

Ministry Ministère
of de
Health la Santé

Assistant Deputy Minister
Health Insurance & Related Programs
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Mr. Brian Farlinger
AIDS Action Now
517 College Street
Toronto, ON
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December 28, 1994

Dear Mr. Farlinger:

As you may be aware, on November 30, 1994, the Honourable Bob Rae, Premier of Ontario, announced the Prescription Drug Safety-Net Program to help people who face high drug costs in relation to their income. The Ministry of Health is now working out the details of this program, which will begin April 1, 1995.


During early January 1995, the ministry will be meeting with interest groups and other stakeholders to discuss aspects of this program currently under development.

We would be pleased to have a representative from your organization attend the session on Monday, January 9, 1995, from 10:00 am to 12:00 pm in the Kawartha Room, Macdonald Block, 900 Bay Street, Queen's Park.

Attached please find some background information on the Prescription Drug Safety-Net Program for the meeting.

We would appreciate if you would contact Ray Tremblay at (416) 327-8107 to advise us if you will be attending.

Yours truly,



Mary Catherine Lindberg
Assistant Deputy Minister

PRESCRIPTION DRUG SAFETY-NET PROGRAM

BACKGROUNDER

Premier's Announcement

On November 30, 1994 the Honourable Bob Rae, Premier of Ontario, announced that beginning on April 1, 1995, there will be a new program to assist families and individuals who have high drug expenditures in relation to their incomes and who have no private insurance available to them.

He announced that the program would include a deductible based on the family's or individual's net income.

He assured those currently receiving Ontario Drug Benefits that they would not be affected by the introduction of this new program and he said that there would be no change to the Special Drugs Program.

The Ministry of Health's Drug Programs Branch is now working on the implementation plan.

Background

The Ministry of Health provides prescription drugs free of charge to seniors, social assistance recipients, those on home care, those in long term care facilities and those in Homes for Special Care, through the Ontario Drug Benefit (ODB) program. In addition, the Ministry provides a group of drugs for severe illnesses through the Special Drugs Program. These particular drugs are considered essential to treat severe, life or organ-threatening conditions, are usually the only method of treatment available and are so costly that many patients are unable to afford them.

Problems associated with these programs - inequality of access, cost growth, administration, benefit listings - have been identified by consumer groups, pharmacists, physicians, drug manufacturers and other stakeholders for a number of years.

Early in 1992, the Ministry of Health responded to these concerns and established the Drug Reform Secretariat with a two-year mandate to achieve comprehensive reform of provincial drug programs.

During its mandate the Drug Reform Secretariat consulted widely by issuing and soliciting comment on four background papers and a consultation document, Drug Programs Framework For Reform, and by holding regional consultations, weekly forums and invitational workshops.

Making Access More Fair and Equitable

One of the major concerns that was identified during the consultations was the inequity of access to coverage under both Ontario Drug Benefit and the Special Drugs Program, particularly for those persons who had high drug expenditures in relation to their incomes and who had no private insurance available to them, because they could not afford it, because they were not eligible for it, or because they had exhausted it.

Stakeholders asked the Ministry to address these inequities and to make essential drug therapy available to all residents of Ontario.

The Ministry's consultation document suggested a number of ways to fulfil the reform principle, developed by the Secretariat's working groups and endorsed by Cabinet, that "All Ontario residents should have equitable access to drug coverage." These included providing assistance to those who cannot now afford necessary drugs, ensuring that there are no gaps between public and private coverage that would leave sick people vulnerable to high drug costs, and developing mechanisms for consumer cost sharing that are flexible, fair and help expand the current eligibility.

The Premier has now made a commitment to address inequity of access and the Ministry is developing a program for implementation on April 1, 1995 that will provide a safety-net against high drug expenditures in relation to income, encourage individuals and employers to maintain private insurance, and assign a fair annual deductible.