

Developing a Drug Plan for Uninsured New Brunswickers

Submitted by the Canadian Cancer Society New Brunswick

Introduction

The Canadian Cancer Society is a national, community-based organization whose mission is the eradication of cancer and the enhancement of the quality of life of people living with cancer. In New Brunswick, volunteers and staff work together to fulfill this mission through the funding of ground-breaking research, provision of programs in prevention and supportive care, information and advocacy.

Every hour of every day in Canada, approximately 20 people are diagnosed with cancer and 8 people will die from cancer. Closer to home, an estimated 4,800 New Brunswickers were diagnosed with some form of cancer in 2011, while approximately 1,990 residents died as a result of cancer.¹ Cancer rates are projected to increase as our population ages and this will have significant ongoing impact on the healthcare system in New Brunswick.

Background

In recent years, the Canadian Cancer Society New Brunswick has been contacted by a growing number of residents diagnosed with cancer who are struggling to pay for necessary medications. Those who have approached the Government of New Brunswick for assistance have been told there is no program to help them unless they are willing to liquidate assets in order to qualify for benefits under the Department of Social Development. This practice may provide short-term cost savings for the Province, but has dire consequences for the individual, their family and ultimately, the healthcare system as a whole.

Each situation is unique, yet equally catastrophic for the individuals and families forced to choose between paying for prescribed medications and providing the basic necessities for themselves and their families. While some New Brunswickers struggle to pay for a single, high-priced medication, others cannot afford multiple lower-priced medications. This is a challenge faced by residents at all income levels and the most effective solution will encompass the entire New Brunswick population.

As of this moment, New Brunswick remains one of only two provinces in Canada without catastrophic drug coverage. The Canadian Cancer Society New Brunswick has been actively advocating since 2008 for a catastrophic drug program for New Brunswick residents. While we do recognize the importance of providing prescription drug coverage for those who have none, the multi-step approach being undertaken by the Government of New Brunswick will mean at least half of New Brunswick residents will continue to face the prospect of drug costs that are beyond their ability to pay.²

The Canadian Cancer Society New Brunswick would like to restate unequivocally that a single catastrophic drug program would best serve the interests of all New Brunswickers. The Government of New Brunswick must give serious consideration to the notion that significant, appropriate investment in a catastrophic drug program may well reduce costs elsewhere in the healthcare system.

¹ Canadian Cancer Society's Steering Committee on Cancer Statistics. *Canadian Cancer Statistics 2011*. Toronto, ON: Canadian Cancer Society, 2011.

² <http://www2.gnb.ca/content/dam/gnb/Corporate/pdf/DevelopingDrugPlan.pdf>: Accessed March 18, 2012.

Developing a Drug Plan for Uninsured New Brunswickers

Submitted by the Canadian Cancer Society New Brunswick

Questions to consider

The Advisory Committee on Health Benefits has presented seven ‘questions to consider’ in the *Developing a Drug Plan for Uninsured New Brunswickers* online consultation document. The Canadian Cancer Society New Brunswick submits the following responses:

Should all New Brunswickers be required to have drug coverage?

The Canadian Cancer Society New Brunswick believes that the Government of New Brunswick should provide adequate drug coverage for all New Brunswickers. A drug plan for the uninsured will protect the 25-30% of New Brunswickers who currently have no drug coverage, but does nothing to protect the majority of New Brunswick residents who may have insufficient drug coverage through their private- or publicly-funded plans. The proposed multi-step approach to catastrophic drug coverage will further delay protecting all New Brunswickers from high drug costs.

In reference to cancer patients in particular, the Province of New Brunswick lags behind the BC Cancer Agency, Alberta Health Services and the Saskatchewan Cancer Agency, all of which cover 100% of the cost of all cancer treatment drugs for all residents.

How would we pay for what we need?

The Government of New Brunswick is in the best position to determine finance options for an expanded drug coverage program. The Department of Health under three successive governments has researched and projected costs for potential expanded drug coverage models. This research could aid the Advisory Committee on Health Benefits to expedite the information-gathering portion of the consultation process.

It is interesting to note that Nova Scotia and Newfoundland and Labrador had budgeted in the range of \$40-50 million for the initial year of their respective catastrophic drug programs. In both cases the actual costs were approximately half or slightly less despite significant investment and effort to educate residents and attract them to the programs.³

In May 2009, the Canadian Cancer Society New Brunswick polled New Brunswick residents, 76% of whom indicated support for a catastrophic drug program. Further, 66% of New Brunswickers indicated support for a tax increase to fund a catastrophic drug program. Indeed, the province of Quebec has a “largely tax-financed plan that exists alongside a private employer-based insurance system...”⁴

Additional potential resources were also identified through the Finance Minister’s recent province-wide budget consultation process. Finally, there is potential revenue to be found in both the upcoming pharmaceutical product patent cliff as well as the Government of New Brunswick’s recently-announced generic drug pricing policy. In Ontario, where a similar policy was implemented, dollars saved by lowering the price of generic drugs will be used to add new prescription drugs to the province’s formulary.⁵ Here in New Brunswick, those dollars could be used to support a catastrophic drug program.

³ Personal Communication, May 2011.

⁴ *Financing models for non-Canada Health Act services in Canada: Lessons from local and international experiences with social insurance* © 2011, Canadian Health Services Research Foundation, p. 24.

⁵ http://www.health.gov.on.ca/en/public/programs/drugreforms/our_plan.aspx; Accessed on March 18, 2012.

Developing a Drug Plan for Uninsured New Brunswickers

Submitted by the Canadian Cancer Society New Brunswick

What deductibles, copayments and maximums should the plan include? Should these vary by level of income? How?

In order to remove financial barriers for New Brunswickers in need of cancer medications, the balance between deductibles, copayments and/or maximums would ideally result in out-of-pocket costs that do not exceed 5% of household *net annual income*.

Anecdotal evidence from Nova Scotia suggests that deductibles have proven to be a barrier to participation in the Family Pharmacare Program in that province. In Newfoundland and Labrador, the out-of-pocket drug expenses are indexed according to *net annual income* as follows:⁶

Annual Income (net)	Maximum % of Income to Spend on Eligible Drug Costs
\$0 - \$39,999	5%
\$40,000 - \$74,999	7.5%
\$75,000 to \$149,999	10%

The Advisory Committee on Health Benefits must consider that deductibles and copayments may result in some individuals and families being unable to afford to access the program. In these cases, subsidies will be necessary. Fortunately, there are numerous other expanded drug coverage plans or catastrophic drug programs across Canada which can be evaluated to arrive at the best possible “made-in-New Brunswick” solution.

Should the plan have a premium? Should the premium vary by level of income? How?

In order to remove financial barriers for New Brunswickers in need of cancer medications, premiums should not be included unless they are strictly and fairly indexed to *net annual income*. If a premium is deemed necessary, it must be affordable and subsidized for those individuals and families for whom even a small premium might prove prohibitive.

How should the plan deal with individuals who have pre-existing medical conditions?

The Canadian Cancer Society New Brunswick reiterates that all New Brunswickers should have access to provincially-funded prescription drug coverage regardless of pre-existing medical conditions. To exclude these people would be unacceptable, especially considering they are often excluded from private health insurance programs.

Should there be a waiting period after enrolment before benefits become available? How long?

In the interest of removing barriers to cancer drug access for New Brunswickers, there should be no waiting period after enrollment. A waiting period would serve only to exacerbate any emotional and financial pressure and compromise the health of New Brunswickers living with cancer.

⁶ <http://www.releases.gov.nl.ca/releases/2007/health/1011n02.htm>: Accessed on March 18, 2012.

Developing a Drug Plan for Uninsured New Brunswickers

Submitted by the Canadian Cancer Society New Brunswick

How should employers be involved? Should they be required to continue their current drug plans?

What happens if they don't?

Personal communication with senior staff in the Departments of Health in Nova Scotia and Newfoundland/Labrador indicated that employers did not attempt to divest themselves of private drug plans when the Family Pharmacare Program and The Assurance Plan became available. However, if this is of concern to the Government of New Brunswick, a strong regulatory framework would help encourage private payers to maintain existing drug plans.

Conclusion

The Canadian Cancer Society New Brunswick strongly believes that New Brunswick residents merit the same health benefits as other Canadians. It is for this reason that our organization has advocated for a catastrophic drug program for New Brunswickers with the consistent recommendation of a single program that would address the drug access needs of all New Brunswickers regardless of income, current private or public coverage and/or pre-existing medical conditions.

The lack of a catastrophic drug program in New Brunswick has become a crisis for a growing number of residents unable to afford necessary cancer medications. In the fall of 2010, Premier David Alward and Health Minister Madeleine Dubé initially committed to a catastrophic drug program for New Brunswick residents to be implemented during the first year of their mandate. New Brunswickers continue to wait for the promise of a catastrophic drug program to be fulfilled.

Questions concerning the details of a catastrophic drug program- premiums, deductibles, copayments, maximums, waiting periods and financing models- should be addressed through evaluation of the numerous models which currently exist across Canada. Working together, the Department of Social Development and Department of Health can expedite this process to develop a program that will protect all New Brunswickers from catastrophic out-of-pocket drug costs.

Thank you for the opportunity to take part in this consultation process. As the voice of cancer patients in New Brunswick, the Canadian Cancer Society New Brunswick looks forward to future consultations on the topic of catastrophic drug coverage for New Brunswickers.

Developing a Drug Plan for Uninsured New Brunswickers

Submitted by the Canadian Cancer Society New Brunswick

References

Canadian Cancer Society's Steering Committee on Cancer Statistics. *Canadian Cancer Statistics 2011*. Toronto, ON: Canadian Cancer Society, 2011.

Financing models for non-Canada Health Act services in Canada: Lessons from local and international experiences with social insurance © 2011, Canadian Health Services Research Foundation.