

# Reasonable expectations in drug reimbursement

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## Conflicts of interest disclosure

- I am receiving or have received grants and/or consultation fees from the following companies : Abbott, Altana, Amgen, AstraZeneca, Bristol-Myers Squibb, Eli Lilly, GlaxoSmithKline, Janssen-Ortho, Merck Frosst, Novartis, Pfizer, Sanofi-Aventis, Solvay Pharma and Wyeth.
- Conseil du médicament du Québec
- Health Canada

## A STATEMENT OF FACT

- Drugs are an integral part of the health care system AND a very important component of the public health.

## CONSEQUENCE

- You cannot pretend you have a universal health care system if ALL your citizens do not have drug insurance.
- In Quebec we solved that problem 10 years ago.

## CANADIAN DRUG EXPENDITURES

- 2004: 21.8 Billions
- 2006: 25.2 Billions
- 773 \$C per soul
  - Assuming one soul per Canadian
- 9.6% of health expenditures
  - US 6.7%
  - South Corea: 25%

## CANADIAN DRUG EXPENDITURES

- 25 Billions
- Is that too much or not enough.
- Beauty is in the eyes of the beholder.



## STATEMENT OF FACT

- Properly used drugs is among the most cost-effective health care interventions.
- Improperly used drugs are one of the biggest source of wastage of health care resources.
- Physicians, if turned loose, will naturally gravitate towards the newer more expensive drugs.



## CONSEQUENCE

- Formularies are necessary to aim towards a framework of cost-efficient drug use.
- Usually: Try the cheap one first (unless it is contra-indicated).



## INFORMATION

- PHASE III RCT
  - Done to convince the FDA to put the drug in the American market (\$\$\$\$).
- Creative Pharmaco-ecomics
- Imaginative Budget impact analysis



## DECISIONS, DECISIONS, DECISIONS

- Not listed
- Restricted
- Open listing



## QUESTIONS

- Question 1
  - How is it going to be used ?
- Question 2
  - How the hell is it going to be used ?
- Question 3
  - How the hell are those “\$:&” going to use it ?



## Mission Impossible

- Can you tell how a drug is going to be used in a given Canadian province on the basis of a multinational Phase III trial ?

## Easy way out

- Refuse reimbursement for practically all drugs
- Any excuse is good
  - Does not save lives (Asthma drug);
  - “Prolonging the life of cancer patients puts undue stress on their relatives”;
  - Propose, as a cheaper alternative, a drug for which the indication is not evidence based.

## Only possible solution

- Conditional approval
- Conditional to what ?
  - Effectiveness;
  - Cost-effective use;
  - Real life safety

## Rules of the game

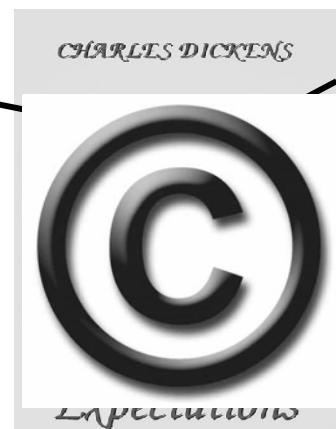
- Have to be understood and accepted by all stake-holders.
  - Patients;
  - Health professionals;
  - Provincial governments;
  - Industry.

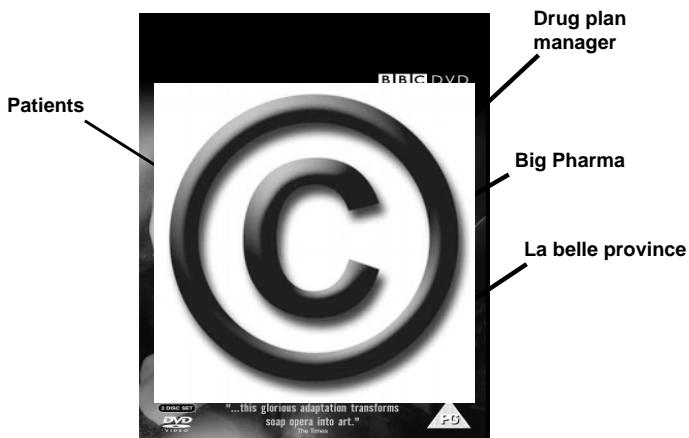
## Need for experimentation

- We will not get it right the first time.
- Learn from past experiences.
- Provinces will have to share information and learn from each other.

## Before conditional approval

Drug plan manager      Industry





After conditional approval



## The end of the conditional approval fairy tale

- And they got in bed together...
- And they lived happily ever after...
- And they had many children...



Thank you for your attention

