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## NEWS RELEASE

For Immediate Release  
2008HEALTH0047-000615  
May 21, 2008

Ministry of Health

### **GOVERNMENT ACCEPTS DRUG PLAN RECOMMENDATIONS**

VICTORIA – Government has accepted all of the recommendations from the Pharmaceutical Task Force, announced Health Minister George Abbott today.

“The task force has provided us with insightful analysis on improving patient care and enhancing the quality, safety and value of our world-class PharmaCare program,” said Abbott. “Their advice and recommendations will strengthen our significant investments in this vital area of the public health system, so that patients in B.C. continue to benefit from a public drug plan that is based on the best scientific evidence and sustainable for future generations.”

In November 2007, the nine-member task force – made up of clinical professionals, academics, pharmaceutical industry leaders and government policy-makers – was charged with advising government on key areas of pharmaceutical policy within the health system. Their report offers recommendations aimed at creating a more streamlined and transparent drug review process while delivering the best patient outcomes and the best value to British Columbians.

“The Ministry of Health will begin working with stakeholders on some recommendations immediately, while others are more complex and will take some time to plan and implement,” said Abbott. “Our work to enhance the Province’s pharmaceutical policy has the interests of patients as our foremost consideration, while assuring maximum value for taxpayers.”

Government’s implementation of the recommendations will be guided by six principles:

1. The best interests of the patient are paramount.
2. The B.C. government is obliged to seek the best value possible for taxpayer dollars in its expenditures.
3. The foundation of all drug benefit decisions will be predicated upon a transparent evidence-based review process.
4. The B.C. government is committed to fair, open and transparent procurement processes.
5. All persons involved in making decisions respecting the procurement of goods and services by government must be free from conflict of interest, both real and perceived.
6. The B.C. government values a healthy, competitive pharmaceutical industry that will continue to provide both financial and human resource investments in B.C.

“The task force heard from a wide range of stakeholders, whose views were united by the common thread that patients must have access to the best care and treatment possible,” said George Morfitt, alternate chair of the Pharmaceutical Task Force. “It has been our privilege to undertake this challenging task, and we trust our conclusions will guide the province to a constructive way forward with the evolution of pharmaceutical policy in British Columbia.”

B.C. faces increasing demand for prescriptions each year – with a 46-per-cent increase over the past four years from 18.3 claims per patient in 2002 to 26.8 claims per patient in 2006. In the past two years, PharmaCare has added more than 480 individual generic drugs and more than 50 brand drugs to its formulary. Since 2001, PharmaCare’s budget has increased by more than 50 per cent, from \$654 million to \$1.016 billion in 2008/09.

PharmaCare subsidizes eligible prescription drugs and designated medical supplies, protecting British Columbians from high drug costs. PharmaCare provides financial assistance to British Columbians under Fair PharmaCare and other specialty plans. More than 23 million prescriptions are now covered each year under the B.C. PharmaCare program.

The Report of the Pharmaceutical Task Force can be found on the Ministry of Health website at [www.health.gov.bc.ca/library/publications/year/2008/PharmaceuticalTaskForceReport.pdf](http://www.health.gov.bc.ca/library/publications/year/2008/PharmaceuticalTaskForceReport.pdf).

1 backgrounder(s) attached.

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## BACKGROUND

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### PHARMACEUTICAL TASK FORCE REPORT COMPLETE

The Pharmaceutical Task Force's report made 12 recommendations to government regarding PharmaCare's policy, programs, services and drug approval process.

**Recommendation 1** – Priority attention should be focused on development of an enhanced Formulary Management System together with improved stakeholder engagement and appeal mechanisms. This work should be led by the Pharmaceutical Services Division and include meaningful engagement with stakeholders, including patients, healthcare professionals, disease specialists, research leaders and industry.

**Recommendation 2** – The Ministry of Health should act to establish new target review/listing decision guidelines with the goal of substantially improving B.C.'s performance on time-to-listing decisions. Progress on this front must be publicly reported and consistently benchmarked against the performance of other jurisdictions.

**Recommendation 3** – The Drug Benefit Committee should be reconstituted as the Drug Benefit Council to more appropriately reflect the arm's-length role it is expected to carry out in the review processes applicable to consideration of new therapies.

**Recommendation 4** – The Ministry of Health should establish a new Drug Review Resource Committee (DRRC) to carry out the drug submission review role currently performed by the Therapeutics Initiative. This new DRRC should also provide for a registry of experts that will substantially widen the array of expertise available to offer advice and recommendations on the therapeutic value and cost-effectiveness of new drug therapies.

**Recommendation 5** – The membership of the Drug Benefit Committee should be modified to include the participation of at least three public members selected through a process external to the Pharmaceutical Services Division. Government may also wish to consider ensuring that at least one member of the Drug Benefit Committee has broad economic expertise to supplement the existing expertise that is focused more narrowly on health economics.

**Recommendation 6** – No members of the Therapeutics Initiative or, in the alternative, no participant in a Drug Coverage Review Team should participate as members in the work of the Drug Benefit Council.

**Recommendation 7** - The Pharmaceutical Services Division should initiate a negotiation process with drug manufacturers and with representatives of community pharmacy and pharmacists to establish new price and reimbursement arrangements and increased competition in respect of generic pharmaceutical products. If the parties are unable to conclude an acceptable agreement within six months, the government should move unilaterally to address the needs of the Province through legislation or through other means.

**Recommendation 8** – To increase the level of overall funding transparency, negotiations with pharmacists and community pharmacy should provide for a new framework for compensation in respect of dispensing and other professional services provided by pharmacists. The framework should address those professional services that can be effectively and efficiently provided by pharmacists and should be linked to transparent accountability agreements to maintain and, ideally, improve point-of-care services to patients.

**Recommendation 9** – The Pharmaceutical Services Division should adopt a cautious approach to broadened utilization of tendering processes. The process adopted should mirror tendering processes used in other areas of government characterized by a process that is transparent, fair, open and includes understandable evaluation criteria. Increased tendering should provide for reasonable levels of patient choice, avoid the deployment of older inferior products and, where possible, arrangements that provide for participation of multiple suppliers.

**Recommendation 10** – The deputy minister of the Ministry of Health should commit to participate in an annual accountability session to hear from patient groups, from industry and from other key stakeholders regarding improved relations and the strengthening of the common objectives of patient care and choice.

**Recommendation 11** – Given that B.C. was a lead jurisdiction in calling for the implementation of the Common Drug Review, action should be taken to:

- Ensure B.C.’s decision-making processes include similar timelines to those used by the Common Drug Review and a greater level of commitment to openness and transparency; and
- That any unnecessary overlap between the Common Drug Review and B.C. formulary management system are reduced to the fullest extent possible.

**Recommendation 12** – Subject to Recommendation 4, if the Therapeutics Initiative (TI) is maintained, action must be taken in the following areas:

- The governance, membership and accountability standards associated with the operation of the TI will require substantial improvement;
- Steps must also be taken to renew and revitalize the panel of experts the TI relies upon to discharge its obligations;
- The function of the TI should be focused on therapeutic evaluation. Activities beyond that core mandate, such as public education, should be reassigned to the ministry’s Drug Utilization Branch where an accountable process can be implemented to assure unbiased and evidence-based practices;
- The practice of having members of the Therapeutics Initiative also participating in the work of the Drug Benefit Committee should be terminated.

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