British Columbia MEDICATION COVERAGE REPORT

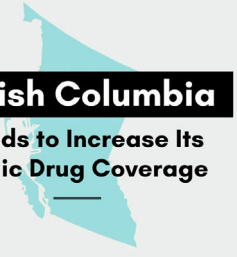
JANUARY 2024

Executive Summary

Patients in British Columbia don't have public coverage for the medications they need

- **BC covers the fewest drugs of all provinces, e.g., between 2018 and 2023, BC refused to cover 31 newly-recommended medications when Ontario declined coverage for only two and Alberta for three**
- through our public drug programs, patients across Canada benefit from coverage of prescription medicines for injuries, infections, chronic diseases, cancers, and many other conditions
- these medicines can keep illnesses under control, reduce symptoms, cure disease, support health during aging, and prevent complications, hospitalizations, and even death
- before a medication is covered in a public drug program, it undergoes complex, national review processes to evaluate its evidence and cost-effectiveness, and to manage its price
- BC, our third largest province by population, is underfunding its drug program compared with all other provinces and territories
- BC spends only $257 per person on medications, compared to the Canadian average of $442
- while these low spending figures might be touted by government as good fiscal management, what it really means is that patients can't get the medications they need
- this report details novel medications that patients can access across Canada but not in BC, including some of these conditions:
  - acne vulgaris
  - atopic dermatitis
  - atypical hemolytic uremic syndrome
  - bone fracture (osteoporosis)
  - migraine
  - myelodysplastic syndrome
  - plaque psoriasis
  - psoriatic arthritis
  - relapsing-remitting multiple sclerosis
  - schizophrenia
  - short bowel syndrome
- new medicines offer patients opportunities to live a better quality of life across all health areas by having better efficacy than current treatments, more tolerable side effects, providing a different way of targeting the disease, or offering a new mode of administration (e.g., pills, subcutaneous injections); for some, it is simply an opportunity to live longer
- when patients do not have access to effective treatments, the province is putting them at risk of increased symptoms, disease progression, hospitalization, or worse
- drug budget savings are easily offset by increasing costs from use of other health services when patients do not have access to the medications they need
- patients in BC deserve to have equitable access to care like all other jurisdictions in Canada

Watch and Share the Video Version of this Report at:
badgut.org/bc-public-medication-coverage



Background

Canada's access to new medicines is below average when compared internationally, as we only have public drug coverage for 21% of new medicines that are launched globally. The Organisation for Economic Co-operation and Development (OECD) ranks countries from the time of product launch to public coverage. Of the 32 OECD countries, Canada, overall, is in 26th place, but parts of the country are doing far worse.[1] There is inequity in public drug coverage plans (called formularies) from coast to coast, with some provinces listing (offering coverage for) certain approved medications while others do not.

Canadian Context

In addition to the complex regulatory pathway of new medicines in Canada, there are other reasons why patients experience difficulties with timely access to medications. Burnout among healthcare professionals, staffing shortages, and increasing demand continue to strain our healthcare systems, which were already on the brink of collapse before the pandemic.[2] This has left many without a primary care doctor, or even access to a walk-in clinic, disrupting their care and leaving them unable to receive a diagnosis or fill or renew their prescriptions.

Each year, the Fraser Institute surveys physicians across twelve specialties and the ten provinces to document the queues for visits to specialists and for diagnostic and surgical procedures in Canada. In 2023, physicians reported a median wait time of 27.7 weeks between a referral from a general practitioner and receipt of treatment.[3] This represents the longest delay in the survey's history and is 198% longer than the 9.3 weeks Canadian patients could expect to wait in 1993.

The impacts of global supply chain issues, climate, and conflict have also contributed to shortages, discontinuations, and inflation of essential goods and services, including food and medications.[4] Even when a medication is listed, prior authorizations through private plans, special authority through public plans, and their complex administrative processes also add delays in receiving necessary medicines.

Canadian patients wait too long for medically necessary treatment, and this should not be worsened by denial of drug coverage.

From Approval to Public Reimbursement

Canada has a lengthy and rigorous process to review and approve new medications. In 2022, new drugs that received approval from Health Canada took approximately 736 days, or 25 months, on average, before one of the public drug plans covered it in their formulary.[5] Unfortunately, these long wait times are not new. These regulatory and approval processes include tough measures that aim to achieve improved affordability of medicines for Canadians.

These review processes have resulted in billions of savings for Canadians year over year. We value these mechanisms that preserve our tax dollars, but sometimes they go too far and end up hurting the very people they are designed to help.

Health Canada (Federal)

To enter the Canadian market, drug manufacturers must provide their research on a new drug product to Health Canada. During this first stage of regulatory approvals, Health Canada reviews the product's safety, efficacy, and quality. It is a complex process, and there are several application pathways available since some new medicines, such as those for rare diseases and disorders, have unique qualities that require a specific review process.[6]

General revenue raised through federal, provincial, and territorial taxation funds healthcare in Canada. The federal government administers this funding under the *Canada Health Act* and its principles, such as ensuring Canadians have an

equitable access to healthcare. Yet, the funding of drugs covered by some federal, as well as all the provincial, and territorial drug plans (FPT) requires numerous lengthy decision processes. However, private drug plans can begin discussions with manufacturers on the reimbursement terms of new medications the moment these drugs receive their Health Canada approval.[7]

Patented Medicine Prices Review Board (Federal)

Another parallel review process occurs with the Patented Medicine Prices Review Board (PMPRB), which has been around since 1987. The PMPRB is a federal quasi-judicial agency and regulator with a mandate to set the maximum list (or public) prices that patented drugs can be sold for in Canada and to provide annual reports on the pricing trends in the pharmaceutical industry.[8] We are the only country in the world that regulates to ensure that the list price of a patented medicine is not excessive.

Canadian Agency for Drugs and Technologies in Health (Pan-Canadian, except Quebec) and the *Institut national d'excellence en santé et services sociaux* (Quebec Only)

Once Health Canada has approved a drug to enter the market, the Canadian Agency for Drugs and Technologies in Health (CADTH) reviews its evidence and cost effectiveness or value for money, called a health technology assessment. Their goal is to ensure that healthcare decision-making is based on the use of credible and objective evidence.

CADTH includes membership from the federal, provincial, and territorial governments. They make a public recommendation (positive or negative) about whether the medicine should be reimbursed under FPT public drug plans for specific conditions, also called indications.

The *Institut national d'excellence en santé et services sociaux* (INESSS) is also a health technology assessment body, but it is specific to Quebec.

pan-Canadian Pharmaceutical Alliance

The pan-Canadian Pharmaceutical Alliance (pCPA) conducts joint negotiations with manufacturers of new medicines that have a positive recommendation from CADTH to achieve lower drug costs and consistency in coverage across the various federal, provincial, and territorial public drug plans. They have been successful in managing prices. The pCPA achieved $3.41 billion in additional total annual savings through their joint negotiation on product listing agreements with manufacturers and generic price reductions in 2022, a figure that is likely much higher today.[9]

Two notable mandates of the pCPA are to, "increase access to relevant and cost-effective treatments; [and to] improve consistency in funding decisions."[10] Most provinces and territories end up covering many of these new medications in their public drug plans. Yet, British Columbia, a member of the pCPA, rejects many (even when they participate in the negotiations that lead to an agreement), leaving patients in the province with inequitable coverage of medicines, which is explained below (Figures 1 and 8).

Federal/Provincial/Territorial (FPT)

Once a medication goes through the federal and pan-Canadian processes, the responsibility for public medication coverage rests with each province and territory as well as a few federal plans, e.g., First Nations and Inuit, Veterans, correctional services, etc.

Providing Breadth and Depth is Possible: BC vs QC

British Columbia

- universal program under the Fair PharmaCare plan, where BC PharmaCare is the first payer[11]
  - income-based
  - drug coverage begins after paying an annual deductible out-of-pocket
  - after deductibles are met, co-payment of 30% of prescription drug cost for Fair PharmaCare and 25% for the enhanced assistance programs
- number of drugs (by chemical) that were dispensed and eligible for reimbursement in 2021/2022 was 1,132[12]

Quebec

- all residents must have prescription drug coverage, either through a private plan or the province's public drug plan[13]
- private drug plans must provide, at minimum, basic medication insurance coverage that offers coverage for the same list of medicines offered by the public drug plan[14]
- if a resident does not have access to a private drug plan, they are eligible for the Public Prescription Drug Insurance Plan or *Régie de l'assurance maladie au Québec* (RAMQ), which provides coverage for more than 8,000 prescription drugs[15]
- net family income-based premium[16]
  - co-payment of 35% of prescription minus deductible
  - certain populations (i.e., children of beneficiaries, claim slip holders, some seniors, and those living with functional impairment) do not need to pay premiums, co-payments/co-insurance, or deductibles

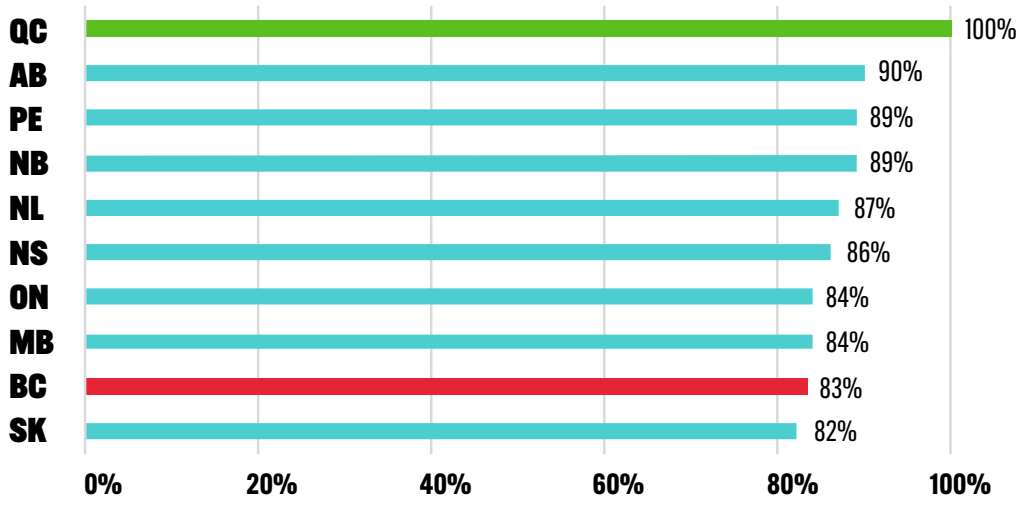


Figure 1 Based on 2021-2022 public formularies.[17] The chart compares each jurisdiction's similarity to Quebec's public drug plan, which provides reimbursement for the highest number of drugs across the country.[18]

Although BC PharmaCare acts as first payer, non-hospital medication spending was higher among private drug plans (41%) than the public drug plans (35%). By comparison, more than half of non-hospital medication spending was paid by RAMQ at 52% and private plans covered 35%.

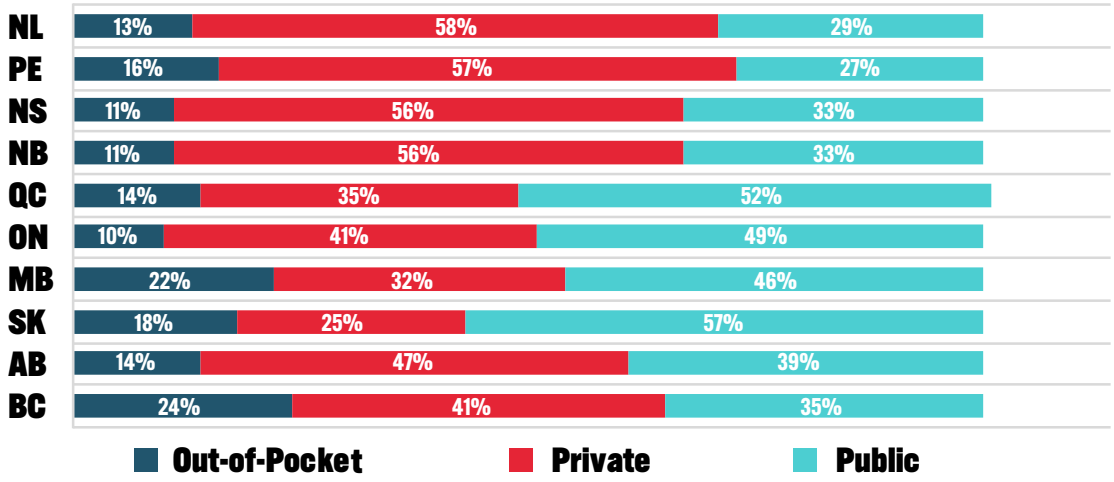


Figure 2 Non-hospital medication spending.[19]

British Columbia also had the highest out-of-pocket spending for prescription medicines compared to the rest of the country, despite having a first-payer public drug plan for which all residents are eligible. At the same time, BC spends the least on medications per capita at $257 compared to Quebec at $515. (Figure 4) Clearly, there is a significant unmet need of adequate medication coverage for individuals living in BC. Yet, Quebec was among the lowest out of pocket at 14% and this might be due to the wide breadth and depth of coverage that the province provides and mandates for private drug plans, so no patient is left behind.

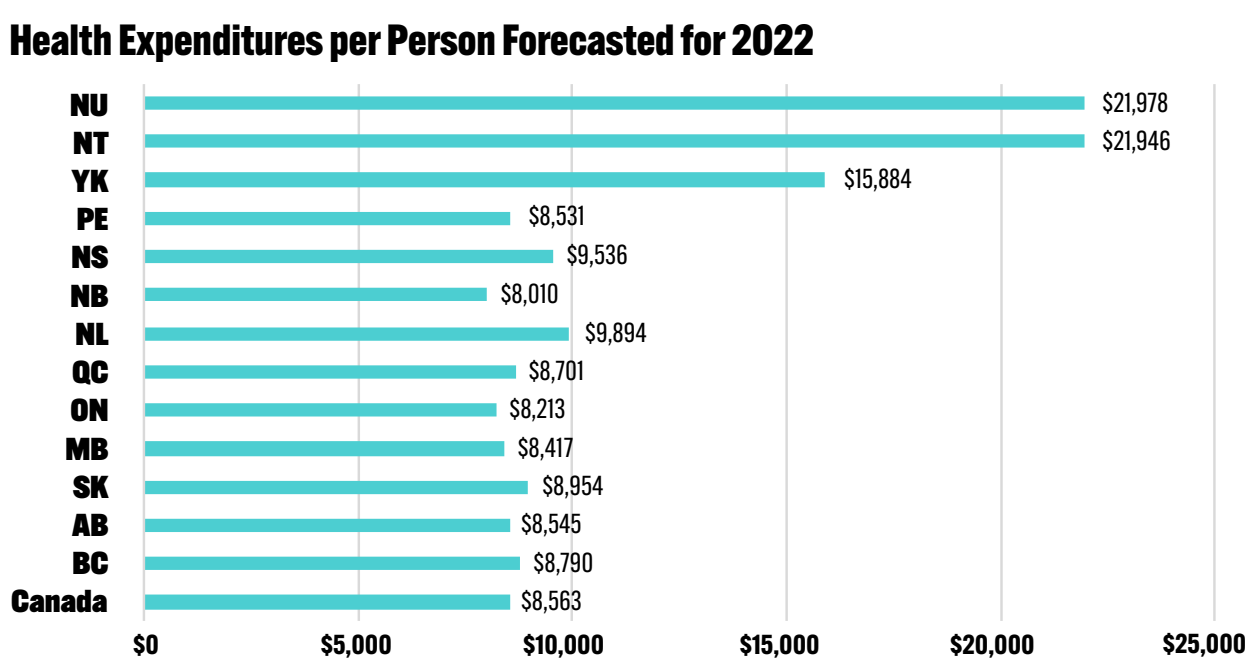


Figure 3 CIHI data forecasted for 2023. Data reflects per person health spending and includes public and private spending.

What's happening in BC?

BC is the third largest province by population, with an estimate of 5.5 million residents,[20] after Ontario and Quebec. Its healthcare spending per person is near the average across the provinces and territories, but this includes expenditures from hospitals, physicians, medications, private insurance, and out-of-pocket costs.[21]

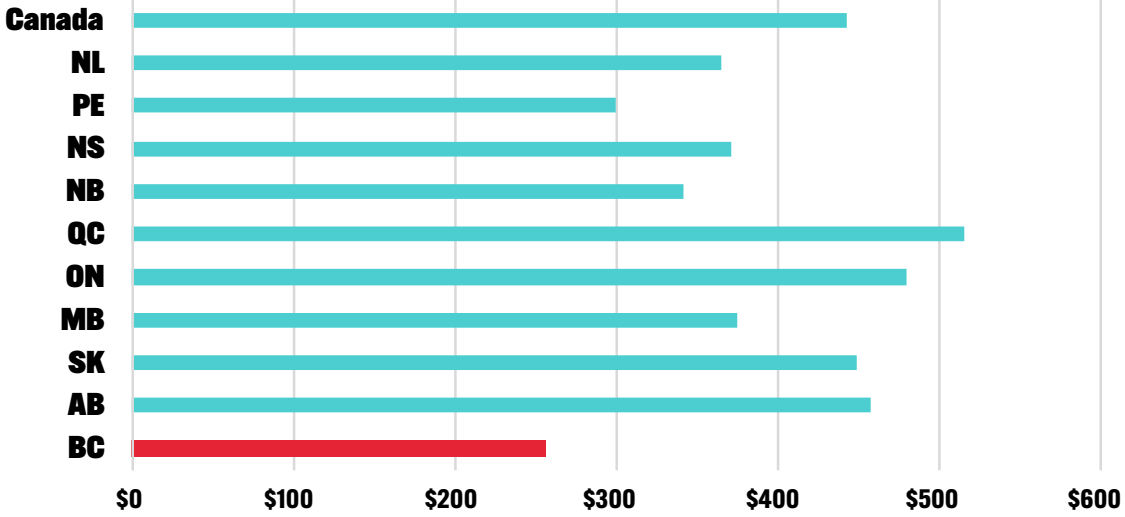


Figure 4 CIHI data includes PharmaCare, federal public spending, and workers compensation. Hospital drug expenditures are not included.

However, when we compare expenditures by category, the data reveals that BC spends the least on its public drug plan compared to the other provinces.[22] This is remarkable, considering BC is the only province that acts as a first payer. In provinces like Ontario, the public formulary only provides medications for seniors, people on social assistance, and high-cost medications in exceptional circumstances.

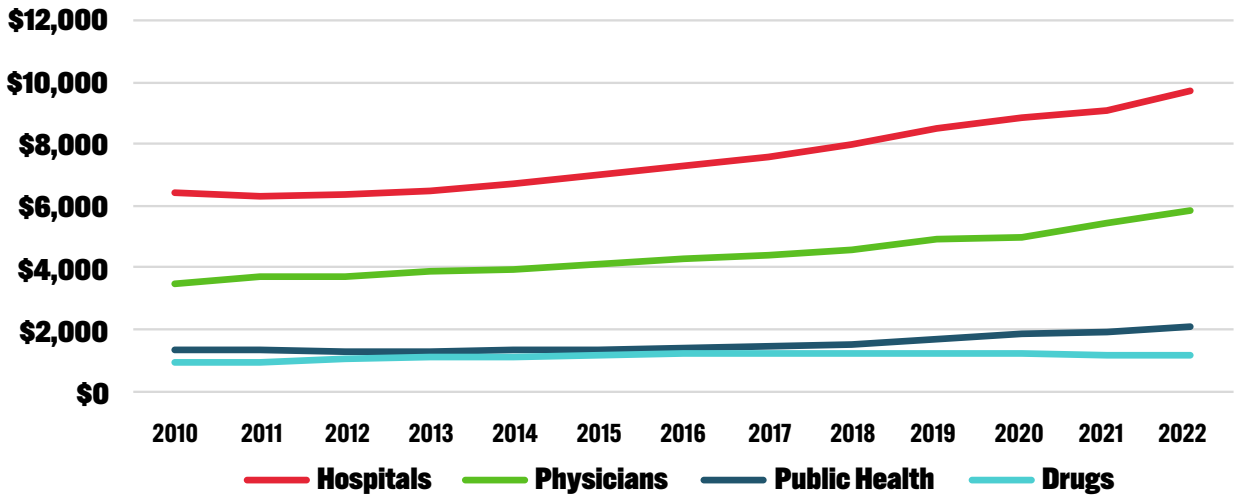


Figure 5 Data retrieved from CIHI Provincial Health Expenditures 1975-2022.

Medication expenditure has remained relatively flat since 2010, while all other aspects of the healthcare sector have experienced growth.[23]

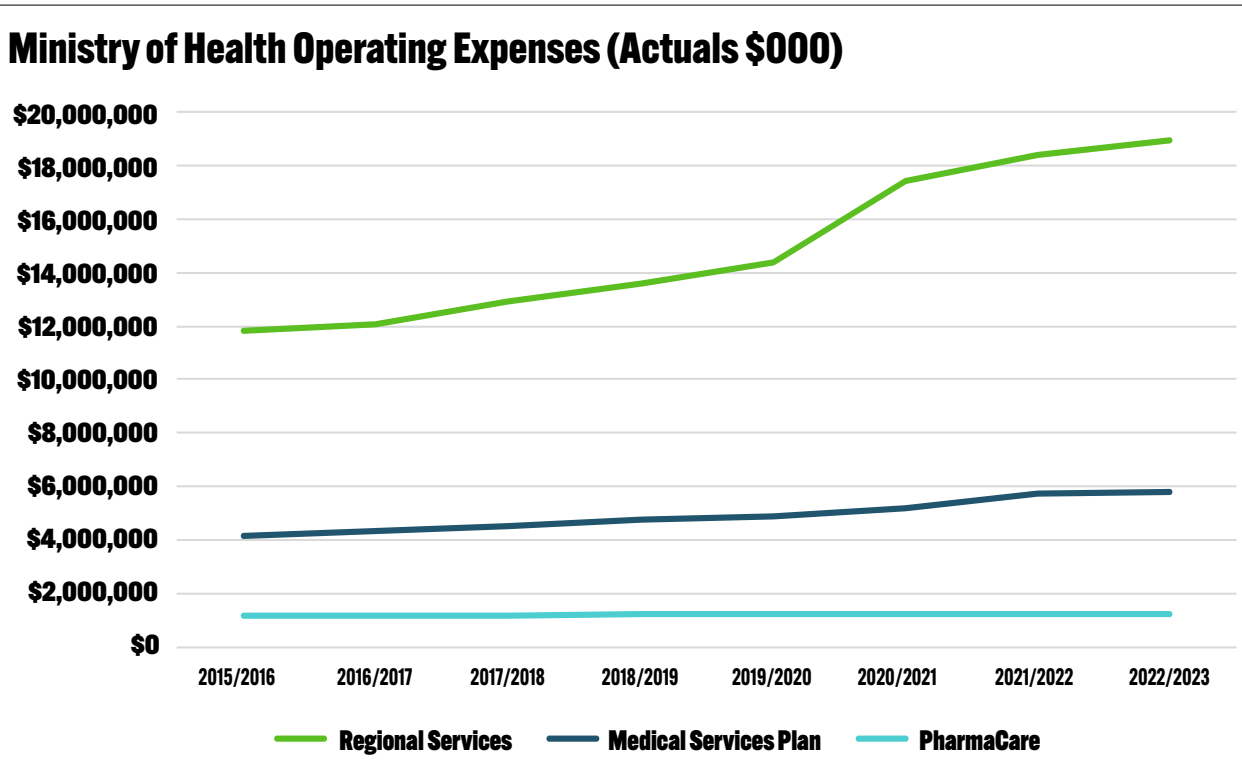


Figure 6 Data retrieved from BC Ministry of Health Annual Service Reports from 2015 to 2023.

The trend remains relatively similar when we look at the data from the BC Ministry of Health Annual Service Plan Reports.

For 2023, funding for PharmaCare represented only 5.6% of a total health budget of $28.7 billion. The rest went toward hospitals, physicians, public health, and other institutions.[24] Of the small portion of expenditures that went to the drug program, approximately 75% covered drug costs but the rest paid for other expenses, such as pharmacy fees, support fees, some testing, and vaccination costs.[25]

Note that BC PharmaCare expenditures do not include drug expenditures from the following:[26]

- BC Centre for Excellence in HIV/AIDS
- BC Cancer Agency
- medication used in hospitals
- sample medication from doctors' offices
- drugs for rare diseases
- provincial retinal disease treatment program
- Plan W (First Nations)
- Plan Z (other drugs)
- any additional pharmacy expenditures

However, in the PharmaCare Trends 2021/2022 Report, data sources added the costs for drugs for rare diseases.[27] This resulted in an increase of $43.25 millions in total claims expenditures between 2020/2021 and 2021/2022. These medications are considered Non-Benefit, but patients can apply for coverage on a "case-by-case, last resort" basis and must meet certain criteria.

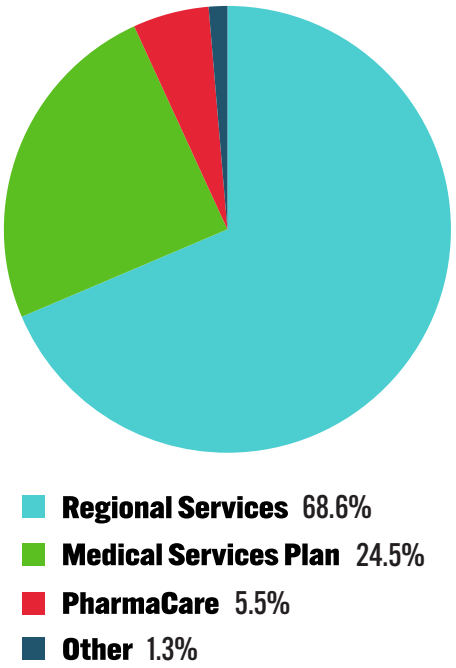


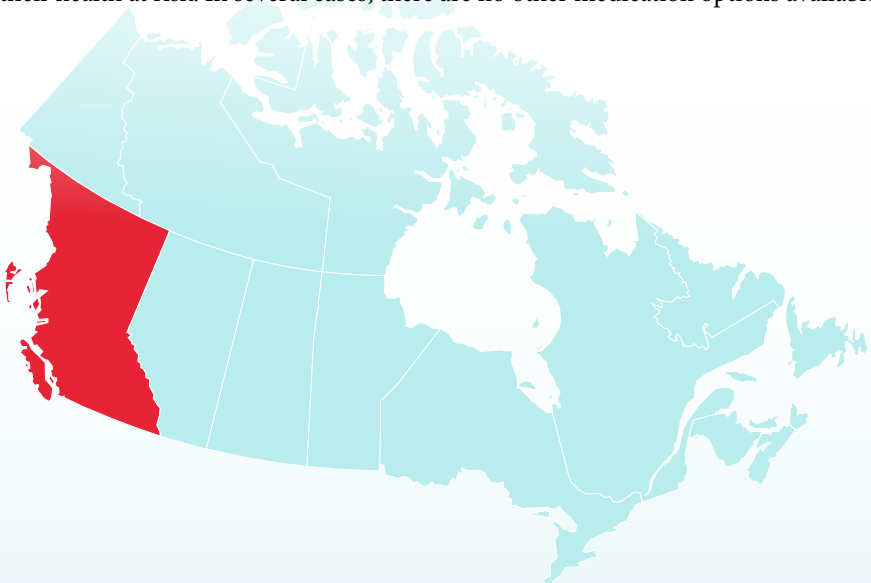
Figure 7 Data retrieved from BC Ministry of Health 2023/21-2025/26 Service Plan.

Access to Medicines in British Columbia vs Canada

British Columbia still falls behind all other Canadian jurisdictions, even when they are at the table to negotiate prices on behalf the FPT team. Our analysis only includes medicines that have received a:

- positive recommendation from CADTH
- pCPA-negotiated price in place with a letter of intent

This means that some patients in BC cannot get coverage for the medications they need. Instead, they might have to try older therapies, make a giant lifestyle change, or move to another province or territory of Canada to get their medication. These options can be very costly and put their health at risk. In several cases, there are no other medication options available for these patients in the province.



List of Non-Benefit Medicines

The following is a partial list of medications that BC PharmaCare has rejected coverage for, while most (and in some cases, all) provinces have approved them for coverage in their respective public drug plans. From publicly available information we noted that between 2018 and 2023, this includes 31 medications that are covered by most provinces, except BC. By comparison, Ontario only declined coverage for two of the 31 medicines and Alberta for three. We thank our peer patient organizations for identifying these gaps in coverage.

Medication	Indication	Positive CADTH Recommendation	pCPA Letter of Intent	Public Coverage in BC?	Available in all other provinces?
Revestive® (teduglutide)	short bowel syndrome	reimburse with conditions	yes	no	yes, except PE
Latuda® (lursidone)	schizophrenia	reimburse with conditions	yes*	no	yes
Reblozyl® (luspatercept)	myelodysplastic syndrome	reimburse with conditions	yes	no	yes
Dupixent® (dupilumab)	atopic dermatitis	reimburse with conditions	yes	no	yes
Duobrii® (halobetasol propionate and tazarotene)	plaque psoriasis	reimburse with conditions	yes	no	yes
Actikerall® (fluorouracil/ salicylic acid)	hyperkeratotic actinic kerastosis	reimburse with conditions	yes	no	yes, except QC
Rinvoq® (upadacitinib)	psoriatic arthritis	reimburse with conditions	yes	no	yes
Kesimpta® (ofatumumab)	relapsing-remitting multiple sclerosis	reimburse with conditions	yes	no	yes
Ocrevus® (ocrelizumab)	relapsing-remitting multiple sclerosis	reimburse with conditions	yes	no	yes
Vyepti® (eptinezab)	migraine	reimburse with conditions	yes	no	yes

Figure 8 List of a few medications that BC PharmaCare has refused to cover. All medicines in the chart have received approval from Health Canada, a positive recommendation to reimburse from CADTH, and a pCPA letter of intent. Data in this table is current as of January 2, 2024.

Additionally, Arazlo® (tazarotene) for acne vulgaris and Enstilar® (calcipotriene and betamethasone dipropionate) for plaque psoriasis receive public drug coverage in most provinces except BC. These products do not have a reimbursement review from CADTH, but they received approval from Health Canada and a pCPA letter of intent.‡

During a meeting in November 2023, patient group members of Medicines Access Coalition – BC presented a draft of the video version of this report to members of the BC Deputy Minister's Office, including the PharmaCare Benefits Branch. Patient groups requested coverage reconsideration for the 31 Non-Benefit medicines. In response, they expressed that BC will not reconsider their funding decisions due to the current provincial drug review processes. However, they did remind us that prescribers could apply for special authority coverage on a case-by-case basis.

* pCPA recommended that P/Ts negotiate this with the manufacturer individually

‡ Arazlo® (tazarotene) pCPA letter of intent; Enstilar® (calcipotriene and betamethasone dipropionate) pCPA letter of intent.

Since we are a diverse population, we must take into consideration that what works for one individual might not work for another. Persons of colour with skin disease might react differently to different treatment approaches. However, BC refuses to cover most innovations in dermatology. Of the new dermatology products approved through our national processes, BC listed only 25%. By comparison, PE was the next lowest and they covered 75% of the products.

Some of the medicines listed above are the only medication approved to treat the condition. This means that patients in BC have no other options for treatment, unless they have the financial means to pay for them out-of-pocket or to move to another province.

For instance, Revestive® (teduglutide) is the first medication approved by Health Canada for adults and children one year of age and older living with short bowel syndrome (SBS) who are dependent on parenteral support. This medicine promotes re-growth of the small intestine in this complex and serious rare condition where a person does not have enough small intestine to absorb nutrients from food. This is an effective, Canadian invention.

Kesimpta® (ofatumumab) is the only monoclonal antibody available in a subcutaneous self-injection, rather than being delivered via infusion at a specialty clinic, for treatment of relapsing-remitting multiple sclerosis (RRMS). This fills a significant gap in RRMS treatments for patients who are recommended to be treated with a high-efficacy monoclonal antibody.

BC is the only province that requires a person to suffer a painful fracture or provide x-ray proof of a painful fracture before they can receive coverage via Special Authority for a medication that prevents fracture.

Potential Impacts

Using Special Authority as a "Back-Door" Access for Medicines

BC does have a Special Authorization approval process in place, but it is on a case-by-case basis and does not guarantee full or partial coverage for medicines. It currently operates under a long backlog of 6-8 weeks. Meaning, even if BC listed a product for patients to access it and a special authorization form is required, the government takes 6-8 weeks or longer to decide whether it will cover the medication for that person: Special Authority (SA) - Province of British Columbia (gov.bc.ca). This process also adds administrative burden for overworked prescribers when there is no guarantee for approval.

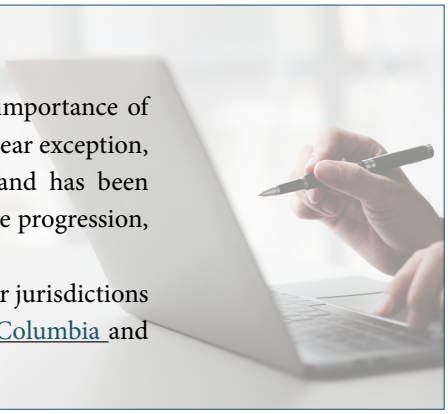
Life Sciences

On April 17, 2023, the Government of British Columbia made a landmark announcement for the province's Life Sciences and Biomanufacturing Strategy.[28] The strategy will foster innovation, jobs, and economic growth and is poised to improve research and clinical trial capacity in the province. Yet, the strategy's focus on strengthening medical innovations is a stark contrast to the history and rationale behind BC's rejection of coverage for new medicines.

What Can You Do?

Most provincial governments across Canada recognize the value, need, and importance of providing public coverage for life-altering medications. British Columbia is a clear exception, as they continue to refuse coverage. This denial in coverage is not new, and has been ongoing for many years, leaving patients at risk of increased symptoms, disease progression, hospitalization, or worse.

It's time that patients in BC have equitable access to medications like all other jurisdictions in Canada. Write a letter to your Member of Legislative Assembly of British Columbia and share how gaps in medication coverage have affected you or your loved ones.



Acknowledgements

Developed by the Gastrointestinal Society, with input from patient groups listed in this report.

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We thank AbbVie Corporation, Eli Lilly Canada Inc., Hoffmann-La Roche Limited, Merck Canada, and Takeda Canada Inc. for their sponsorships and unrestricted educational grants so we could independently produce this document, as part of a greater educational awareness initiative.

The Gastrointestinal Society does not intend that this report replace the knowledge or diagnosis of your physician or healthcare team, and we recommend seeking advice from a medical professional whenever a health problem arises.

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