New cancer drugs in Canada 2012 to 2021: an economic analysis of cost, benefit, availability, and public insurance coverage.

Description

New cancer drugs in Canada 2012 to 2021: an economic analysis of cost, benefit, availability, and public insurance coverage.

Brett J Skinner, PhD

ABSTRACT

Canadian pharmaceutical policy is built on the assumption that excessive prices for patented medicines are a major cause of unsustainable growth in national health expenditures (NHEX). Federal and provincial governments have constructed a multi-layered bureaucracy to control the cost of patented medicines. The federal drug price regulator known as the Patented Medicine Prices Review Board (PMPRB), has singled-out the impact of high-cost oncology medicines as a significant challenge to sustainability. This study examined the evidence from 2012 to 2021, to determine how spending on patented oncology medicines affected the sustainability of healthcare in Canada. The cost of patented oncology drugs was compared to national health expenditure, and to the economic burden of illness associated with cancer. Government performance regarding access to innovative cancer medicines, was assessed by comparing marketing authorizations and formulary listings in publicly funded drug plans in Canada (national average of federal and provincial), the European Union (Germany), and the United States (Medicare). The evidence and analysis are presented against the backdrop of the mortality associated with cancer. Cancer ranked first for cause of death over the study but declined as a percentage of all-cause mortalities. Patented oncology drugs were only 1.3% of overall national health expenditure in 2021; and declined as a percentage of the economic burden of cancer, from 18.4% in 2012 to 15.9% in 2021. New cancer drugs defined as “high–cost” by the PMPRB accounted for only about one-tenth of one percent (0.12%) of national health expenditure. On average in Canada only 11% of new cancer drugs approved for marketing from 2016 to 2020 in at least one of three jurisdictions (EU, US, CA) were listed on a public formulary as of December 2021. The corresponding percentage for the European Union was 73% and for the United States 90%. Canada was a low priority for new cancer drug launches; approved fewer new oncology drugs; listed fewer new cancer medicines on public formularies; and Canadian oncology patients waited 1,835 days from first new drug application across the EU, US, CA to listing on a public formulary versus 788 days for Europeans, and 486 days for Americans.

Acknowledgements: n/a
Author(s) affiliations: Founder and CEO, Canadian Health Policy Institute; Editor, CHP Journal.
Correspondence: brett.skinner@canadianhealthpolicy.com.
Cite: Skinner, Brett J (2023). New cancer drugs in Canada 2012 to 2021: an economic analysis of cost, benefit, availability, and public insurance coverage. *Canadian Health Policy*, APR 2023. https://doi.org/10.54194/IYUA1228. | canadianhealthpolicy.com

Disclosure: Author is chair of CHPI’s Canadian Access to Innovative Medicines (CA2IM) research

program, sponsored in part by sales of corporate subscriptions to pharmaceutical companies.
Journal: ISSN 2562-9492 | DOI https://doi.org/10.54194/XYCP5241
Key Words: Canada, cancer, pharmaceutical, innovation, health
Open access sponsor: CHPI's CA2IM Research Program.
Publisher: Canadian Health Policy Institute Inc. www.chpi.ca
Status: Peer reviewed.
Submitted: 23 FEB 2023. Published: 19 APR 2023.