

TRILLIUM DRUG PROGRAM

For People With Unmanageable Drug Expenses.

BACKGROUND

The Ontario Drug Benefit (ODB) Program

The province introduced the Ontario Drug Benefit (ODB) program in 1974 to pay the cost of prescription drugs for seniors and people on social assistance. The program also covers residents of long-term care facilities and those receiving home care.

Ontario currently spends about \$1.1 billion annually on drug benefits for the roughly 2.4 million people under this program: 1.2 million seniors and 1.2 million social assistance recipients.

In 1986, the Ministry of Health began paying for some expensive drugs. This program, now known as the Special Drugs Program, pays for expensive drugs that are considered essential to treat severe or life-threatening or organ-threatening conditions. They are usually the only treatment method available. These drugs are so costly that many patients are unable to afford them.

In 1990, the Pharmaceutical Inquiry of Ontario (the Lowy Report) criticized the ODB program for its inequitable coverage: some people who could afford to buy their own drugs or insurance were receiving full government coverage while others facing unmanageable drug costs were not.

The Ministry of Health established the Drug Programs Reform Secretariat in 1992 to help address the concerns

of the Lowy Report and other critics of the ODB program. Its two-year mandate was to reform provincial drug programs to make them more accessible to more Ontario residents, to improve the quality of prescribing and to make the programs more affordable.

Between October 1992 and March 1993, the secretariat held 18 information forums with groups having a special interest in reform, including seniors, anti-poverty groups, insurance companies, small businesses and long-term care workers. The secretariat asked what was wrong with the system and how could it be fixed.

Based upon these discussions, Health Minister Ruth Grier released a consultation document, *Drug Programs: Framework for Reform*, in June 1993. It discussed how to improve the prescribing and distribution of drugs and coverage under the ODB program. One of the major reform proposals was to promote fairness and equity by extending coverage to those who need it most.

On Feb. 1, 1995, Health Minister Ruth Grier announced the establishment of the Trillium Drug Program for people with unmanageable prescription drug expenses. It is effective April 1, 1995.

In the past three years, the Ministry of Health has implemented many other reforms to increase the quality of drug therapy, contain costs and reduce spending

growth to keep the ODB program affordable. There have been no price increases for drug products in the ODB formulary since May 1993. Other reforms include:

- establishing the Health Network, a computer system that alerts pharmacists to potentially dangerous drug interactions. More than 95 per cent of Ontario's pharmacies are connected to the system, processing about 99 per cent of ODB claims
- ending coverage of about 130 over-the-counter products, primarily personal care products such as sunscreens that can be bought at reasonable prices without prescription
- promoting larger-quantity prescriptions for patients on certain long-term drug therapies
- issuing new prescribing guidelines for anti-infective drugs to improve quality of treatment

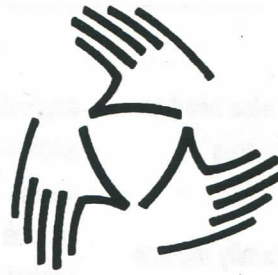
Many initiatives in quality assurance, interchangeability and affordability have been achieved with the support of the Drug Quality and Therapeutics Committee (DQTC),

formed in 1968 as an expert advisory group to the minister of health. DQTC members are specialists in such disciplines as medicine, pharmacy, pharmacology, epidemiology and health economics.

The Ontario Drug Benefit (ODB) Act and the Prescription Drug Cost Regulation (PDCR) Act came into effect in 1986. The first gives the government "the clear legislative authority to manage the Ontario Drug Benefit Program efficiently" and the second ensures that "all consumers get the information they need to make informed and economical drug purchases."

The ODB Act instituted the negotiating framework for maximum dispensing fees, the concept of Best Available Price (BAP) for drug costs and a process for determining that price.

The PDCR Act requires pharmacists to offer more information to consumers about lower-cost substitutions, as well as identifying the drug cost and dispensing fee on receipts and posting the dispensing fee.



TRILLIUM DRUG PROGRAM

For People With Unmanageable Drug Expenses.

Are you paying a large part of your income for prescription drugs?

**Introducing the Trillium Drug Program -
for people with unmanageable drug expenses**

Why do we need the Trillium Drug Program?

Prescription drugs play an important part in today's health care. However, some people in Ontario can't afford to buy the drugs they need.

People with lower incomes and those who need very expensive drugs often must go without or face serious financial hardship.

Some families can't afford to buy drugs for children or family members with a chronic illness. For others, the costs of prescription drugs can reach many thousands of dollars each year.

That's why Ontario is introducing the Trillium Drug Program on April 1, 1995.

What is the Trillium Drug Program?

The Trillium Drug Program is for people with unmanageable drug expenses. It will help pay for prescription drugs for individuals and families with high drug costs relative to their incomes.

Each year you'll be eligible to apply for the Trillium Drug Program after you have paid a certain amount of your family income for prescription drugs.

Once your application is accepted, you'll be able to use your Health Card to get your eligible prescription drugs without charge for the rest of the year.

The Trillium Drug Program does not take the place of drug insurance that you have through your work or buy privately.

Who is eligible for the Trillium Drug Program?

The Trillium Drug Program is not for everyone. You may qualify if you meet all the following conditions:

- You are eligible for an Ontario Health Card.
- You do not get your prescription drugs through the Ontario Drug Benefit (ODB) program for seniors and people receiving social assistance.
- Your prescription drug costs are not fully covered by a private insurance plan. Your private plan may not cover all of your drug costs. Or you may have exhausted the benefits under your private plan.
- You are paying a large part of your income for prescription drugs.

How does this program work?

This is an income-based program. You'll need to know your net family income. That is the total taxable income

of your family members for the year. You'll also need to keep track of your out-of-pocket prescription drug expenses.

The deductible on the first \$20,000 of net family income is \$500. This is reduced by \$100 for a spouse or first

dependant, and by another \$50 each for up to two additional dependants, to a maximum of \$200. This means that a four-person family with a total net family income of \$20,000 would pay the first \$300 of out-of-pocket prescription drug expenses.

The following chart gives examples:

If your annual net family income is: Each year you pay the first:

Net Income	Single	Family of Two	Family of Three	Family over Three
\$20,000 or less	500	400	350	300
25,000	725	625	575	525
30,000	950	850	800	750
40,000	1,400	1,300	1,250	1,200
50,000	1,850	1,750	1,700	1,650
60,000	2,300	2,200	2,150	2,100
70,000	2,750	2,650	2,600	2,550
80,000	3,200	3,100	3,050	3,000
90,000	3,650	3,550	3,500	3,450
100,000	4,100	4,000	3,950	3,900

Above \$20,000 the deductible is calculated on 4.5 per cent of the portion of net income over \$20,000.

If you think you may be eligible for the Trillium Drug Program, start saving your receipts for prescription drugs starting on April 1, 1995.

How do I apply?

Brochures explaining the Trillium Drug Program will be available soon in pharmacies and doctors' offices.

Application kits will be available in late March through

the Ministry of Health at 1-800-268-1154, Toronto 314-5518, TTY 1-800-387-5559, or at your local pharmacy.

The application kit will have detailed information on eligible expenses and an application form. It also has a special envelope to help you save and keep track of your prescription drug receipts.

