

Study: More people rely on government catastrophic drug plans

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Government spending for the catastrophic drug program in Ontario rose 700 per cent between 2000 and 2016, during which there was a three-fold increase in the use of this plan, a new study has found.

The study, published today in *CMAJ Open*, said the spending increase also appears to be due to the rise in the use of high-cost medications, including a class of drugs called biologics.

"Our study illuminates the pressure facing Canadians due to rising drug costs," said Dr. Mina Tadrous, a research associate with the Ontario Drug Policy Research Network, based at St. Michael's Hospital, and a fellow with the Institute for Clinical Evaluative Sciences. "Catastrophic drug programs are the last line of defense for helping protect citizens from drug expenses that threaten their family's financial security."

"With a larger number of expensive drugs currently under development, continued pressure on private insurers to control costs, and changing insurance coverage for workers, we anticipate that use of catastrophic drug programs, will continue to grow," he said.

Using databases housed at ICES, Dr. Tadrous looked at changing patterns of use, government spending and characteristics of people making claims to Ontario's catastrophic drug program, the Trillium Drug Program from Jan. 1, 2000 to Dec. 31, 2016. The program is for people under the age of 65 who spend about three to four per cent of their after-tax household income on prescription drugs.

The researchers found:

- * Use of the program increased three-fold from 3.6 users per 1,000 Ontarians to 10.9 users

- * Total [government spending](#) rose by 735 percent, reaching \$487 million in 2016

- * Between 2000 and 2015, the last year for which demographic data on people making claims was available, more users were under the age of 35 (19.6 rising to 25.3 per cent) and had high deductibles (2.3 per cent to 8 per cent), suggesting they are younger, healthier adults, and have higher incomes than in the past. Dr. Tadrous noted that in today's labour market, many young people work on contracts or at jobs without drug insurance plans.

- * There was a significant increase in the proportion of users with one or more drug claims greater than \$1,000 (3.4 per cent to 10.4 per cent) and those dispensed a high-cost biologic (1.6 percent to 5.5 percent). Biologics are drugs made from complex molecules manufactured using living microorganisms, plants or animal cells.

Dr. Tadrous said it was no longer unusual for newly approved treatments to cost more than \$1,000 a month, and "even more apparent" was the number of newly approved drugs costing more than \$10,000 a year, which rose from 20 drugs in 2005 to 124 in 2015.

The most frequently reimbursed drugs in the plan were relatively consistent over time and were commonly prescribed medications such as painkillers, antibiotics and cholesterol medications. However, the medications with the highest total spending did change over time, shifting from chronic oral medications to newer biologic medications. The highest [drug](#) cost in 2000 was \$2.6 million for atorvastatin (brand

name Lipitor) used to lower cholesterol; in 2015 it was \$55.4 million for infliximab (brand name Remicade) used to treat diseases such as Crohn's disease and rheumatoid arthritis. HIV and hepatitis C treatments have remained some of the highest costing medications for the program throughout the study period.

"Recent attention on the need for a national pharmacare strategy has largely focused on the coverage of essential medications, which doesn't address the rising cost of expensive drugs and the burden they place on Canadians," Dr. Tadrous said. "With more high-cost drugs coming our way, with even bigger price tags, we need to be able to make sure that we are balancing access and value."

Provided by St. Michael's Hospital

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