Ontario

# 2001/02
# Report Card for Ontario Drug Benefit Program

# MOHLTC Vision

"An accessible health system that promotes wellness and improves people's health at every stage of their live."

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

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

# ODB Statistics, 2000/01-2001/02

| | 2000/01 | 2001/02 | Change |
|---|---|---|---|
| Drug Cost | $1,799M | $2,043M | 14% |
| + Dispensing Fee | $ 312M | $ 346M | 11% |
| = RxCost | $2,111M | $2,389M | 13% |

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| + Dispensing Fee | $ 312M | $ 346M | 11% |
| = RxCost | $2,111M | $2,389M | 13% |
| - Deductible | $ 249M | $ 274M | 10% |
| = Government Cost | $1,862M | $2,115M | 14% |
| MOHLTC | $1,462M | $1,678M | 15% |
| MCSS | $ 400M | $ 438M | 9% |

# ODB Statistics, 2000/01-2001/02

| | 2000/01 | 2001/02 | Change |
|---|---|---|---|
| Beneficiaries | 2.07M | 2.06M | -1% |
| RxCost/Beneficiary | $ 1,018 | $ 1,160 | 14% |
| RxCost/Claim | $ 42.19 | $ 43.20 | 2% |
| Claims/Beneficiary | 24.1 | 26.9 | 11% |

# Introduction

- Ontario is continuing to experience high drug expenditure growth, like other national and international jurisdictions
- Long term growth is projected at 15%/year:
  - 5% growing and aging population + inflation
  - 10% 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?

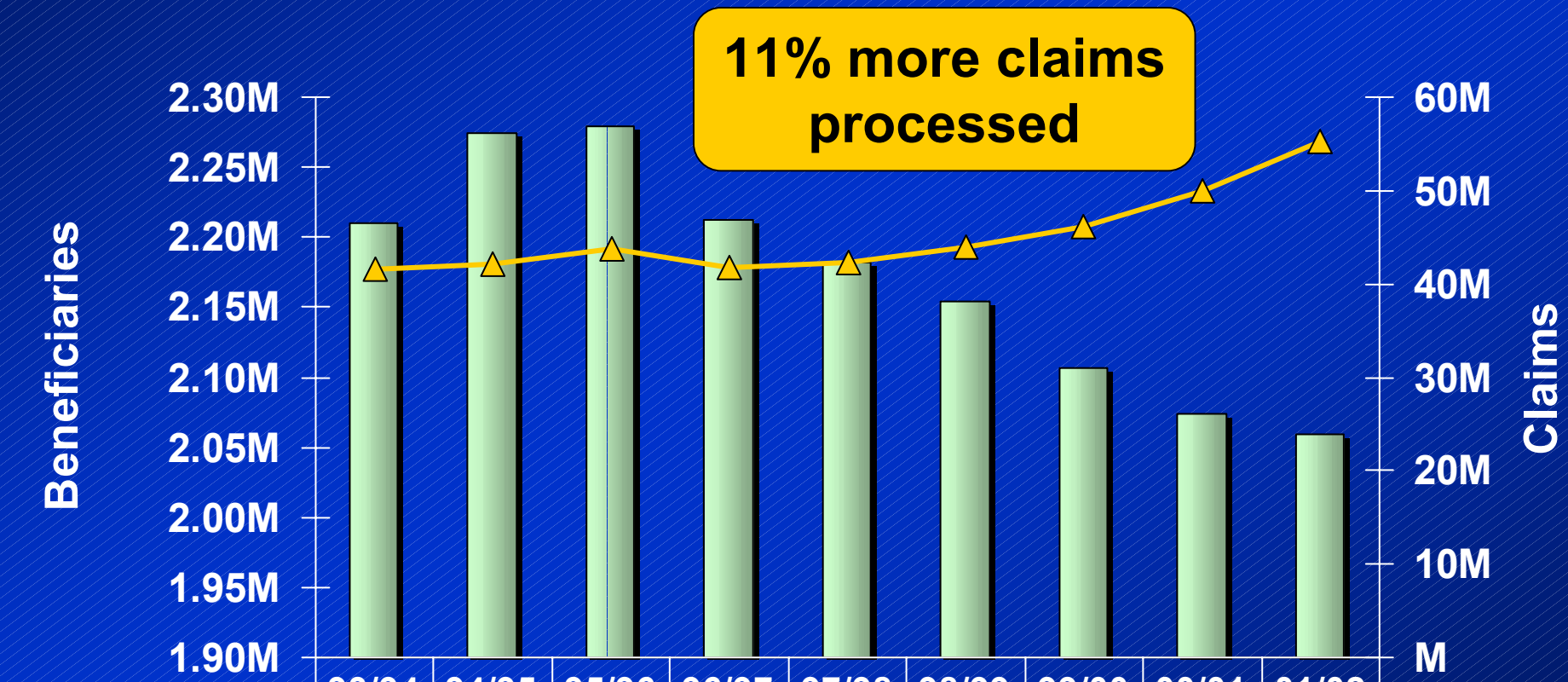
# Definitions

- Drug cost = Ingredient cost + Mark up
- Gov't cost = Drug cost + Dispensing fee
  - Deductible
- Cost includes MOH and MCSS programs
- Beneficiary: Eligible person who had a claim covered by the drug program

# I. Financial Indicators

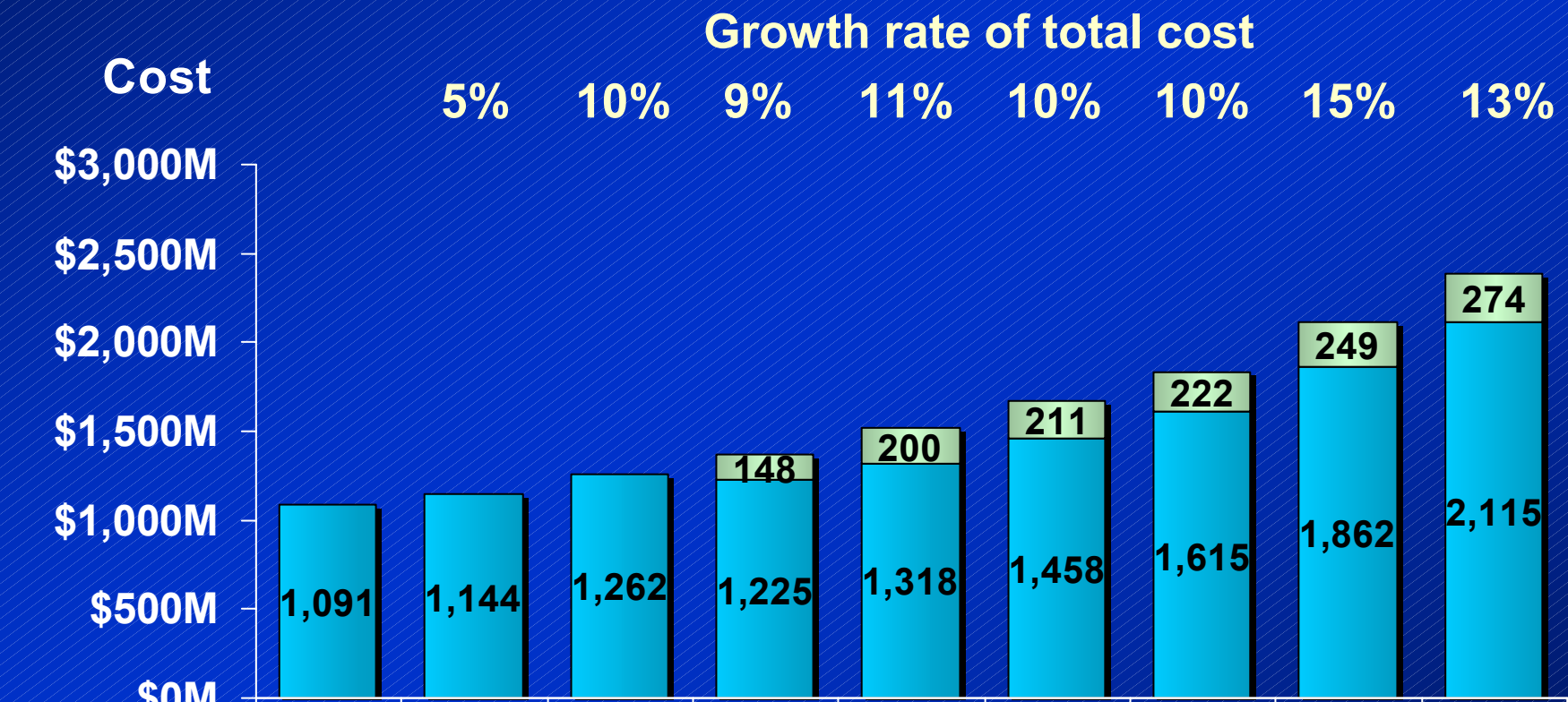
- National trends
- Program growth
- Beneficiaries
- Cost Concentration
- Cost Drivers

# ODB Beneficiaries & Claims
## 1993/94 – 2001/02



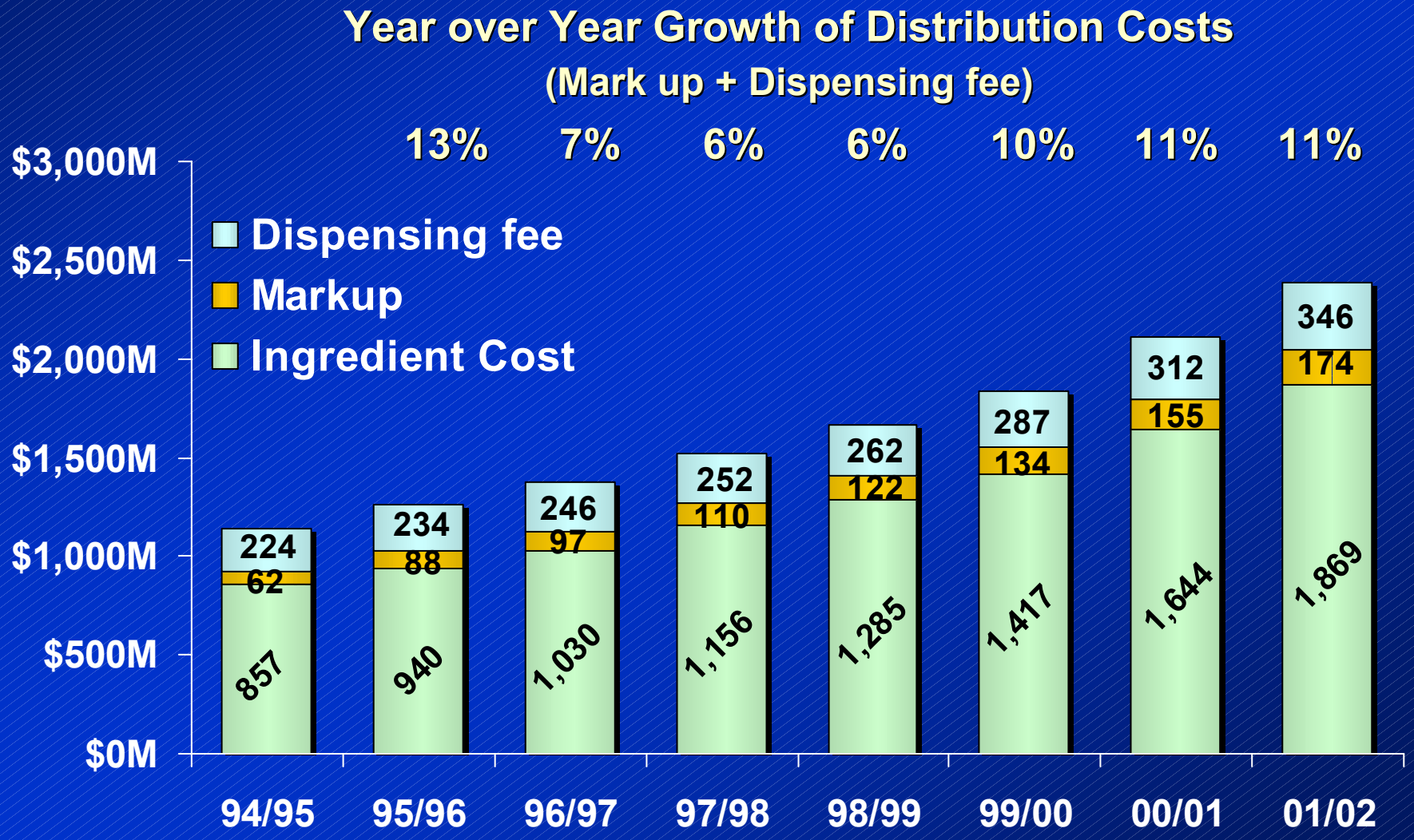

| | 93/94 | 94/95 | 95/96 | 96/97 | 97/98 | 98/99 | 99/00 | 00/01 | 01/02 |
|---|---|---|---|---|---|---|---|---|---|
| Beneficiaries | 2.21M | 2.27M | 2.28M | 2.21M | 2.18M | 2.15M | 2.11M | 2.07M | 2.06M |
| Claims | 41.6M | 42.1M | 43.7M | 41.7M | 42.3M | 44.0M | 46.1M | 50.0M | 55.3M |

# Government Cost & Patient Cost
## 1993/94 – 2001/02



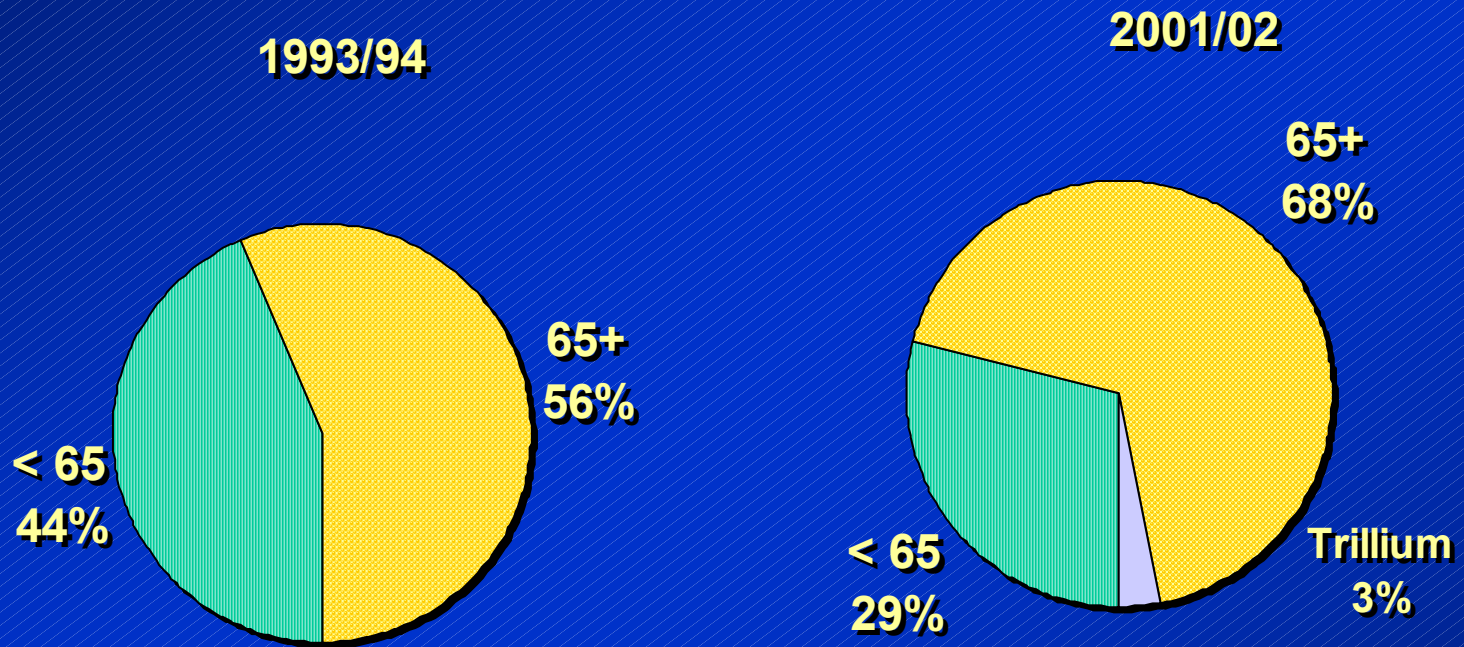

| | 93/94 | 94/95 | 95/96 | 96/97 | 97/98 | 98/99 | 99/00 | 00/01 | 01/02 |
|---|---|---|---|---|---|---|---|---|---|
| Deductible | $0M | $0M | $0M | $148M | $200M | $211M | $222M | $249M | $274M |
| Gov't Cost | $1,091 | $1,144 | $1,262 | $1,225 | $1,318 | $1,458 | $1,615 | $1,862 | $2,115 |

# Total Cost by Type of Spending 1995/96-2001/02



# Age Distribution of Beneficiaries 1993/94-2001/02

# Share of Seniors, 1993/94 vs. 2001/02

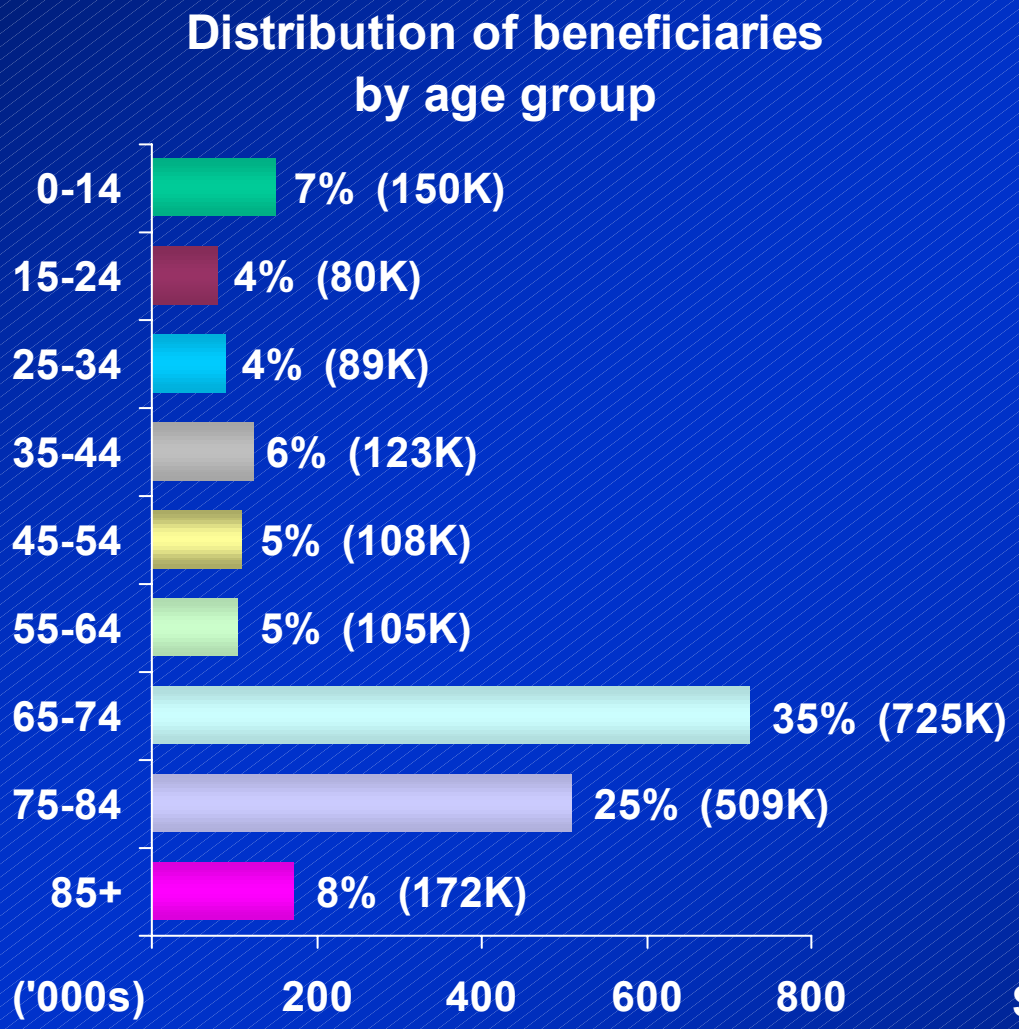


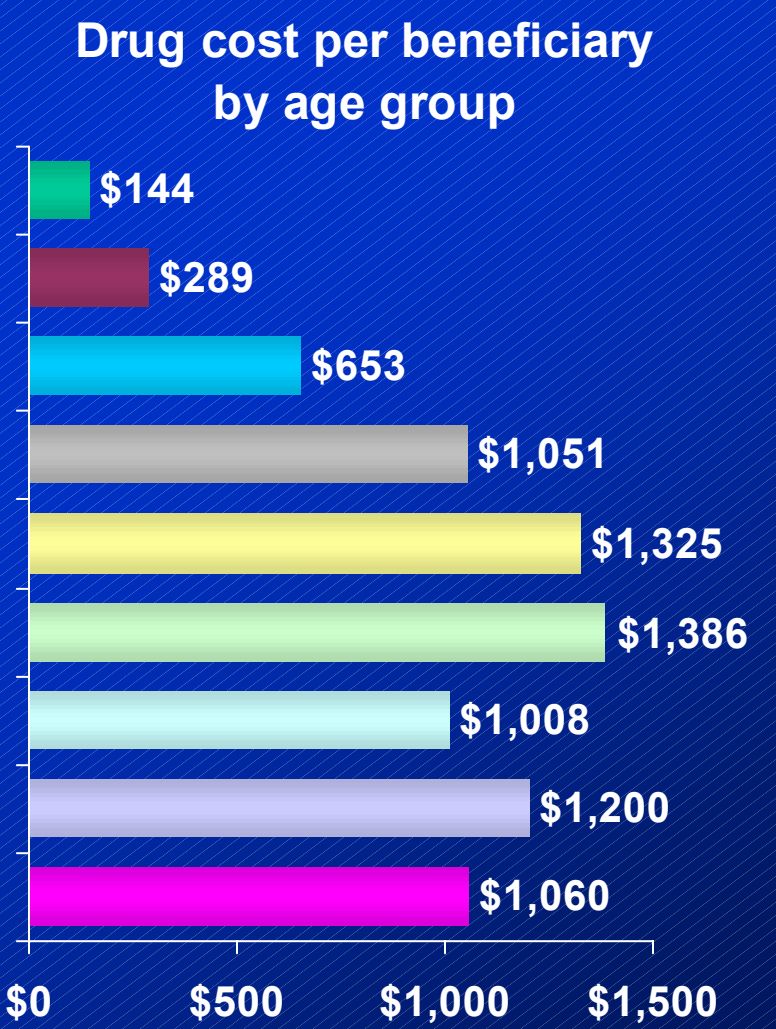

| | |
|---|---|
| <65 | 965K |
| 65+ | 1,245K |
| Total | 2,210K |

**Include only Trillium beneficiaries with at least one claim paid for by the drug plan.**

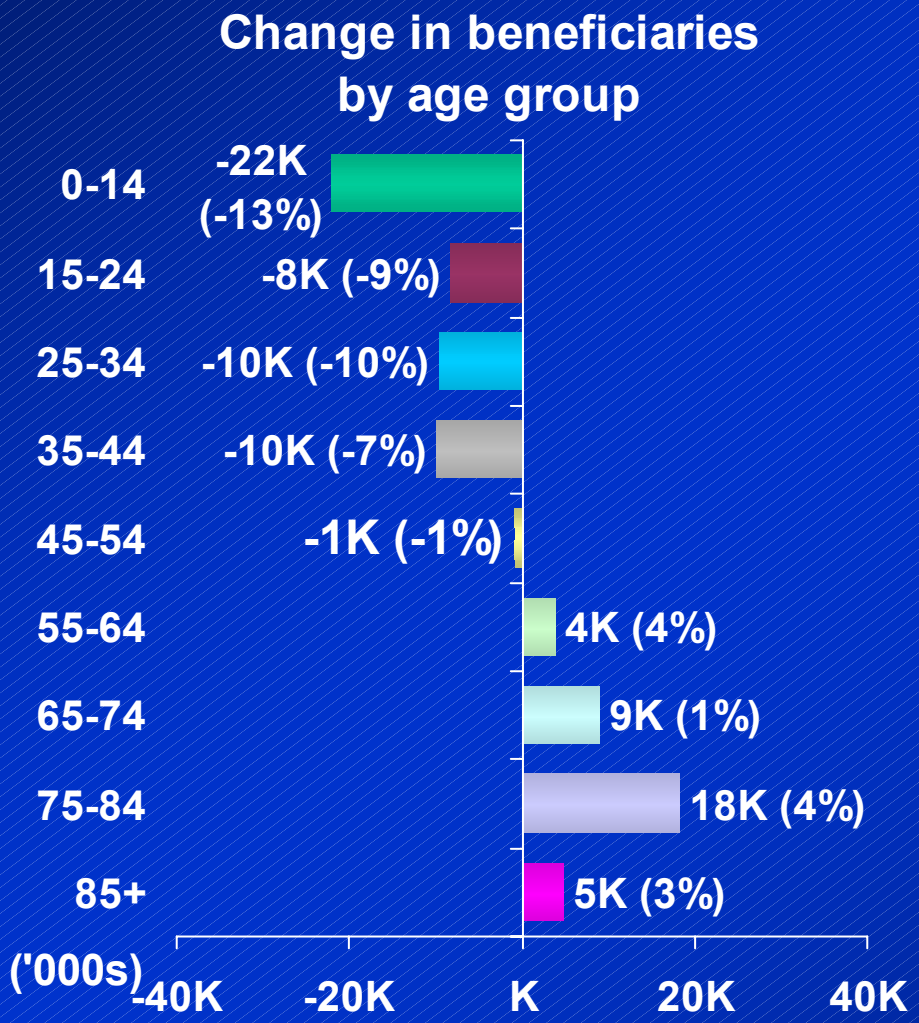
| | |
|---|---|
| <65 | 593K |
| Trillium | 61K |
| 65+ | 1,405K |
| Total | 2,059K |

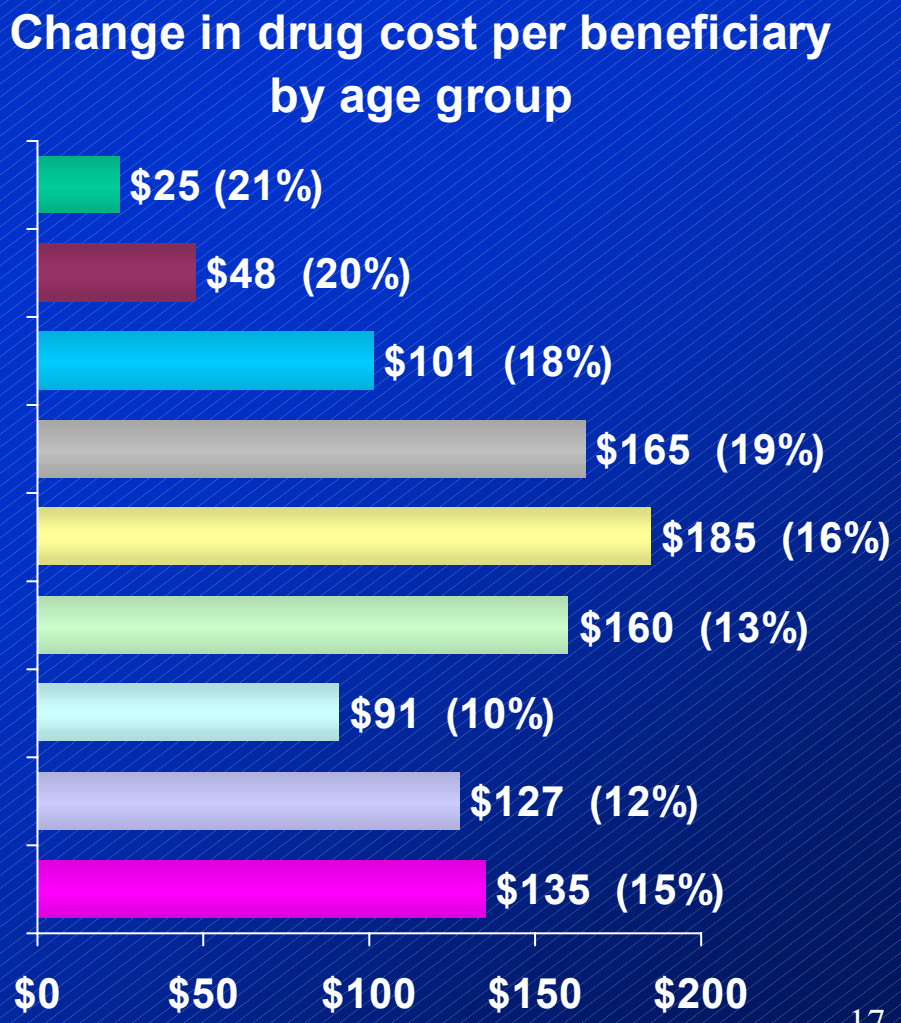
# Drug Cost & Beneficiary Distribution by Age, 2001/02



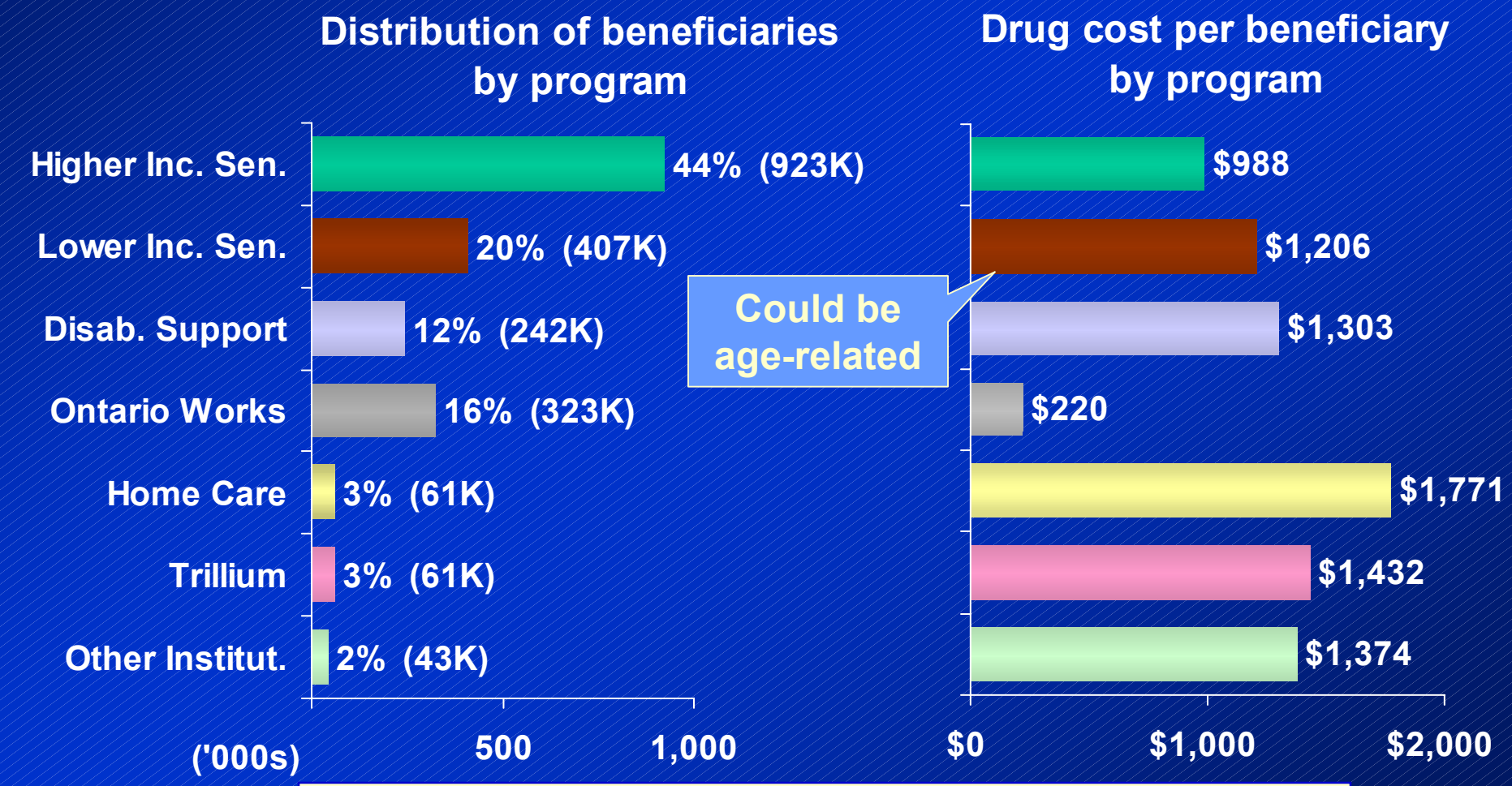



# Change in Drug Cost & Beneficiaries by Age, 2000/01-2001/02



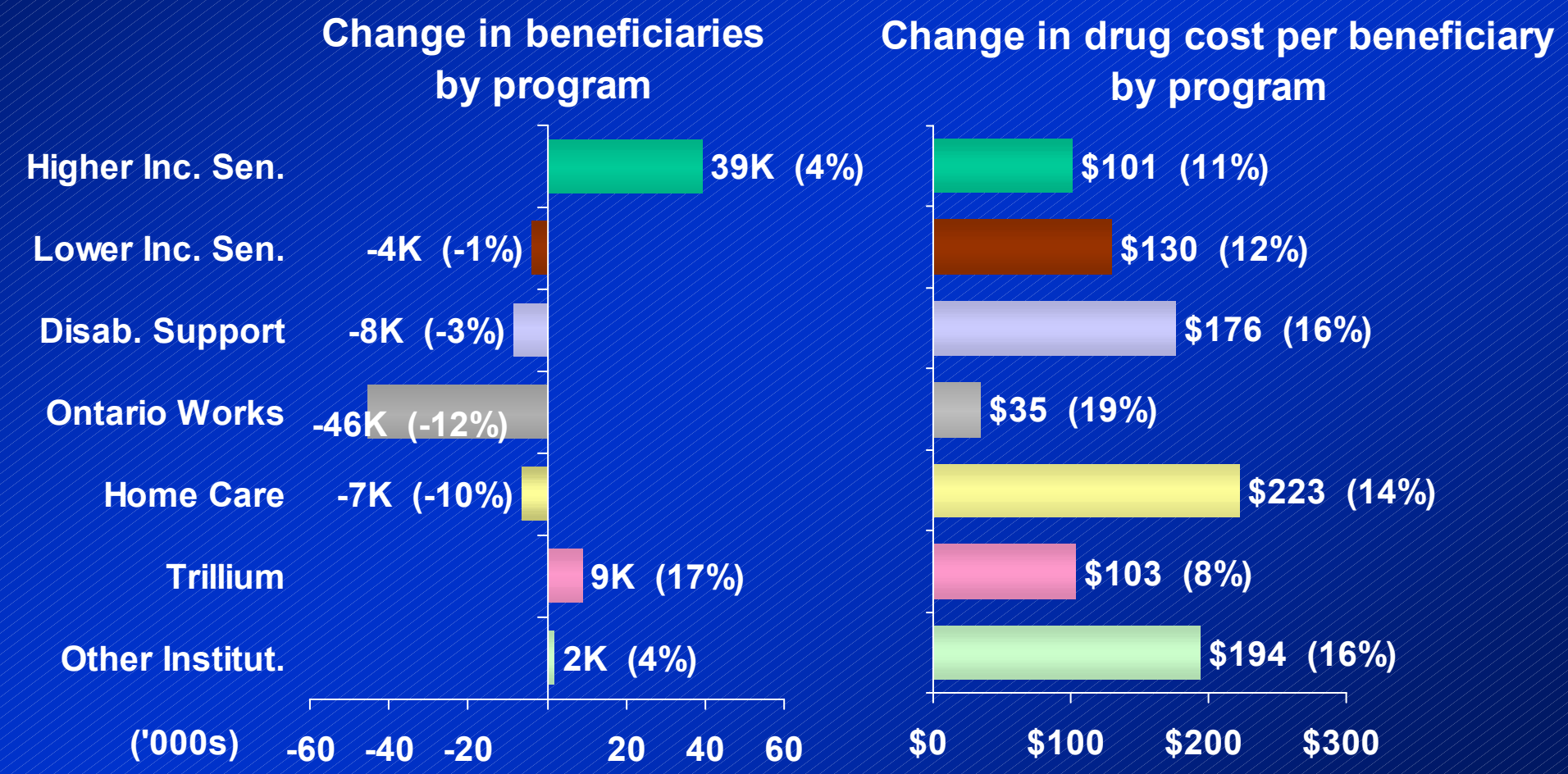



# Drug Cost & Beneficiary Distribution by Program, 2001/02




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

# Change in Drug Cost & Beneficiaries by Program, 2000/01-2001/02

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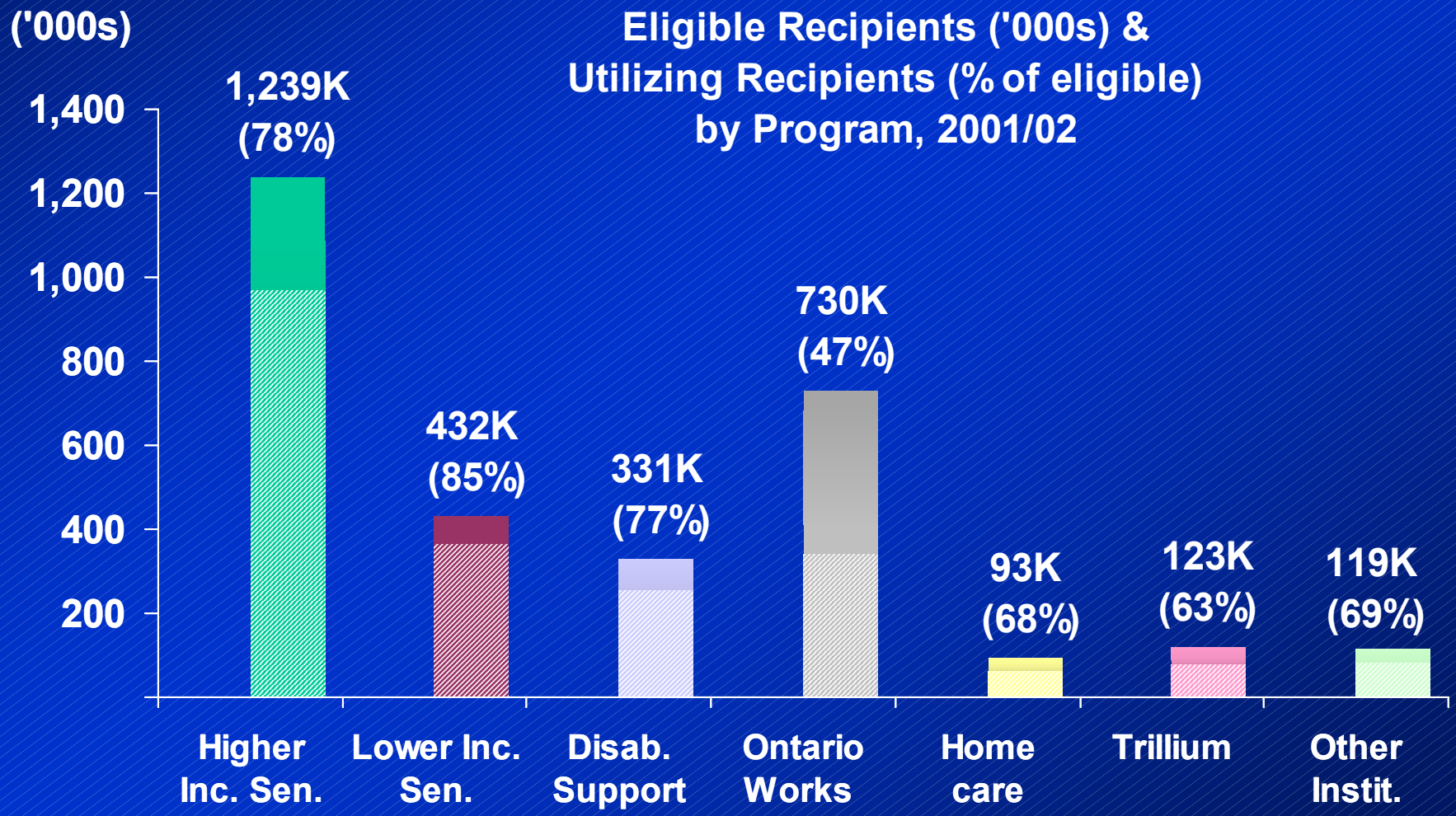
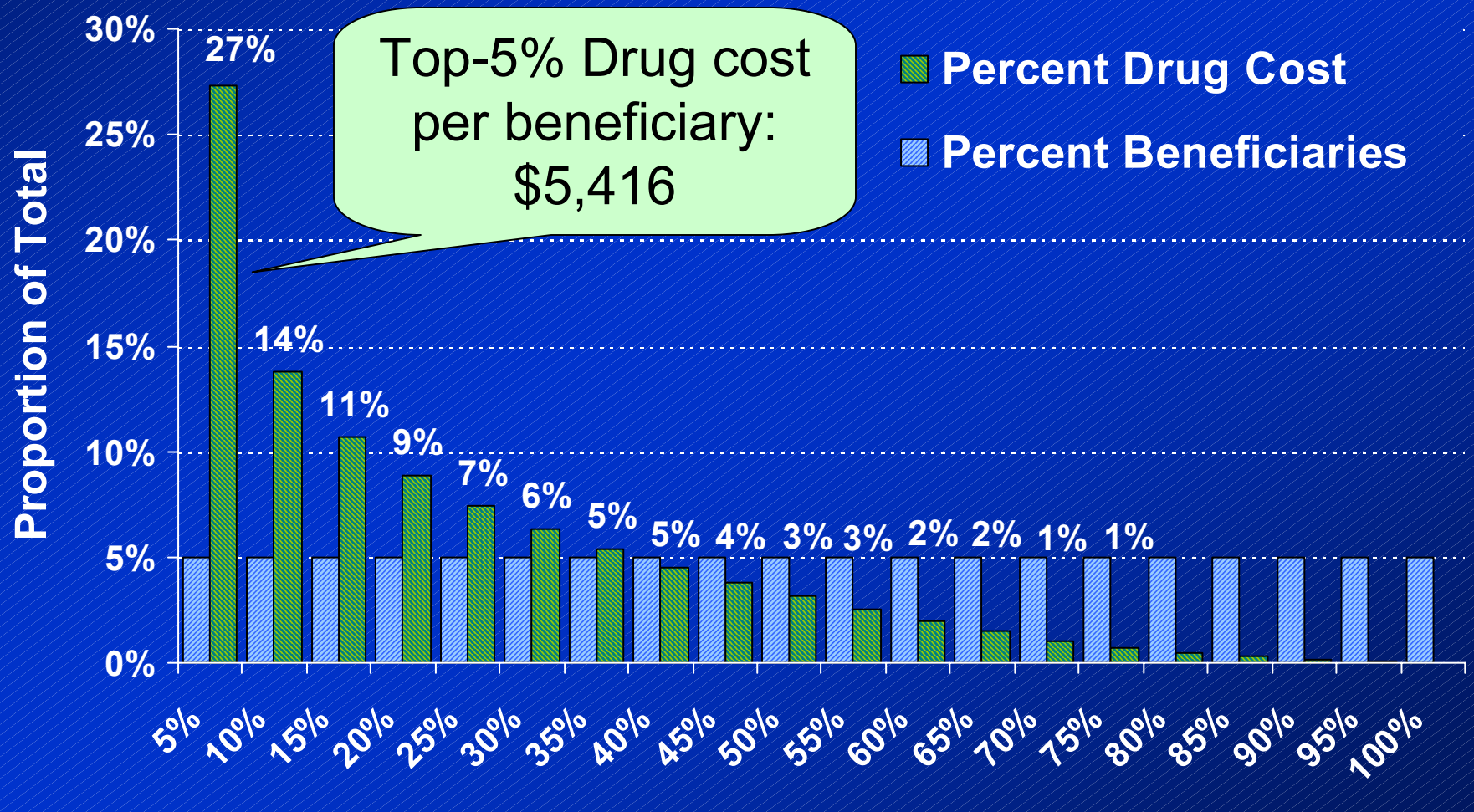
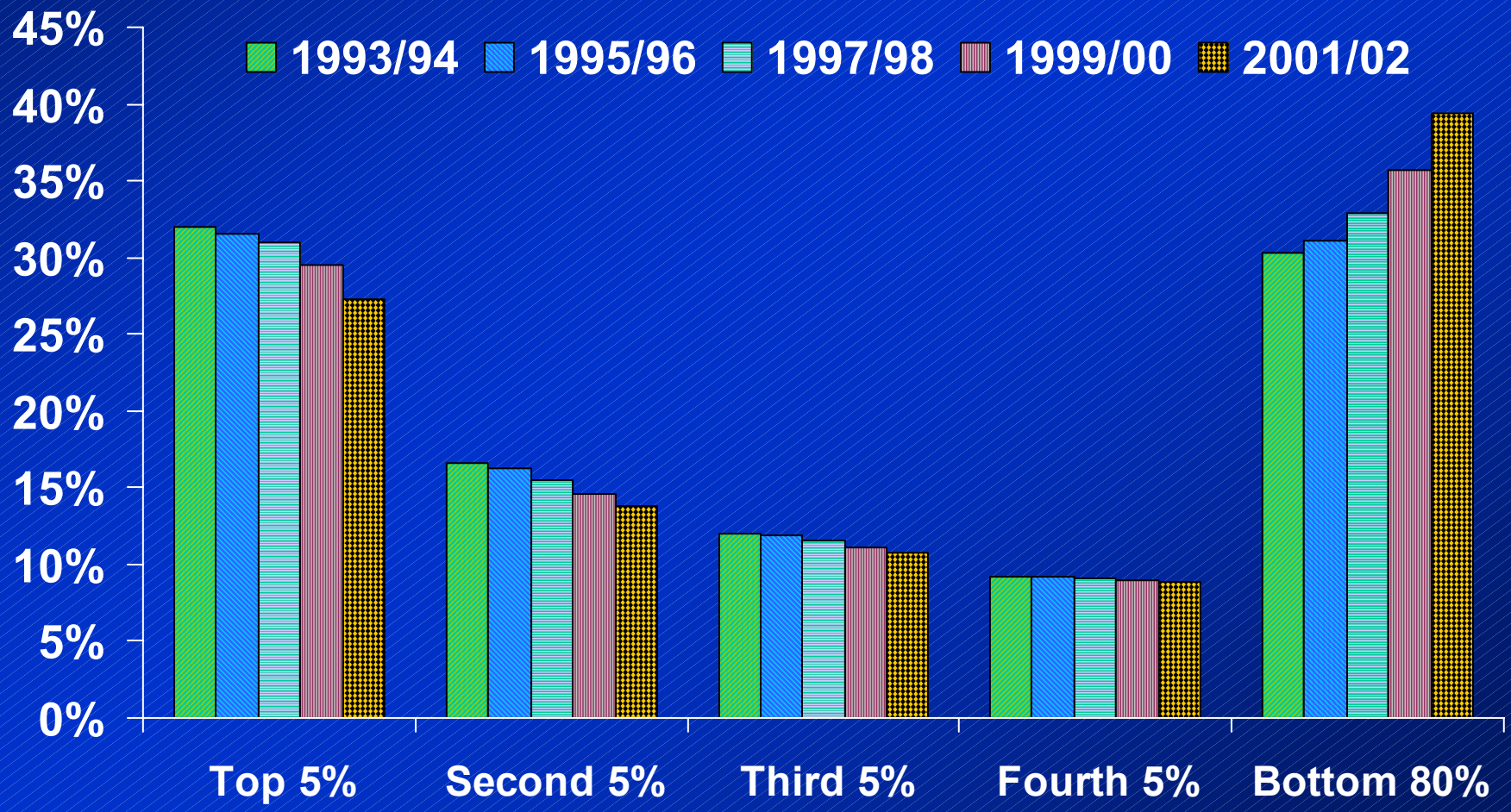
# Eligible Recipients and Utilizing Percentage by Program, 2002



# Drug Cost Concentration
## 5% Intervals, 2001/02



# Trend in Drug Cost Concentration
## 5% Intervals, 2001/02



# Summary on Financial

- Government spending increased by 14% from last year, which is lower than the 15% increase experienced last year.
- 11% increase in the number of claims processed compared to last fiscal year
- Non-senior beneficiaries aged 0-64 decreased by 47,000 and beneficiaries aged 65+ increased by 32,000.

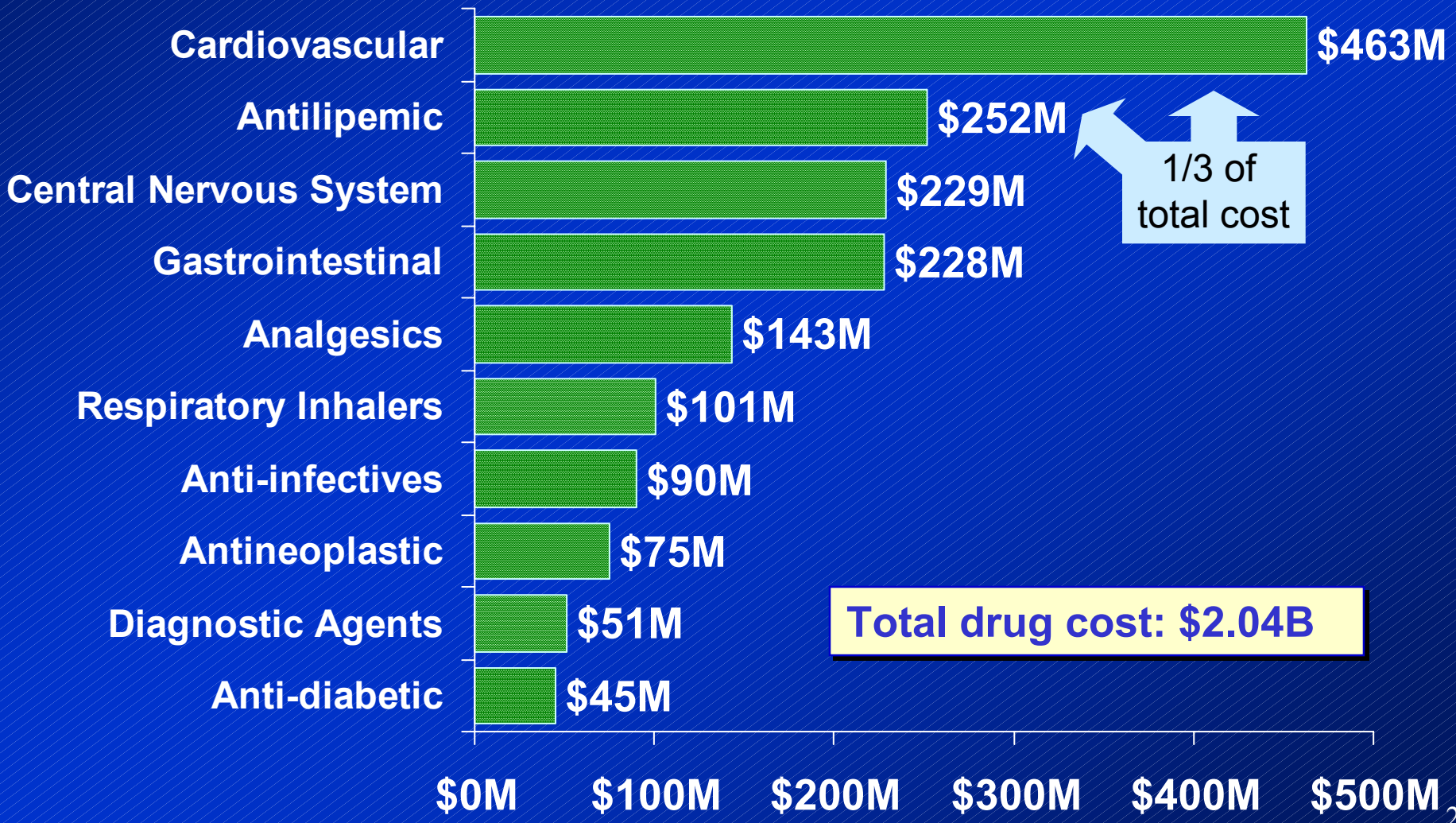
# Summary on Financial

- Concentration of costs: Top 5% heaviest drug users account for 27% of the total drug cost (same as last year). Their average cost per claimant is $5,416.

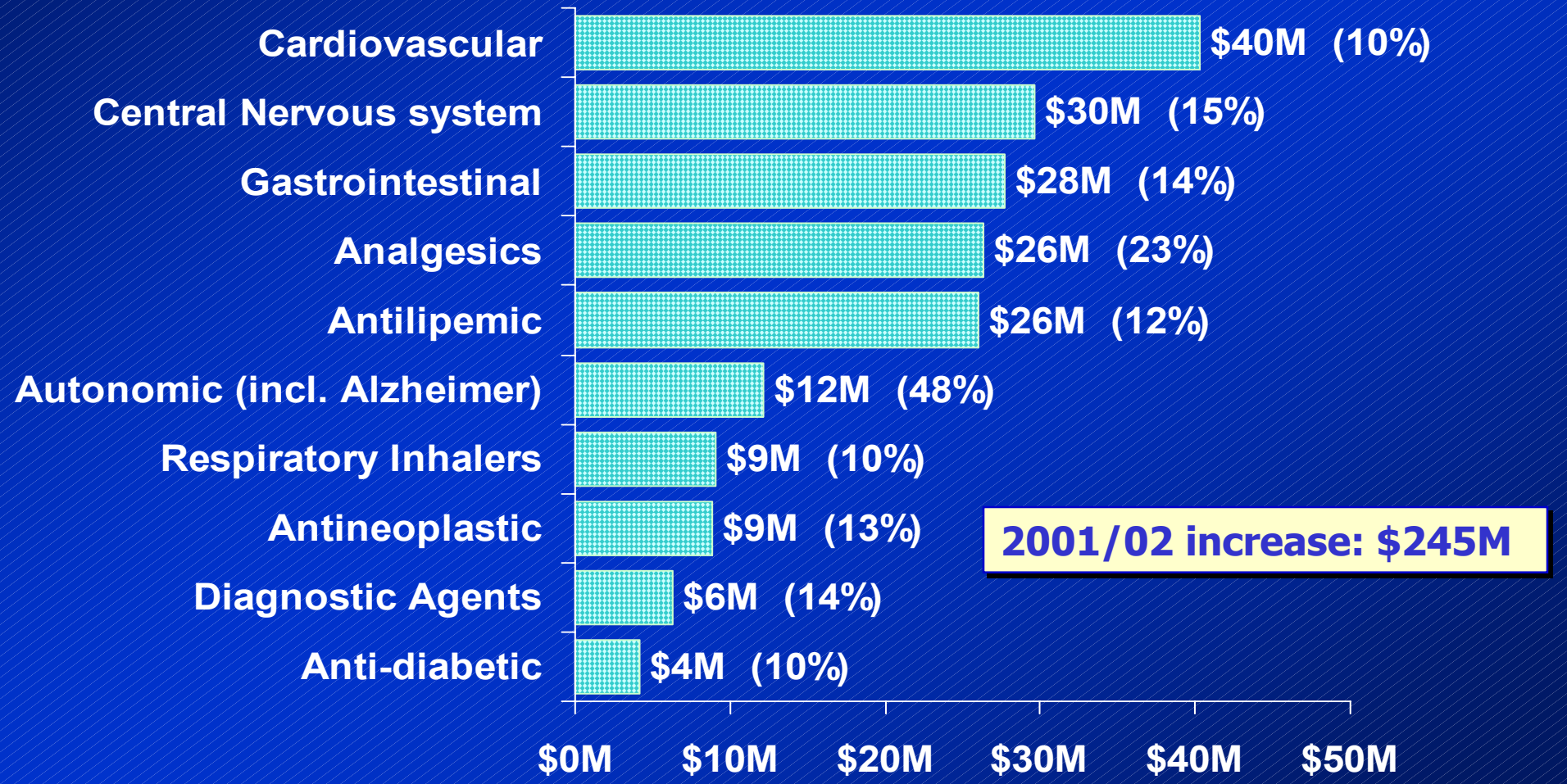
# II. Clinical/Evidence Based Indicators

- Top Therapeutic Classes & Fastest Growing
- Top Drugs & Fastest Growing
- Section 8
- Special Drugs Program

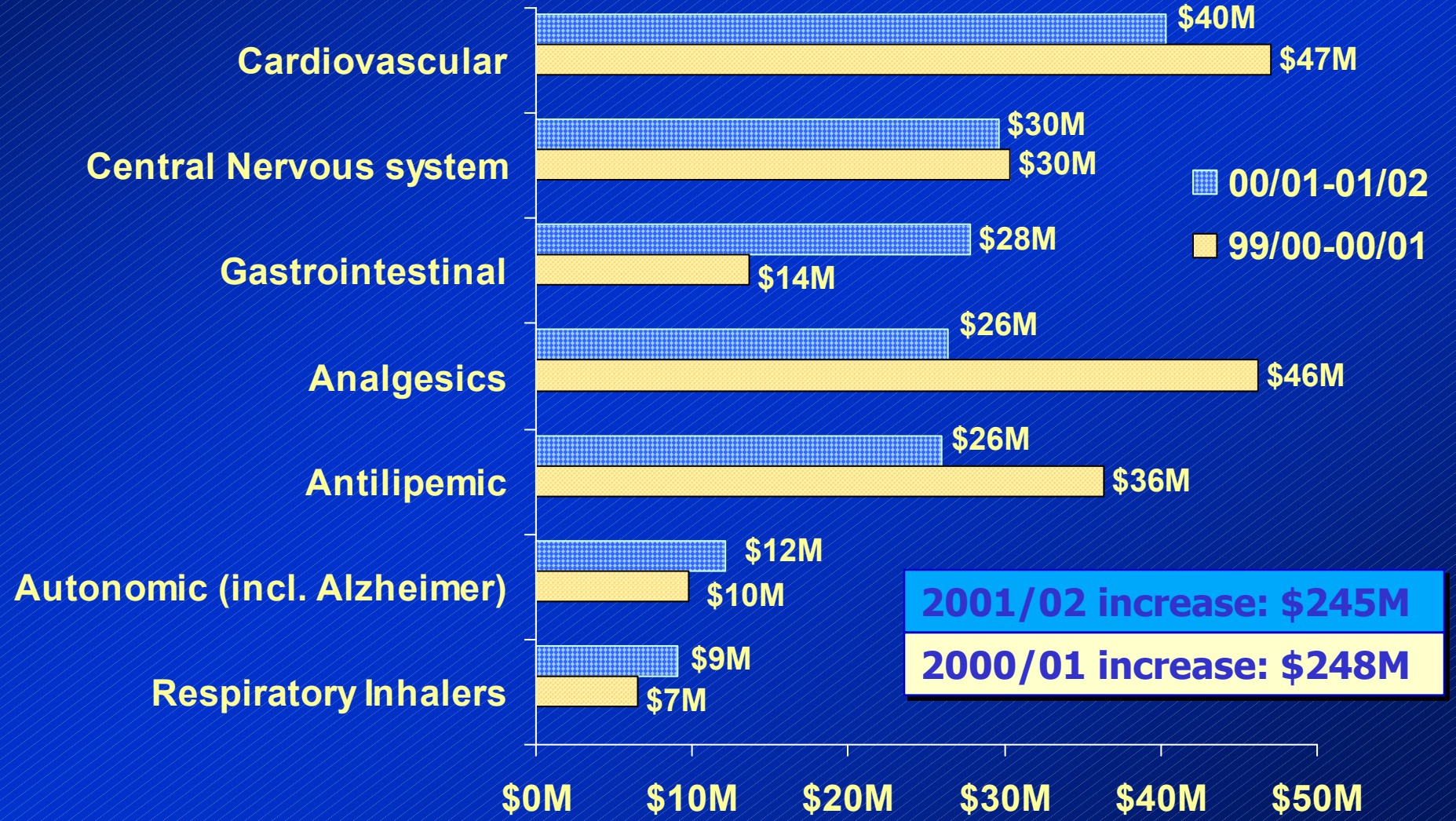
# Top-10 Therapeutic Classes by Drug Cost 2001/02



# Fastest Growing Classes
## by Drug Cost, 2000/01-2001/02



# Fastest Growing Classes by Drug Cost, 1999/00-2000/01 vs. 2000/01-2001/02



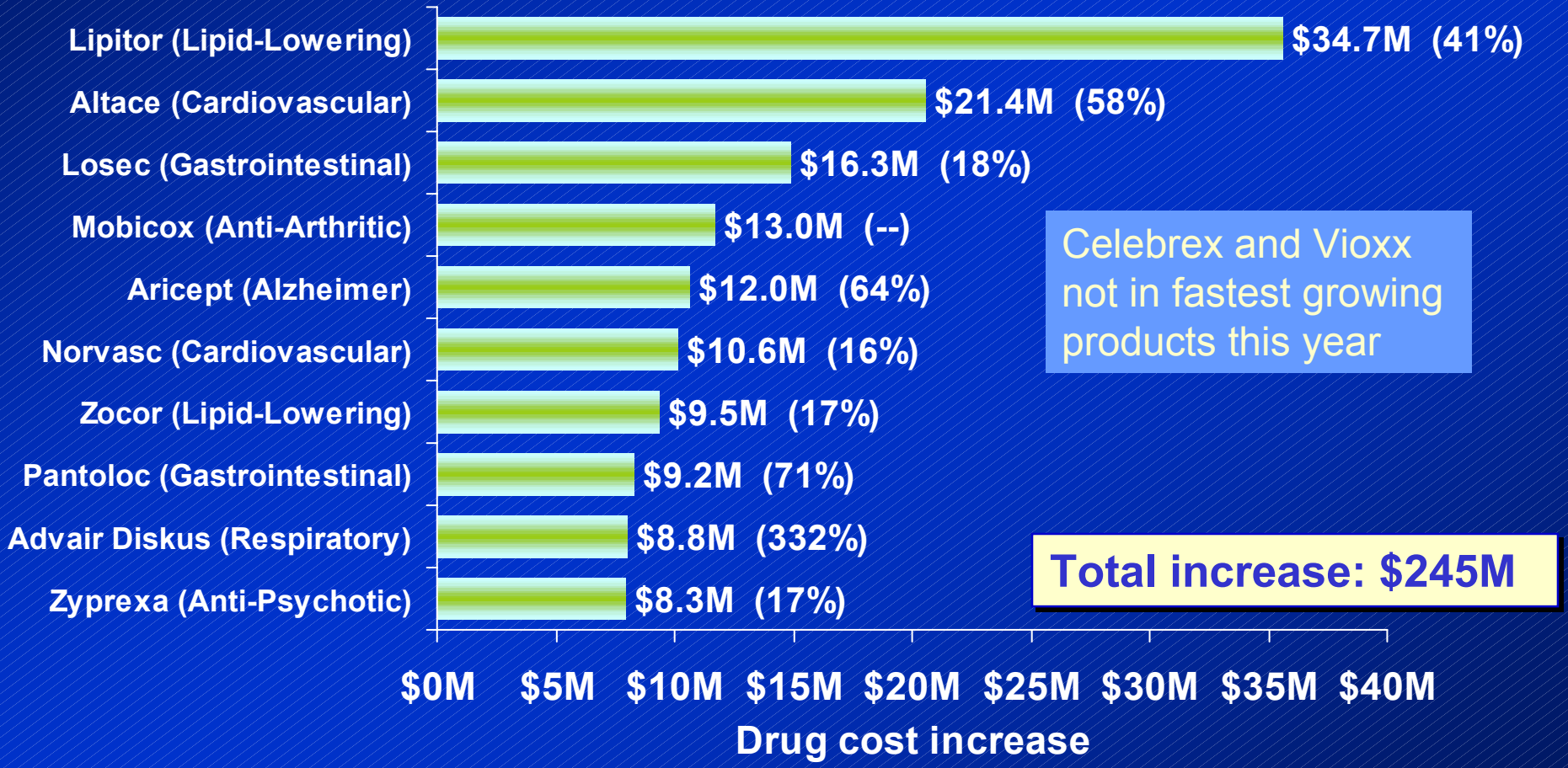
# Top-10 Chemicals by Drug Cost, 2001/02

| Rk | Drug Name | Class | Launch Year | Drug Cost | % Total Drug Cost |
|---|---|---|---|---|---|
| 1 | Atorvastatin (Lipitor) | Lipid-Lowering | 1997 | $123M | 6.0% |
| 2 | Omeprazole (Losec) - LU | Gastrointestinal | Bef. 93 | $100M | 4.9% |
| 3 | Amlodipine besylate (Norvasc) | Cardiovascular | Bef. 93 | $75M | 3.6% |
| 4 | Simvastatin (Zocor) | Lipid-Lowering | Bef. 93 | $66M | 3.2% |
| 5 | Ramipril (Altace) | Cardiovascular | 1994 | $56M | 2.7% |
| 6 | Olanzapine (Zyprexa) | Anti-psychotic | 1996 | $55M | 2.7% |
| 7 | Enalapril Maleate (Vasotec) | Cardiovascular | 1994 | $53M | 2.6% |
| 8 | Diagnostic Agent – Diabetes | Diagnostic Agents | | $52M | 2.5% |
| 9 | Fluticasone (Flovent) - LU | Respiratory | 1995 | $41M | 2.0% |
| 10 | Diltiazem HCl | Cardiovascular | Bef. 93 | $41M | 2.0% |
| TOTAL Top 10 | | | | $660M | 32.3% |

# Top-10 Chemicals by Days of Therapy, 2001/02

| Rk | Drug Name | Class | Days | % Total Days |
|---|---|---|---|---|
| 1 | Levothyroxine Sodium | Thyroid Hormone | 73M | 3.6% |
| 2 | ASA | Analgesic | 63M | 3.1% |
| 3 | Atorvastatin (Lipitor) | Lipid-Lowering | 60M | 2.9% |
| 4 | Ramipril (Altace) | Cardiovascular | 55M | 2.7% |
| 5 | Hydrochlorothiazide | Diuretics | 51M | 2.5% |
| 6 | Furosemide | Diuretics | 47M | 2.3% |
| 7 | Ranitidine HCL | Gastrointestinal | 46M | 2.2% |
| 8 | Amlodipine Besylate (Norvasc) | Cardiovascular | 44M | 2.2% |
| 9 | Atenolol | Cardiovascular | 44M | 2.2% |
| 10 | Conjugated Estrogens | HRT | 43M | 2.1% |
| TOTAL Top 10 | | | 525M | 25.7% |

# Fastest Growing Products
## 2000/01-2001/02




Celebrex and Vioxx not in fastest growing products this year

**Total increase: $245M**

**10 products = 56% of total increase (vs. 70% in 2000/01)**

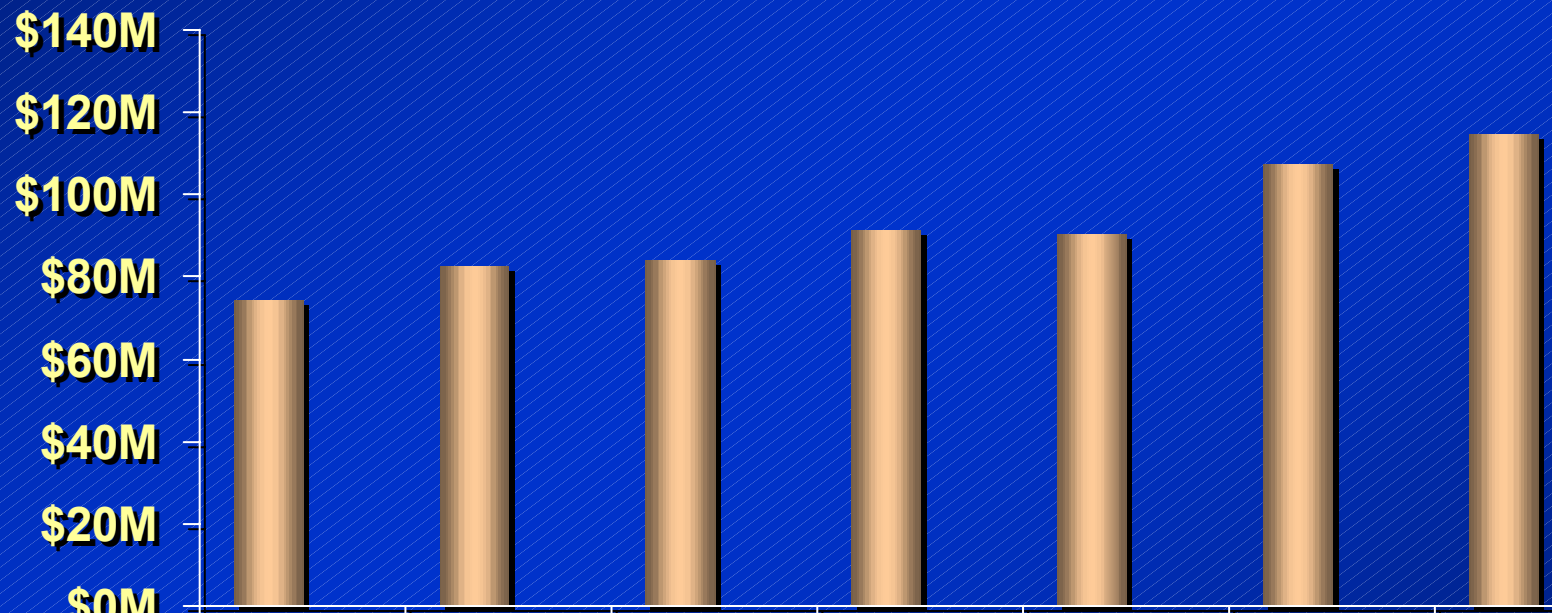
# Section 8, Top-10 Requested Drugs, 2001

| Rk | Drug | Requests | Approved | % Approved | Cost |
|---|---|---|---|---|---|
| 1 | Plavix | 20552 | 19971 | 97% | $7,623,111 |
| 2 | Avandia | 6521 | 5542 | 85% | $1,232,341 |
| 3 | Actos | 2552 | 2229 | 87% | $475,626 |
| 4 | Flomax | 2150 | 2089 | 97% | $355,900 |
| 5 | Neurontin | 1644 | 1352 | 82% | $516,090 |
| 6 | Neupogen | 1596 | 1358 | 85% | $4,813,259 |
| 7 | Miacalcin | 1494 | 1194 | 80% | $120,371 |
| 8 | Rebetron | 1051 | 854 | 81% | $5,362,091 |
| 9 | Eprex | 1019 | 550 | 54% | $2,170,358 |
| 10 | Singulair | 981 | 794 | 81% | $252,310 |
| Top-10 Total | | 39,560 | 35,933 | 83% | $22.9M |

# Section 8, Top-10 by Government Cost, 2001

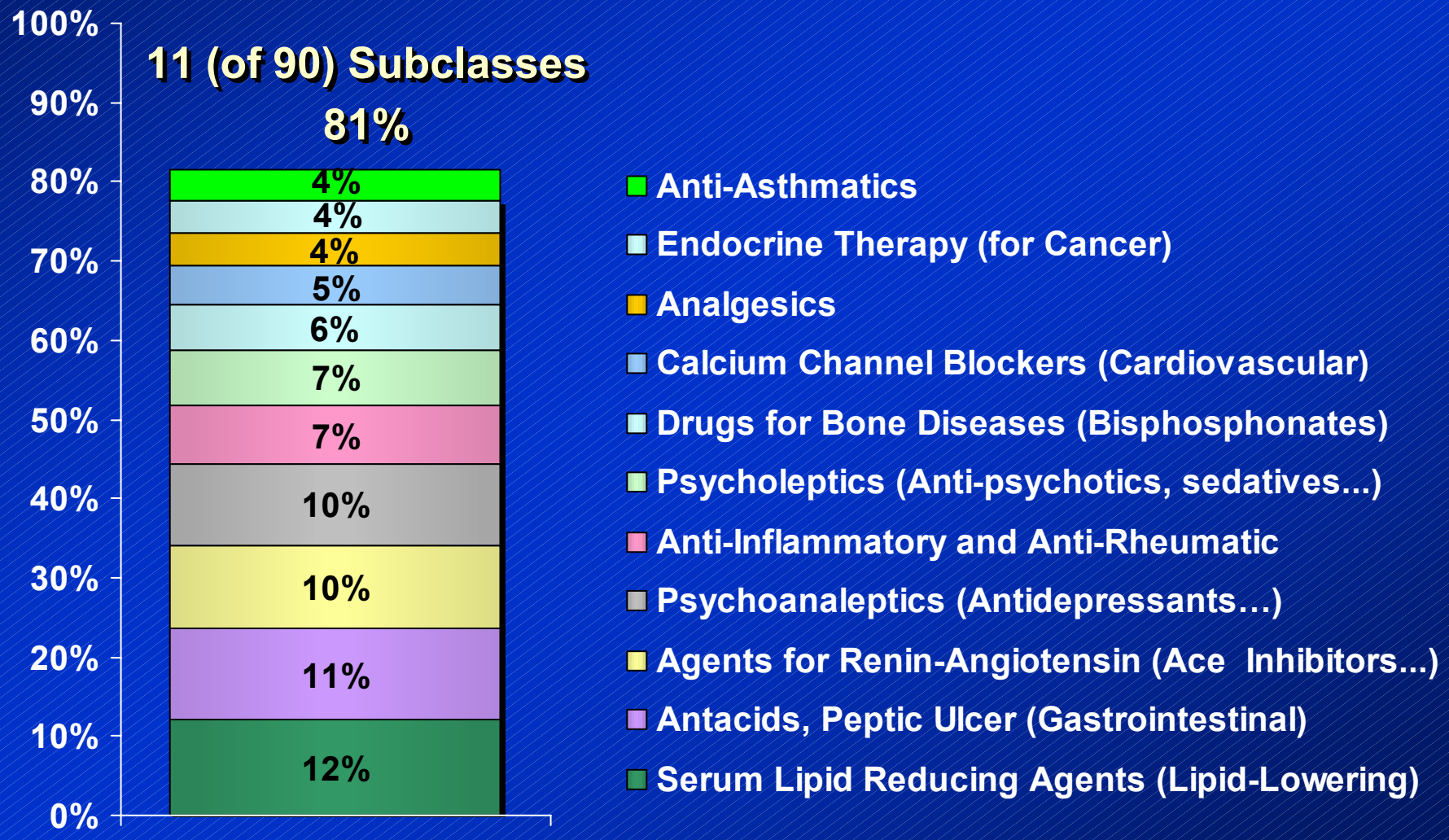
| Rk | Drug | Claimants | Rx | Gvt Cost |
|---|---|---|---|---|
| 1 | Plavix | 16,127 | 88,244 | $10.5M |
| 2 | Rebetron | 565 | 3,628 | $5.6M |
| 3 | Rebif | 348 | 2,937 | $5.0M |
| 4 | Neupogen | 702 | 2,724 | $5.0M |
| 5 | Betaseron | 299 | 2,479 | $4.1M |
| 6 | Eprex | 272 | 1,442 | $3.0M |
| 7 | Copaxone | 275 | 1,986 | $2.4M |
| 8 | Kaletra | 450 | 2,600 | $2.3M |
| 9 | Intron A | 253 | 1,346 | $2.0M |
| 10 | Sandostatin LAR | 111 | 865 | $1.9M |
| Total Top 10 Section 8 | | 19,324 | 108,251 | $41.7M |
| % Top 10 Section 8 / Total Section 8 FY 2001/02 | | 51.8% | 50.7% | 64.0% |

# Special Drugs Program, 1995/96 to 2001/02




| | 95/96 | 96/97 | 97/98 | 98/99 | 99/00 | 00/01 | 01/02 |
|---|---|---|---|---|---|---|---|
| Cost ($M) | 74.5M | 82.6M | 84.0M | 91.5M | 90.2M | 107.3M | 114.6M |
| Change | | 10.9% | 1.7% | 9.0% | -1.4% | 18.8% | 6.8% |

# Contribution to Drug Cost Increase by ATC Subclass, 2000-2001



# Prescribing Guidelines

- OPOT published 7 sets of guidelines
  - Musculoskeletal
  - Peptic ulcer GERD
  - Stable ischemic heart disease
  - Chronic heart failure
  - Diabetes mellitus
  - Osteoporosis
  - Anxiety disorders

# 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

# Drug Utilization Advisory Committee

- Joint committee of government and industry representatives to look at optimizing utilization
  - DUR's in partnership with manufacturers

# 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

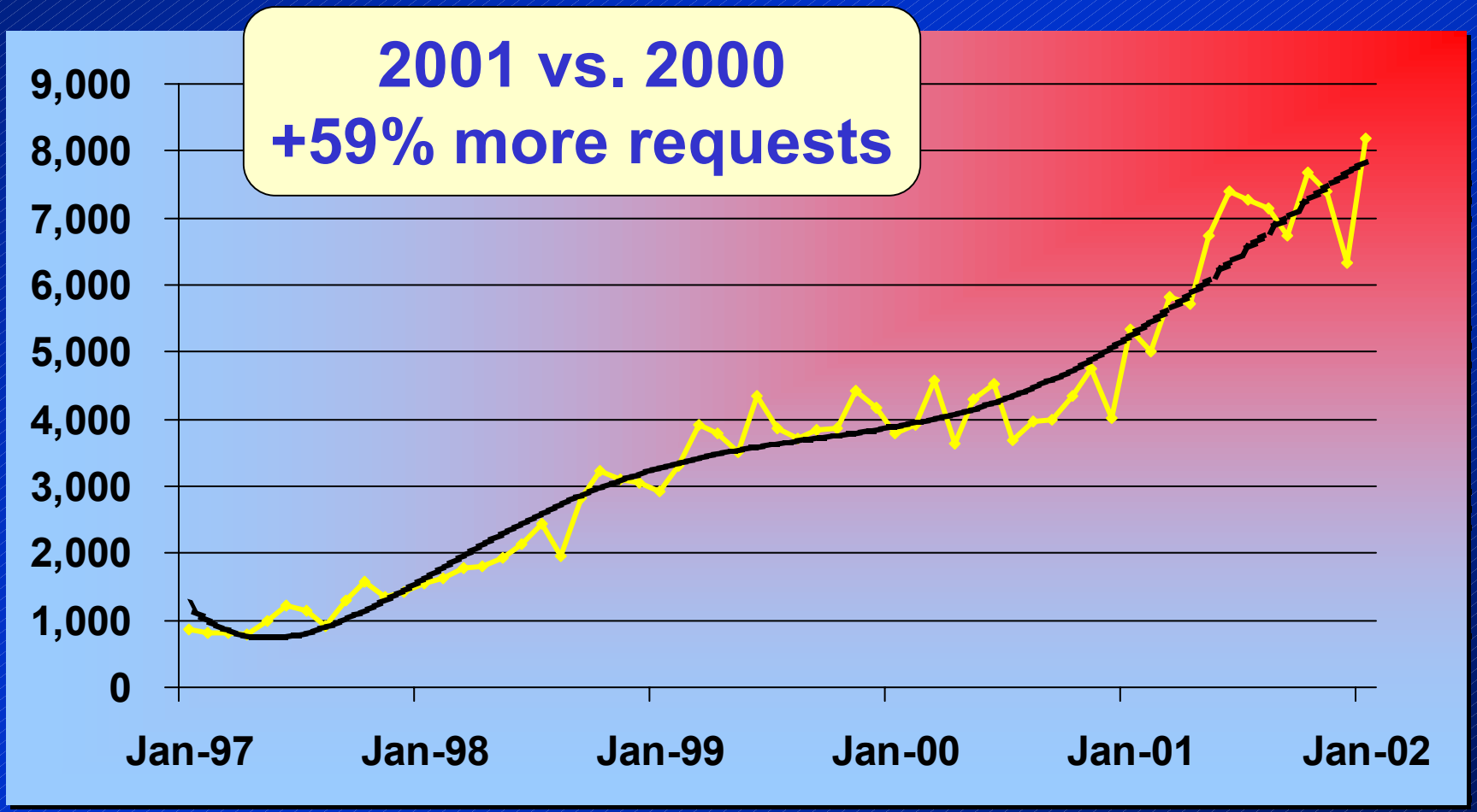
# Summary on Clinical Indicators

- Fastest growing classes
- Therapeutic class concentration 11 classes (out of 90) = 81% of drug cost increase
- Products driving their class: Lipitor, Altace, Losec, Mobicox, Aricept, Advair Diskus, Zyprexa
- Top-10 products = nearly 1/3 of drug cost

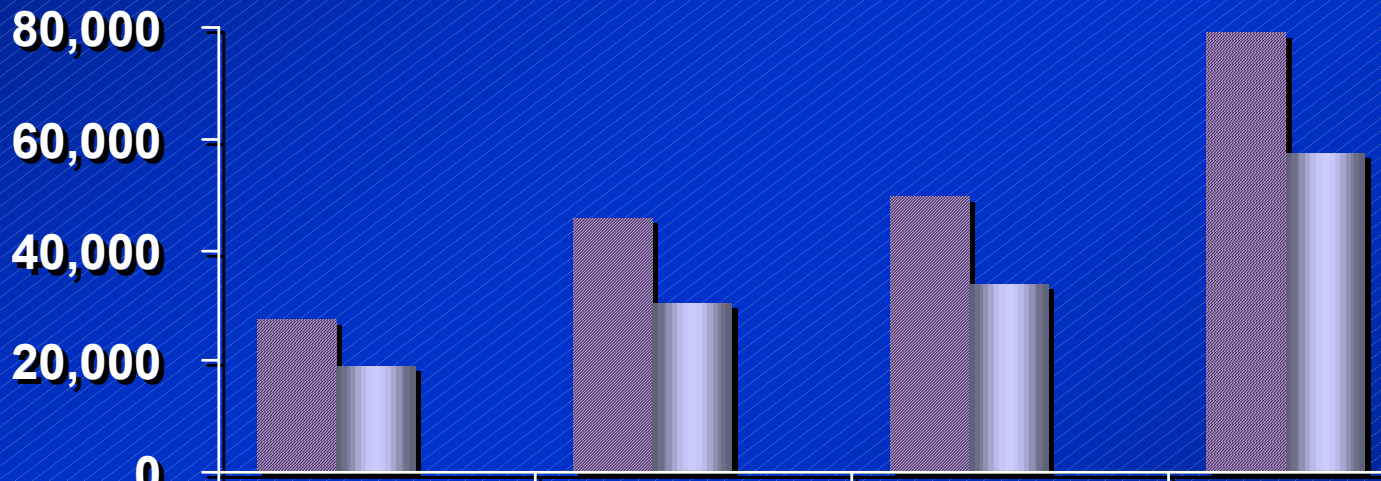
# III. Customer Satisfaction Indicators

- Section 8 Claims
- Product Review Timeline
- Trillium Drug Program
- Limited Use

# Monthly Section 8 Requests
## January 1997 - January 2002

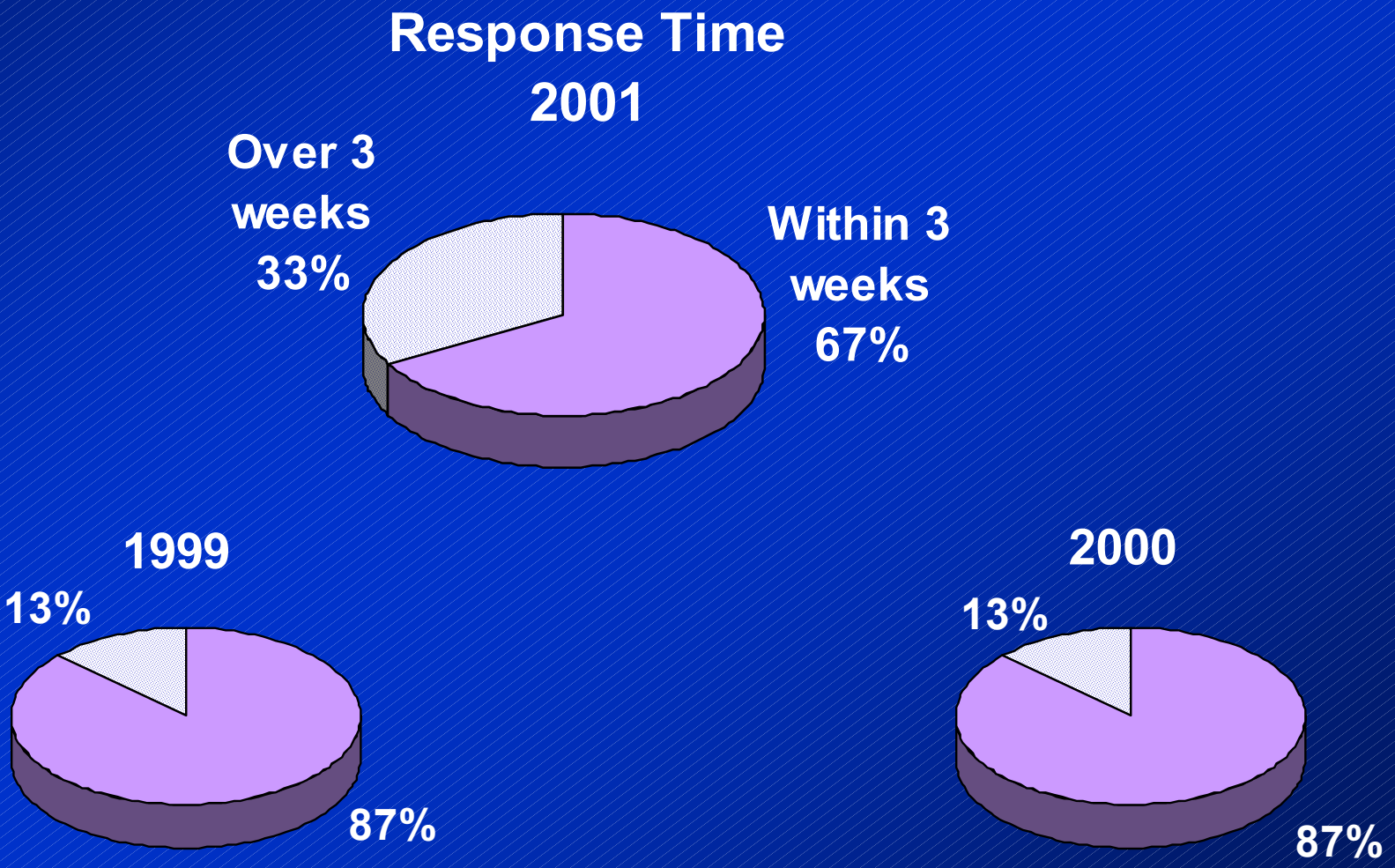


# Section 8 Requests & Approval Rate, 1998-2001




| | 1998 | 1999 | 2000 | 2001 |
|---|---|---|---|---|
| Received | 27,472 | 45,694 | 49,518 | 78,855 |
| Approved | 18,924 | 30,487 | 34,110 | 57,628 |
| % Increase | 108% | 66% | 8% | 59% |
| % Approved | 69% | 67% | 69% | 73% |

# Section 8
# Requests and Response Time

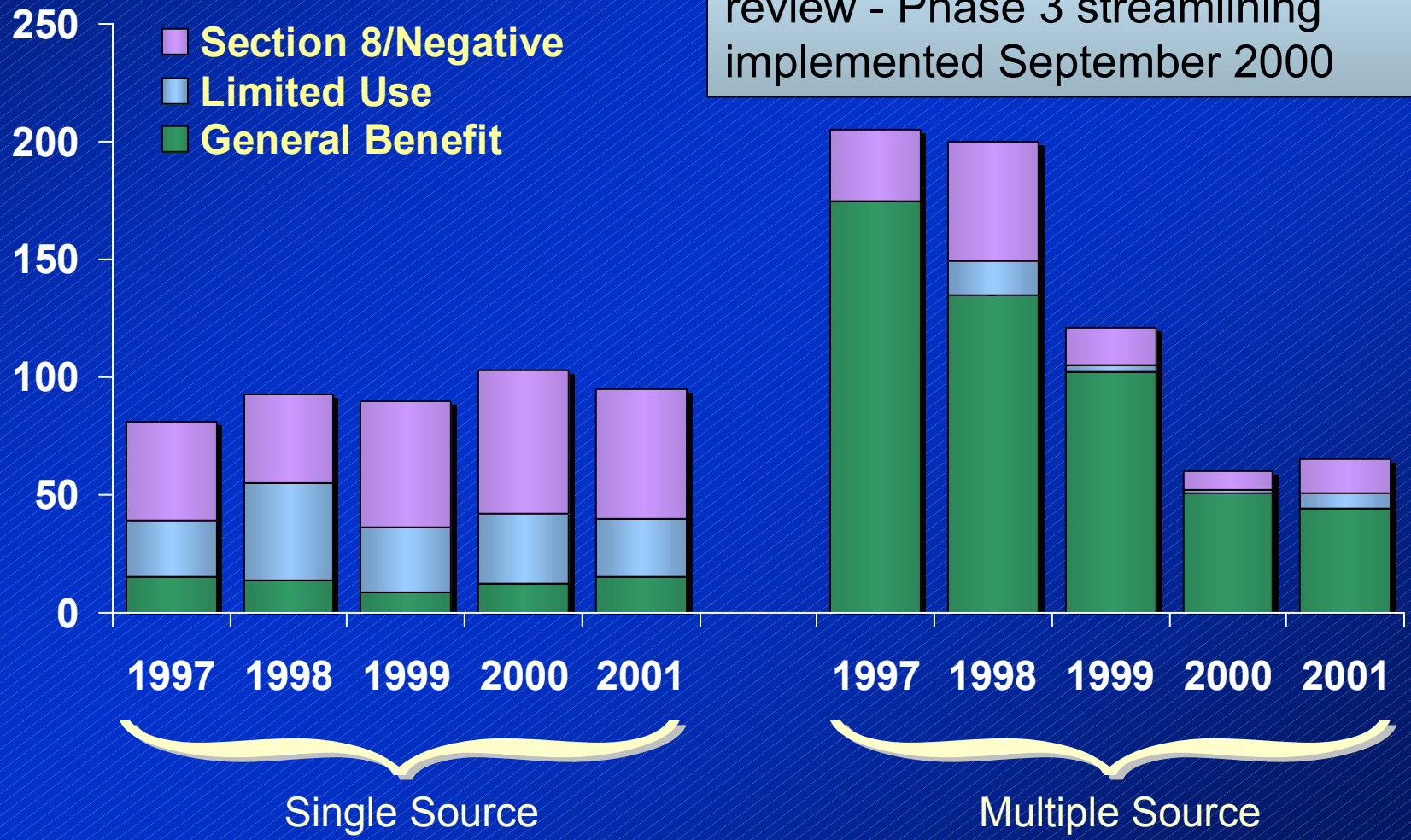


# Individual Clinical Review (Section 8), 2001

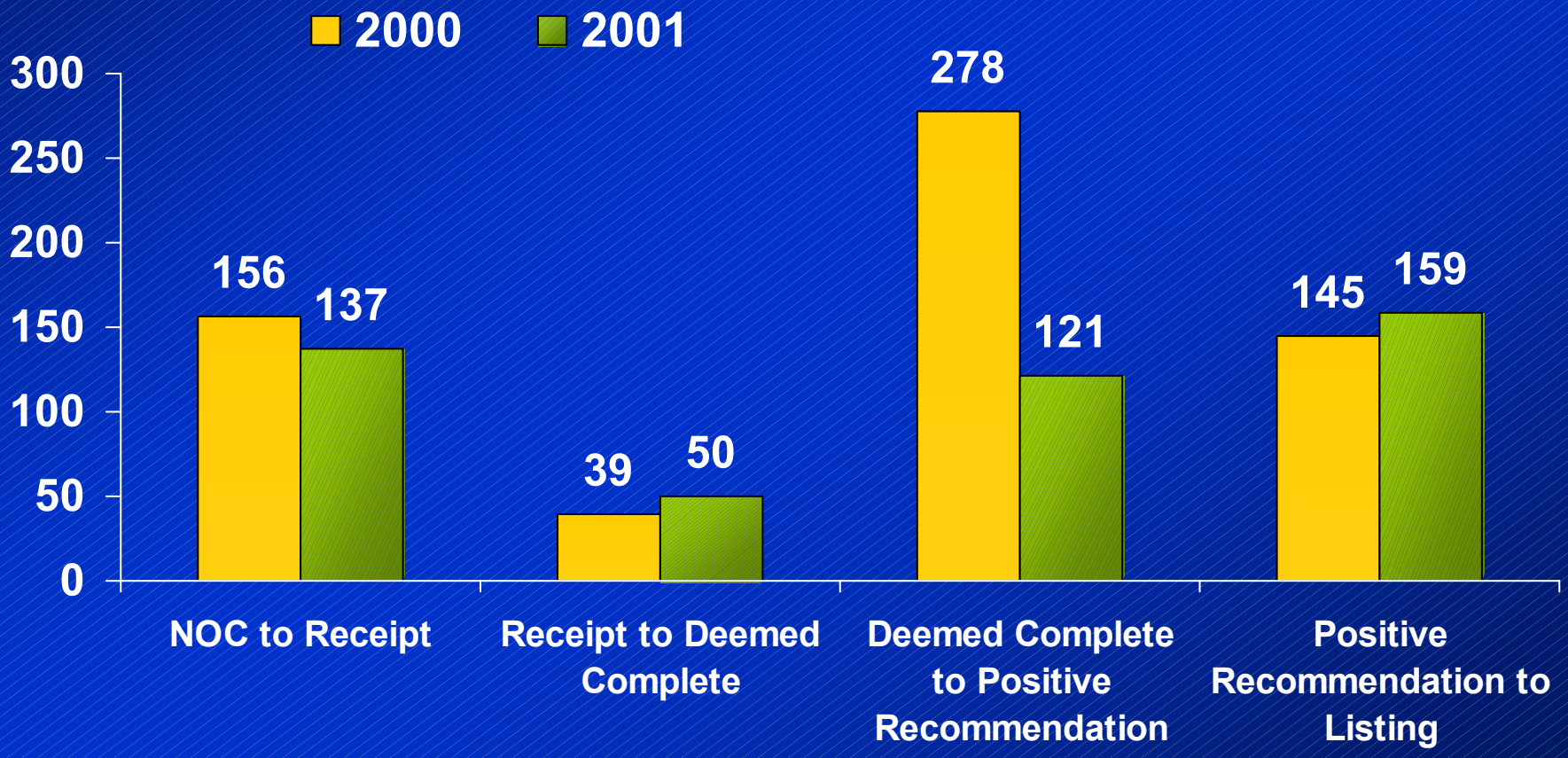
- 1243 drug products
- Average Turnaround: 15.3 days
- Over 10,000 physicians
- 109 physicians make greater than 50 requests
- 51,453 patients

# DQTC Recommendations First Review, 1997-2000

58 products approved without DQTC review - Phase 3 streamlining implemented September 2000

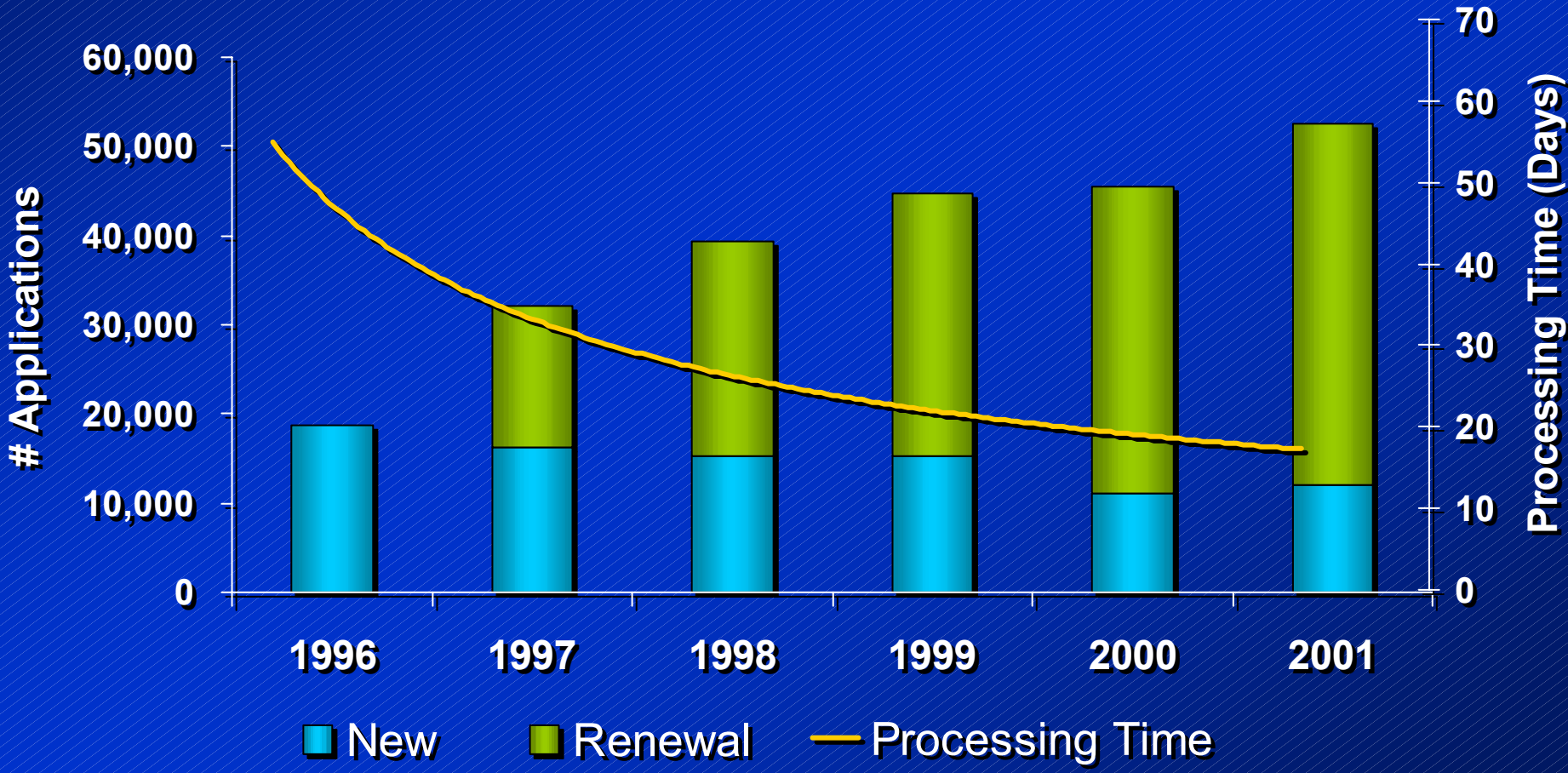


# DPB Review Timeline
## Products Listed in 2000 & 2001




N=42 Single Source DINs Listed in 2001 (Edition 37 + 2 updates)

# Number of Applications & Processing Time, Trillium, 1996-2001



# Limited Use Tripartite Committee

- Formed to promote discussion on how to improve the Limited Use mechanism between physicians, pharmacists and the MOHLTC
  - streamlined prescription pads
  - published LU code wall charts
  - held international policy conference, Fall 2001

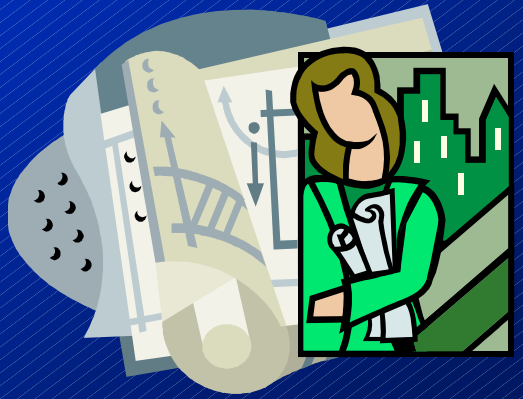
# Customer Service Standards

- 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

# Summary Customer Satisfaction

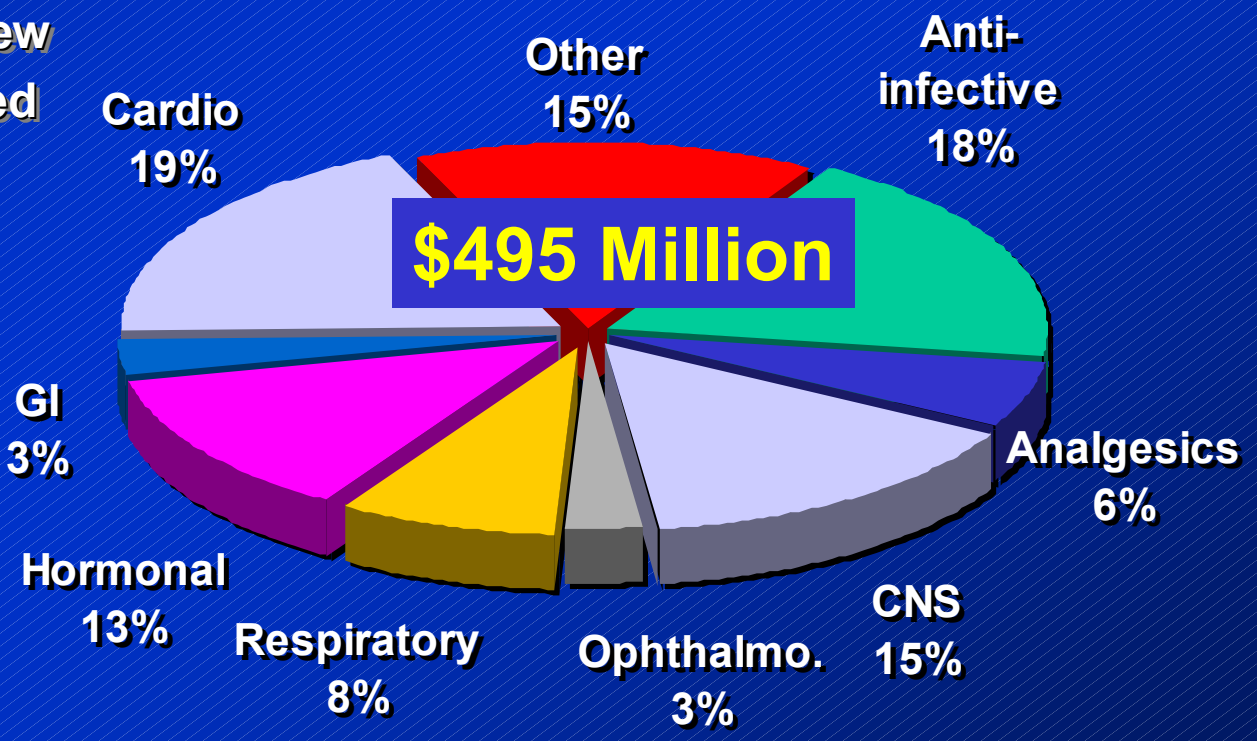
- Significant improvements have been made over past 5 years
- Section 8 customer service challenged by large growth (59%) and limited resources
- Will continue to be challenged given defined resources for program administration
- Important to measure over time to monitor impact of program changes and identify opportunities for improvement

# IV. Operational Policy Indicators/Initiatives



# Written Agreements by Therapeutic Class, 2001/02

- Forecasted cost provided by manufacturers for each of the first three years of new single-source drugs listed
- 144 agreements have been signed (includes Update 3 to Edition No. 37) .



# Written Agreements Experience to Date

| Written Agreement Level | Number | Percentage |
|---|---|---|
| Over written agreement amount | 8 | 6% |
| Tracking over written agreement amount | 30 | 22% |
| Tracking at or slightly below written agreement level (i.e., >80% to <=100%) | 25 | 19% |
| Tracking below written agreement level (i.e., <=80%) | 72 | 53% |
| TOTAL | 135 | |

(Agreements up to and including Update 2 to Formulary No. 37)

# 2001/02 Achievements

- Three updates to formulary
- Fully implemented Phase III Streamlining
  - meetings held with CDMA and Rx&D
- Partnership with POPs to look at drug utilization
  - Aricept, Cox II's and adherence to statins
- Limited Use Policy Conference held in Fall 2001

# 2001/02 Achievements

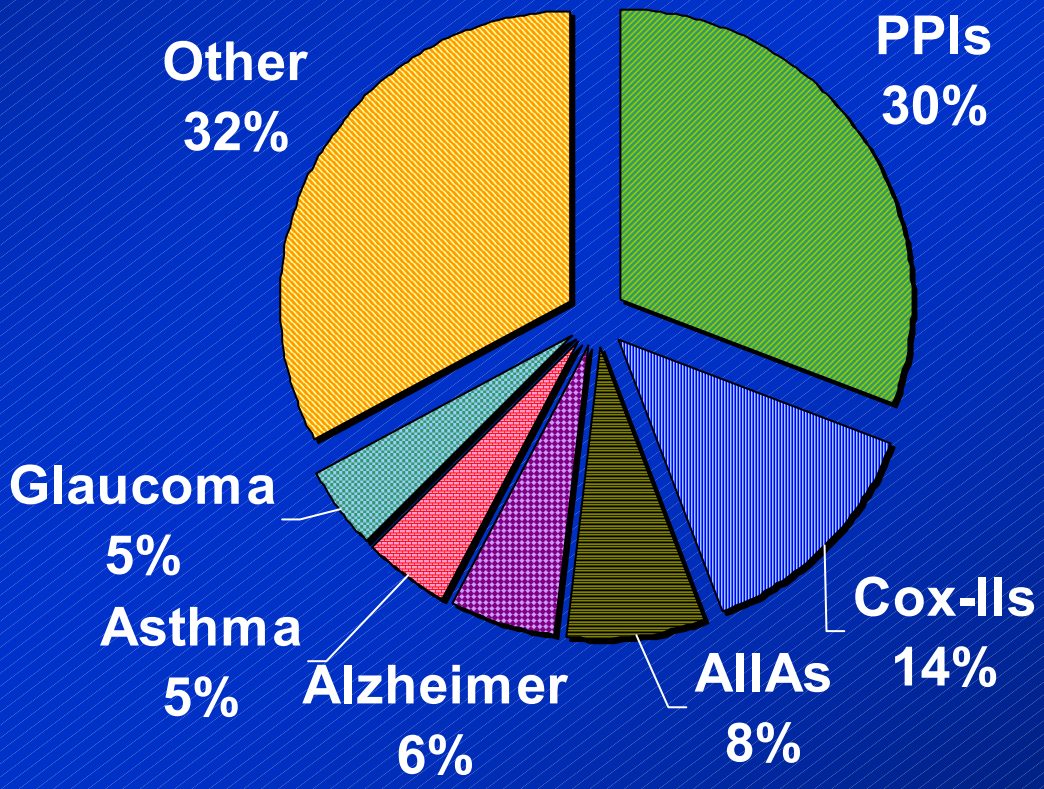
- Three modernization review of formulary completed:
  - nutritional products
  - nasal steriods
  - HIV/AIDS Drugs
- DQTC published bulletins with formulary updates to key stakeholders
- Operational review of Section 8 initiated

# V. Impact of Limited Use Policy

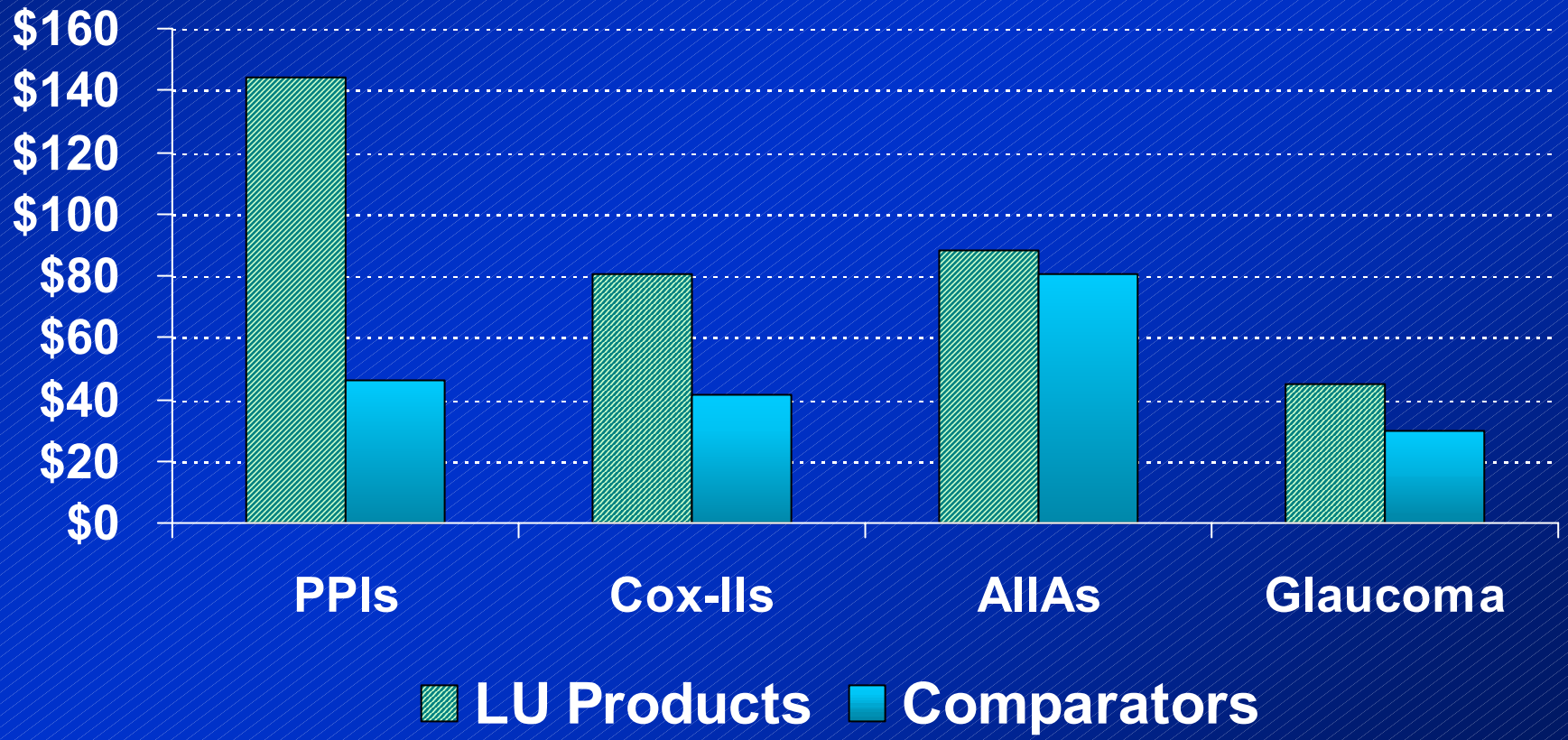
# Main Classes of LU Products 2001 (Calendar Year)

| | Drug Cost | %ODB |
|---|---|---|
| Proton Pump Inhibitors: | $ 99M | 5.5% |
| Cox-II Inhibitors: | $ 46M | 2.6% |
| Angiotensin II Antagonists: | $ 29M | 1.6% |
| Alzheimer Drugs: | $ 25M | 1.5% |
| Anti-Asthmatics: | $ 15M | 0.9% |
| Glaucoma Products: | $ 16M | 1.0% |
| **All LU Products:** | **$ 424M** | **22.3%** |

# Distribution of LU Costs
## Senior Programs, 2001 (Calendar Year)

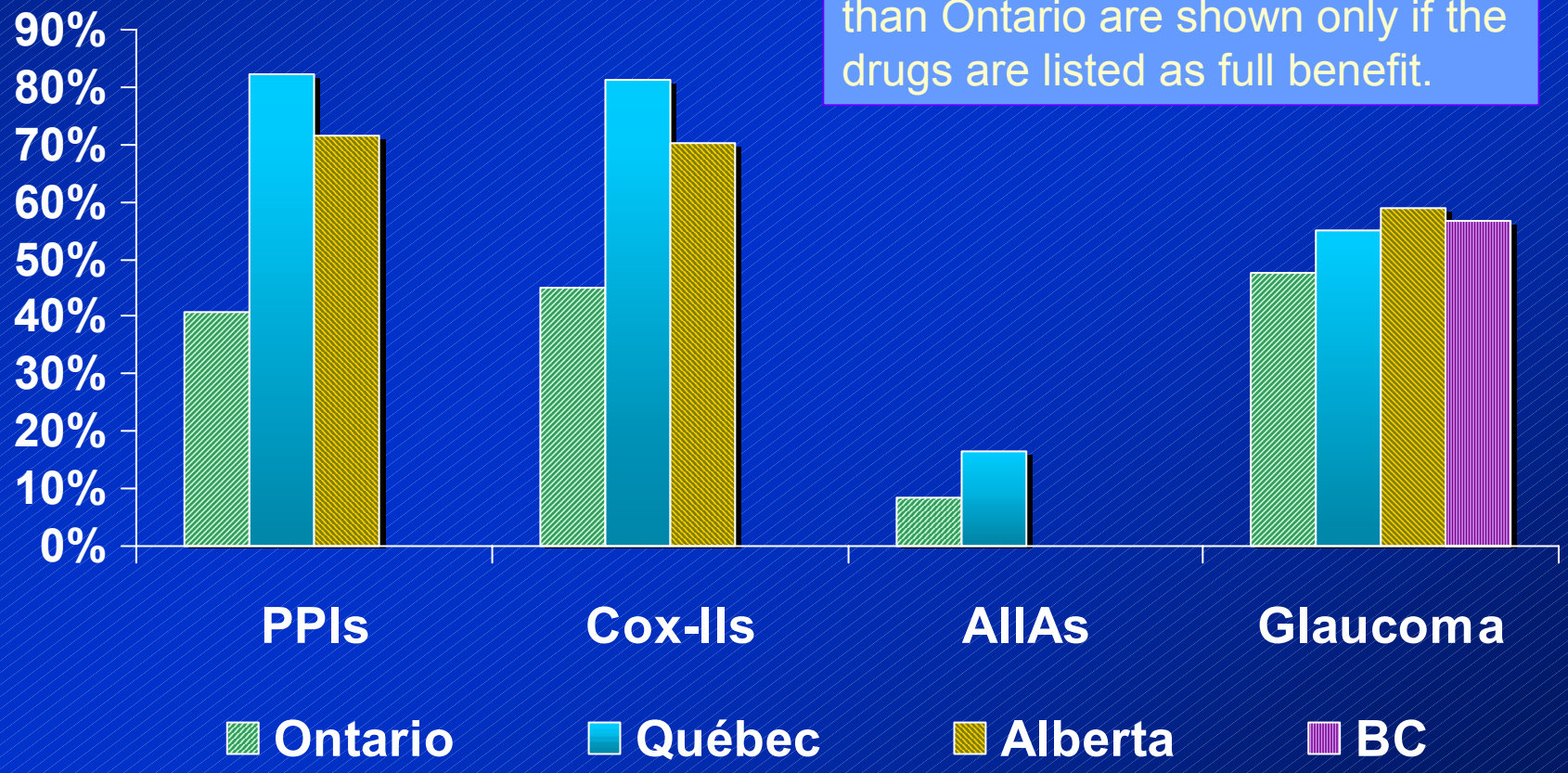


# Cost per Claim of Selected LU Products, Senior Programs, 2001

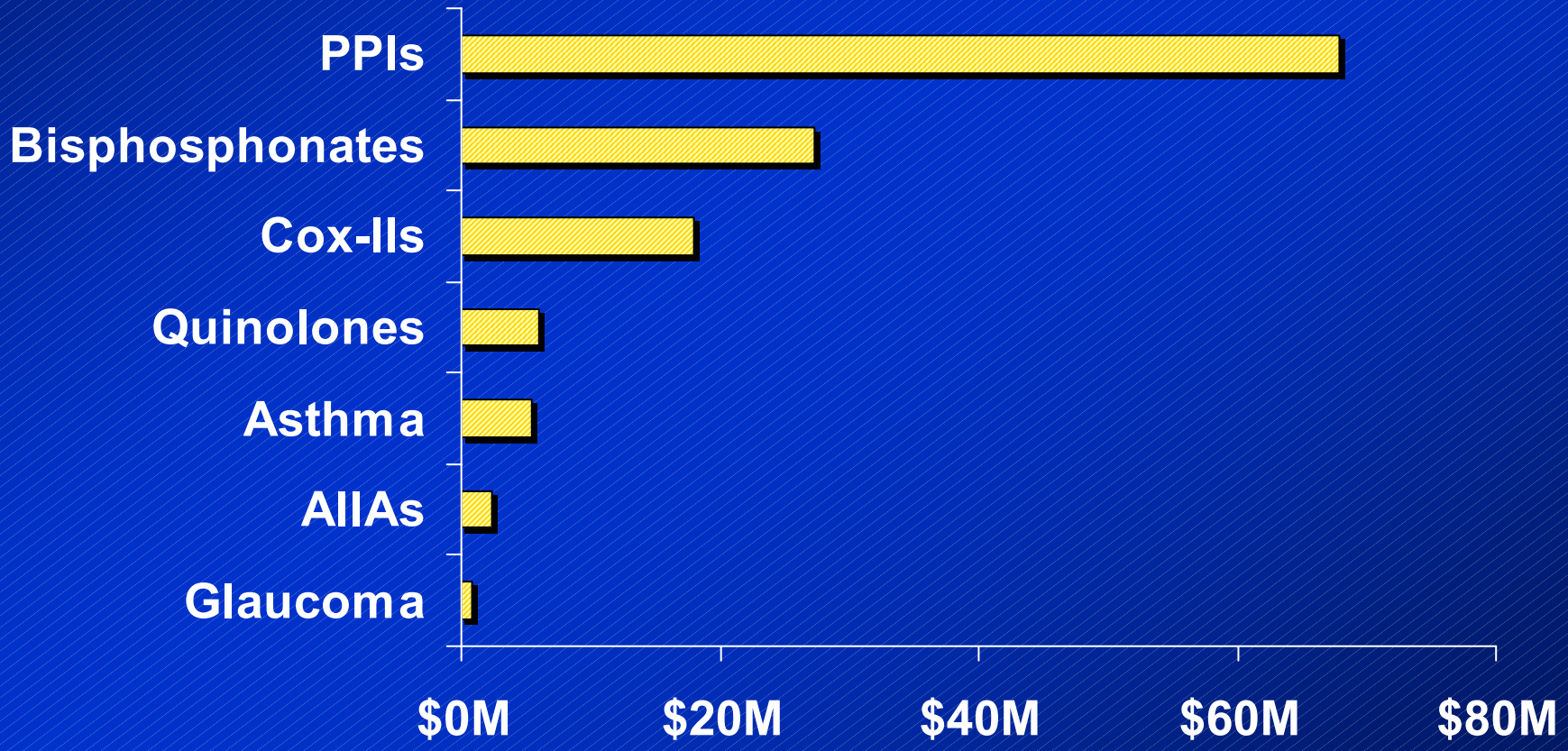


# Market Share (Claims) of LU Products, by Province, Senior Programs, 2001 (Calendar Year)

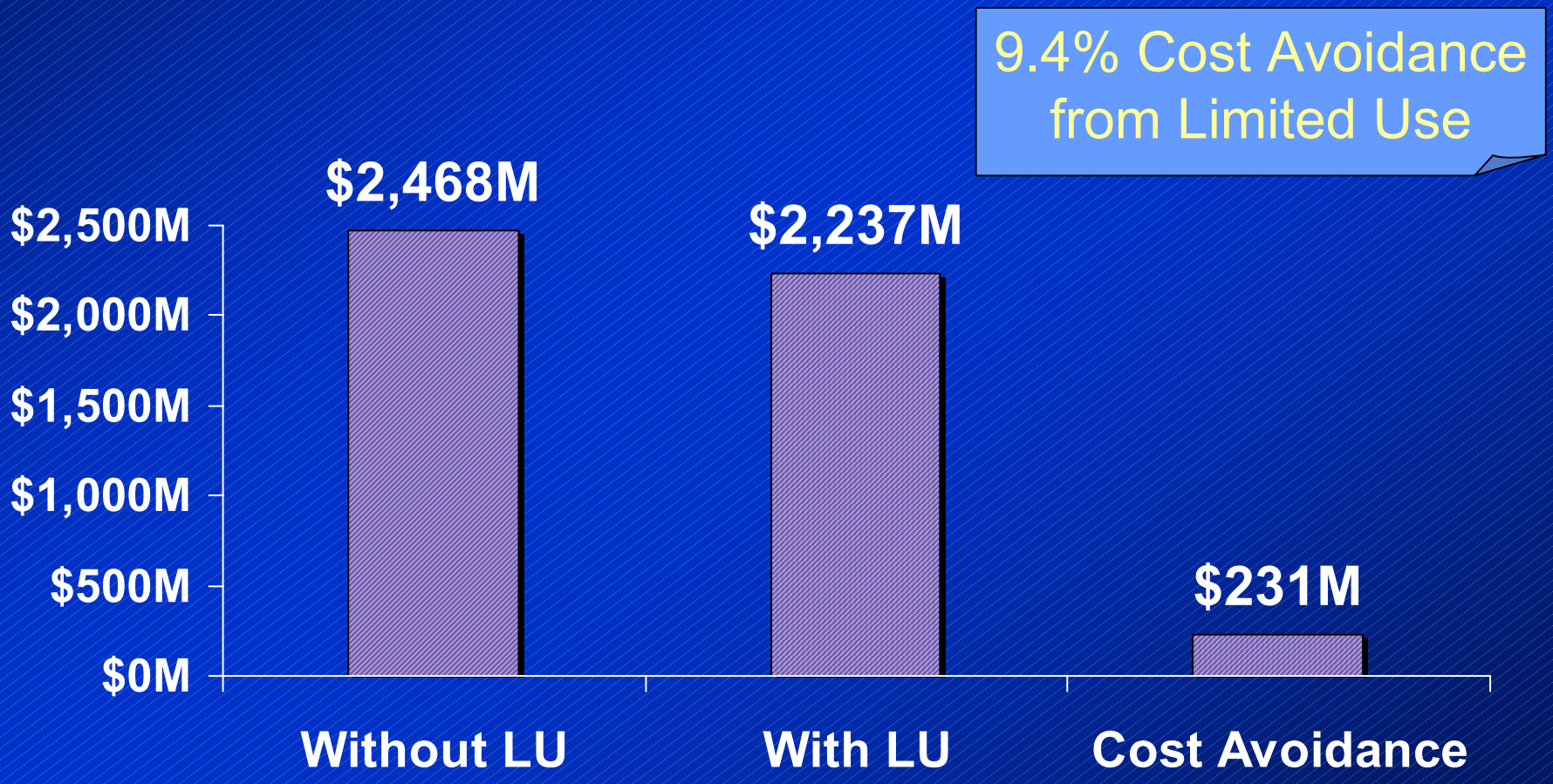
Market shares in provinces other than Ontario are shown only if the drugs are listed as full benefit.



# Cost Avoidance with LU
## Selected Classes, Senior Programs, 2001 (Calendar Year)

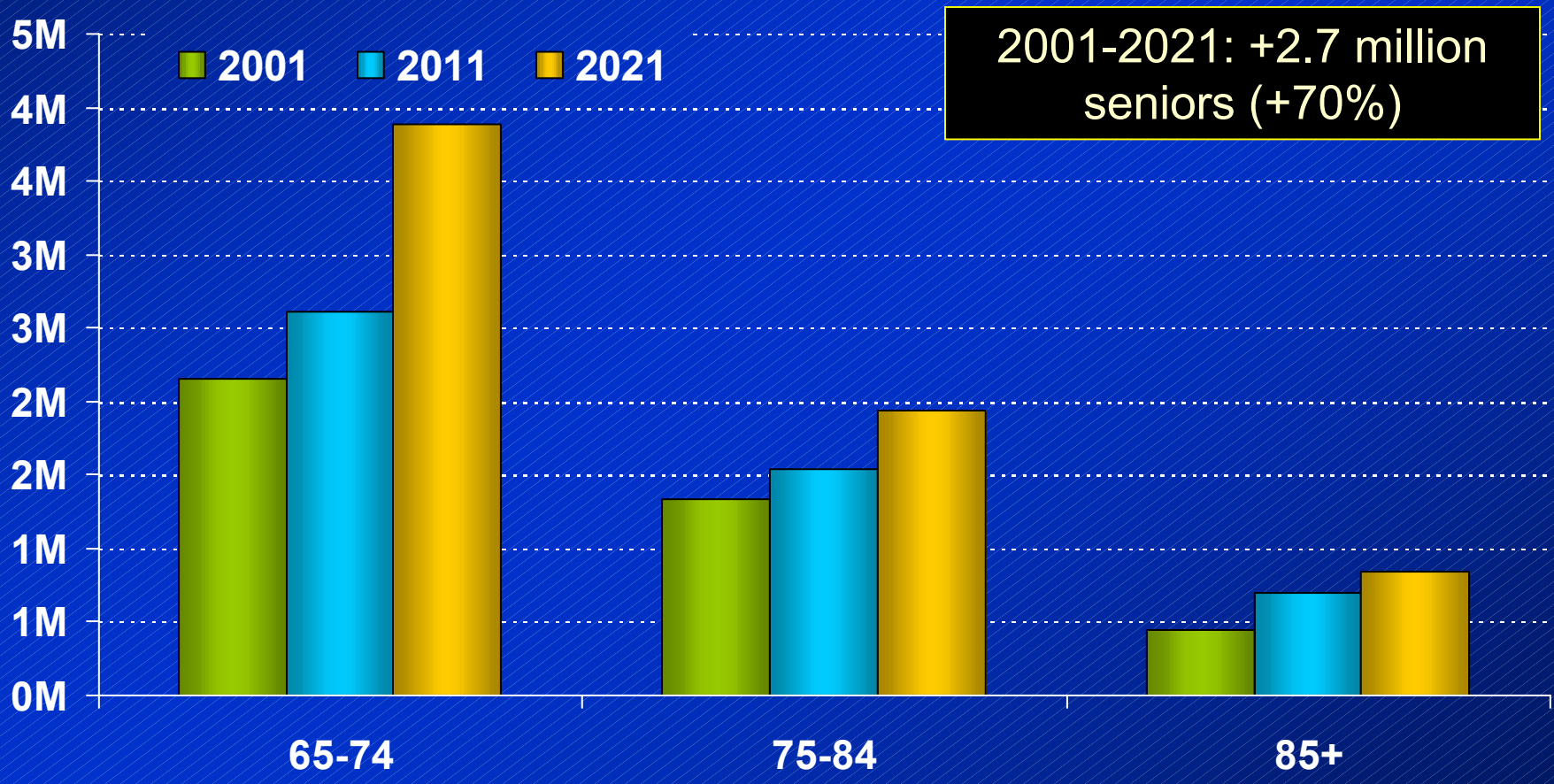


# Total Cost with and without Limited Use, 2001 (Calendar Year)



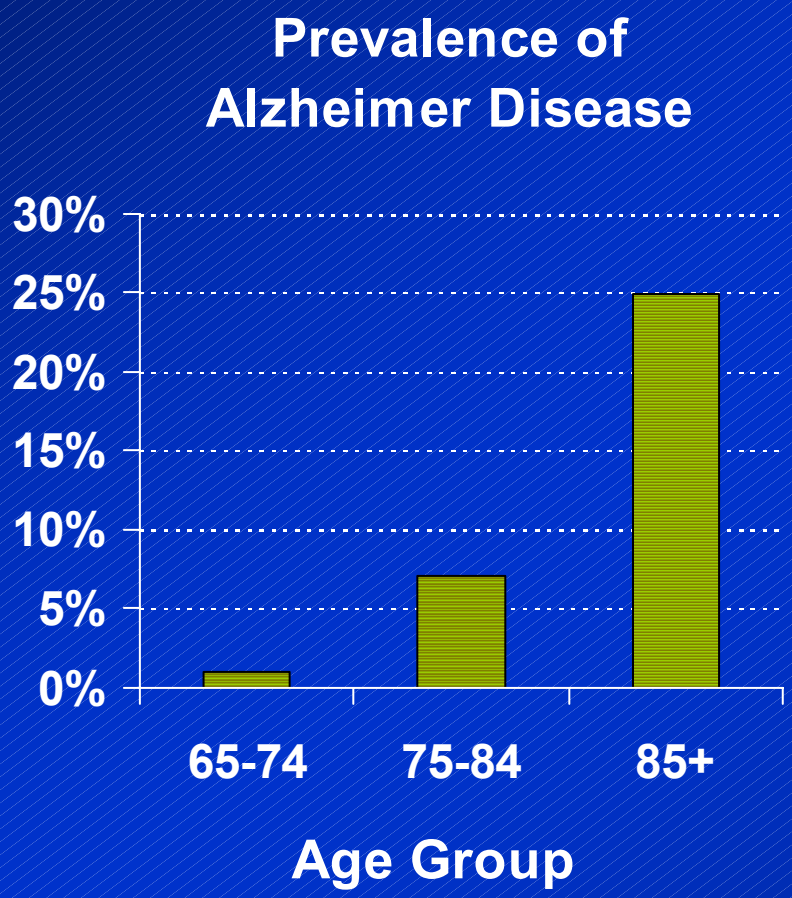
# VI. Case Study
# Alzheimer Disease

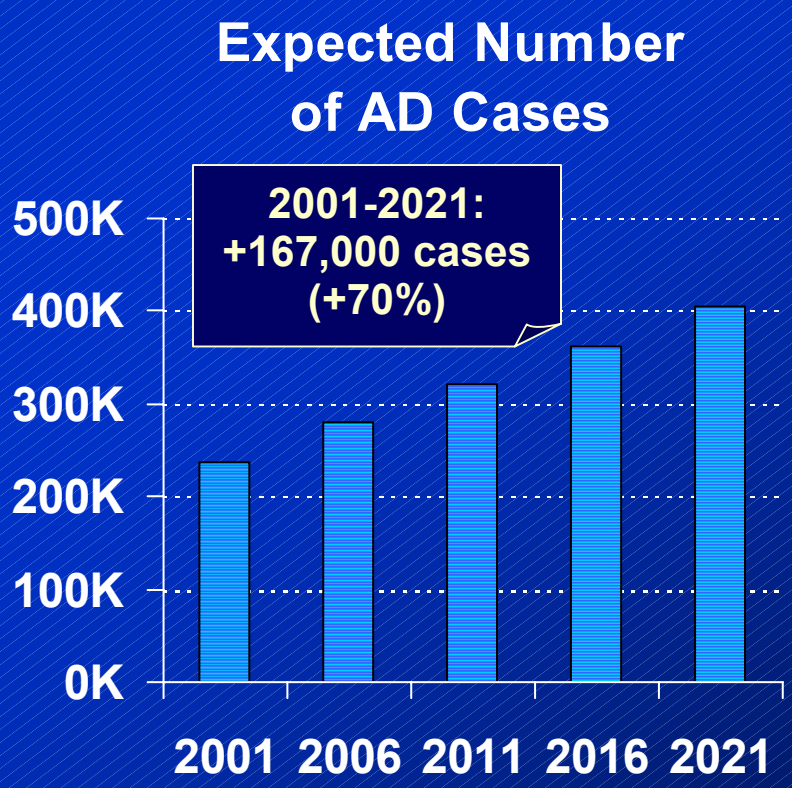
# Canadian Population Projection, 2001-2021




*Source: Statistics Canada*

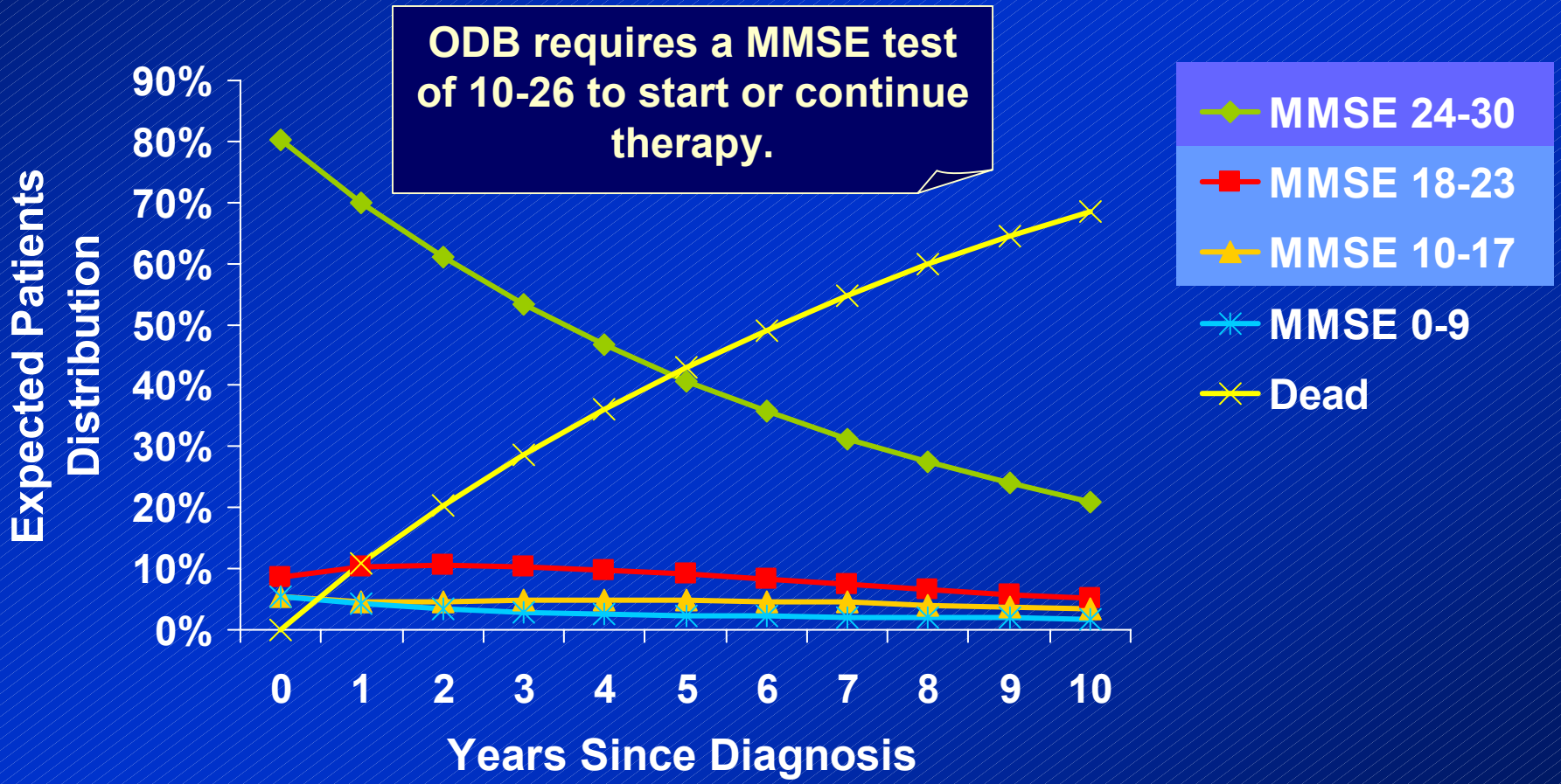
# Expected Number of AD Cases, 2001-2021



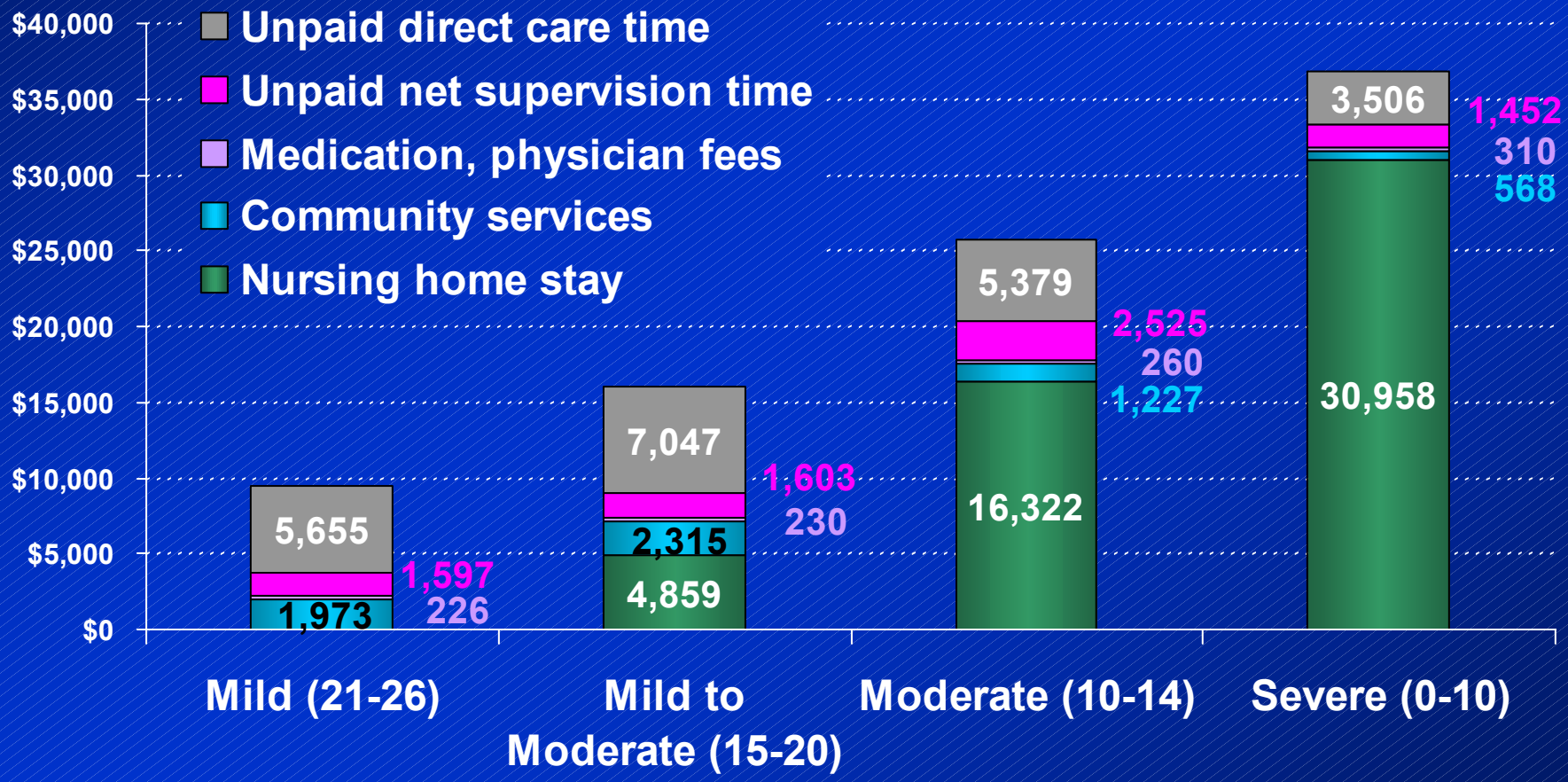

*Adapted from data from Alzheimer Society, www.alzheimer.ca, and Statistics Canada*

# Expected Evolution of Alzheimer Cohort



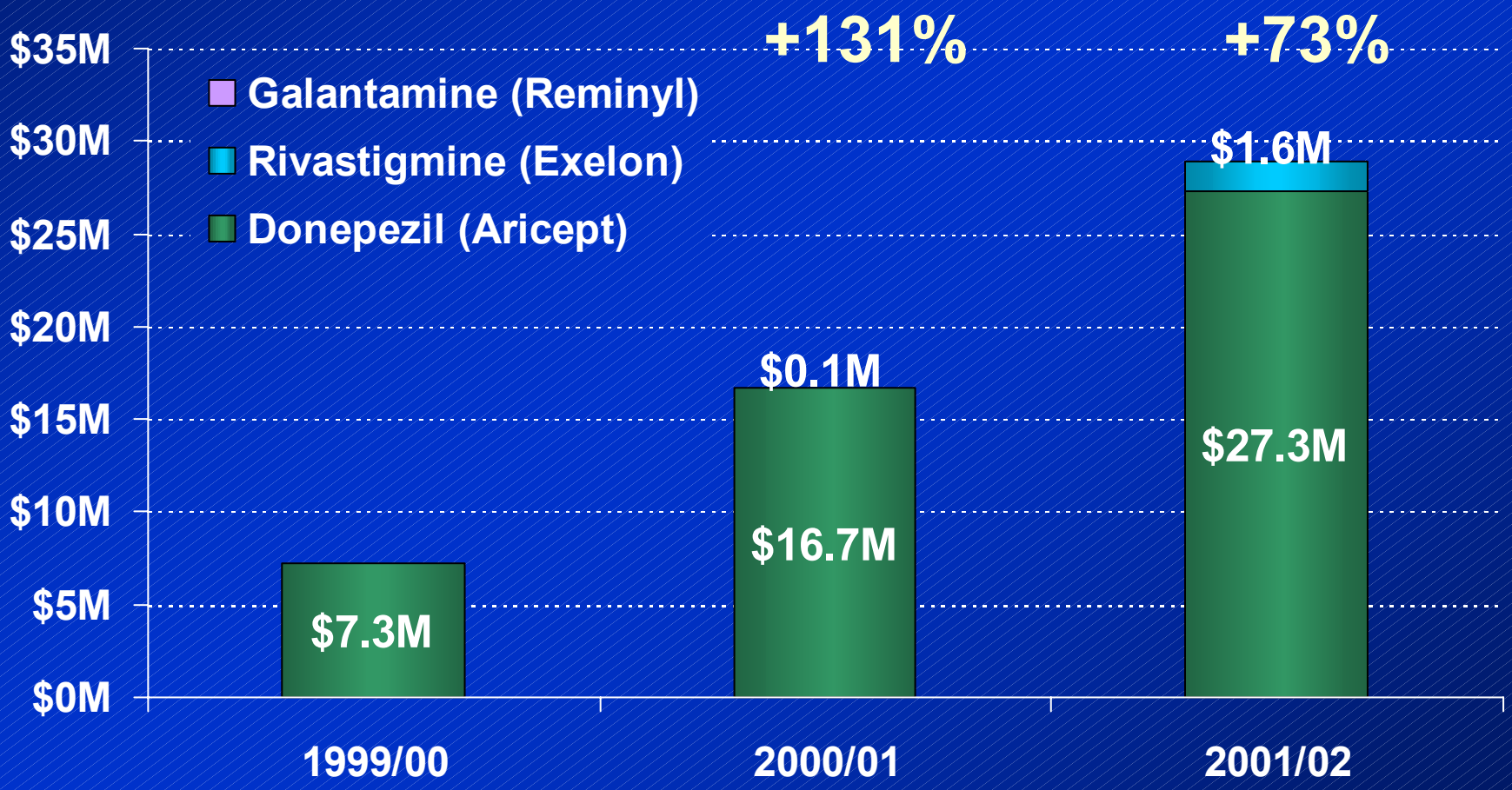

*Adapted from Jönsson L, Lindgren P, Anders W, Jönsson B, Winblad B, Cost of Mini Mental State Examination-Related Cognitive Impairment, Pharmacoeconomics 1999 Oct 16; 4: 409-416*

# Annual Cost of Caring for Alzheimer Patients, (1996 dollars)

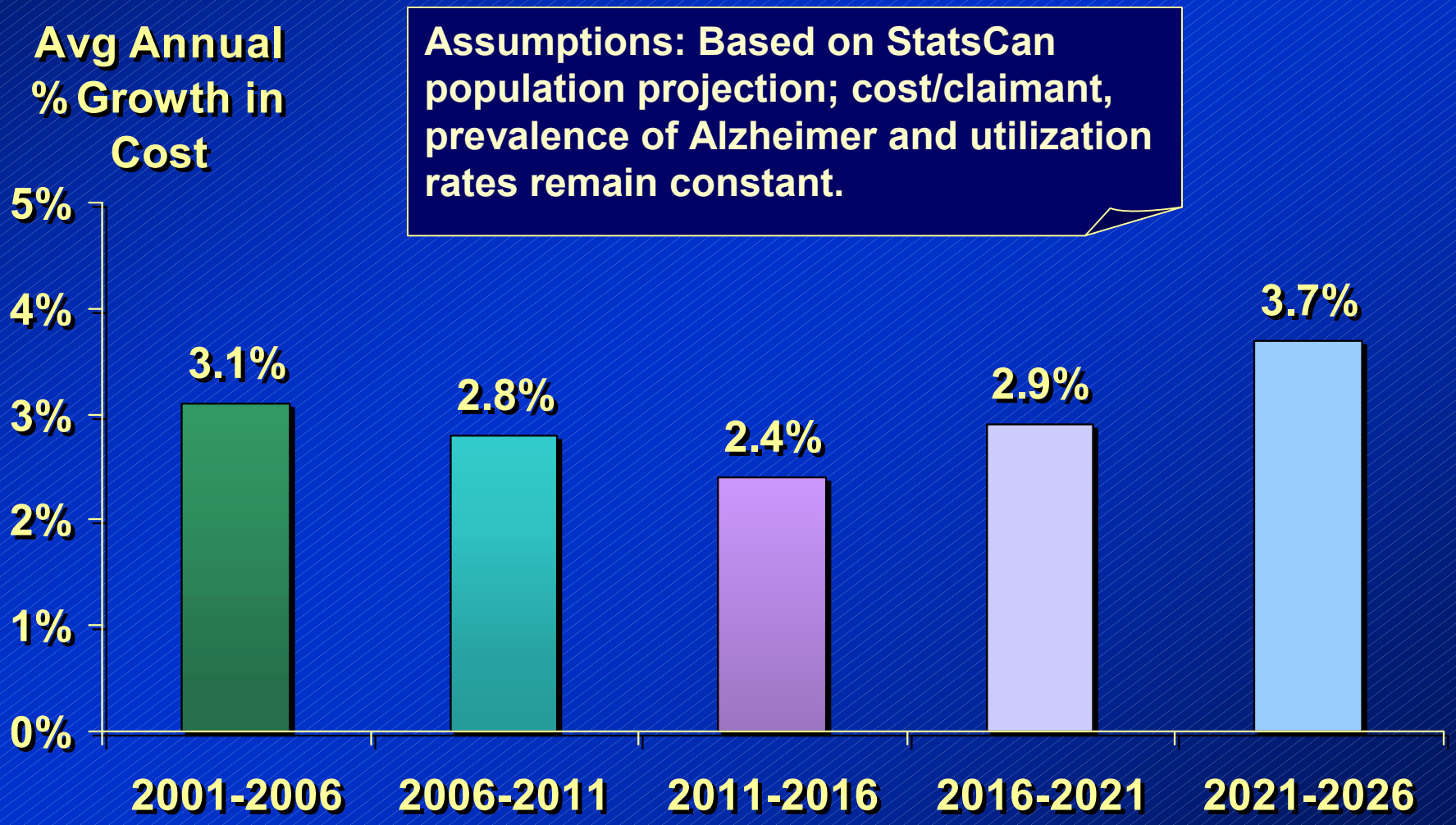



*Source: Hux MJ, O'Brien BJ, Iskedjian M, Goeree R, Gagnon M, Gauthier S, Relation between severity of Alzheimer's disease and cost of caring, Can Med Assoc J 1998 Sep 8; 159: 457-465*

# Cost of Alzheimer Drugs
## ODB, 1999/00-2001/02

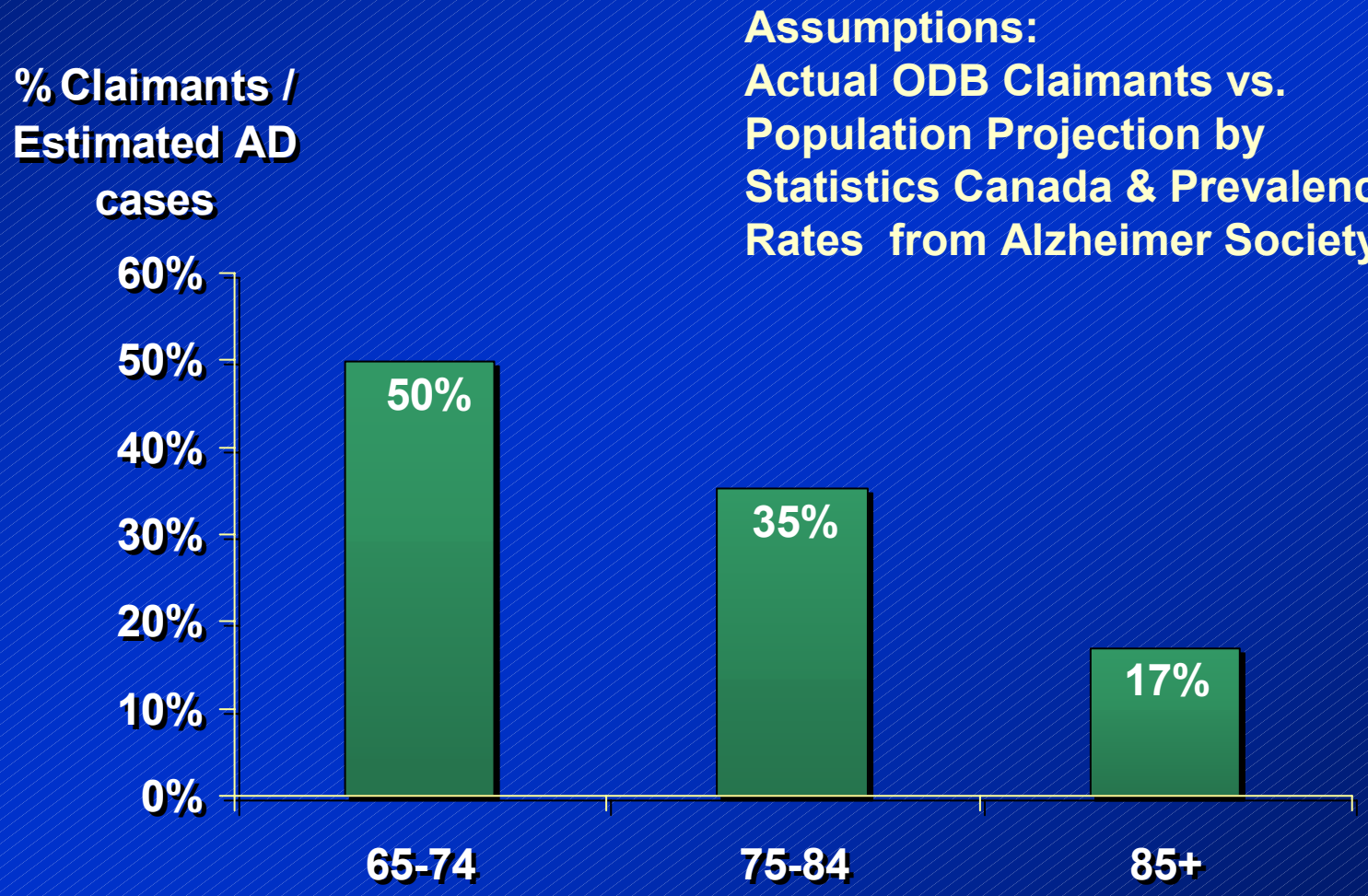


# Expected Age-Related Increase, Alzheimer Drug Cost, 2001-2026



# % Claimants vs. Estimated Alzheimer Cases, Ontario, 2001

**Assumptions:**
**Actual ODB Claimants vs. Population Projection by Statistics Canada & Prevalence Rates from Alzheimer Society**



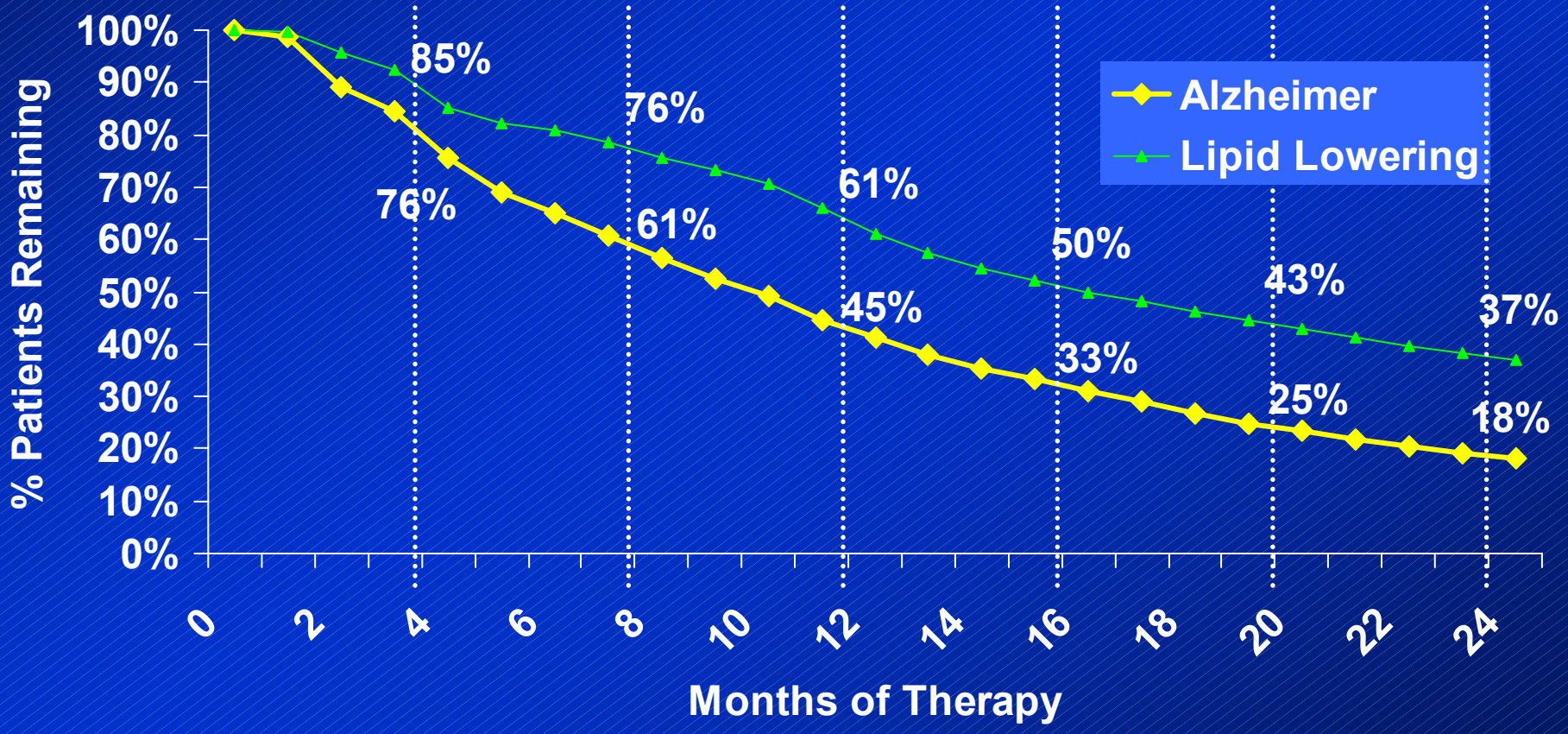
# Reimbursement Criteria for Alzheimer Products

- 347 - Initial Trial: For patients with mild to moderate Alzheimer's Disease (Mini-Mental State Exam [MMSE] 10-26). Patients will be reimbursed for a period of up to 3 months after which continued treatment must be reassessed. Note: maximum duration 3 months.

2 of the 3 manufacturers pay for the cost of the initial trial treatment

- 348 - Continuation: Further reimbursement will be made available to those patients whose disease has not progressed/deteriorated while on this drug. Patients must continue to have an MMSE score of 10-26.

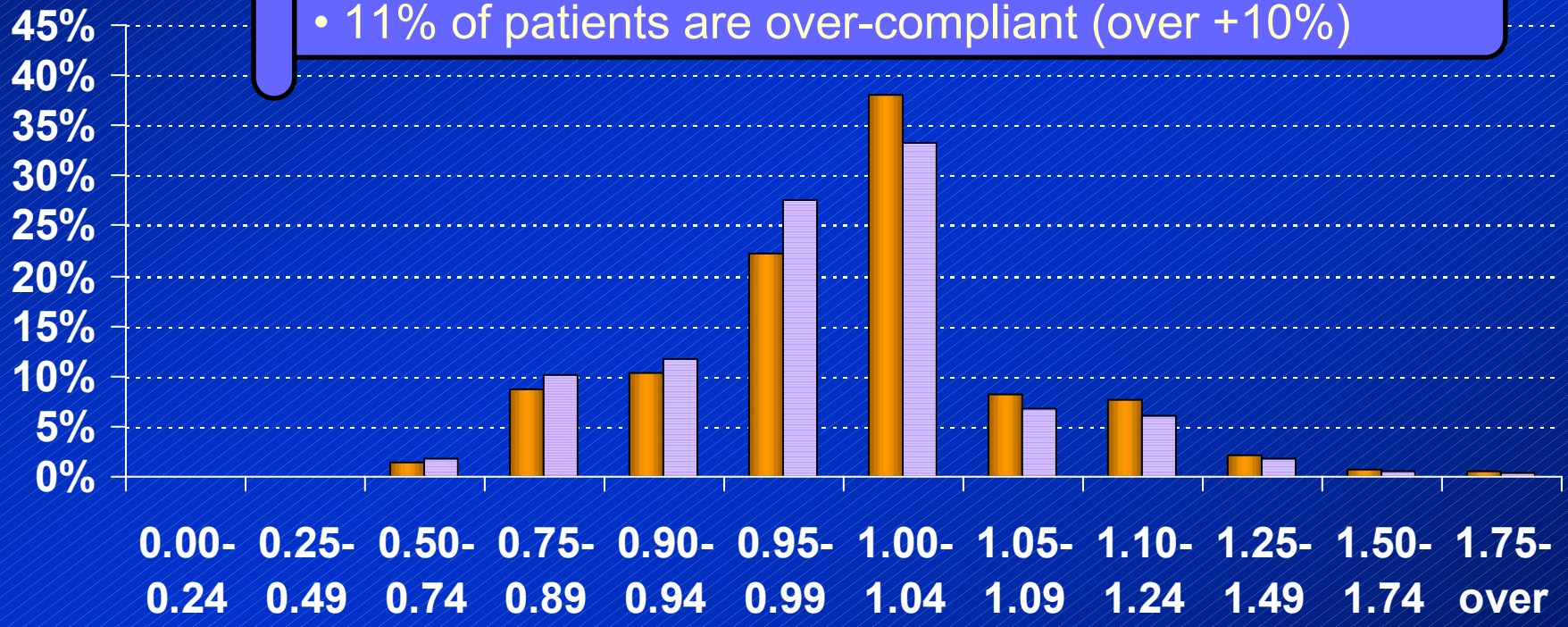
# Alzheimer Persistency
## All Alzheimer Drugs, ODB




Note: 55% stop therapy after 12 months, 82% stop after 24 months. Selected patients had at least one claim between December 1st, 1999 and March 31st, 2000

# Alzheimer Compliance
## All Alzheimer Drugs, ODB

- 79% of patients are compliant (±10%)
  vs. 80% for Lipid Lowering patients
- 10% of patients are under-compliant (less than -10%)
- 11% of patients are over-compliant (over +10%)




**Note: Selected patients had at least one claim between December 1st, 1999 and March 31st, 2000.**

# Key Findings on Alzheimer

- 238,000 AD cases in Canada in 2001, expected to increase to 405,000 in 2021 (+70%) due to population aging.
- Prevalence is highest in older age groups.
- Cost of caring becomes very large as condition deteriorates, from $9,500 (Mild) to $37,000 (Severe).

# Key Findings on Alzheimer

- Annual cost of Alzheimer drugs is $2,000.
  - Coverage beyond three months conditional on assessment;
  - Most beneficiaries use Alzheimer drugs for less than one year;
  - Persistency data shows 55% drop within 12 months, and 82% drop within 24 months;
  - Good compliance with therapy;
- Good management of cost vs. benefit