September 28, 2001

The Honourable Colin Hansen
Minister of Health Services
PO Box 9050
Station Provincial Government
Victoria, BC V8W 9E2

Dear Mr. Minister,

RE: Review of the Ministry of Health Services Pharmacare program

Although the Persons With AIDS Society of British Columbia (BCPWA) was not invited to participate in the process reportedly launched by you for the purpose of reviewing Pharmacare, we wish nonetheless to offer our perspective and suggestions regarding this matter of crucial importance to British Columbians in general and to HIV+ British Columbians in particular.

The British Columbia Persons With AIDS Society (BCPWA) is a registered charitable society run by and for persons living with HIV disease and AIDS. It is Western Canada's largest AIDS organization with a membership of more than 3,600 HIV+ full voting members – more than one-third of all HIV+ British Columbians. The Society's services are also available to and regularly accessed by many of the 10,000-plus individuals with HIV/AIDS in BC. Unique among major HIV/AIDS agencies in Canada, BCPWA's Board of Directors is composed entirely of HIV+ members, and all of its programs are operated by committees led by HIV+ persons.

It will not surprise those reviewing BC Pharmacare to learn that it is a program very dear to HIV+ British Columbians. It has been estimated that roughly five percent of all Pharmacare pharmaceutical expenditures are directed to the purchase of drugs intended to suppress and/or mitigate the functioning and effects of HIV. Pharmacare pays for the purchase and distribution of all HIV/AIDS drugs prescribed to resident British Columbians as a matter of public policy. So it is that we are puzzled – indeed, alarmed – that among the groups you chose to solicit for participation in your Pharmacare review you did not number BCPWA, or the BC Centre for Excellence in HIV/AIDS (the organization which actually handles HIV/AIDS drugs for British Columbia).

It is in large part to assist in correcting this oversight that we offer the following. In doing so, we note that the BC Centre for Excellence in HIV/AIDS has, similarly, provided you with an unsolicited submission; we endorse their submission and commend it to your attention.

Process

As previously noted, BCPWA is deeply concerned by the secretive and arbitrary nature of the review now underway. It is our understanding that submissions have been solicited from such organizations as the College of Pharmacists and the national organization of pharmaceuticals manufacturers, but not from groups of British Columbia citizens most keenly interested in the workings of Pharmacare.

Accordingly, we are strongly of the opinion that, while you may use whatever information and opinion you receive in consequence of your present review process to inform subsequent endeavours, no changes to any aspect of the current Pharmacare regime in BC should be undertaken prior to there having been a broad-based public consultation of any and all British Columbians wishing to make their considerations known. Further, where clear consonance of opinion among the majority of British Columbians on any particular element of Pharmacare emerges from such an open, public consultation process, that consonance of opinion must be respected at least to the degree that no steps are taken in clear contravention of it.

The proper role for your Ministry in any such open, public consultation process is dual: (1) organization of and logistical support for its various elements; and, (2) provision of accurate and impartial information on the basis of which British Columbians may fruitfully participate.

In this latter category we offer one example. It may indeed be helpful to inform British Columbians, as you have, that "The British Columbia Pharmacare program funds the highest portion of prescription drug cost of all provinces with 56% of per capita cost coming from tax revenue. In contrast, all other provinces average 43% public funding." But it is at least equally helpful to inform them, as well, that the *total* per capita expenditure on prescription drug costs in BC – public and private – is the *lowest* in the country: $284.86 in BC for the year 2000 (compared, for example, to a 13% higher $321.89 in Alberta, and a whopping 46% higher $416.49 in Ontario). You might even go so far as to note that this cost control achievement is even more remarkable given that British Columbia has the highest percentage of seniors (the age group with the highest per capita consumption of pharmaceuticals) in the country, or that British Columbia spends less of its total health care budget on pharmaceuticals than any other province. British Columbians should be able to rely on their provincial government to act as a neutral purveyor of pertinent information in this consultation process, rather than seeming partisan.

Accurate Identification of Cost Pressures

First of all, it is necessary to note that your Ministry's desire to control rapidly rising Pharmacare costs, while prudent on the face of it, must take proper cognizance of the context in which the costs are rising, and must be addressed in an effective, as opposed to simplistic, manner.

There is no question that all Canadian provincial jurisdictions – and most national and sub-national jurisdictions in the developed world – are facing rapidly rising pharmaceuticals costs. This is so for a variety of reasons, including:

(1) perhaps most importantly, it has generally been found to be cheaper to treat a large variety of illnesses and traumas with pharmaceuticals rather than with hospitalization (the simple corollary of this should be kept in mind: even limited restriction of current access to pharmaceuticals can reasonably be projected to result in increased utilization of acute and chronic care facilities and systems, and thus even higher costs arising from such increased utilization);

(2) the combination of increased patent protection for new drugs (further raised by the federal government from 17 to 20 years this past summer) and an ineffective federal drug prices review system has resulted in a regime of pricing for new drugs that guarantees huge and ever-rising drug prices (prices now sufficient to make the pharmaceutical industry generally the most profitable legitimate endeavour in the world); and,

(3) there are strong indications that, for a variety of reasons ranging from consumer "demand" through physician enthusiasm (both arguably the product of growing advertising efforts by major pharmaceutical companies), over-prescribing or inappropriate prescribing of pharmaceuticals is a problem (a problem which, in British Columbia, has been addressed with considerable success by the reference-based pricing program).

BCPWA strongly recommends that any provincial Government review of Pharmacare identify and deal with these problems. Efforts aimed at controlling Pharmacare cost pressures that fail to do so are at best doomed to irrelevance, and may actually make matters worse.

Possible Solutions Worthy of Consideration

The small collection of suggestions presented here is not intended to be seen as exhaustive. Rather, these are a few suggestions held by BCPWA to be worthy of public debate and consideration.

It was heartening to see Canada's ministers of health in late September seriously discussing avenues through which they might cooperate in the purchase of pharmaceuticals and so bring some downward pressure to bear on their price. This is possibly the single most effective step that could be taken to control and perhaps even reverse the dramatically rising costs of drugs. If nothing else, British Columbia should closely consider advocating for and participating in the creation of a national pharmaceuticals purchasing and wholesaling Crown Corporation that would act as the sole purchaser and distributor of pharmaceuticals listed on any provincial Pharmacare formulary. Further, there is the prospect of long-term co-operation with similar public purchasing and distribution enterprises in other countries, such as Australia. It would be very helpful if Canada, having established its own such enterprise, could initiate contact with other such countries, and perhaps act as an international advocate and facilitator for countries

that may consider establishing similar enterprises. The long run impact on pharmaceuticals pricing could be dramatic.

A double-thrust public education campaign (one thrust aimed at consumers, the other at prescribing physicians and pharmacists) setting out the merits and benefits of the reference-based pricing program should be undertaken in an effort to counter-act the growing problems of drug promotions targeted at physicians and direct-to-consumer advertising. In the long run, the provincial Government should pressure the federal Government to toughen regulations concerning pharmaceutical advertising.

Based possibly on the model provided by the exceptionally successful administration of HIV/AIDS drugs by the BC Centre for Excellence in HIV/AIDS, the provincial Government should explore new administrative devices for the distribution and tracking of consumption of pharmaceuticals. This could assist in identifying and moderating instances of over-prescription and inappropriate prescription. To some degree, the existing PharmaNet system provides a basic framework within which the necessary tracking functions could be established.

Provision and Coverage of HIV/AIDS Drugs

As has been thoroughly canvassed in the unsolicited submission you received from the BC Centre for Excellence in HIV/AIDS (BCCFE), British Columbia's present Pharmacare-based regime of HIV/AIDS drugs provision is arguably the most effective and efficient in the country.

In the late 1980's, when AZT was first introduced for treatment of HIV, the provincial government balked at covering the cost. The burden of the cost of these medications added to the already considerable suffering of People living With AIDS (PWAs). About ten years ago the BC government established the BCCFE at St. Paul's Hospital. It has established (and periodically revises) guidelines for the medical treatment of HIV/AIDS. Pharmacare provides the BCCFE with an annual budget for the purchase of HIV drugs and distributes those drugs throughout the province to patients who qualify under the medical guidelines and whose prescriptions the Centre has approved. Fourteen anti-HIV drugs are now licensed for sale in Canada and they are provided free of charge with a prescription. The BCCFE is the gatekeeper for access to HIV drugs.

As well, many other drugs are frequently prescribed for HIV patients. Drugs such as antibiotics, antifungals and chemotherapy are just some examples of prescribed treatments for opportunistic infections and cancers experienced by PWAs. Prescription drugs are also often necessary for the management of symptoms and side effects such as pain, diarrhea and other intestinal problems, depression, insomnia and much more. These prescriptions are handled through community pharmacies. The ease or difficulty of access depends on the particular drug, as well as on the circumstances of the individual

Certain drugs are only covered under special authority by Pharmacare while others drugs are not funded at all. In most instances, special authority is sought through an application for an individual patient. Another method is to grant physicians with certain patient populations (such as HIV/AIDS) blanket authority for drugs commonly prescribed in that population. Antifungal agents such as fluconazole and itraconazole are covered by the special authority provisions, but some physicians who commonly treat HIV patients have been granted prescribing authority and are not required to do the paperwork for individual patients. Some other examples of special authority drugs are:

- methadone for heroin addiction
- loperamide (immodium) for diarrhea
- zoplicone (immovane) - a sleeping medication
- losec (omeprazole) for stomach ulcers
- Rebetron for hepatitis C, and
- Lamivudine (3TC) for hepatitis B.

Some of the drugs that are not covered at all are:

- Serostim (human growth hormone) for wasting
- L-acetyl carnitine for peripheral neuropathy
- Smoking cessation medications (Nicoderm, Zyban)
- Erectile dysfunction medications (Viagra, Muse, prosteglandin)

The key consideration here is that HIV/AIDS drugs *are* covered. One hundred percent. Not only has this allowed many British Columbians to continue in gainful employment (rather than being forced by the high costs of the drugs to quit working solely for the purpose of going onto BC Benefits where coverage remains at 100% -- a widespread problem in Ontario), it has guaranteed maximum feasible enrollment in the program, thus facilitating effective individual treatment, societal tracking and, because more regular therapeutic and educative contact is maintained with infected individuals, consequently more effective prevention of the further spread of disease.

Essentially, the present system works and works well.

There is, however, an associated problem that does need fixing. For thousands of HIV+ British Columbians, continued employment has been rendered impossible by the disease; they are forced to subsist on BC Benefits payments (often at the Disability Benefits II level). Like all other British Columbians, these people get their prescribed HIV/AIDS drugs free of charge. However, what they don't get is any allowance with which to meet the additional essential nutritional needs created by the disease.

This need has long been recognized. In the spring of 1999 British Columbia's therapeutic guidelines for HIV/AIDS were altered to recognize the necessity of adequate nutritional intake for both long-term management of the disease and of the side effects of the toxic drugs taken to fight it. Later, in the fall of 1999, an advisory committee struck by the Minister of Human Resources recommended implementation of a monthly health care allowance of $411 for HIV+

individuals receiving DB II benefits. Finally, in the spring of 2001, the provincial government announced a $300 monthly allowance. It has yet to be implemented.

In the absence of such support, impoverished HIV+ British Columbians deteriorate more rapidly and more decisively, requiring more rapid and more prolonged acute and chronic care. There are even direct costs to Pharmacare: people who simply can't afford relatively cheap over-the-counter drugs or herbal or similar therapies often have no choice but to secure from their doctor a prescription for a more costly pharmaceutical alternative. The additional costs to the overall health care system thus incurred are enormous.

Accordingly, BCPWA strongly recommends that your Ministry bring decisive pressure to bear on the provincial Government to implement the previously announced $300 monthly health care allowance for HIV+ British Columbians on BC Benefits DB II.

Conclusion

We are certain you will have received a large number of submissions from your selected respondents promoting one or more of your identified goals of decreasing the portion of drug costs currently covered by Pharmacare, "de-listing" some drugs or categories of drugs altogether, implementing deductibles or user fees for segments of the population (notably seniors) not now burdened with such, generally decreasing coverages and increasing "co-insurance" amounts, and so on.

BCPWA would only caution you to be certain you have received and considered with an open mind all perspectives on these vital questions prior to making your decisions. To do otherwise would constitute a grievous dereliction of your duties as a Minister of the Crown, and could result in changes to British Columbia's Pharmacare system that would do far more harm than good.

Thank you for your kind attention to and consideration of this submission.

Signed on behalf of the Persons With AIDS Society of British Columbia by

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(Glen Hillson, Chair)

c.: Office of the Executive Director, Pharmacare

Summary of Recommendations

1. No changes to any aspect of the current Pharmacare regime in BC should be undertaken prior to there having been a broad-based public consultation of any and all British Columbians wishing to make their considerations known.

2. Where clear consonance of opinion among the majority of British Columbians on any particular element of Pharmacare emerges from such an open, public consultation process, that consonance of opinion must be respected at least to the degree that no steps are taken in clear contravention of it.

3. In any such open, public consultation process, the provincial Government should restrict its participation to two functions: (1) organization of and logistical support for the various elements of the consultation; and, (2) provision of accurate and impartial information on the basis of which British Columbians may fruitfully participate.

4. The provincial Government's review of Pharmacare should identify such problems as the need to avoid the incurring of greater acute and chronic care costs that may be occasioned by Pharmacare cutbacks, excessive patent protection and inadequate price controls, and pressures resulting in over-prescription and inappropriate prescription of pharmaceuticals as matters requiring effective response.

5. The provincial Government should closely consider advocating for and participating in the creation of a national pharmaceuticals purchasing and wholesaling Crown Corporation that would act as the sole purchaser and distributor of pharmaceuticals listed on any provincial pharmacare formulary.

6. The provincial Government should undertake a public education campaign aimed at both consumers and prescribing physicians and pharmacists setting out the merits and benefits of the reference-based pricing program in an effort to counter-act the growing problems of drug promotions targeted at physicians and direct-to-consumer advertising.

7. For the purposes of identifying and moderating instances of over-prescription and inappropriate prescription, the provincial Government should explore new administrative devices for the distribution of and the tracking of consumption of pharmaceuticals.

8. No alterations should be made to the current method and scope of coverage of HIV/AIDS drugs administered through the BC Centre for Excellence in HIV/AIDS.

9. The provincial Government should immediately implement the previously announced $300 monthly health care allowance for HIV+ British Columbians on BC Benefits DB II.