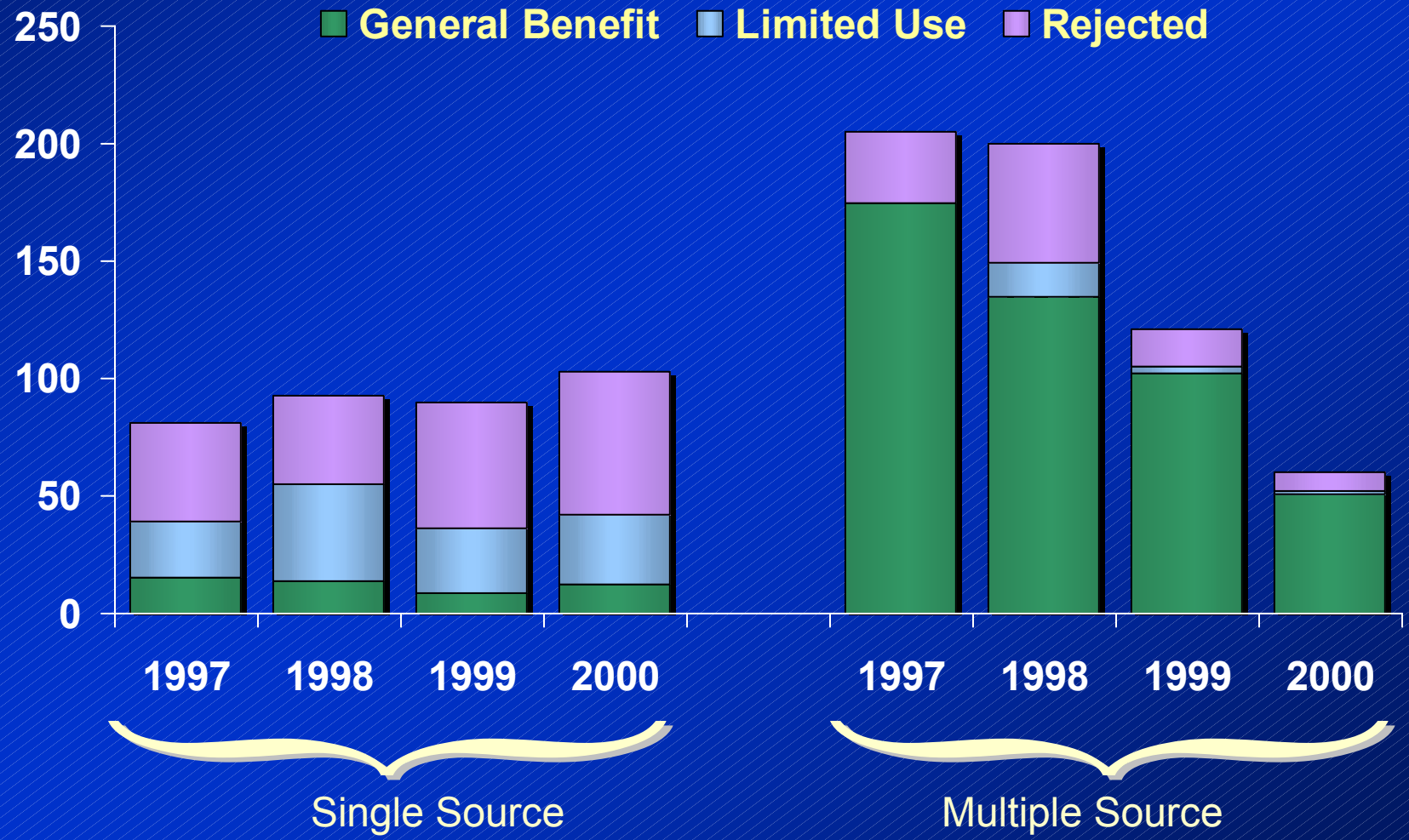
Response Time 2000



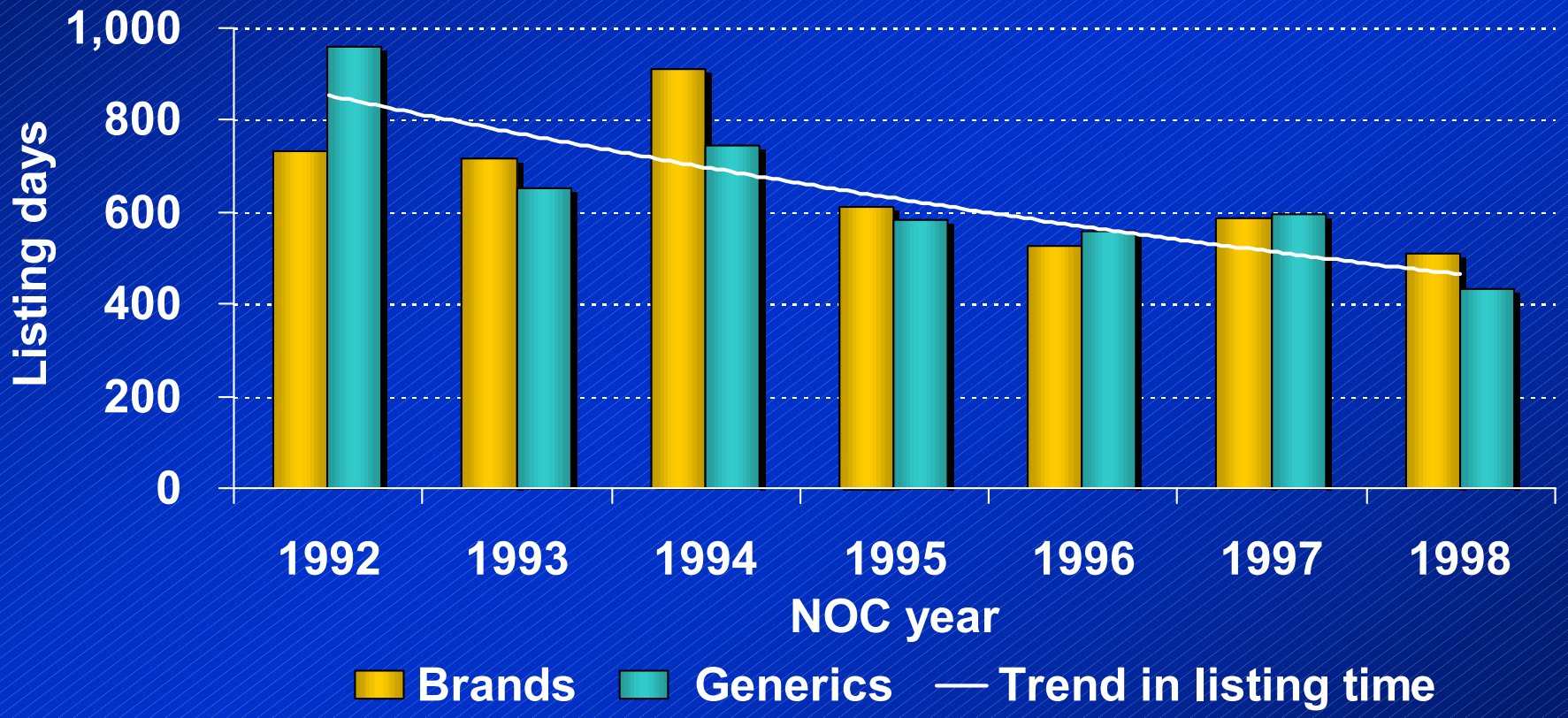
1999



DQTC recommendations
First review, 1997-2000



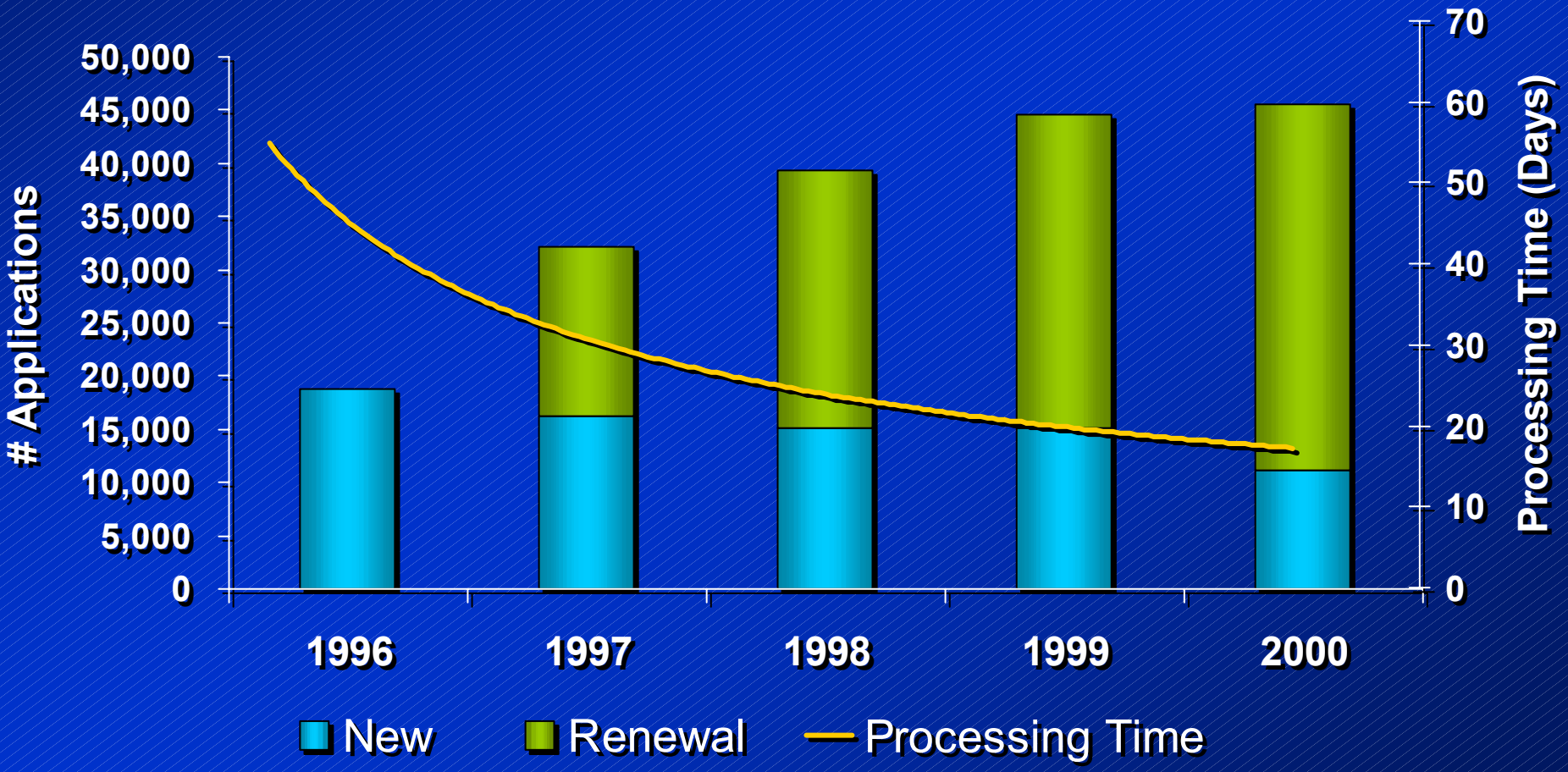
Listing days by year of NOC 1992-1998



Note: Figures are average listing days by DIN.

Source: Brogan Inc. Market Access Monitor™

Number of applications & processing time, Trillium, 1996-2000



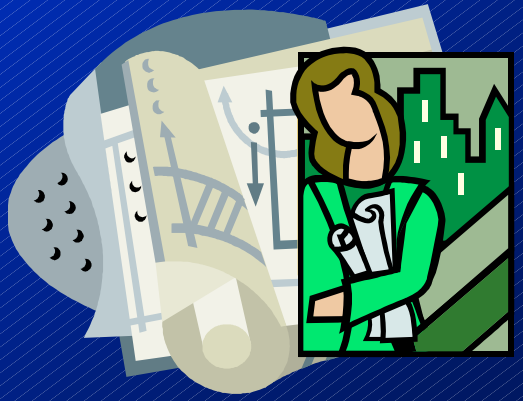
Customer Service Standards

- Continue to provide high level customer service to beneficiaries:
  - 14 day turnaround for Trillium applications
  - Phone calls returned within 24 hours
  - Correspondence responded to within 15 days
  - 5 day turnaround for Senior's applications
  - Section 8 requests responded to within 7 days

Summary Customer Service

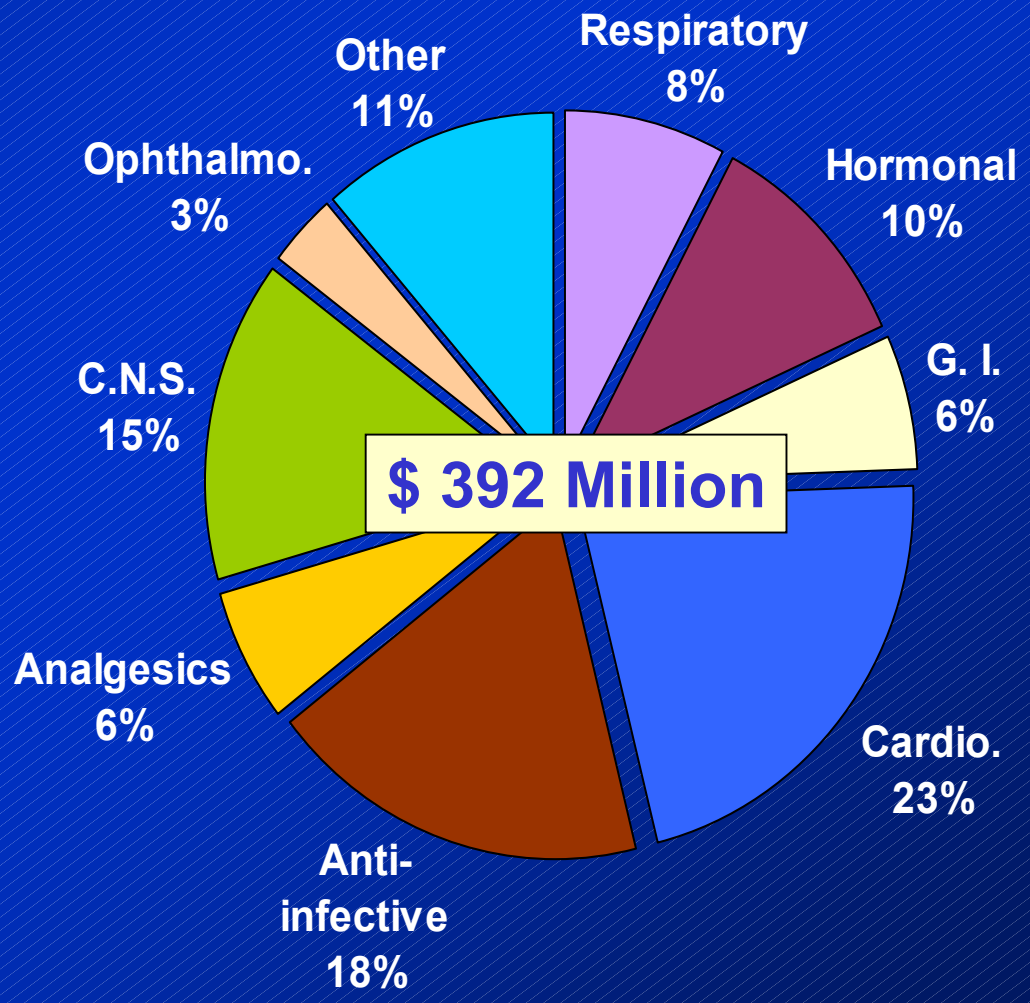
- Significant improvements have been made over past 5 years
- Will continue to be challenged given defined resources for program administration
- Important to measure over time to monitor impact of program changes and identify opportunities for improvement

IV. Operational Policy Indicators/Initiatives



Written agreements by therapeutic class, 2000/01

- Forecasted cost provided by manufacturers for each of the first three years of new single-source drugs listed
- 115 agreements have been signed (includes Formulary update No. 37) .



Written agreements experience to date

Written Agreement Level	Number	Percentage
Tracking over or actual drug costs over written agreement amount	18	18%
Tracking at or slightly below written agreement level (i.e., >80% to <=100%)	7	7%
Tracking below written agreement level (i.e., <=80%)	76	75%
TOTAL	101	

(does not include products added to Formulary No. 37)

2000/01 Achievements

- Three updates to formulary and a new formulary book published
- September 2000 Implemented Phase III Streamlining
- March 2001 Antibiotic review changes to the formulary including stakeholder session and extensive communications plan roll-out

2000/01 Achievements

- Signed new 5 year contract for Health Network with Green Shield
- 103 written agreements signed with industry for new drug listings
- 11,000 new beneficiaries enrolled in Trillium Drug Program