

Get private insurance or risk financial ruin, specialist's report says

With the cost of new cancer drugs spiraling out of control and cancer about to overtake heart disease as the country's leading killer, Canadians who don't have a private insurance plan that covers drugs should get one or risk financial ruin, says a B. C. cancer specialist and lead author of a new report.

"Anyone who doesn't have a private insurance plan for drug coverage should get one; 129,000 Canadians lost jobs in January alone," said Dr. Kong Khoo, a Kelowna oncologist and lead author of a report called *The Cost of Cancer Drugs in Canada; Who is Bearing the Cost?*

Khoo said in an interview that the price of new cancer drugs can range from \$ 25,000 to \$ 81,000 per treatment course, so even patients with extended private health plans can face a huge financial burden, considering that so many plans demand co-payments, with the member paying about 20 per cent of the drug cost.

About half of Canadians are not covered by private plans. But even those with private insurance plans aren't immune from the sticker shock of new cancer drugs in pill form.

"Given the cost of new drugs, access to systematic treatment of cancer is becoming a challenge even when individuals have private health plans, because of the co-payments, deductibles and limits to coverage which are characteristic of private plans," the report says

The report is included in an annual report card by a patient advocacy group, The Cancer Advocacy Coalition of Canada (CACC).

It says companies that provide health insurance benefits to employees face a “ seismic shift” in drug funding due to a rapidly emerging trend: coverage of cancer drugs in pill form is increasingly being paid for by private plans, not governments.

Khoo, who is a vice-chairman of the CACC board, said the amount of money extended health-care-plan beneficiaries claimed for at-home cancer drugs in several provinces rose nearly 200 per cent from 2002 to 2007. Saskatchewan and B. C. recorded the highest increases.

During the same period, the B. C. government — one of the most generous when it comes to cancer drugs — faced an increase of about 60 per cent for at home cancer-drug treatment coverage.

“Employers and insurers need to be aware of these trends, but on the other hand, we don’t want to see anyone cutting back or limiting the options for cancer patients who are fighting for their lives,” Khoo said.

The report says the share of these drug costs paid by private plans has been rising faster than what public plans pay.

“In every province, the private pay has increased more than public pay,” the report says.

In 2007, government plans paid about \$ 2,500 per patient for take-home cancer drugs, about \$ 1,000 or 67 per cent more than five years earlier.

The report does not show what portion of the total cost cancer patients are paying out of their own pockets.

But the portion paid by private insurers in B. C. has gone up from an average of \$ 50 per patient in 2002 to more than \$ 500 by 2007.

“This shift of funding to the private sector, intended or otherwise by the public health plans, is steadily increasing the burden on employers and individuals who are ill-prepared to deal with these additional costs,” the report says.

Private health plans now reimburse claimants about \$ 9 billion a year for prescription drugs. They provide coverage to about 20 million Canadians. But Khoo said a catastrophic drug plan is urgently needed, so that the rest of the population, which doesn’t have extended insurance, isn’t bankrupted by cancer medication bills.

Drugs taken at home now account for about half of what is spent on cancer drugs, and costs are expected to keep going up as profit-driven pharmaceutical companies try to recoup their research and development costs.

Khoo said it’s time governments brought together all stakeholders involved in the provision of cancer drugs to figure out how to share the “risk pool.” Only in Quebec is supplementary drug insurance mandatory, not optional, and Khoo said other provinces should consider copying the Quebec example. Otherwise, he said, people who lose their medical benefits when they retire may face financial ruin due to the cost of medications.