Canadian Cancer Society

2022 Ontario Pre-Budget Consultation

Submission to the Standing Committee on Finance and Economic Affairs

Canadian Cancer Society

The Canadian Cancer Society (CCS) is the only national charity that supports Canadians with all cancers in communities across the country. More than 1 million Canadians are living with and beyond cancer. Cancer does not stop being a life-changing and life-threatening disease in the middle of a global health crisis. Those with cancer are among the most vulnerable in our communities right now and may be at greater risk of more serious outcomes from COVID-19. CCS's highest priority is to support people with cancer and their caregivers. While the impacts of COVID-19 will be felt for months and years to come, so too will the needs of people with cancer and their caregivers change as the impacts of the pandemic evolve. Immediate disruptions and delays to cancer care must be addressed without losing sight of building out innovations in cancer care that will take discoveries from the lab to life faster, drive systems change and help Ontarians take control of cancer.

CCS recommends the following items in the 2022 budget:

1. **Develop a fully funded plan to address all backlogs in cancer care from the latest and past waves of the COVID-19 pandemic**
    I. Any decisions must incorporate the experience and perspectives of people facing cancer and their caregivers.
    II. Special consideration must be given to meeting the needs of underserved communities, including First Nations, Inuit, Métis, immigrants, visible minorities, people living with low-income and rural-remote populations.

2. **Expand access to take-home cancer drugs by filling gaps in public coverage and streamlining service delivery**
    I. New modeling estimates the total perceived THCD gap to be between about $17 million and $44 million in Ontario. Factoring in an estimated discount rate of 30%, the total costs for Ontario to act as a second payer of THCD in the province and fill gaps in public coverage would be about $12 million to $31 million.
    II. Reforms to streamline the service delivery model of THCD can ensure that all Ontarians receive consistent, safe, high-quality care in the community setting, while simultaneously affording the government opportunity to achieve cost-efficiencies.

3. **Add coverage of the prostate-specific antigen (PSA) test to the Ontario Health Insurance Plan, when ordered by a physician**
    I. Prostate cancer is the most commonly diagnosed cancer among Canadian men, with 1 in 8 men expected to be diagnosed in their lifetime. When

prostate cancer is detected early, close to 100% of men will survive five years or more, compared to just 29% when seen at a later stage. A PSA test can help find prostate cancer early before it grows large or spreads outside of the prostate. New modelling shows that the incremental cost of publicly funding the PSA test in Ontario would be less than $3 million annually.

3. **Implement an annual cost recovery fee on the tobacco industry and establish a tax on e-cigarettes**

    I. Tobacco companies should pay an annual fee to reimburse the Ontario Government for the $44 million spent each year through the Smoke-Free Ontario Strategy. This revenue can then be used for government priorities. A tobacco recovery fee is being implemented federally, and was included in the Liberal, Conservative and NDP platforms during the 2021 federal election.

    II. Youth vaping has doubled in a 2-year period and tripled in a 4-year period. An e-cigarette tax would be an effective way to reduce youth vaping, just as tobacco taxes have been an effective strategy to reduce youth smoking.

Contact Information

For further details please contact Stephen Piazza, Director of Advocacy at Stephen.piazza@cancer.ca or 647-233-6793. More information about our pandemic response is available here.

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Appendix A: Close the gap in Take-home cancer drug coverage

Cancer treatments can be physically, emotionally, and financially draining on people living with cancer and their families. The challenges have been exacerbated by the COVID-19 pandemic. People with cancer are at higher risk for more serious outcomes of COVID-19. Moreover, due to challenges related to hospital capacity and the availability of PPE, many elective surgeries were postponed, forcing care teams to either delay care or make other decisions regarding treatment in the interim.

Oral prescription oncology drugs, a form of take-home cancer drugs (THCD), enable cancer therapy without intravenous intervention. The simplified administration can often be completed in the comfort of the patient's home with associated benefits to quality of life. These treatments reduce the utilization of hospital infrastructure and associated chair-time resource costs. Oral therapies also minimize caregiver and patient disruptions in a patient's day-to-day life including travel time to clinics.

Over half of oncology medications in the global biopharmaceutical pipeline are being developed in oral formulations.[1] Increasingly, these therapies provide greater precision and success in cancer treatment: targeting smaller, rarer, subtypes of cancer, and/or include a predictive biomarker (i.e., requiring confirmation of a genetic subtype). These advances are leading to substantial clinical benefits, albeit at potentially higher costs and potentially for smaller patient populations.

Coverage eligibility for THCD varies significantly across Canadian provinces, creating interprovincial differences. In Ontario, THCDs do not fall under the jurisdiction of the public cancer agency budget; patients have no choice but to rely on private plans, out-of-pocket (OOP) cash payments, provincial drug programs (if eligible), or compassionate programs provided by pharmaceutical manufacturers when a drug is not covered by programs available to the patient. In contrast, Canadians living in the western provinces have their cancer drugs paid for by the provincial government regardless of their age, socioeconomic status, and the drug's route of administration. These gaps in coverage of THCD's across provinces lead to inequitable access to cancer treatments, potentially unanticipated costs to the patient and their families, and often discontinuity in their cancer treatment.

A recent report funded by the Canadian Cancer Society identifies the gaps in access to (THCDs) in Ontario, Nova Scotia, and New Brunswick. Using a model-based design, the report measures patient financial gaps in coverage and utilization for specified oral

[1] IQVIA. Global Oncology Trends 2019. IQVIA Institute, 30 May 2019.

oncology drugs in the selected provinces. The model estimates that in Ontario, approximately 20% fewer uninsured patients received THCDs compared with patients with comprehensive public coverage. The total perceived THCD gap is estimated to be between about $17 million and $44 million in the province. Factoring in an estimated discount rate of 30%, the total incremental costs for Ontario to act as a second payer of THCD in the province and expand access would be about $12 million to $31 million.

The full report is available here.

Appendix B: Streamline the service delivery model of take-home cancer drugs

Ontario should make necessary reforms to streamline the service delivery model of take-home cancer drugs to ensure that all Ontarians receive consistent, safe, high-quality care in the community setting, while simultaneously affording the government opportunity to achieve cost-efficiencies and eliminate waste

In April 2017, Cancer Care Ontario organized the Oncology Pharmacy Task Force with the mandate to advise Cancer Care Ontario (CCO) on how to enhance the current system for THCD delivery to optimize quality and safety; subsequently, to deliver a report to the Ministry of Health and Long-Term Care (MOHLTC) based on the findings of the Task Force. While the report became public in 2019, there has been no follow-up on its recommendations.

Appendix C: Add coverage of the prostate-specific antigen (PSA) test to the Ontario Health Insurance Plan, when ordered by a physician

Prostate cancer is the most commonly diagnosed cancer among Canadian men, with 1 in 8 men expected to be diagnosed in their lifetime. Black men and those with a family history are at higher risk. Because prostate cancer is one of the least preventable cancers based on currently known risk factors, early detection of the disease is critically important. When prostate cancer is detected early, close to 100% of men will survive five years or more, compared to just 29% when seen at a later stage.

The PSA test is a commonly used blood test that looks for high levels of PSA, a protein made by prostate cells. A small amount of PSA in the blood is normal, but if PSA levels are elevated, a person will typically be sent for further testing to determine if they have prostate cancer or a health concern impacting the prostate. Right now, Ontario only funds the PSA test for patients that meet the eligibility criteria in the Schedule of Benefits for Laboratory Services, which includes symptoms or a family history of prostate

cancer. Unfortunately, all too often people who should qualify for an OHIP-funded test are left paying out of pocket because of ambiguous criteria that are inconsistently applied. Moreover, everyone else seeking a PSA test, even when recommended by a physician, is considered uninsured and forced to pay out-of-pocket for the test. If the test is insured, the laboratory bills the Ministry of Health just $9.50 per test (free PSA or Total PSA), but if uninsured, a patient must pay $35 to $57 out-of-pocket.

The Canadian Cancer Society commissioned work to identify the costs of publicly funding the PSA test for early detection of prostate cancer for all men in Ontario upon physician referral. The results show that if Ontario negotiated $9.50 for all PSA tests— equal to the current cost of OHIP-insured PSA tests—and publicly-funded all tests, the incremental costs to the Ontario government would be less than $3 million annually.

Given the life-saving benefits of early detection of prostate cancer, it's concerning that uninsured patients pay nearly four times the cost for a PSA test compared to what the Ontario government pays for insured patients. The out-of-pocket cost of the test may act as a barrier to men taking the test—a population already hesitant to discuss their health. Ontario is one of only two provinces that forces asymptomatic individuals to pay out-of-pocket for this test—all other 8 provinces and three territories cover the cost of the test by referral without requiring signs and symptoms.

Opinion polling commissioned in 2021 found that 9 in ten Ontarians support increased government spending on the PSA test with physician referral, even if it means raising taxes. For less than $3 million annually, Ontario can be brought in line with nearly every other Canadian province and eliminate a financial barrier for people concerned about their health.

Appendix D: Implement an annual cost recovery fee on the tobacco industry and an e-cigarette tax

I. Cost Recovery Fee on the Tobacco Industry

The Government of Ontario should fund the $44 million spent each year on the Smoke-Free Ontario Strategy through an annual cost recovery fee on the tobacco industry. A similar method was recently committed by the federal government to recover the cost of federal public health investments in tobacco control. This approach is like the U.S. Food and Drug Administration tobacco strategy fee (in place since 2009), and the Canadian

federal cannabis annual regulatory fee. According to the 2021 Ipsos poll, 89% of Ontarians support making the tobacco industry pay for programs to reduce smoking.[2]

A tobacco manufacturer cost recovery fee was included in the Liberal, Conservative and NDP 2021 federal election platforms and in the December 16, 2021, mandate letter to Associate Health Minister Carolyn Bennett.

Over a seven-and-a-half-year period, 2014 to the first half of 2021 inclusive, the tobacco industry increased its net of tax prices resulting in $2 billion more in annual revenue Canada-wide that should be going to governments. Tobacco companies can easily afford to pay a cost recovery fee. The fee would generate approximately $44 million in annual revenue for the Ontario government that could be used for government priorities. Tobacco companies would pay a fee based on their market share.

II. E-cigarette tax

E-cigarette use among young people has increased dramatically. Data from the Canadian Student Tobacco, Alcohol, and Drugs Survey indicates that youth vaping has doubled over a two-year period and tripled over a four-year period (2014-2019).[3] This rapid increase in youth vaping is creating a new generation of youth addicted to nicotine and is threatening the progress achieved over the years to reduce smoking. We can take the lessons learned from over 50 years of action against tobacco and act now to reduce youth vaping.

We continue to support the steps Ontario took previously to reduce e-cigarette use among young people, including banning the sale of most e-cigarette flavours as well as high nicotine e-cigarettes (over 20 mg/ml of nicotine) at convenience stores and gas stations and limiting retail sales of these products to adult-only specialty stores. However, other provinces are taking further regulatory, legislative, and budgetary steps to address e-cigarette use. British Columbia, Saskatchewan, Nova Scotia and Newfoundland have implemented taxes on vaping products. As well, at least 20 U.S. states have implemented taxes on e-cigarette products.

Just as tobacco taxes are a highly effective means of preventing and reducing tobacco use among youth, the same is true for e-cigarettes. Youth have less disposable income and are more price-sensitive consumers. The Canadian Cancer Society urges the Ontario government to address the dramatic increase in youth e-cigarette use by implementing a tax on e-cigarettes. In addition, a tax can serve as a revenue tool to fund programs to

[2] *Ibid*.
[3] Canada Gazette, Part I, Volume 153, Number 51: *Vaping Products Promotion Regulations*.

increase youth knowledge regarding the risks of vaping and as well as other initiatives to reduce youth use of e-cigarettes.

The federal government is moving forward with a national tax on e-cigarettes, a measure announced for consultation in the federal 2021 budget, and included in the December 16, 2021, mandate letter to the Minister of Finance. The federal government is intending a cooperative federal/provincial approach to e-cigarette taxation, and intends to provide a mechanism to allow for federal collection of e-cigarette tax revenue at a rate determined by a participating province, and with revenue going to the province. Ontario can take advantage of this opportunity for administrative efficiency.