



Drug Program Priorities

Creating Synergy Health Coalition of Alberta Forum

November 6, 2012

Conference Board of Canada - Report

- In Alberta, health care spending could reach 53% of the total budget by 2020.
- All provinces are experiencing cost drivers largely outside of anyone's control, such as population growth, aging and inflation.
- Home care and **drugs** will dominate growth between now and 2020, increasing by 81% and 117% respectively.

Drugs are:

- A key therapeutic tool;
- Used to restore and maintain health;
- Used to reduce other system costs;
- Support individual functioning at work, school and in daily life;
- Paid for by individuals, employers and government (GoA 45% of total spend in Alberta).

Drug Coverage in Alberta

- About three-quarters of the 3.4 million residents participate in a drug plan:
 - private plans (~ 50%)
 - government plans (~ 20%)
 - federal plans (~ 3%)
 - no coverage (~ 27%)
- Government plans account for 45% of prescriptions in Alberta (~ 13 million claims)
- Government spent ~ \$1.3 billion on drugs in 2011/12
- Administered by Alberta Blue Cross
- Co-payment and/or Premium Structured Plan

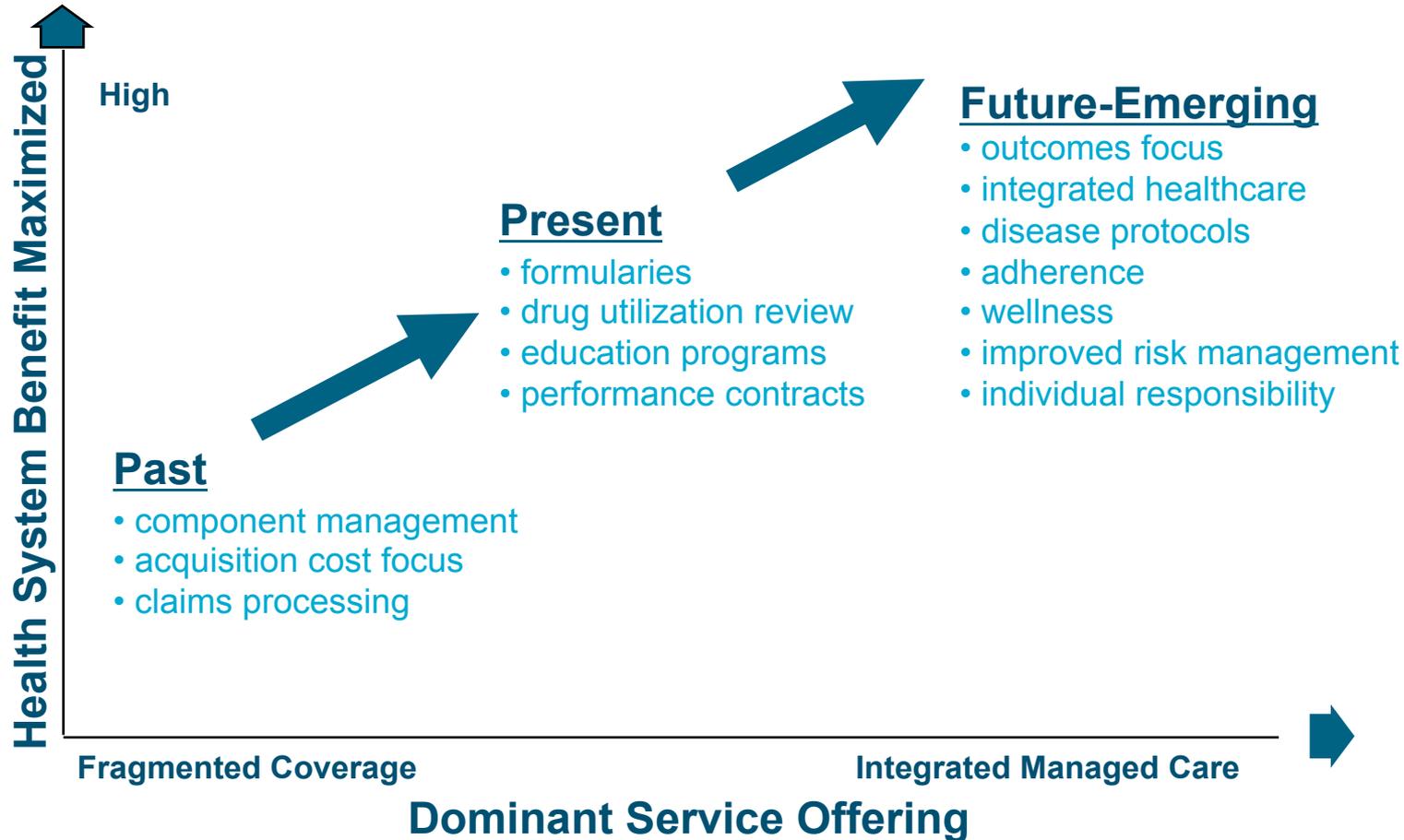
Strategic Criteria – 3 Lenses

- Equitable/Consistent
- Fair/Transparent
- Timely
- Evidence based
- Appropriate/Necessary
- Sustained value
- **Social/Societal**
- **Clinical/Scientific**
- **Economic**

Strategic Policy Questions

- Who should be covered?
 - Which Albertans?
- How should they be covered?
 - How should the program be structured? Should the costs and risks be shared, if so to what end?
- What should be covered?
 - Which drugs & services? Under what rules or conditions?
- To what result?
 - How do we attain and measure sustained value?

Where We Need to Go



Alberta Health Priority and Mandate

- Increase access to quality healthcare and improve the efficiency and effectiveness of healthcare service delivery;
- Ensure Alberta has the health care professionals we need to meet future demand;
- Strengthen the governance and accountability framework with all health providers;
- Improve health care delivery model to ensure the roles, responsibilities and structures in the system support the most efficient delivery of services;
- Increase the number of treatment beds for drug addictions and mental health services.

Pharmacy Program Changes - 2008

- Bill 34 passed – Drug Program Act
- Drug approval process improvements
 - special authorization process streamlining
 - interchangeability policy updated (monthly listings)
 - tracking of submissions available (iDBL)
- Seniors plan redesign - deferred
 - income based premiums and reduced co-payment
- Committee with public members – yet to do
- Rare Diseases Drug Program – yet to do

Program Changes - 2012

- Better drug use through engaging patients in their own care, and engaging health professionals through innovative partnership models
- Better patient care resulting from changes to the pharmacy payment model
- Lower generic drug prices resulting in savings for all Albertans
- Access to a secure and stable supply of prescription drugs and pharmacy services for all Albertans

Pharmacy Services Framework

1. Product Services

- drug distribution services that support safety, accuracy, quality, and integrity of the drug supply

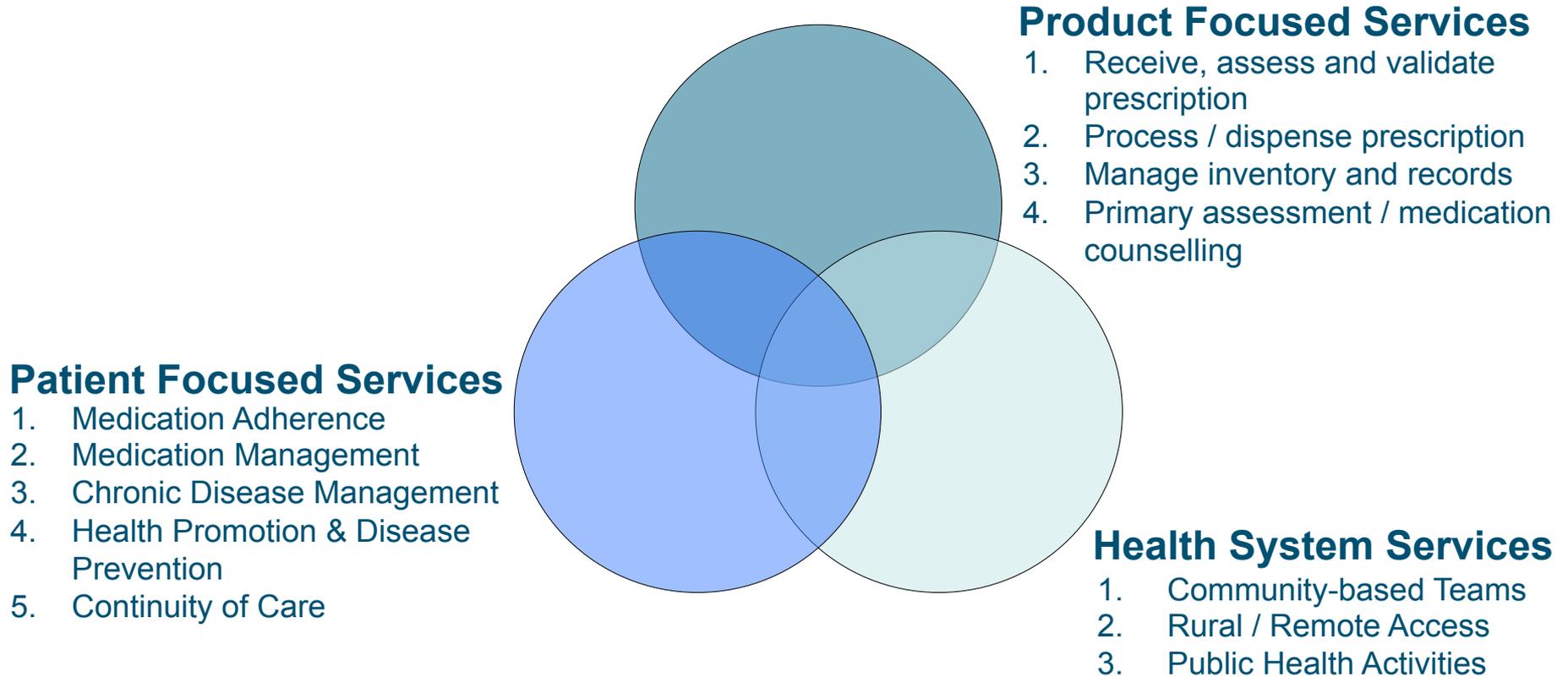
2. Patient Services

- specific pharmacy services aligned with patient need and care complexities

3. Health System Services

- services that improve integration with other health providers and meet population health objectives

Pharmacy Services Compensation Model



Pharmacy Services – July 1, 2012

- Comprehensive Annual Care Plans
- Standard Medication Management Assessment
- Assessment and:
 - Administration of Medications by Injection
 - Adaptation
 - Renewal
 - Medication Emergency
- Patient Assessment for Initiating Medication Therapy

Lower Generic Prices

- On April 1, 2010, prices of most existing generic drugs in Alberta were reduced from 75 to 56% of the brand equivalent
- For new generic drugs, prices were reduced to 45% of the price-comparable
- Effective July 1, 2012, prices of existing multi-source drugs were further reduced to 35% of the originator brand product
- Applies to both public and private plans
- Rebates available to pharmacies have been reduced significantly but remain

Product Listing Agreements (PLAs)

PLAs are intended to:

- Promote best value for Alberta's government-sponsored drug plans;
- Support broader access to therapies for Albertans;
- Build capacity and support investment in Alberta-based initiatives aligned with the goals of Alberta's health-research and innovation agendas.

Product Listing Agreements (PLAs)

Examples of Products listed through the PLA process include:

- For individuals with diabetes:
 - Insulin (Lantus, Levemir, Humalog Mix)
 - Oral Medications (Onglyza, Januvia, Janumet, Trajenta)
- For individuals with mental health conditions:
 - Major Depressive Disorders (Cymbalta, Cipralex, Seroquel XR)
 - Schizophrenia (Seroquel XR)
- Other examples:
 - Multiple Sclerosis (Gilenya), Hepatitis C (Incivek), Asthma (Xolair), Ulcerative Colitis (Mezavant), Atrial Fibrillation (Xarelto and Pradax)

Remote Pharmacy Access Program

- Developed to support communities with only one or two pharmacies
- Key role in providing primary health care
- Support a number of remote pharmacies in Alberta
- Three-year grant/ \$5.3 million per year