

## **British Columbians' grave concerns over expansion of BC government's Reference Drug Program**

Across Canada, public and private drug plans are increasingly using reference-based pricing policies to contain costs. Under reference-based pricing, drug plans reimburse the cost of the reference drug or drugs in a medication class. Most often, this is the most inexpensive drug in a class.

The BC government is expanding its program for reference price and reference product through Reference Drug Program (RDP) Modernization. This means that the government is deciding not just the price it will pay for a medicine, but which medicines physicians can prescribe, if patients want BC PharmaCare to cover the cost and if patients want the cost to count toward their Fair PharmaCare deductible.

As patient advocates for more than 20 years, we are very concerned that these policy changes – as past experience shows us – will adversely affect thousands of patients, in particular, our most vulnerable patient populations: the elderly and low-income. Changing a stabilized patient's medication, strictly based on a government medication-pricing scheme with cost containment as the prime consideration, is contrary to evidence-based medical practice. BC patient organizations fully support a 'patients first' approach, and so should government. Policy should preserve and uphold the intent of a health care system to deliver precision medicine and respect the complexity of therapy choices being made between patients and their physicians.

### **The BC experience with RDP**

The Reference Drug Program was introduced in British Columbia in 1995. An economic study in the *Canadian Medical Association Journal*, published in 2002, revealed that BC's reference-based pricing policy pushed costs to other parts of the health care system, generating negative health outcomes for the elderly and low-income patients. Subsequent research published in 2003 in the *BC Medical Journal* demonstrated that the RDP was not effective in slowing pharmaceutical spending and consumers had to pay for more out-of-pocket.

In 1996, patient groups got together and formed the Better Pharmacare Coalition (BPC) in response to the government's introduction of reference-based pricing policy in BC. One of these patient groups, the Canadian Society of Intestinal Research, led a study 2009 study that showed changing medication against doctor's orders, which BC PharmaCare predicted would preserve \$42 million in the drug budget, actually cost the BC government \$43 million more, a difference of \$85 million over three years. This policy actually resulted in an increase in the drug budget itself, as patients used more medications when switched than they did before switching.

When a disease is under control using a specific medication, the old adage rings true: “don’t fix what isn’t broken.” Non-medical medication switching drives, not saves, costs. Hidden costs of switching stable patients to cheaper therapies include increased visits to hospital emergency rooms, loss of adherence with switched medication, new side effects with the switched medication, necessitating additional prescriptions, and loss of or reduced disease control.

The BC government recently approved amendments to the Drug Price Regulation on December 17, 2015 that will expand the Reference Drug Program in ways that give patients grave concerns.

In anticipation of this expansion, the BPC engaged Insights West, a full-service marketing research company, to conduct an online poll, which found British Columbians oppose expansion of the Reference Drug Program. A resounding 82% are concerned that administrators of the BC PharmaCare program will be implementing a policy that tells physicians which medications they can prescribe for patients, even if it goes against physicians’ opinions of the best care for their patients.

The BPC poll also found that 76% of British Columbians were concerned about changing BC PharmaCare’s Reference Drug Program to specify a ‘reference product’ that patients must take, or they will have to pay the difference out-of-pocket to stay on their current therapy. It is important to note that the concerns are higher among PharmaCare users and those with a history of chronic disease in their household.

Patients are drawing their own line in the sand. The government needs to understand what doctors already know – patients are unique and they cannot be treated with a cookie cutter policy approach. Government should make every effort to meaningfully consult with Better Pharmacare Coalition members and the 2 million patients they represent in BC, when contemplating any change that will touch even one patient’s life. We are ready, willing, and able to work by their sides to get it right for BC patients.

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