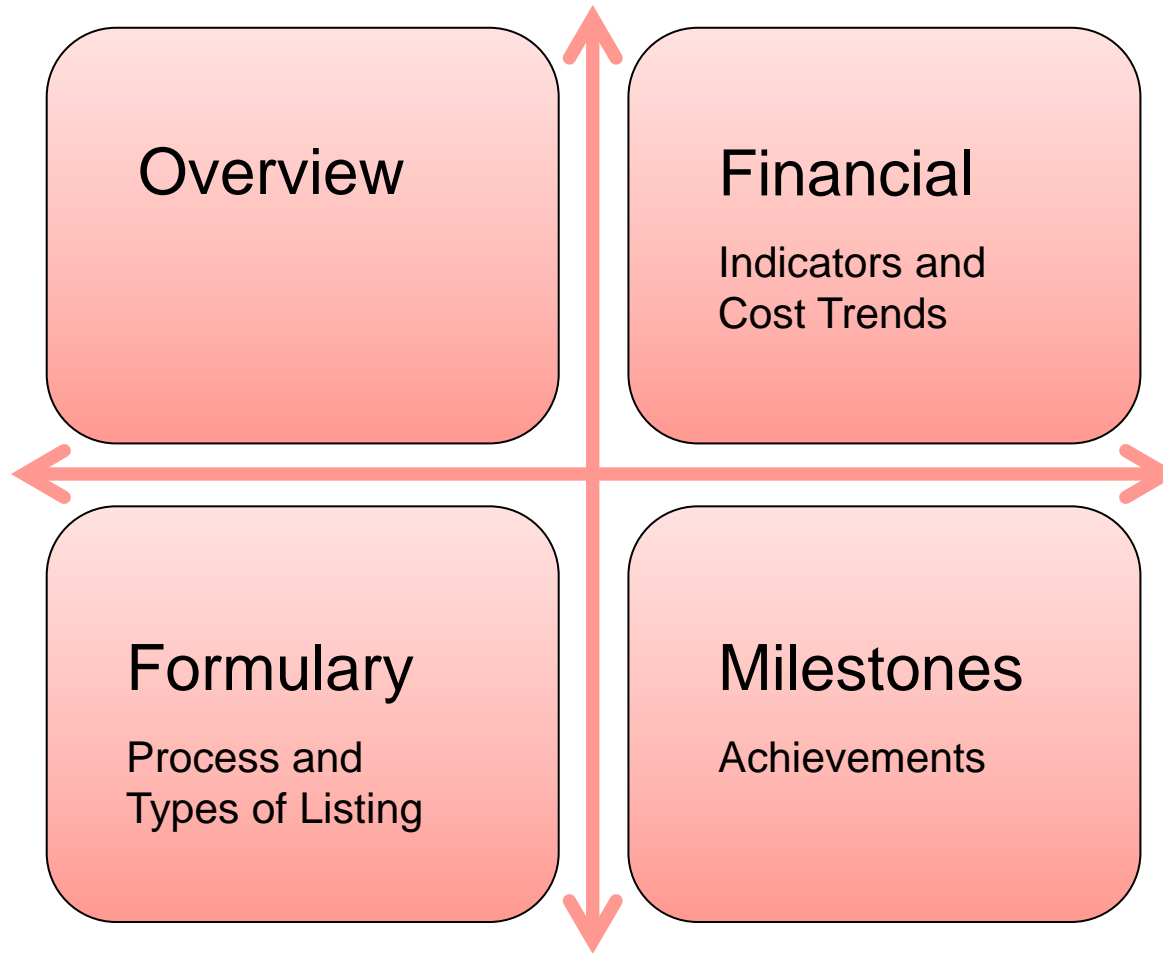


2008/09 Report Card for the Ontario Drug Benefit Program

Report Card Framework



Definitions & Disclaimers

- **Beneficiary:** Person eligible for coverage under the public drug programs
- **Utilizing Beneficiary:** Eligible person who had at least one claim during the fiscal year
- **Lower Income Senior:** Seniors who meet the Seniors Co-Payment (SCP) income thresholds
- **Core Seniors:** Refers to the majority of seniors in the ODB program. The regular ODB deductible and co-payment amounts apply to these recipients.
- **Claim:** Every time a pharmacist fills a prescription, initial or refill
- **Drug Cost :**Cost of a drug at formulary prices
- **Mark-up:** Total mark-up paid per eligible claim (maximum 8%)
- **RxCost:** Refers to Drug Cost + Markup + Dispensing Fee*
- **Recipient Cost:** Is the portion of RxCost paid by an Ontario Drug Benefit recipient (i.e. co-payments and deductibles)
- **Government Cost:** RxCost minus Recipient Cost
- **General Benefit:** Reimbursement for the drug product is without restrictions or according to therapeutic notes.
- **Exceptional Access Program (EAP):** Individual requests for coverage of drug products not listed in the formulary are reviewed on a case by case basis.
- **Limited Use Products:** Reimbursement for certain drugs is dependent on specific clinical criteria

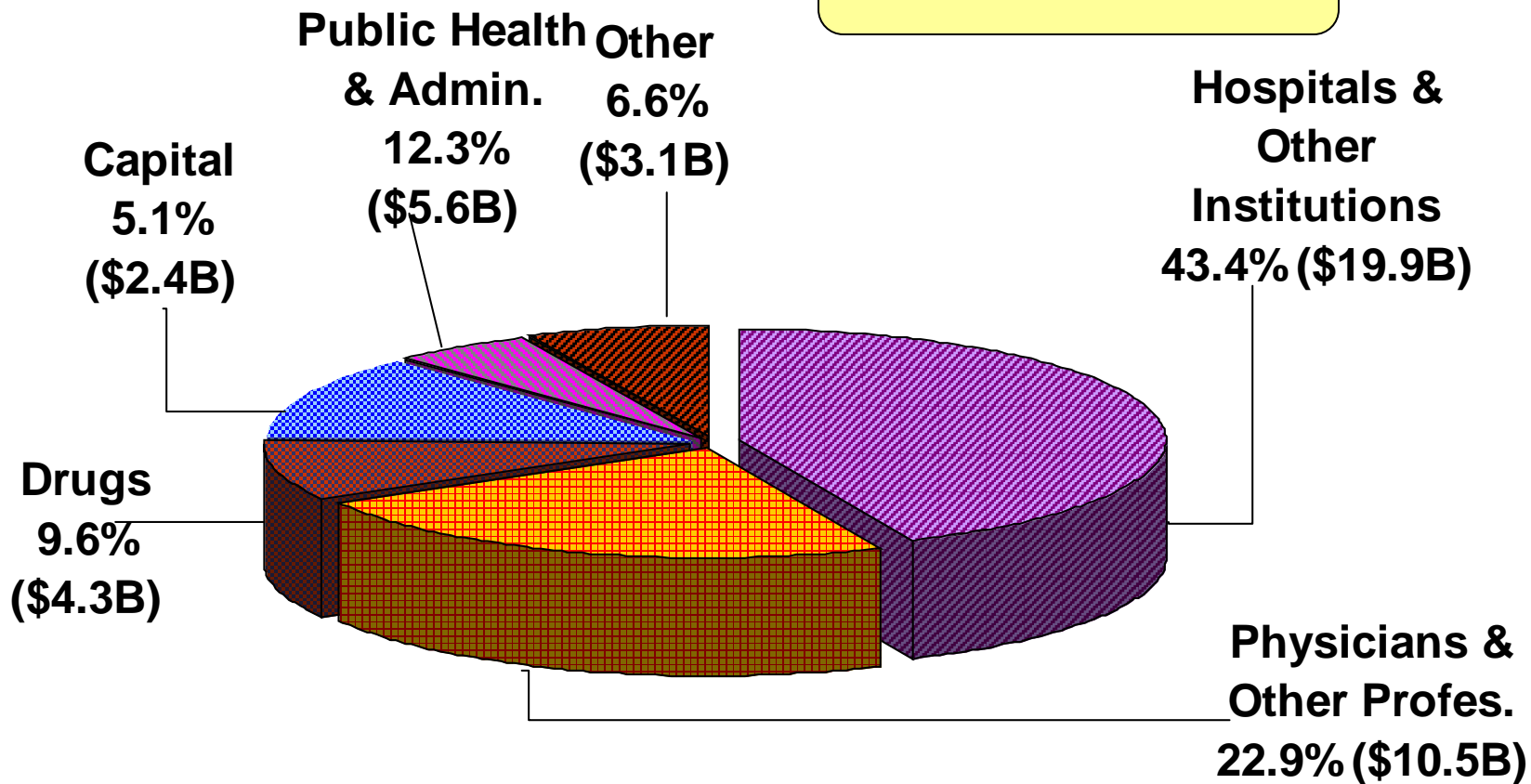
* Dispensing fee includes Professional fee + Compounding Fee

* Figures include Ministry of Health and Long-Term Care (MOHLTC) and Ministry of Community and Social Services (MCSS) programs unless otherwise specified

Disclaimer: Many of the figures included in this report have been rounded and therefore calculated totals and percentages may not add up completely as presented here.

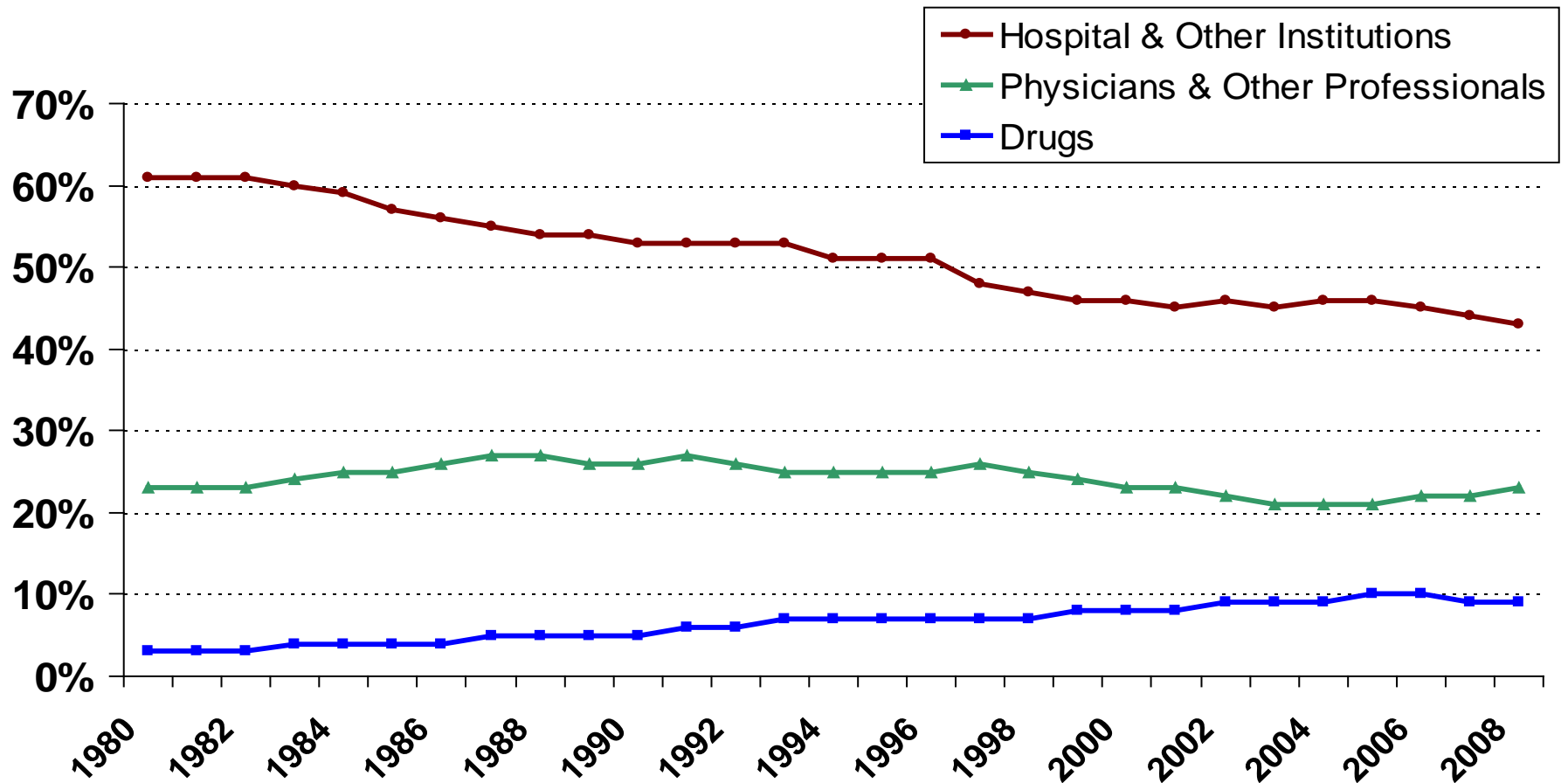
Provincial Health Expenditures: 2008

Total health expenditures
in Ontario: 45.8 Billion



Source: Forecast from the Canadian Institute for Health Information (CIHI), 2010

Provincial Health Expenditures for Ontario: 1980-2008

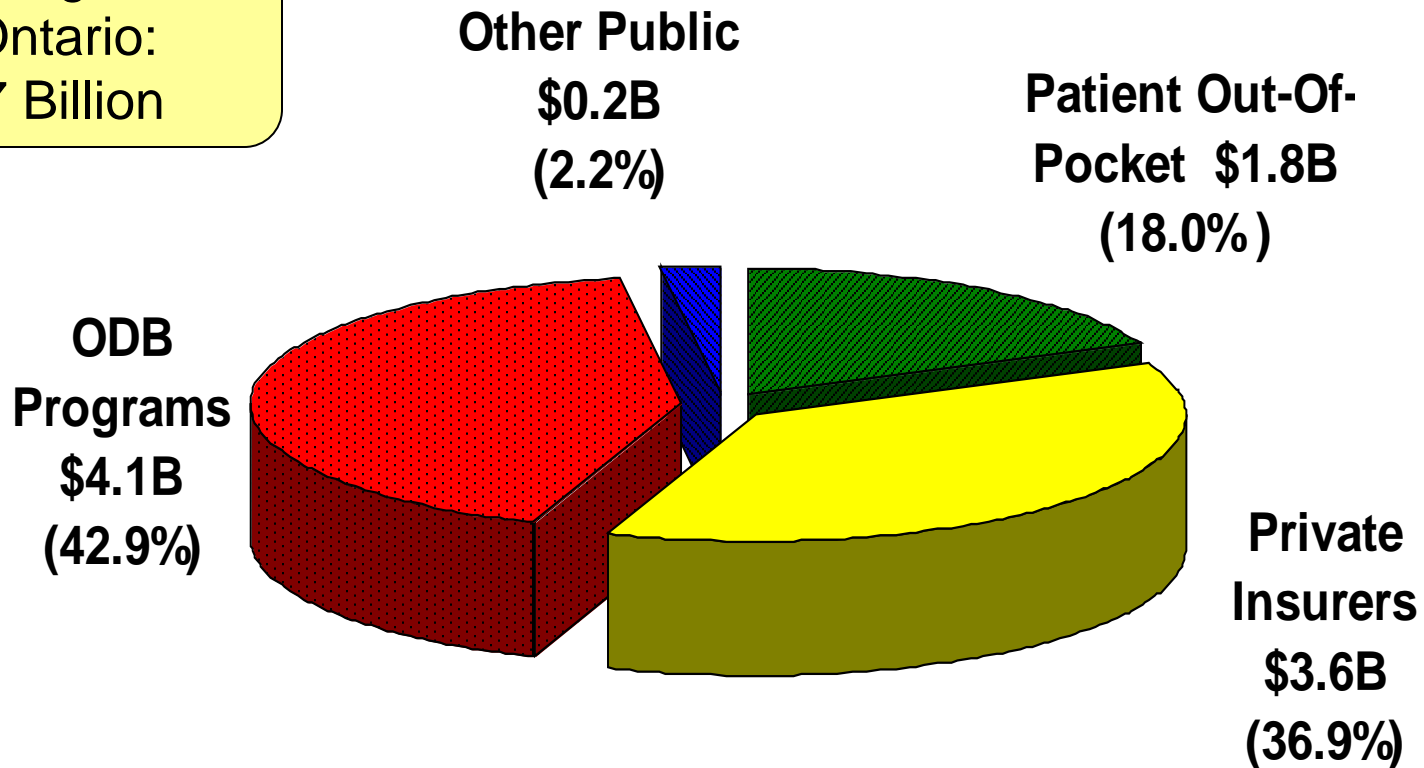


Source: Actual and forecasted data from the Canadian Institute for Health Information (CIHI), 2010

*Forecasted figures for 2008

Provincial Drug Costs by Public, Private & Beneficiary Costs: 2008 Total \$9.6 Billion

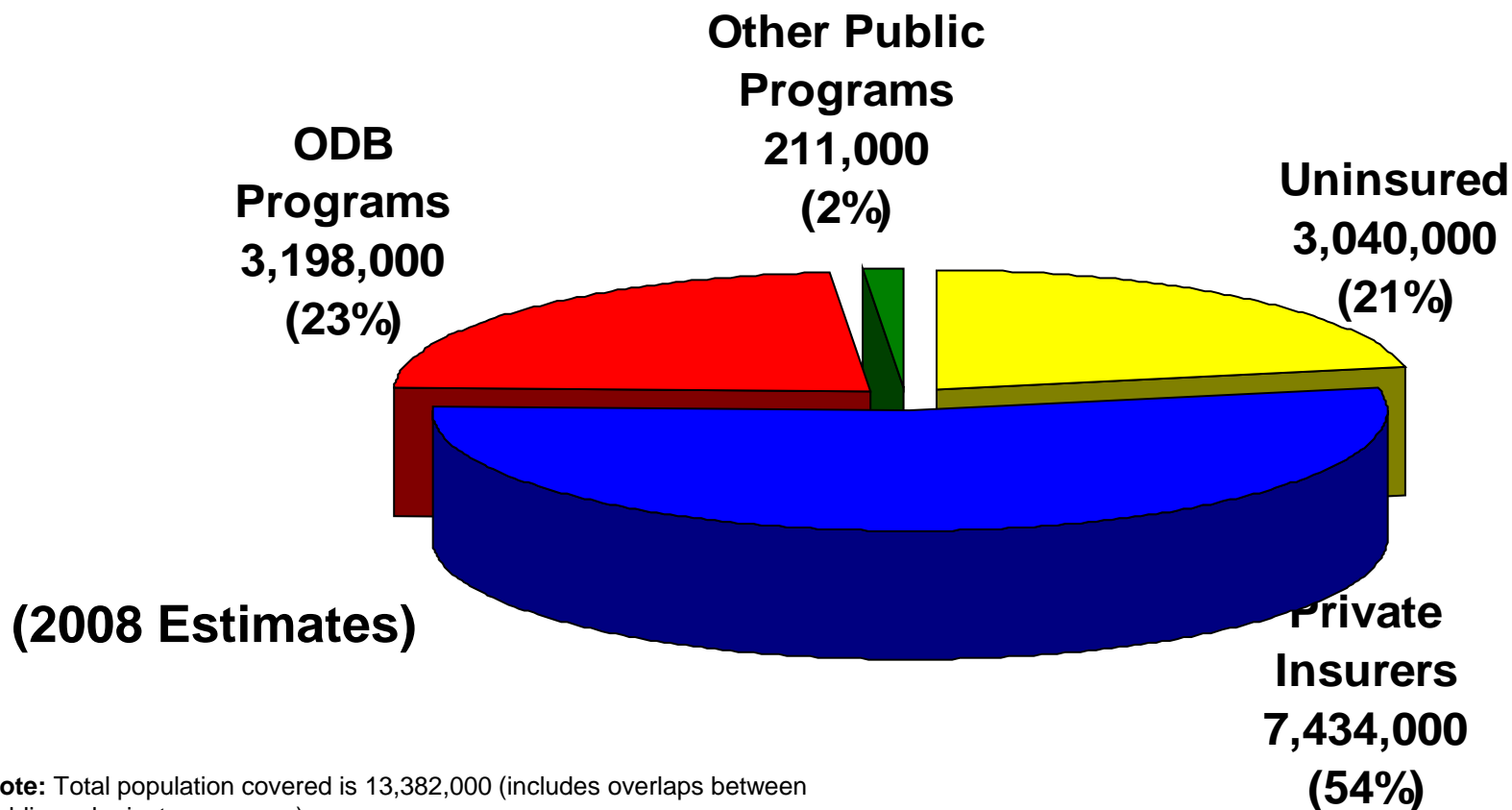
Total Drug Costs
in Ontario:
\$9.7 Billion



Source: Forecast from the Canadian Institute for Health Information (CIHI), 2010

Note: Other Public Programs include NIHB, Veteran's programs, and misc. Federal Programs (e.g. RCMP, etc.)

Ontario Population Covered by Public and Private Insurance: 2008

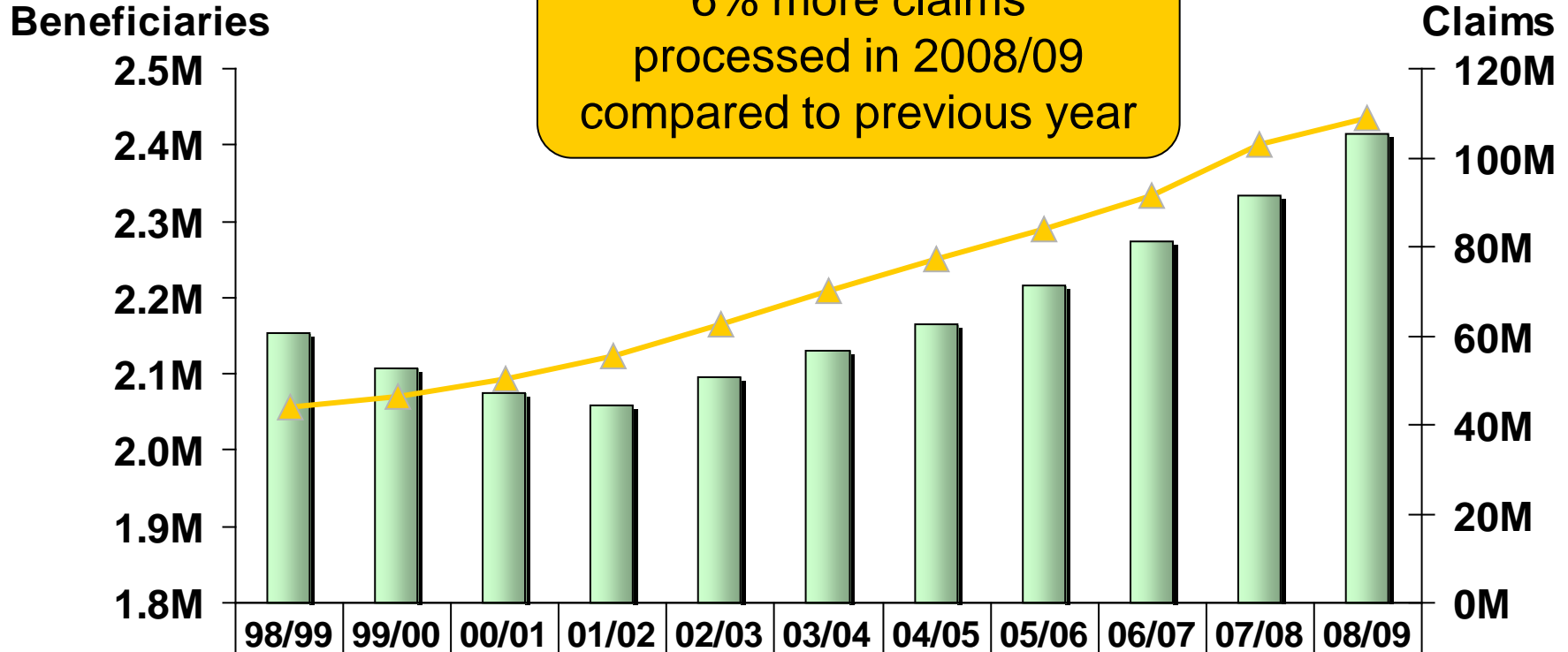


Note: Total population covered is 13,382,000 (includes overlaps between public and private programs)

Note: Other Public Programs include NIHB, Veteran's programs, and misc. Federal Programs (e.g., RCMP, etc.)

Source: Ontario Public Drug Programs calculation based on data from Applied Management, NIHB, Veteran's Affairs Programs and internal OPDP statistics

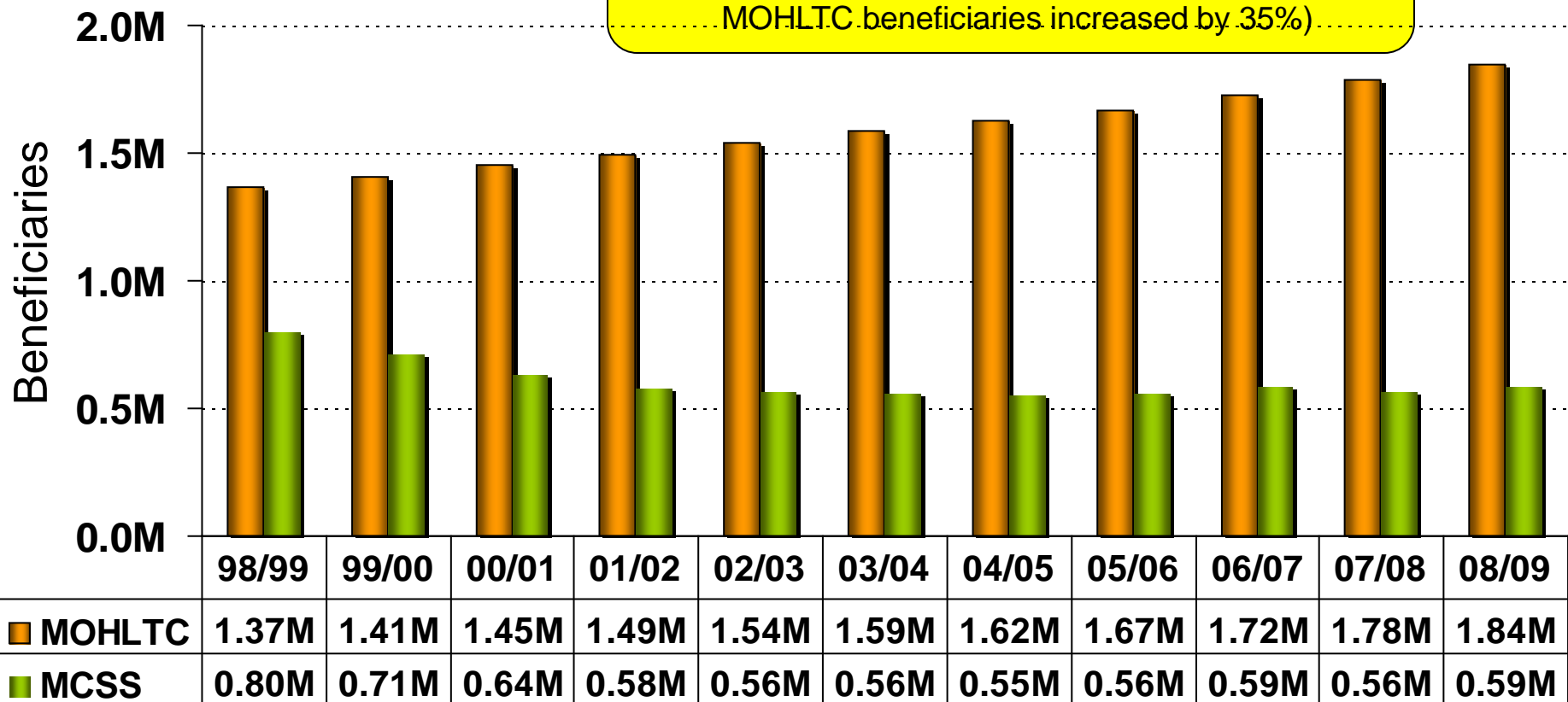
ODB Utilizing Beneficiaries & Claims: 1998/99 – 2008/09



Beneficiaries	2.2M	2.1M	2.1M	2.1M	2.1M	2.1M	2.2M	2.2M	2.3M	2.3M	2.4M
Claims	44M	46M	50M	55M	63M	70M	77M	84M	91M	103M	109M

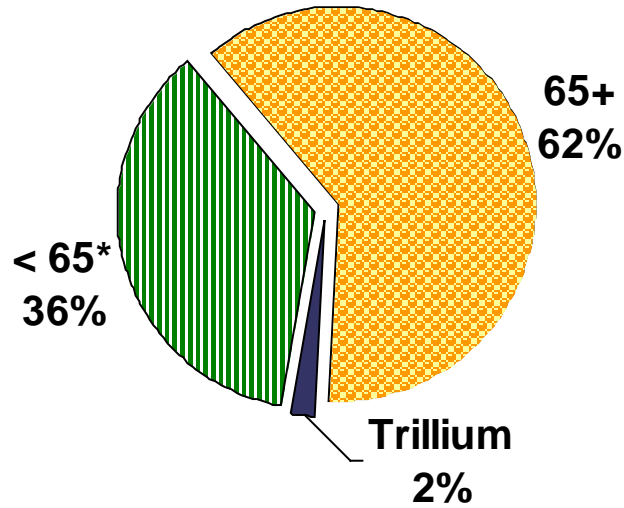
ODB Utilizing Beneficiaries by Ministry: 1998/99 – 2008/09

From 1998/99 to 2008/09, the total number of beneficiaries using the ODB program increased by 12.1% (MCSS beneficiaries decreased by 27%; MOHLTC beneficiaries increased by 35%)



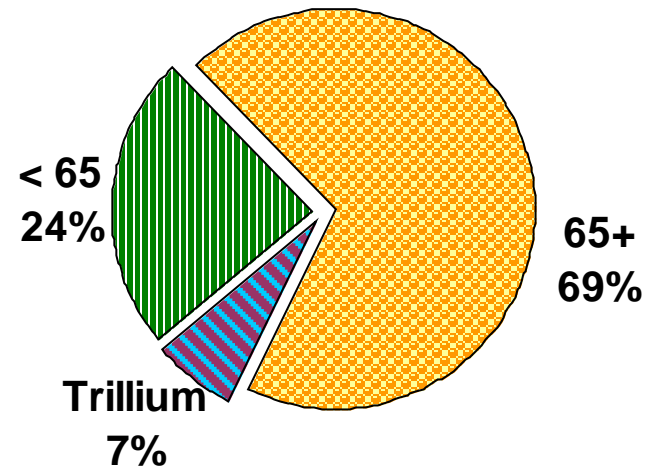
Age Breakdown of ODB Utilizing Beneficiaries 1998/99 vs. 2008/09

1998/99



<65	779K
Trillium	45K
65+	1,330K
Total	2,154K

2008/09

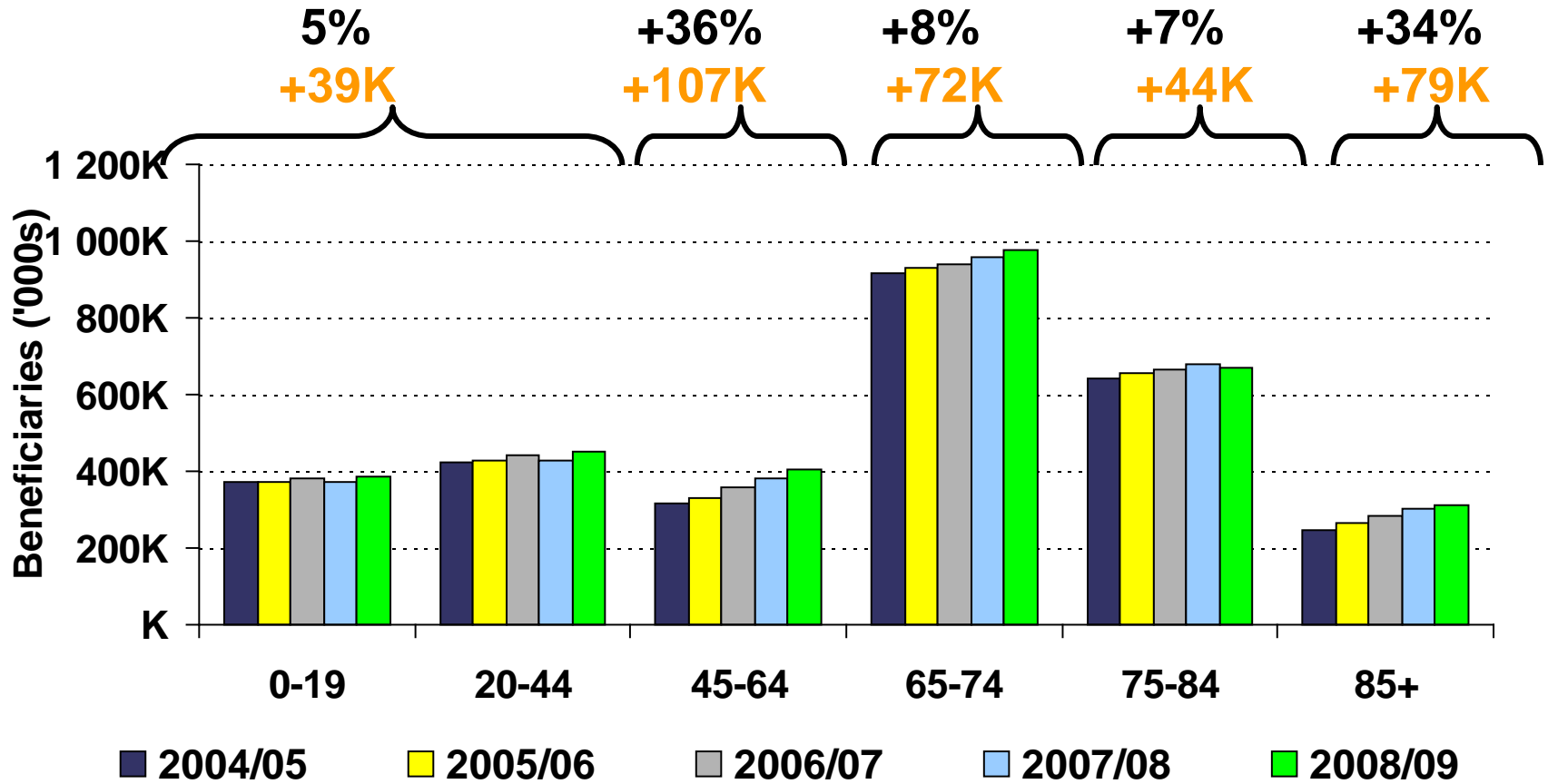


<65	585K
Trillium	163K
65+	1,666K
Total	2,416K

*< 65 does not include Trillium recipients

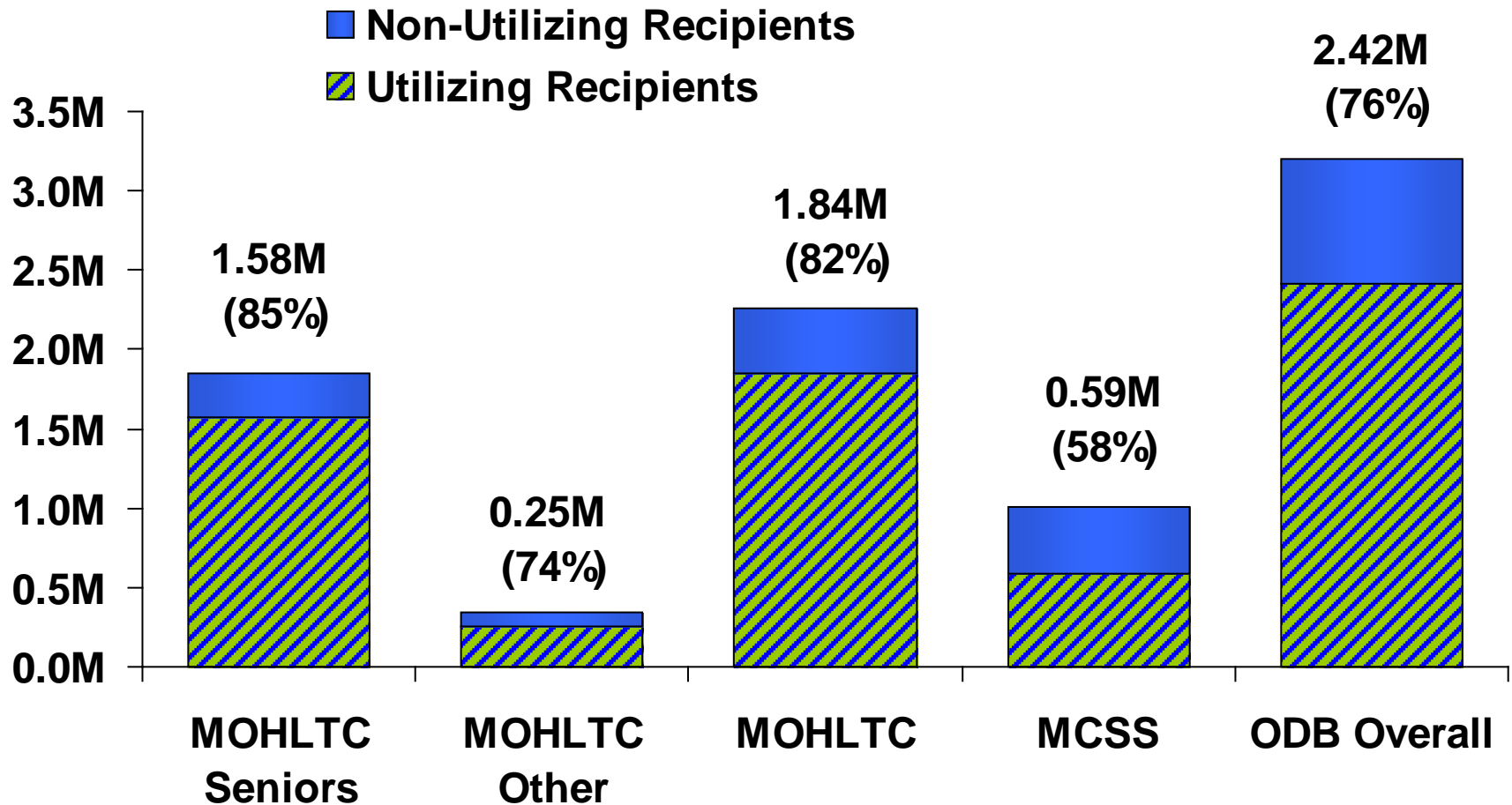
Age Distribution of Eligible Beneficiaries*: 2004/05-2008/09

5-year growth



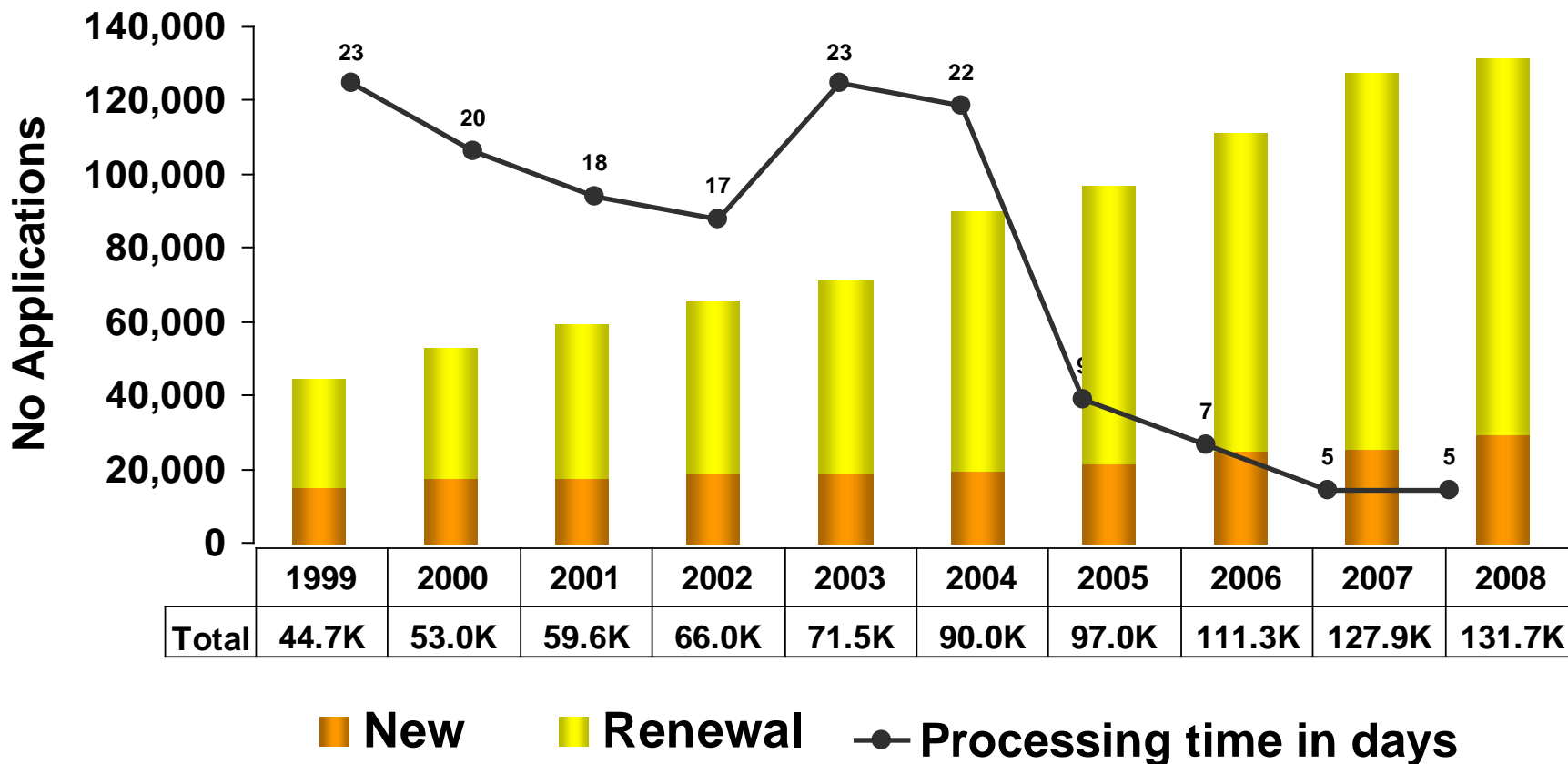
*Includes all ODB programs

ODB Beneficiaries by Program: 2008/09



Percentages noted are the number of utilizing recipients as a percentage of total eligible recipients in the specified category.

Trillium Applications* & Processing Time: 1999 – 2008 Benefit Years**

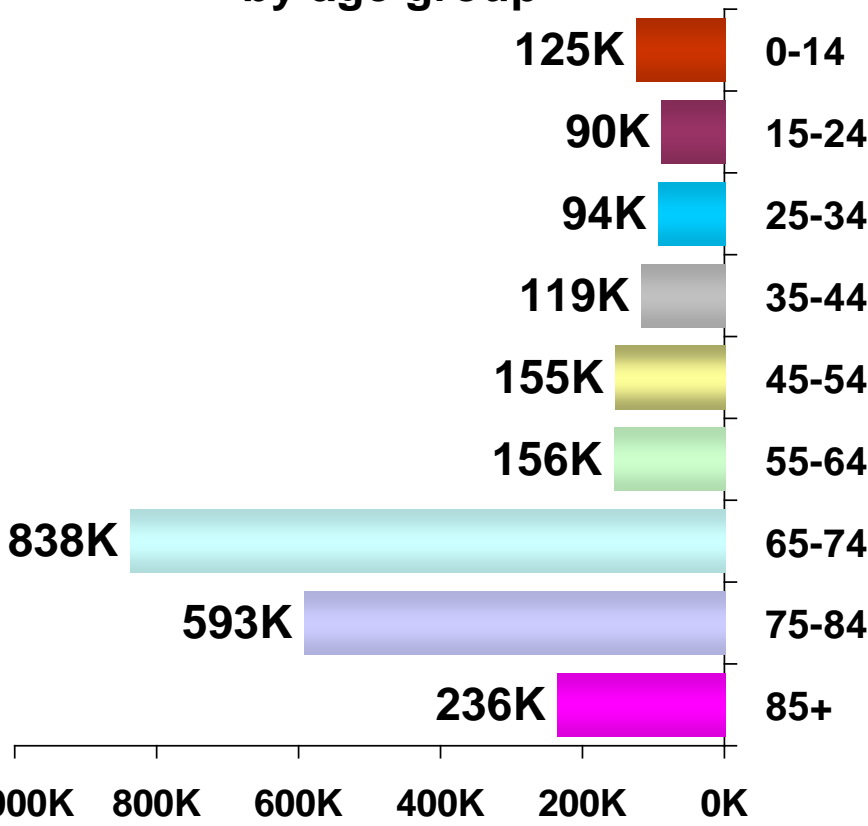


* Number of applications represents households, not individuals

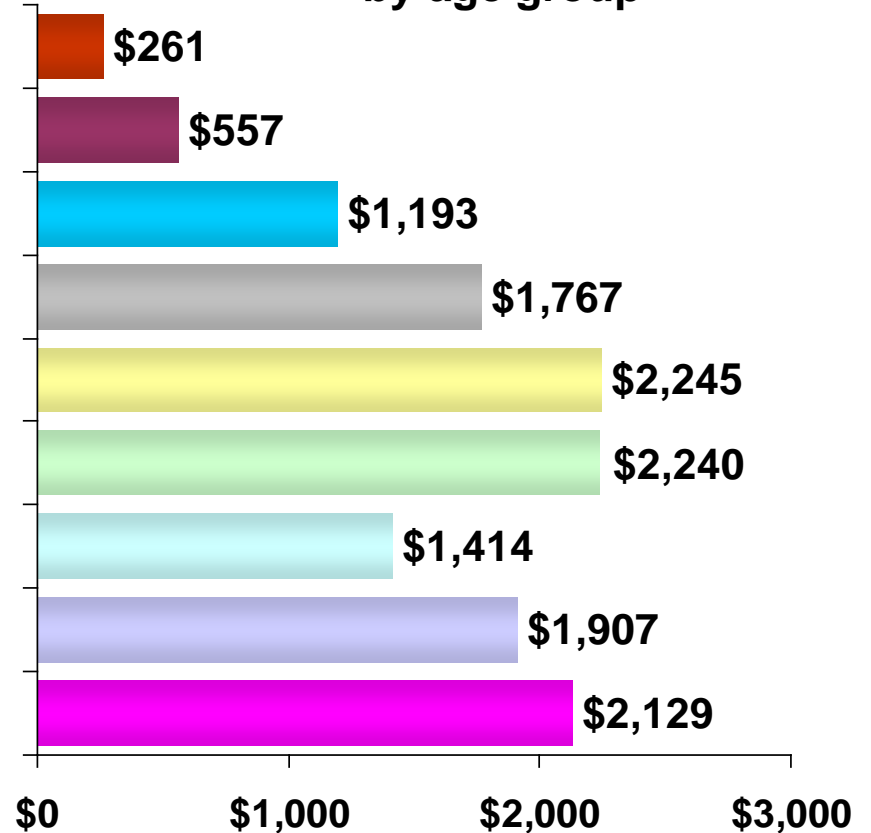
** Trillium benefit year starts August 1 and ends July 31 the following year

Beneficiary Distribution & Government Cost by Age: FY 2008/09

Distribution of beneficiaries by age group



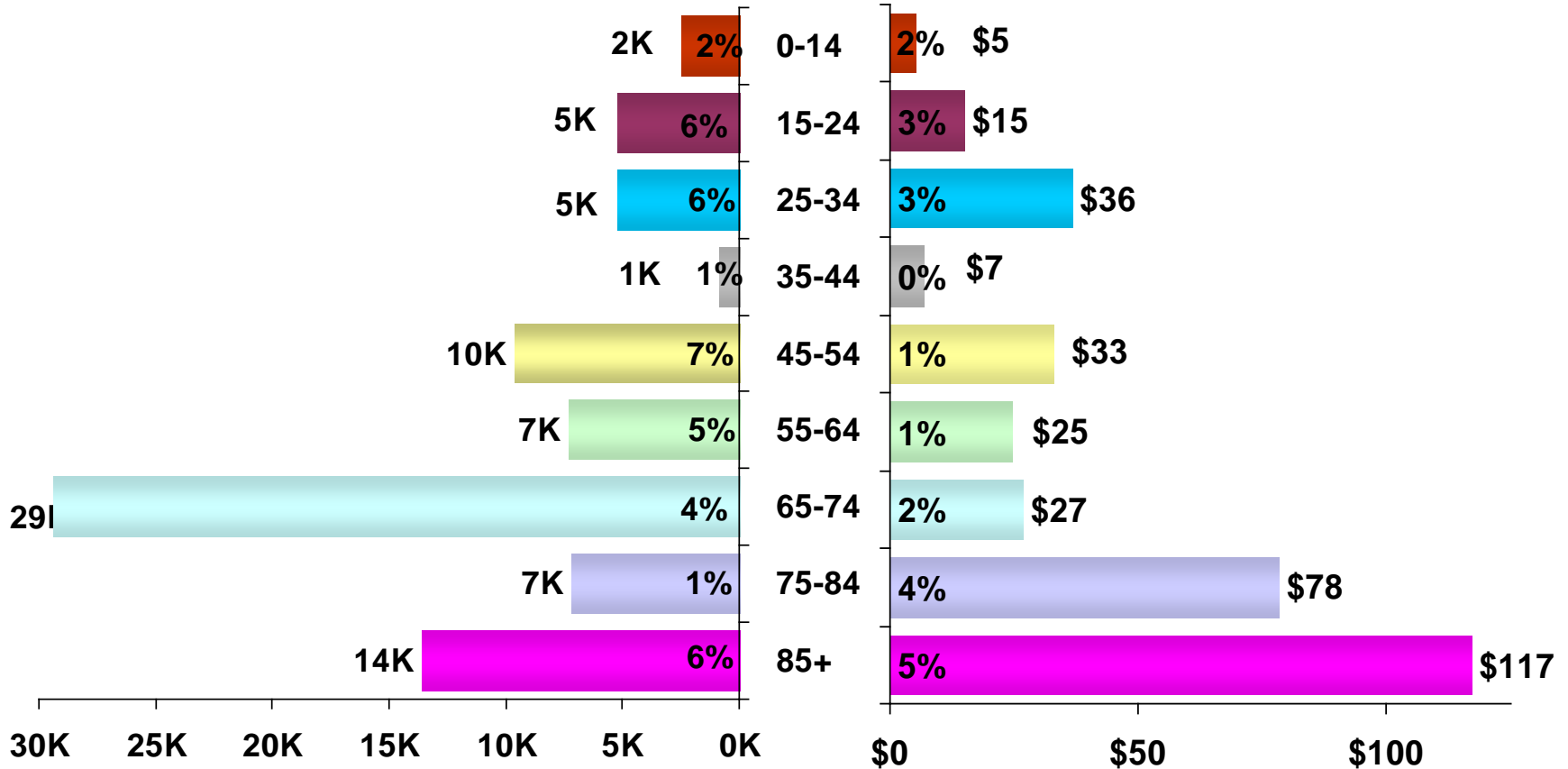
Government cost per beneficiary by age group



Change in Beneficiaries & Government Cost by Age: 2007/08 – 2008/09

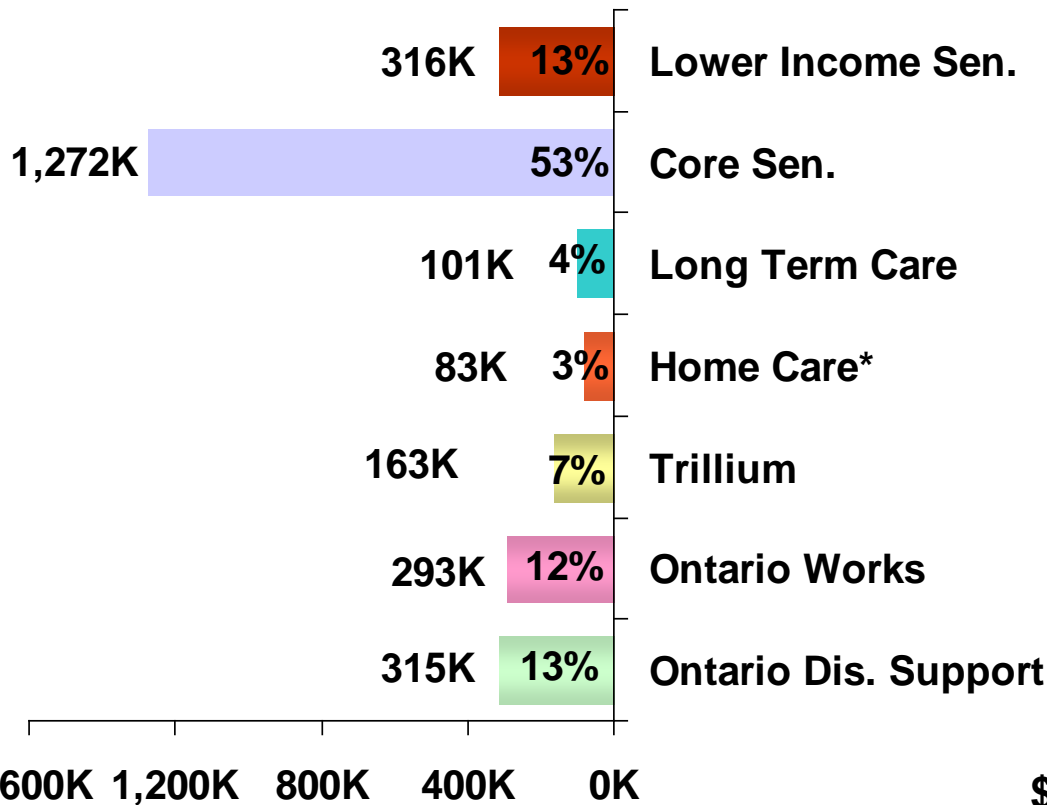
Change in beneficiaries by age group

Change in government cost per beneficiary by age group

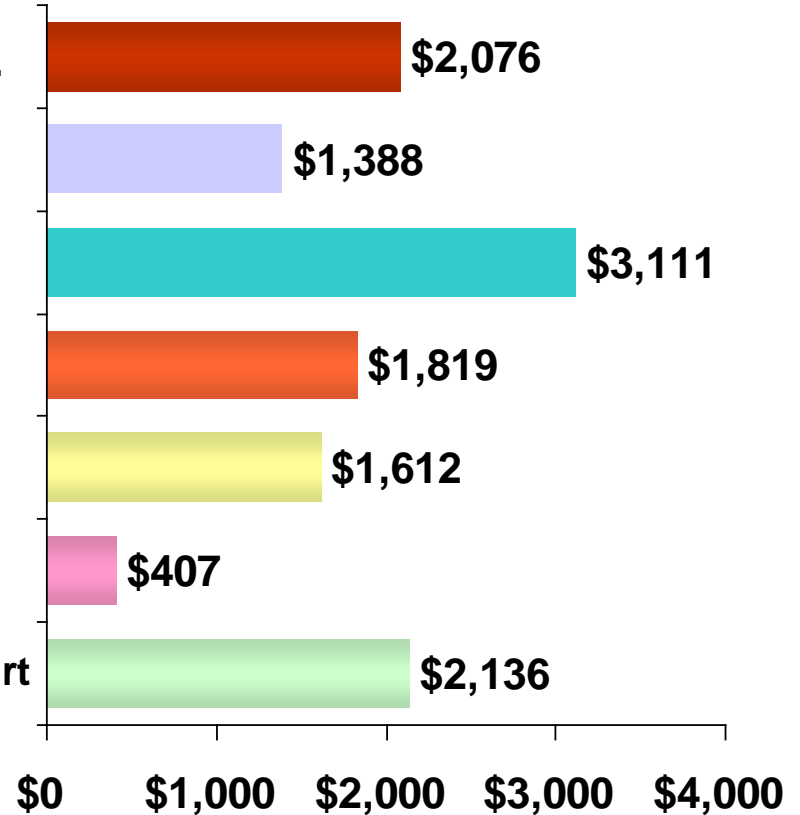


Beneficiary Distribution & Government Cost by Program: FY 2008/09

Distribution of beneficiaries by program



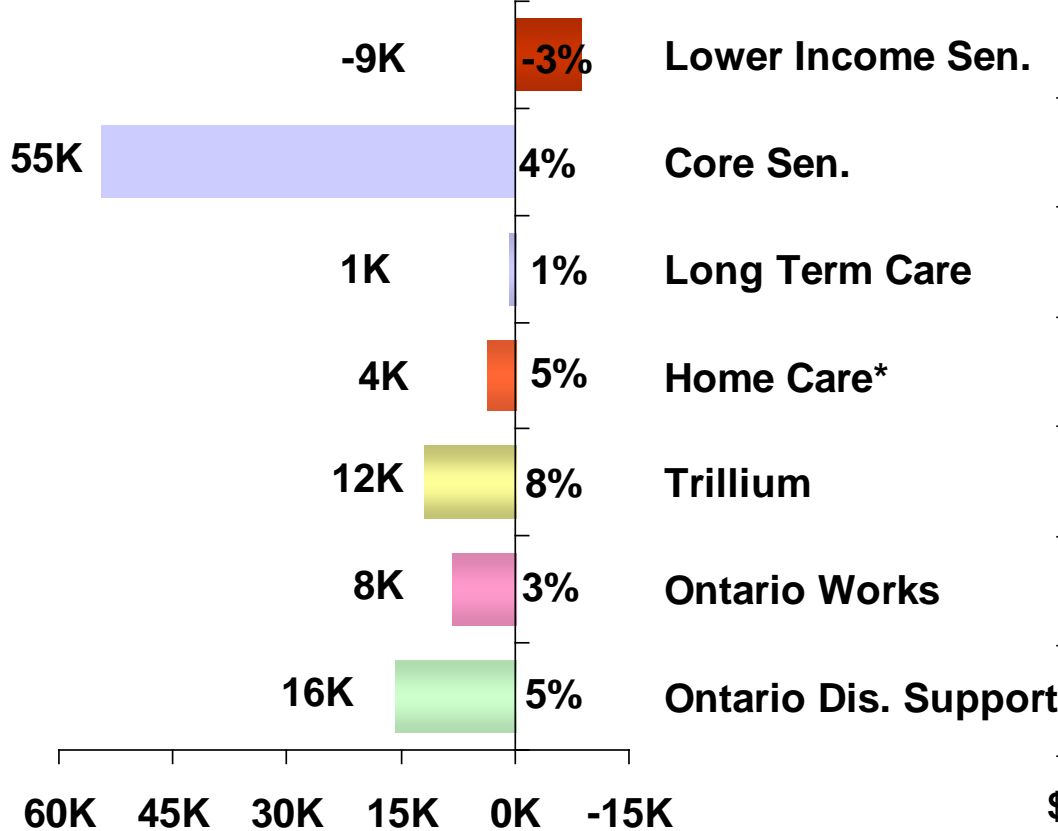
Government cost per beneficiary by program



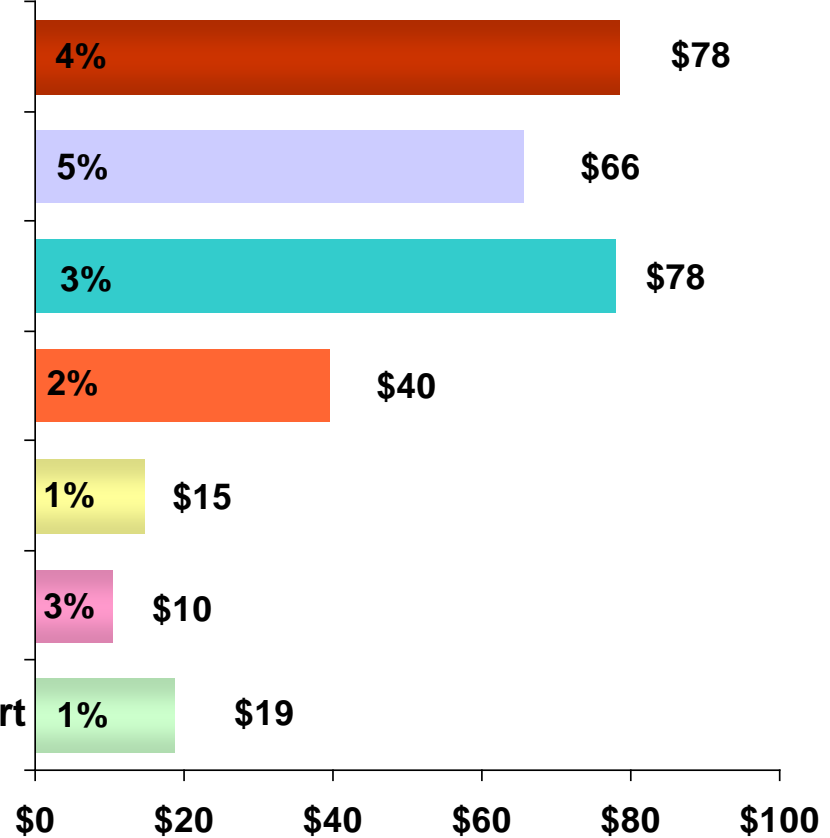
*Home Care & Homes for Special Care

Change in Beneficiaries & Government Cost by Program: 2007/08 – 2008/09

Change in beneficiaries by program

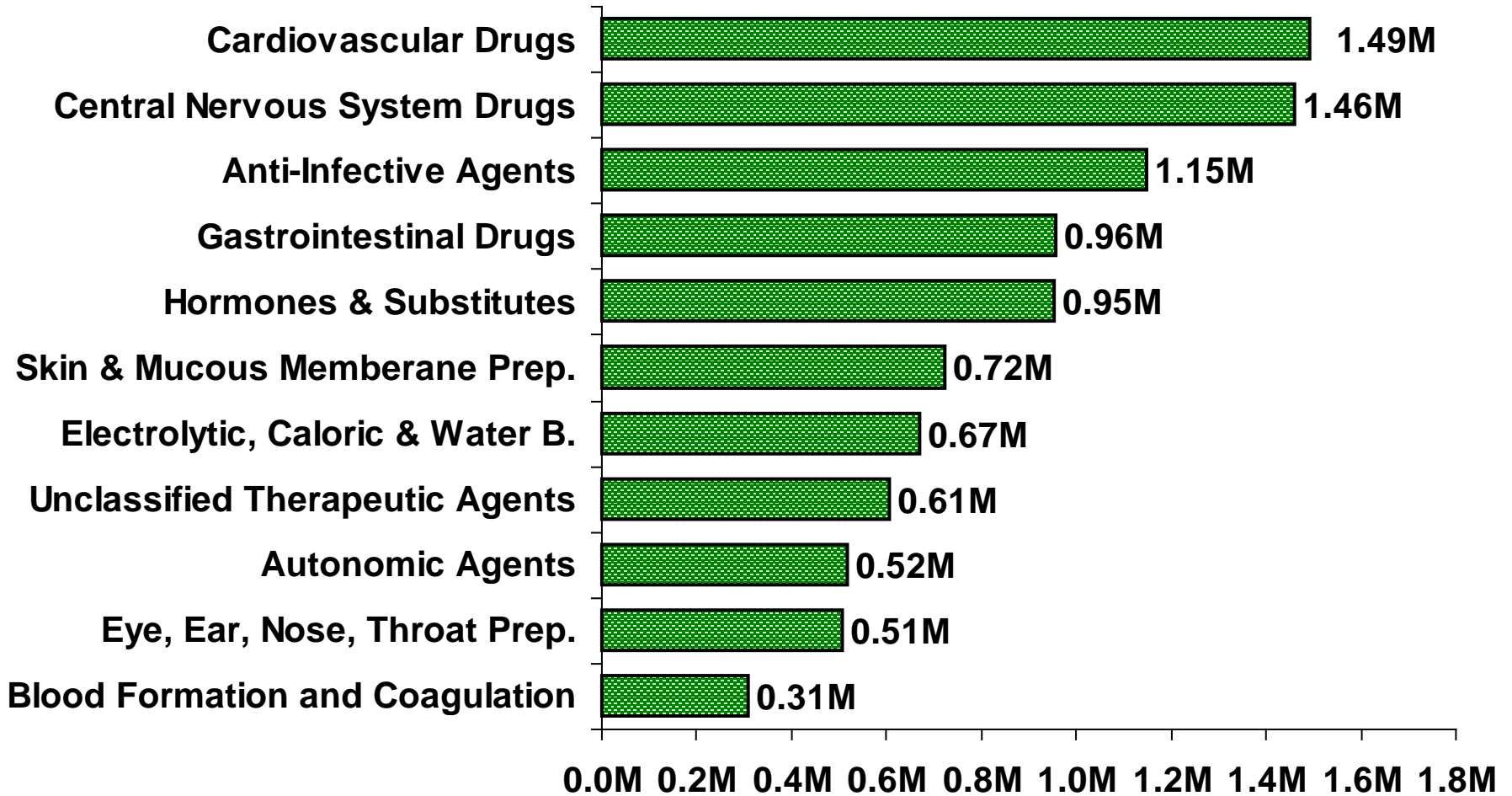


Change in government cost per beneficiary by program



*Home Care & Homes for Special Care

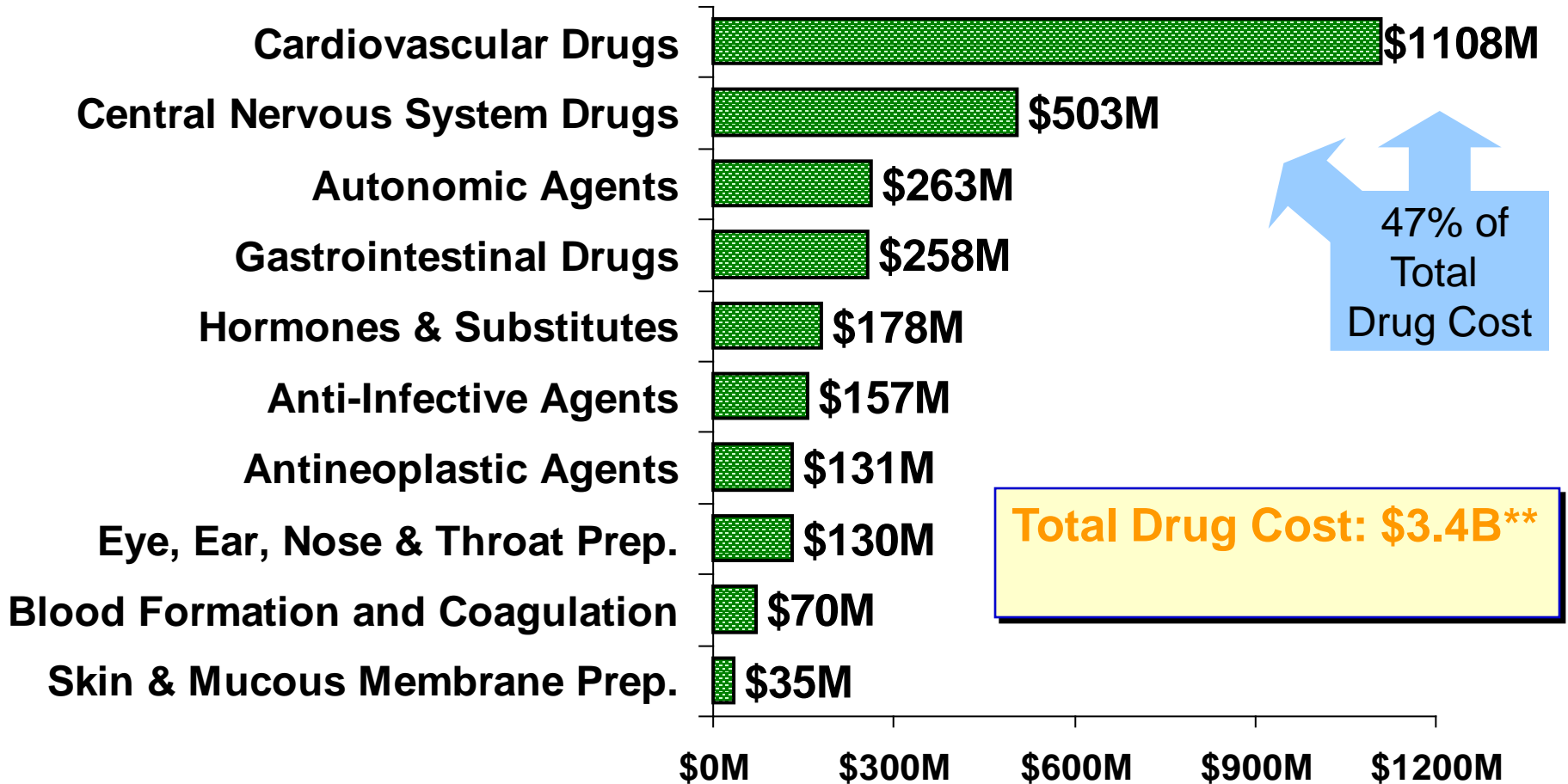
Top 10 Therapeutic Classes* by Number of Users: FY 2008/09**



* Based on the classification system of the American Hospital Formulary Service of the American Society of Health-System Pharmacists (AHFS-ASHP).

**Does not include unclassified agents.

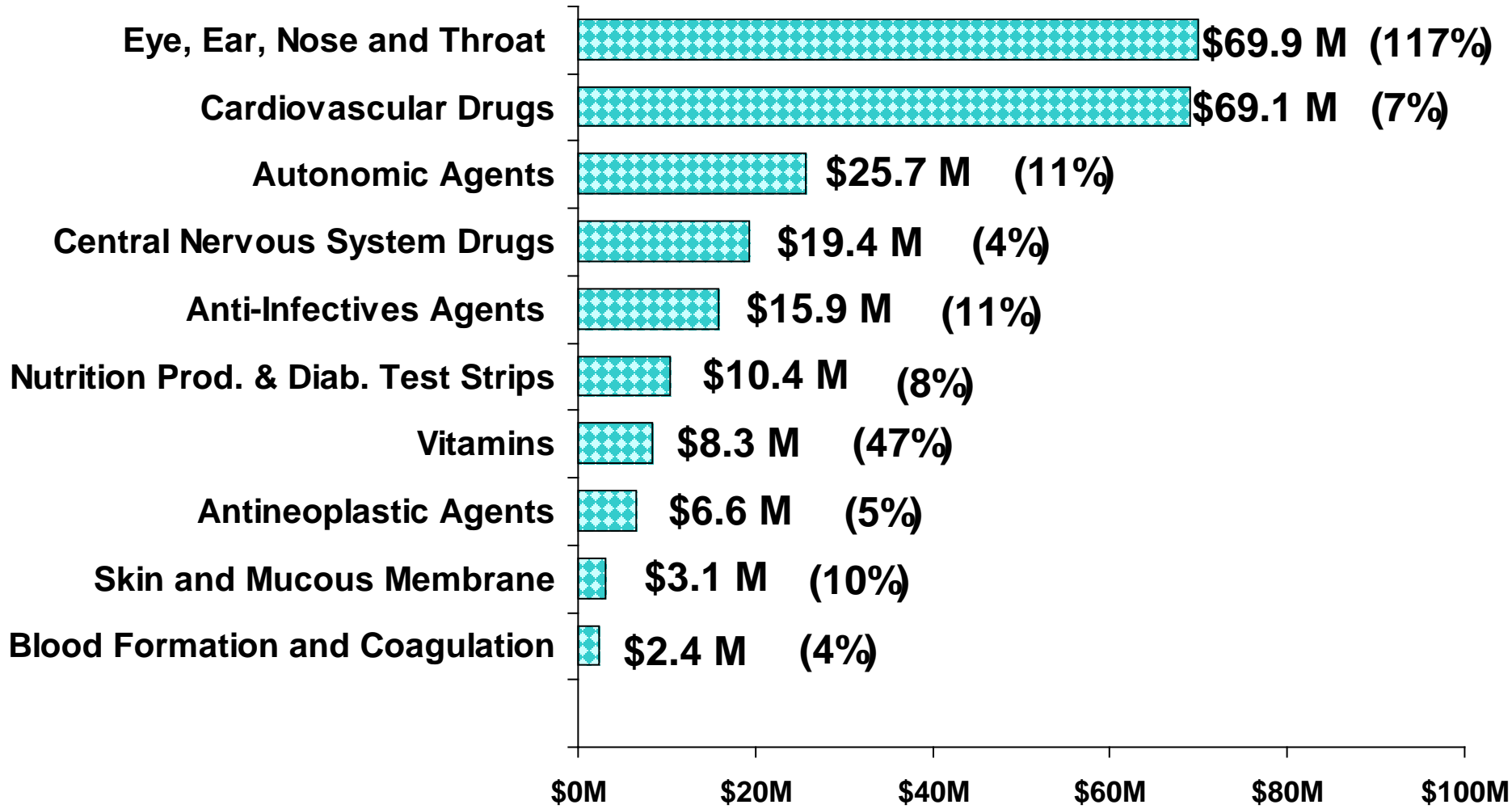
Top 10 Therapeutic Classes by Drug Cost*: FY 2008/09



* Does not include New Drug Funding Program (NDFP) expenditures, administered on behalf of the MOHLTC by Cancer Care Ontario (CCO).

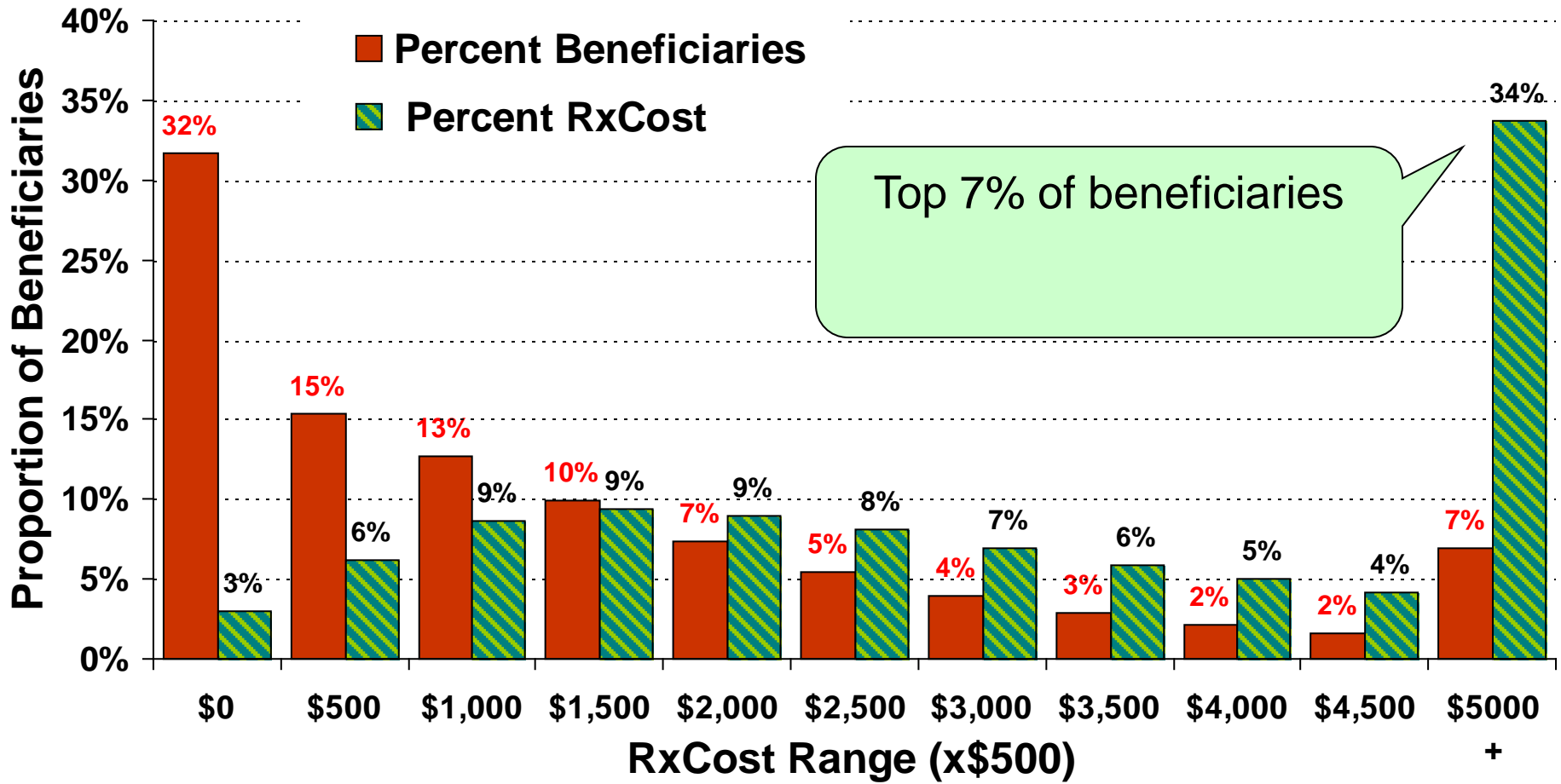
** Includes all drugs, not just top 10

Fastest Growing Classes by Drug Cost: 2007/08 – 2008/09

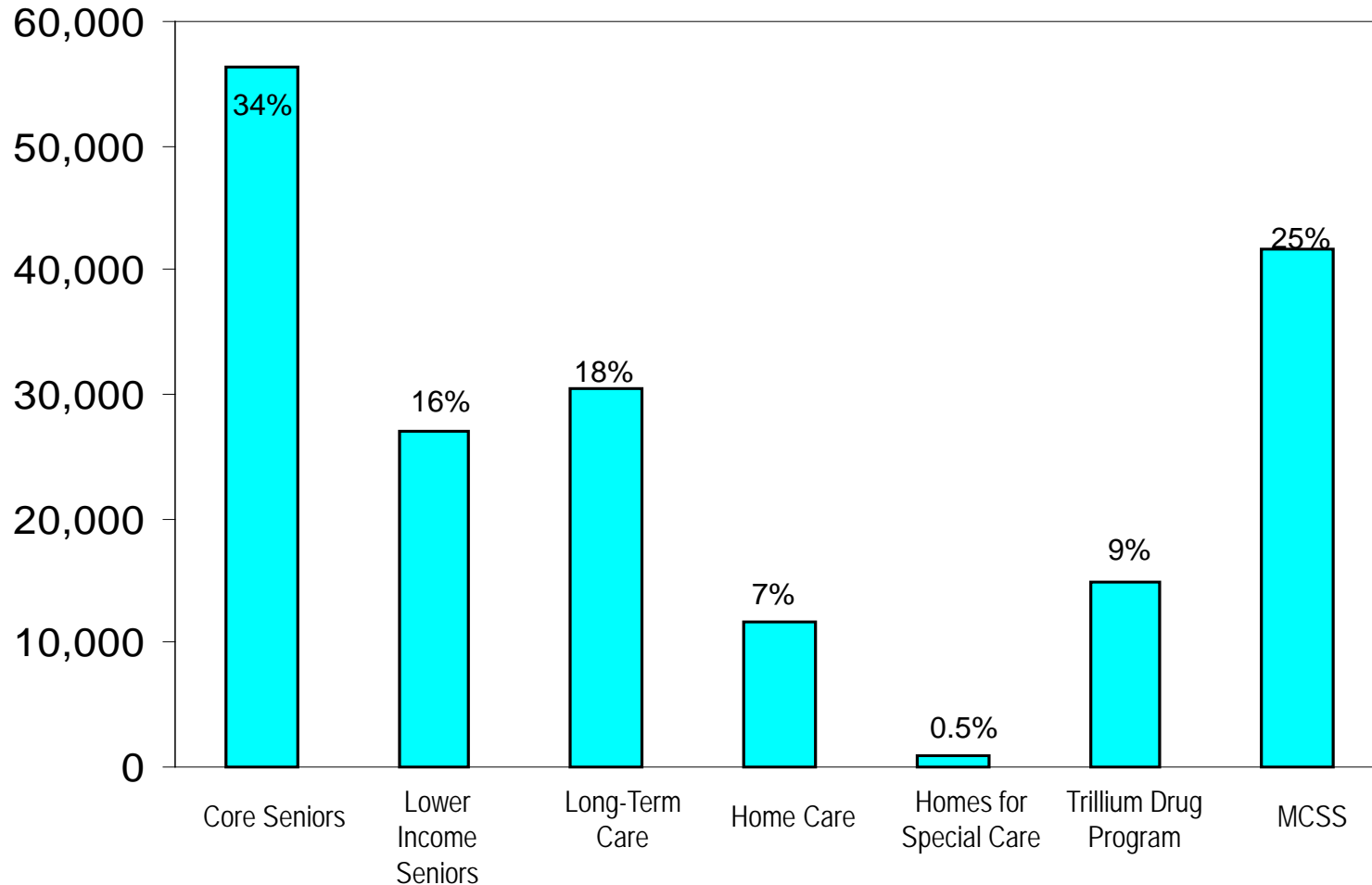


Total increase over previous year: \$230.7M

Cost Concentration From Least to Most Costly Beneficiary: FY 2008/09



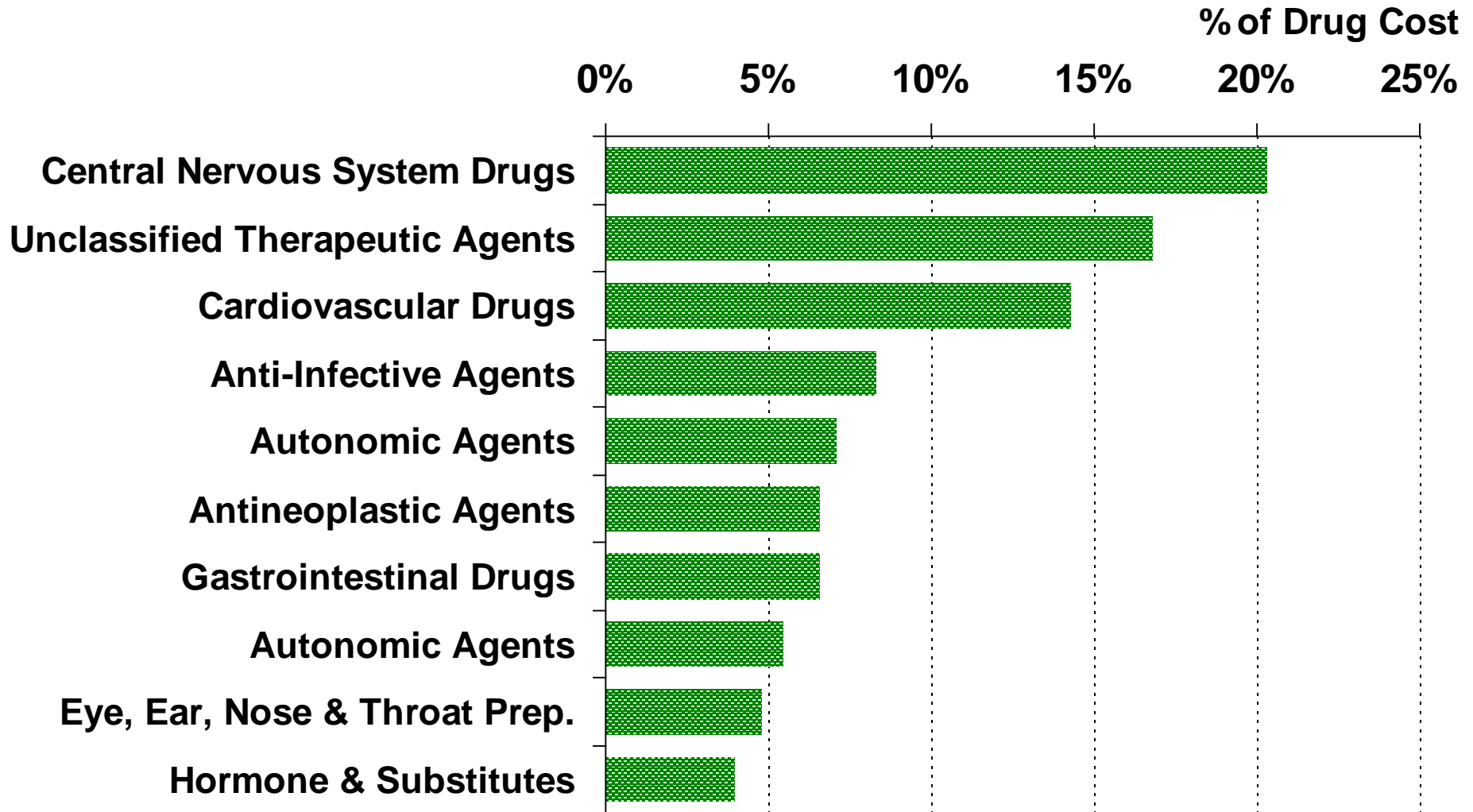
Breakdown of Top Beneficiaries by Program: 2008/09



Beneficiaries means persons eligible for coverage under the public drug programs

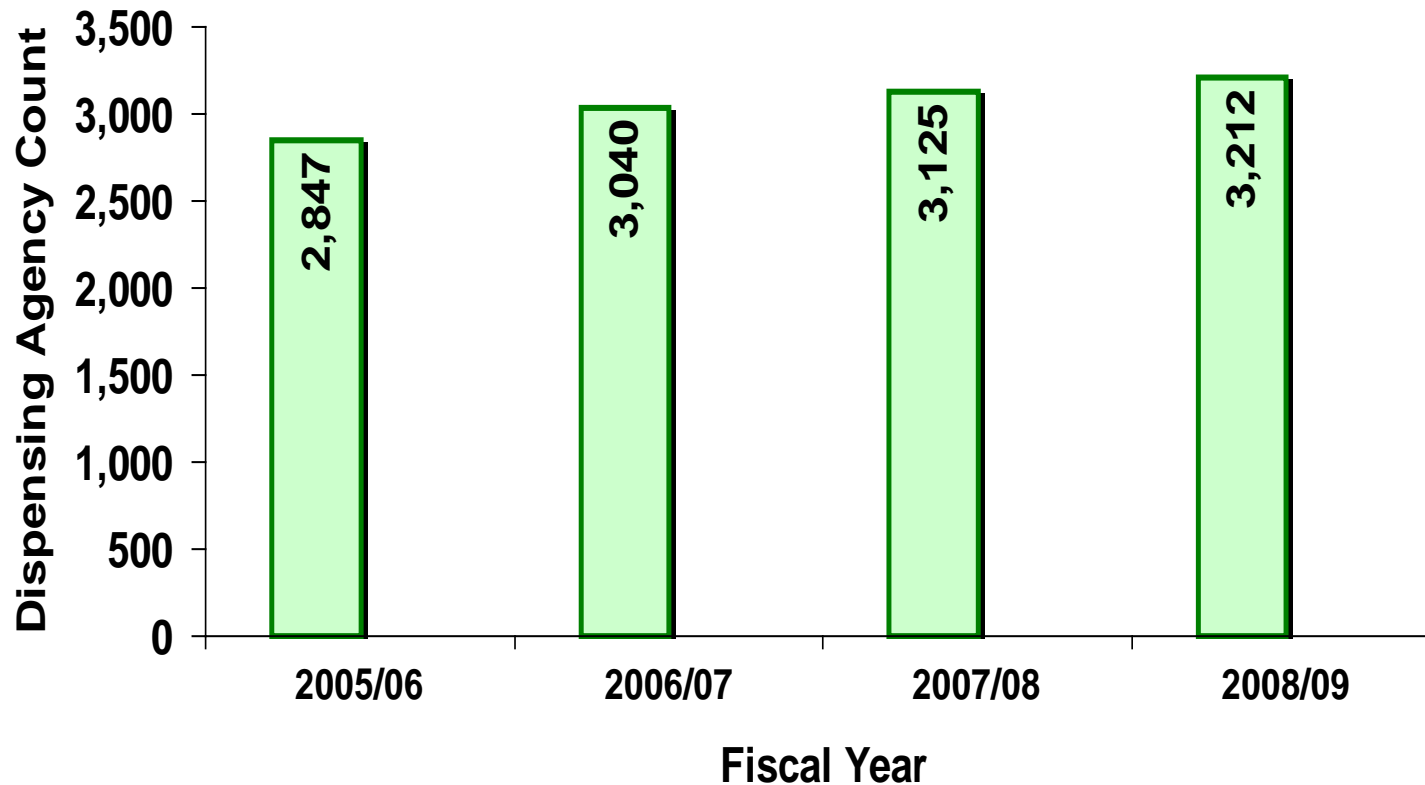
NB: Beneficiaries may be double counted if they moved between programs in the same fiscal year

Top Therapeutic Classes for High Cost Claimants (>\$5,000): FY 2008/09

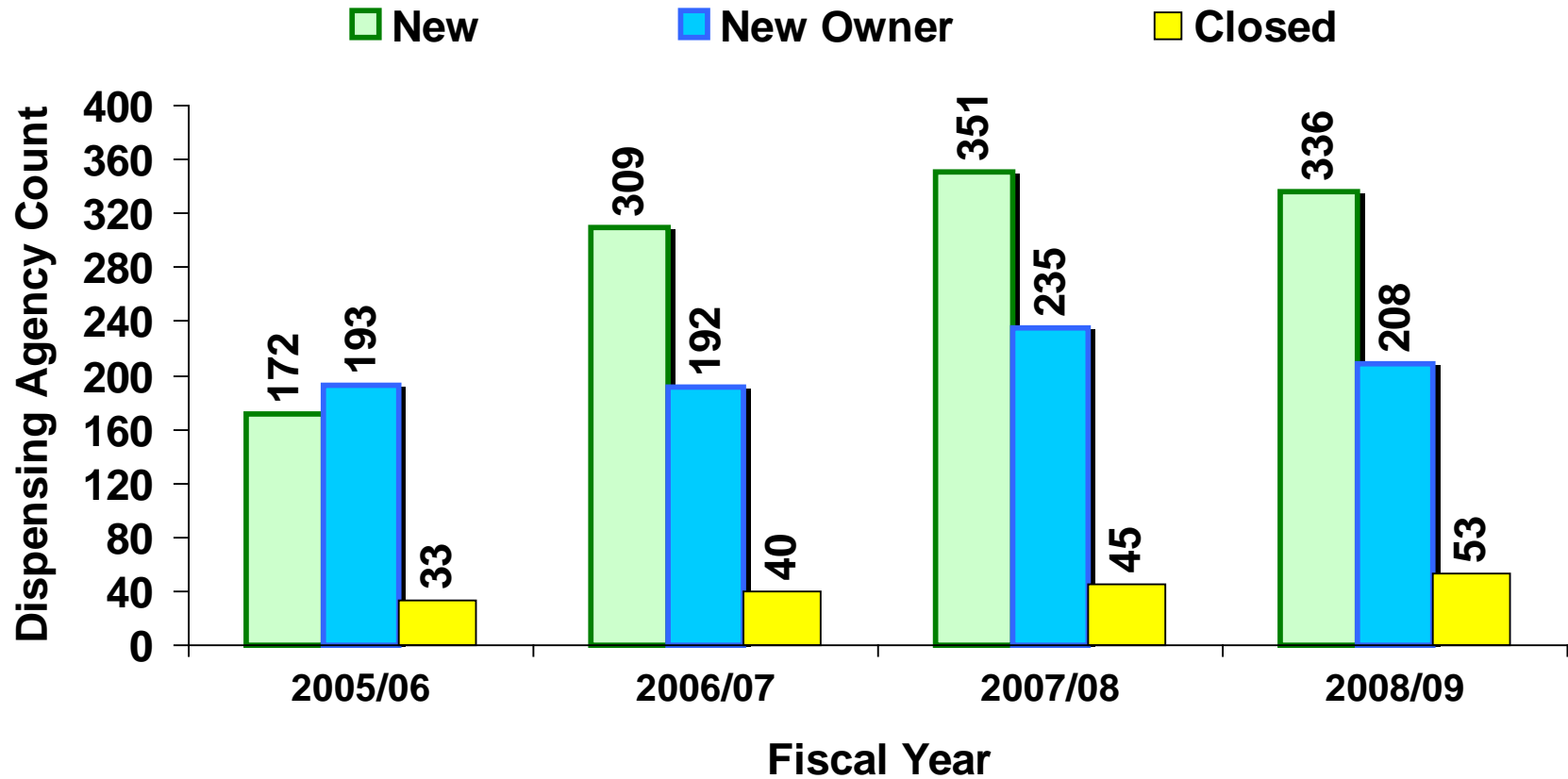


Active Dispensing Agencies in Ontario: 2005/06 – 2008/09

The number of pharmacies continues to rise year over year, with a 2.8% increase in 2008/09 over 2007/08



New, New Owner and Closed Dispensing Agencies in Ontario: 2005/06 – 2008/09



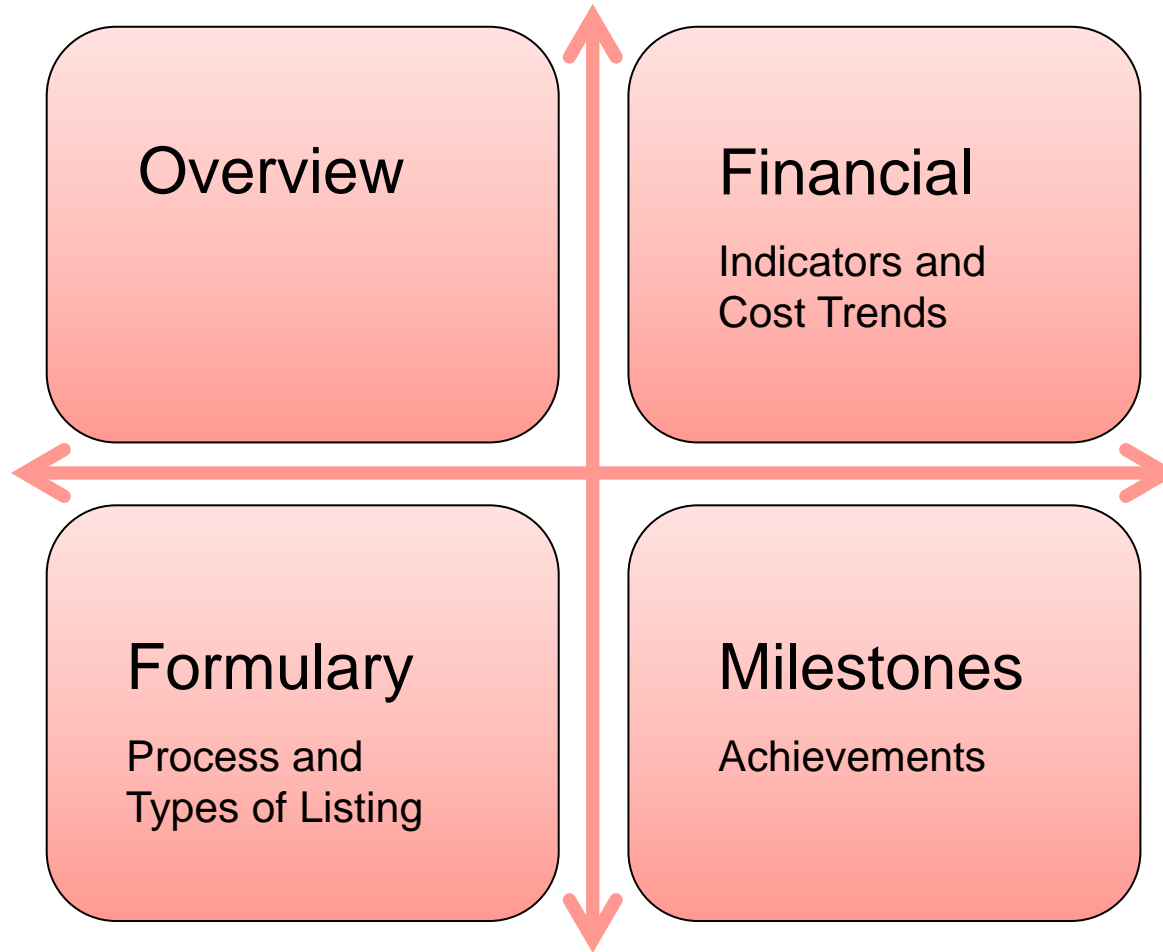
NB: Agencies may be double counted in a fiscal year if they experienced multiple changes.
Data includes all changes (new, new owner and/or closed) over an entire fiscal year.

Data excludes agencies where no change occurred during the fiscal year.

Highlights of Overview

- Drugs are one of the fastest growing components of healthcare spending, representing about 10% of public expenditures in 2008/09.
- The number of ODB beneficiaries and claims continues to rise: almost 5% more claims processed in 2008/09 over 2007/08.
- The top 7% of beneficiaries (determined by RxCost) accounted for a large proportion of expenditures (34%) in 2008/09.
- Cardiovascular drugs and Central Nervous system drugs are the top two classes of drugs in terms of number of users, as well as drug cost in 2008/09.
- Cardiovascular drugs and Central Nervous system drugs account for almost half (47%) of total drug cost.
- The total number of ODB recipients continues to increase on annually. Over the past 10 years, the total number of beneficiaries has increased 12.1%, with MOHLTC beneficiaries increasing 35% and MCSS beneficiaries decreasing 27%.

Report Card Framework



ODB Financial Statistics: 2007/08 – 2008/09

	2007/08	2008/09	% Change*
Drug Cost	\$3,204M	\$3,440M	7%
+ Markup	\$243M	\$264M	9%
+ Dispensing Fee	\$697M	\$704M	1%
= RxCost	\$4,144M	\$4,408M	6%
Recipient Cost (Deductible and Co-Payments)	\$463M	\$478M	3%
Government Cost	\$3,671M	\$3,919M	7%
<i>MOHLTC</i>	<i>\$2,927M</i>	<i>\$3,130M</i>	<i>7%</i>
<i>MCSS</i>	<i>\$744M</i>	<i>\$789M</i>	<i>6%</i>

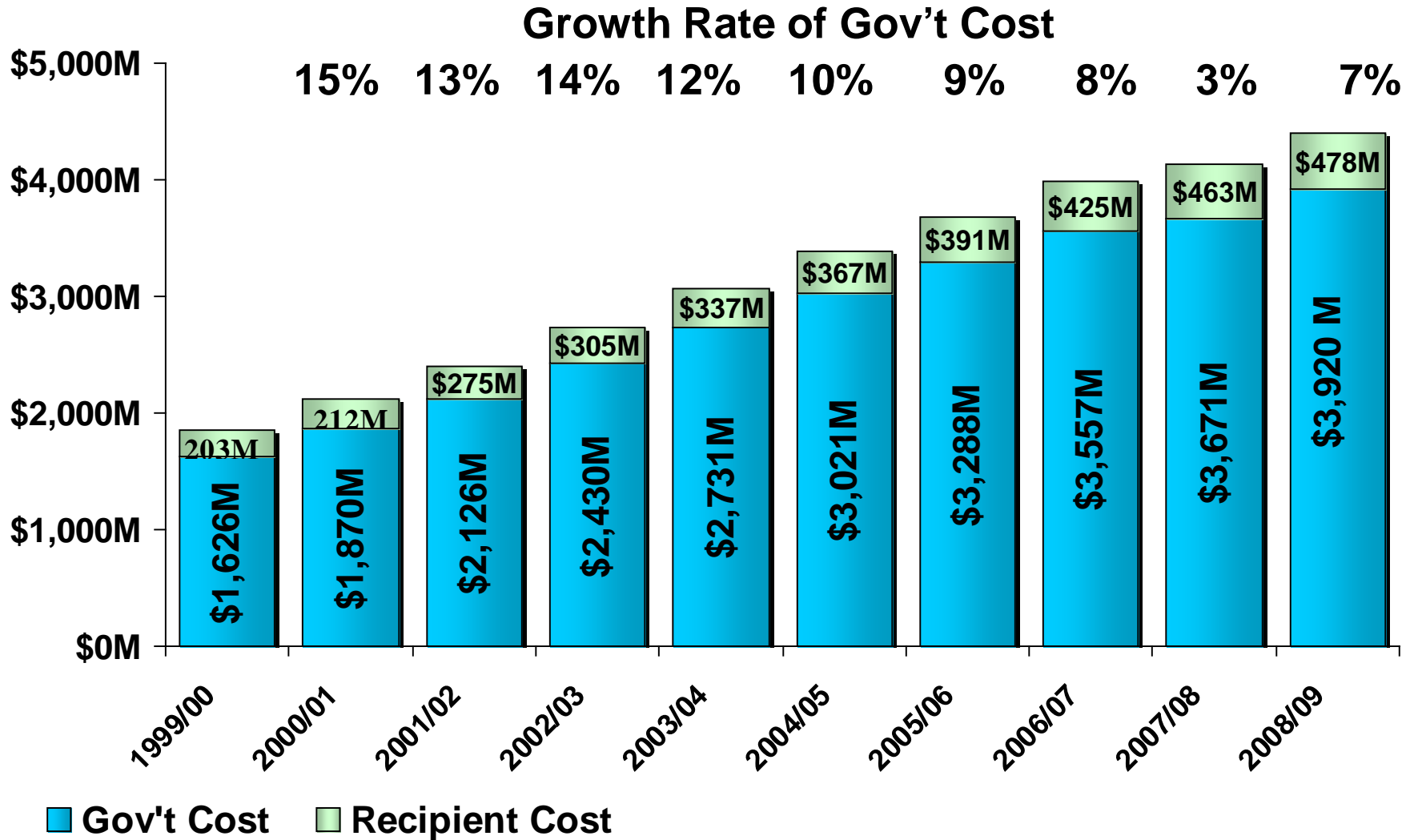
*Rounded to the nearest whole number

ODB Financial Statistics: 2007/08 – 2008/09

		2007/08	2008/09	% Change *
RxCost	Total	\$4,143.5M	\$4,407.8M	6%
	<i>Brand</i>	<i>\$2,875.2M</i>	<i>\$2,976.2M</i>	<i>4%</i>
	<i>Generic</i>	<i>\$1,268.3M</i>	<i>\$1,431.6M</i>	<i>13%</i>
Beneficiaries		2.33M	2.41M	3%
Average	RxCost per Beneficiary	\$1,782	\$1,831	3%
	RxCost per Claim	\$40.31	\$40.69	1%
	Claims per Beneficiary	44.2	45.0	2%
Average (Excluding LTC home recipients and Methadone claims)	RxCost per Beneficiary	\$1,685.51	\$1,727.87	3%
	RxCost per Claim	\$49.94	\$50.88	2%
	Claims per Beneficiary	33.7	34.0	1%

*Rounded to the nearest whole number

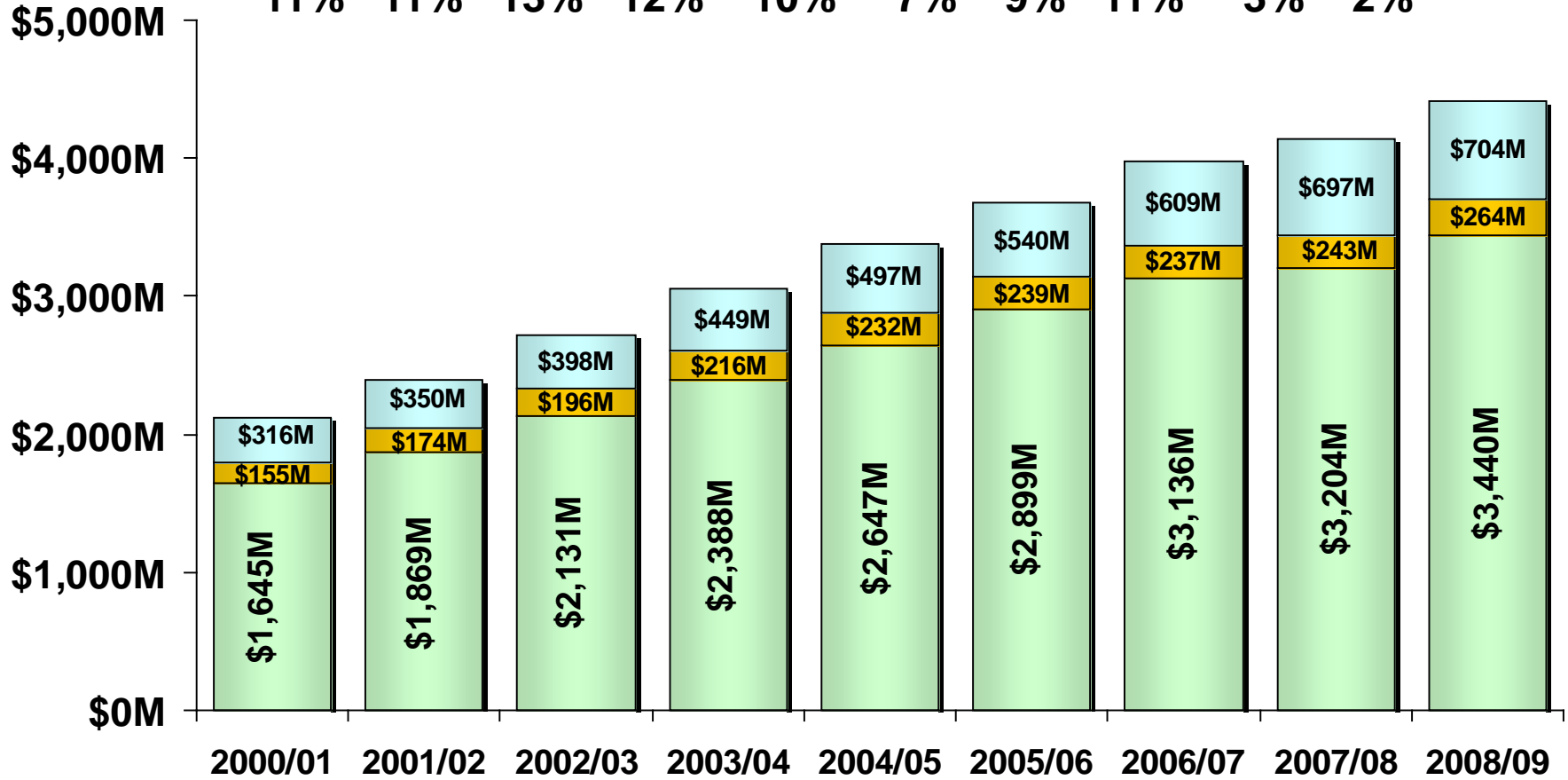
Government & Beneficiary Cost: 1999/00 – 2008/09



RxCost by Type of Spending: 2000/01 - 2008/09

Growth Rate of Distribution Costs (Markup + Dispensing fee*)

11% 11% 13% 12% 10% 7% 9% 11% 3% 2%



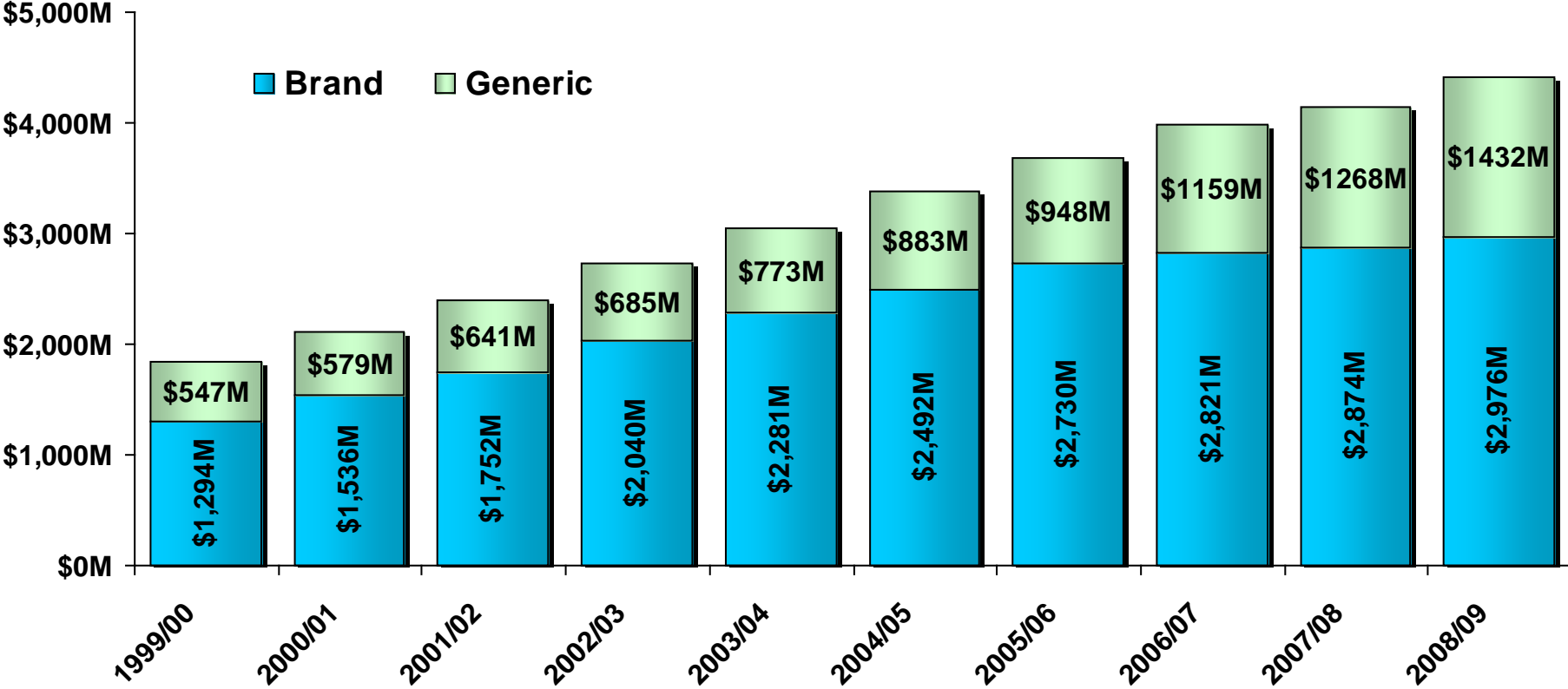
■ Drug Cost
 ■ Markup
 ■ Dispensing fee

*Does not include drug cost in growth rate.

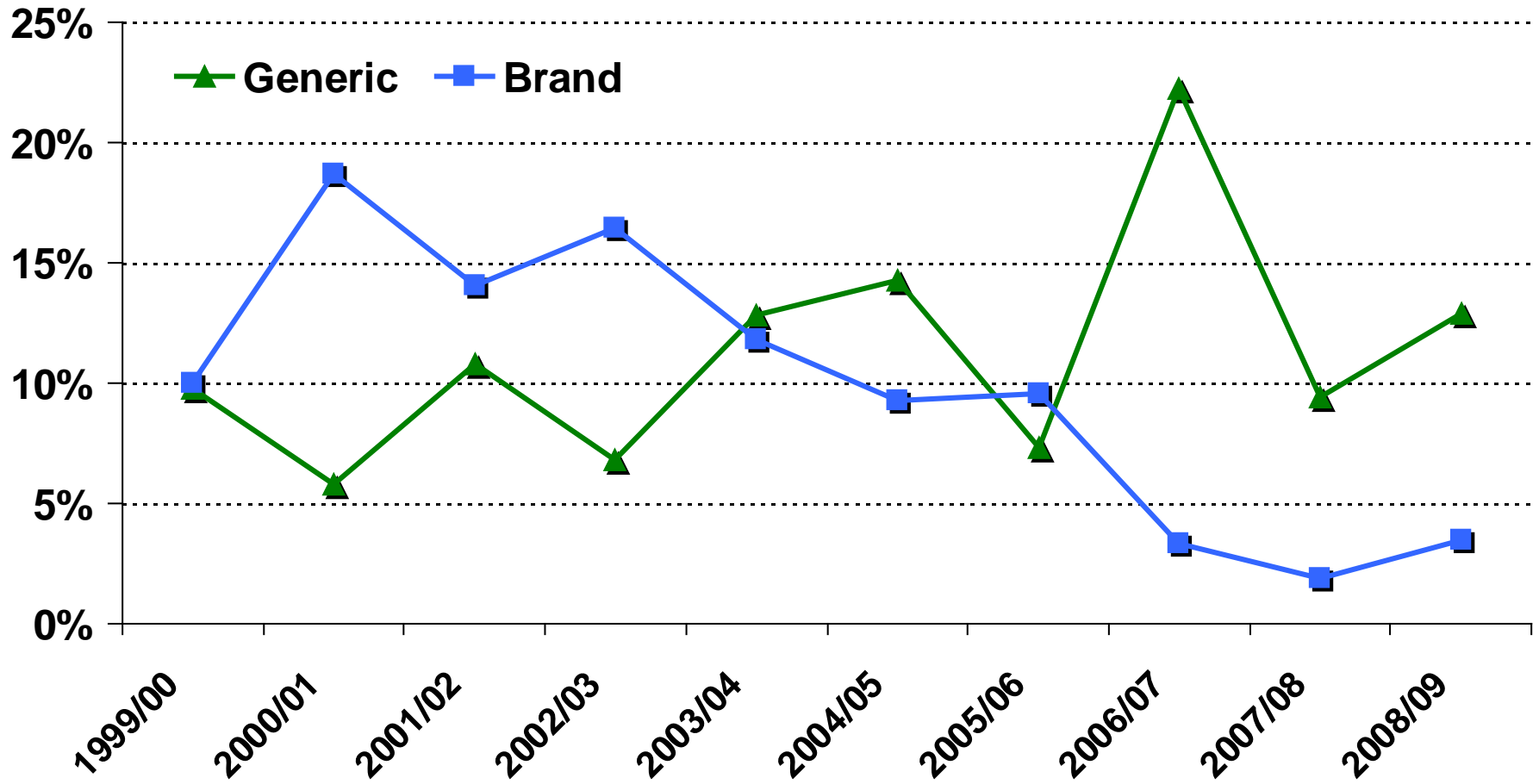
Brand vs. Generic RxCost: 1999/00 – 2008/09

Growth Rate of RxCost

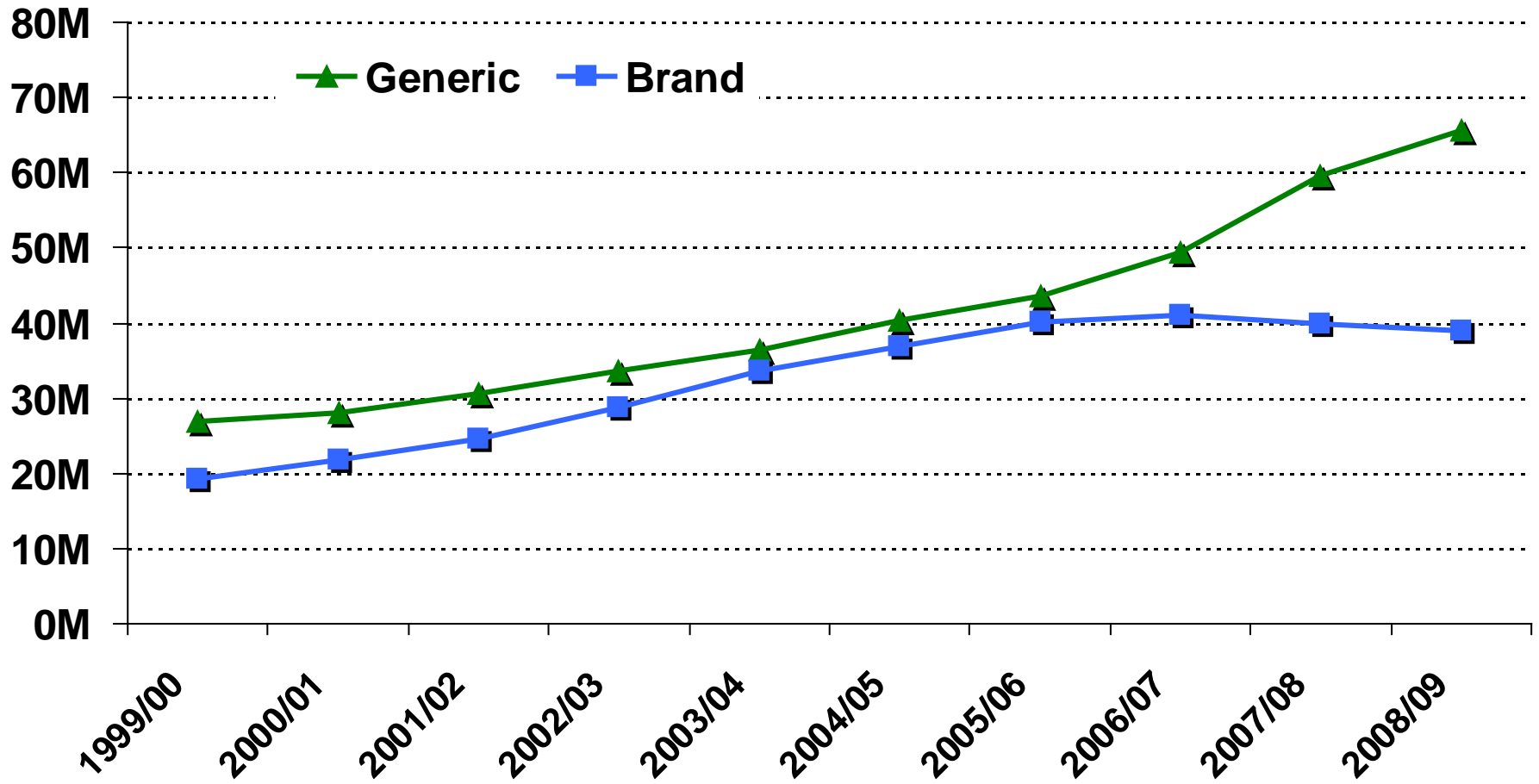
10% 15% 13% 14% 12% 11% 9% 8% 4% 6%



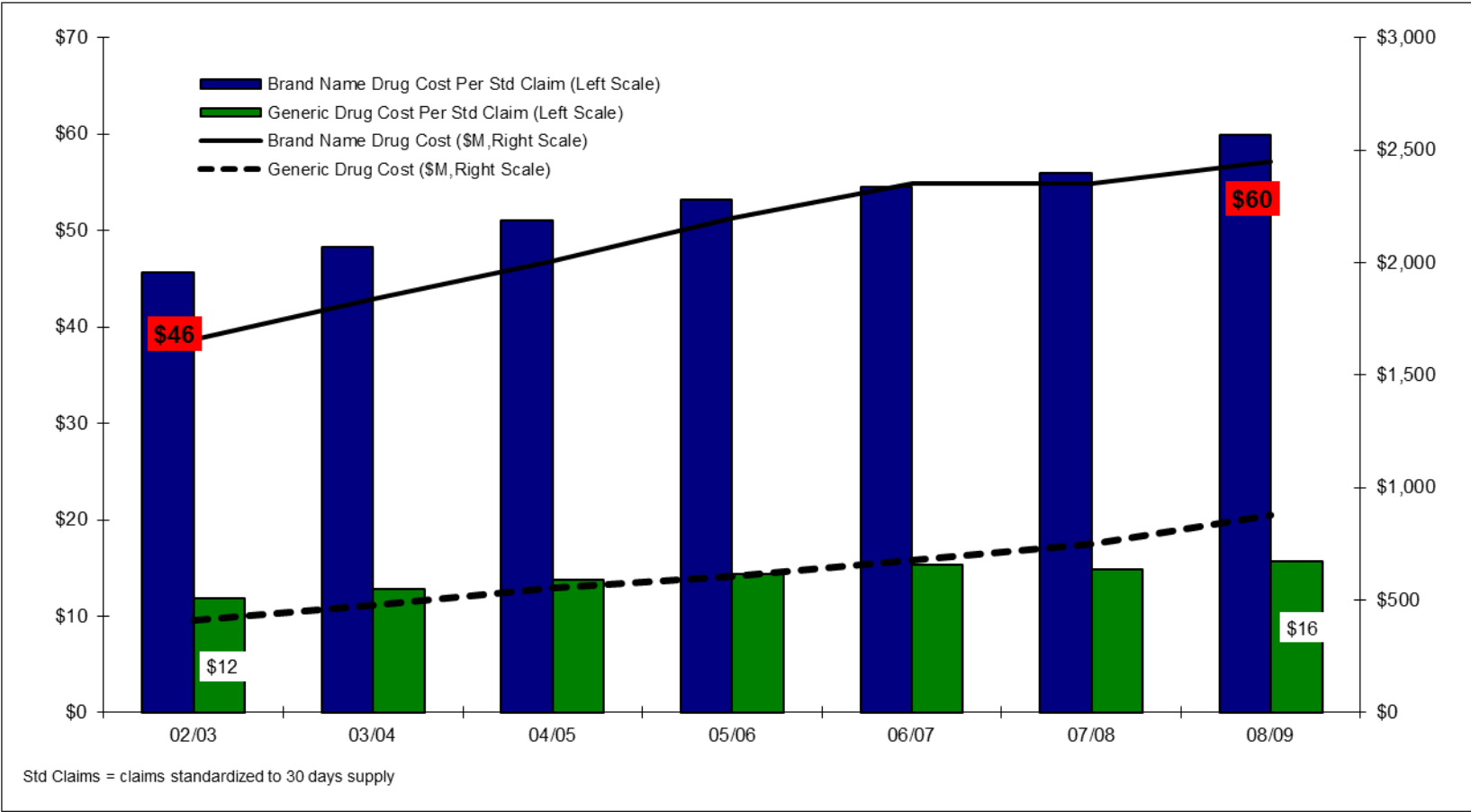
Brand vs. Generic RxCost Annual Growth: 1999/00 – 2008/09



Brand vs. Generic Claim Count: 1999/00 – 2008/09



Comparison of Brand and Generic Drug Cost



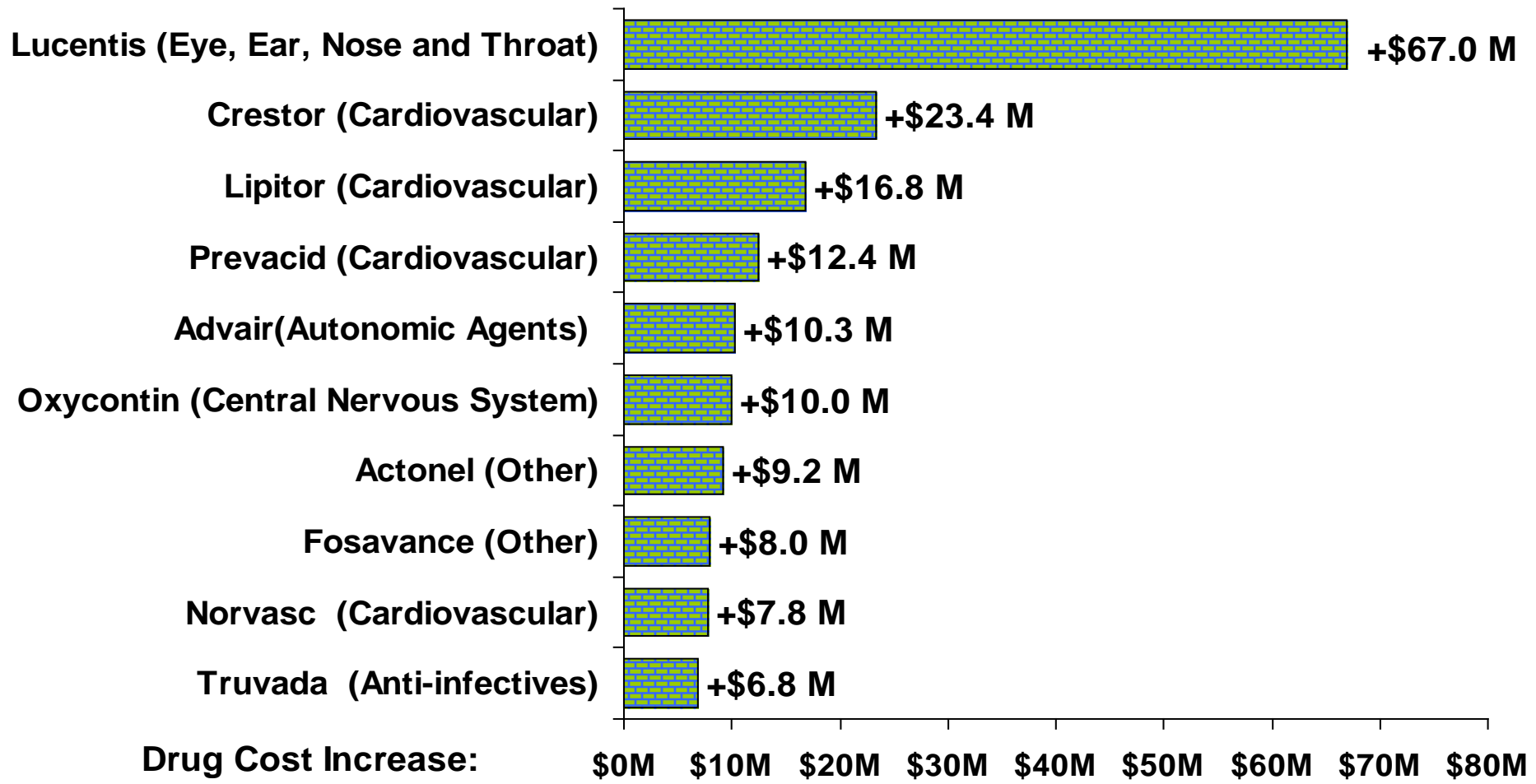
Top 10 Chemicals by Number of Utilizing Beneficiaries (thousands): FY 2008/09

Rk	Drug Name	Class	Utilizing Benef.	% Utilizing Benef.
1	Atorvastatin (Lipitor)	Cardiovascular	515K	21.3%
2	Acetaminophen & Caffeine & Codeine (Tylenol #3)	Central Nervous System	417K	17.3%
3	Ramipril (Altace)	Cardiovascular	366K	15.2%
4	Amoxicillin (Amoxil)	Anti-infective	352K	14.6%
5	Diagnostic Agent - Diabetes	Diagnostic Agents	339K	14.0%
6	Hydrochlorothiazide	Electrolytic, Caloric & Water Balance	318K	13.2%
7	Amlodipine Besylate (Norvasc)	Cardiovascular	304K	12.6%
8	Levothyroxine sodium (Synthroid)	Hormones & Subst.	300K	12.4%
9	Metformin HCl (Glucophage)	Hormones & Substitutes	294K	12.2%
10	Salbutamol (Ventolin)	Autonomic Agents	293K	12.1%

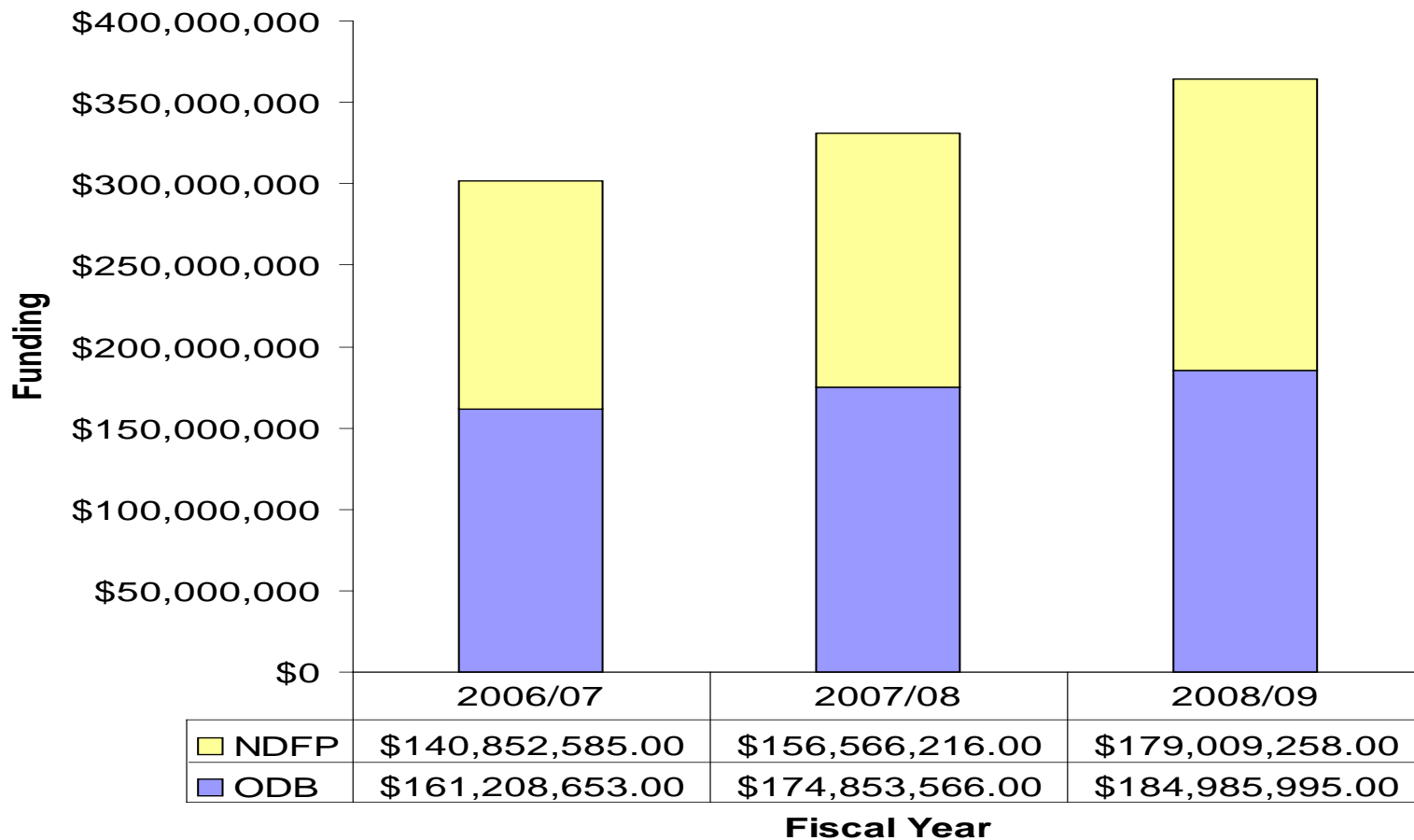
Top 10 Chemicals by Drug Cost: FY 2008/09

Rk	Drug Name	Class	Drug Cost	% Total Drug Cost
1	Atorvastatin (Lipitor)	Cardiovascular	\$305M	8.9%
2	Amlodipine Besylate (Norvasc)	Cardiovascular	\$140M	4.1%
3	Diagnostic Agent - Diabetes	Diagnostic Agents	\$116M	3.4%
4	Rosuvastatin Calcium (Crestor)	Cardiovascular	\$91M	2.6%
5	Olanzapine (Zyprexa)	Central Nervous System	\$75M	2.2%
6	Ranibizumab (Lucentis)	Eye, Ear, Nose & Throat	\$67M	2.0%
7	Salmeterol Xinafoate & Fluticasone Propionate (Advair) - LU	Autonomic Agents	\$66M	1.9%
8	Oxycodone (Oxycontin) - LU	Central Nervous System	\$60M	1.7%
9	Risedronate Sodium (Actonel)	Unclassified	\$57M	1.7%
10	Donepezil HCl (Aricept) - LU	Autonomic Agents	\$56M	1.6%
TOTAL Top-10			\$1,034M	30.0%

Fastest Growing Brand Products by Drug Cost: 2007/08 – 2008/09

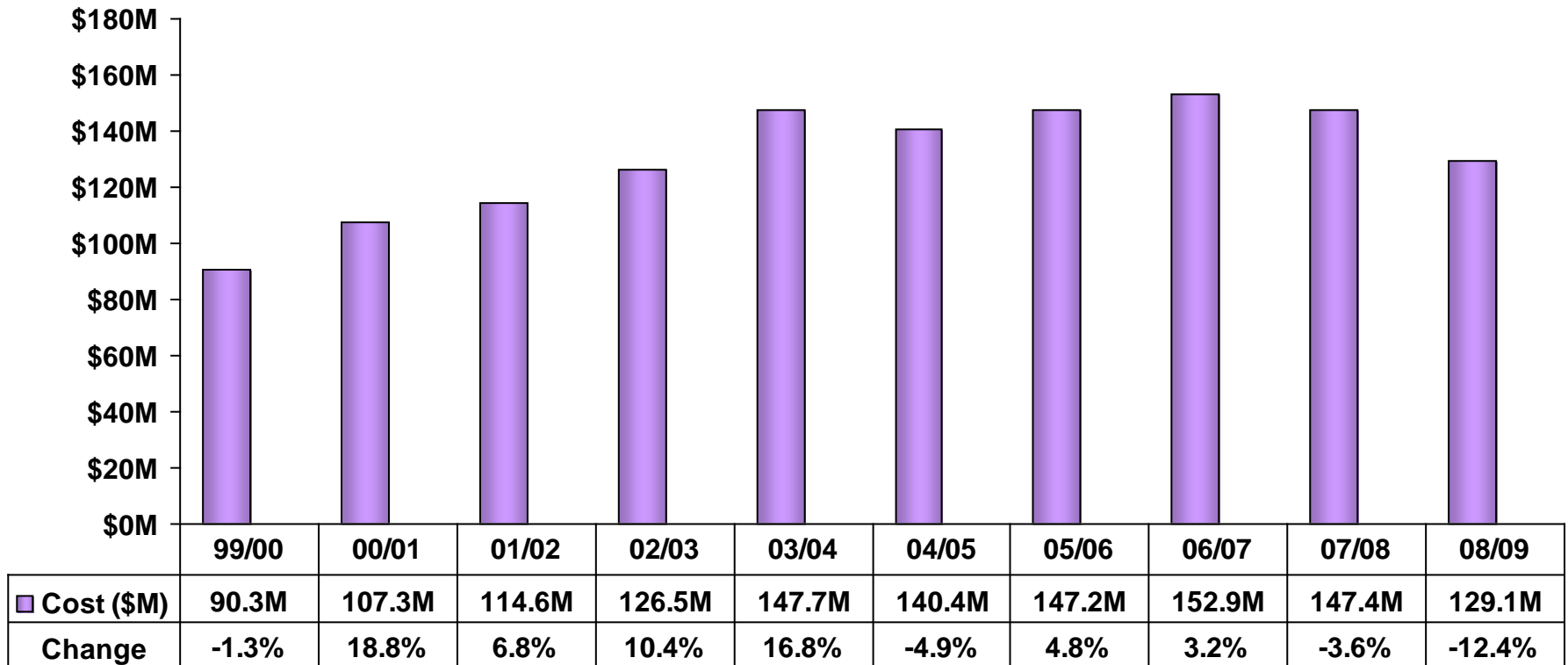


Government Cost for Cancer Drugs Under NDFP* and ODB: 2006/07 – 2008/09



*NDFP = New Drug Funding Program administered by Cancer Care Ontario

Special Drugs* Program Cost: 1999/00-2008/09

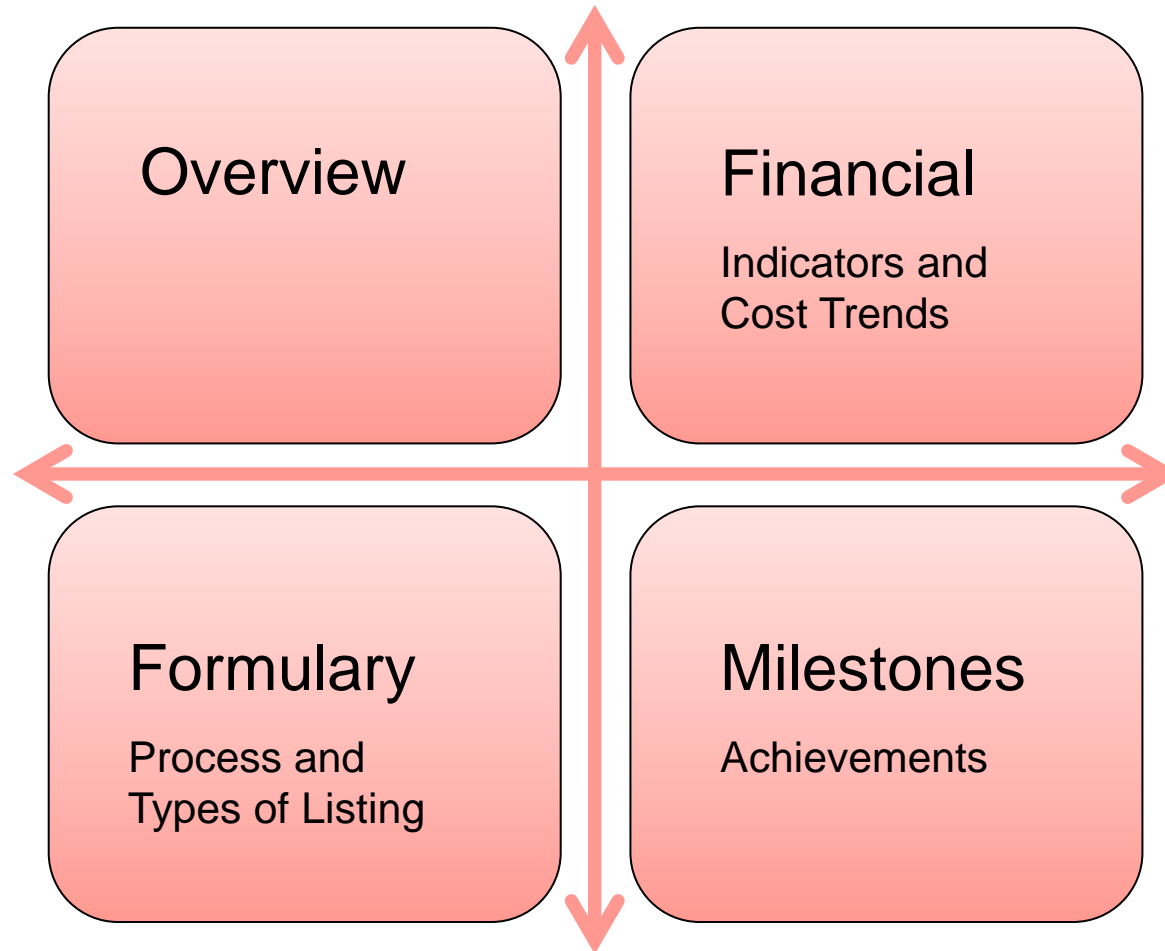


*The Special Drugs Program provides drug benefits for Ontarians with a valid Health Card for certain expensive outpatient drugs used to treat specific diseases or conditions.

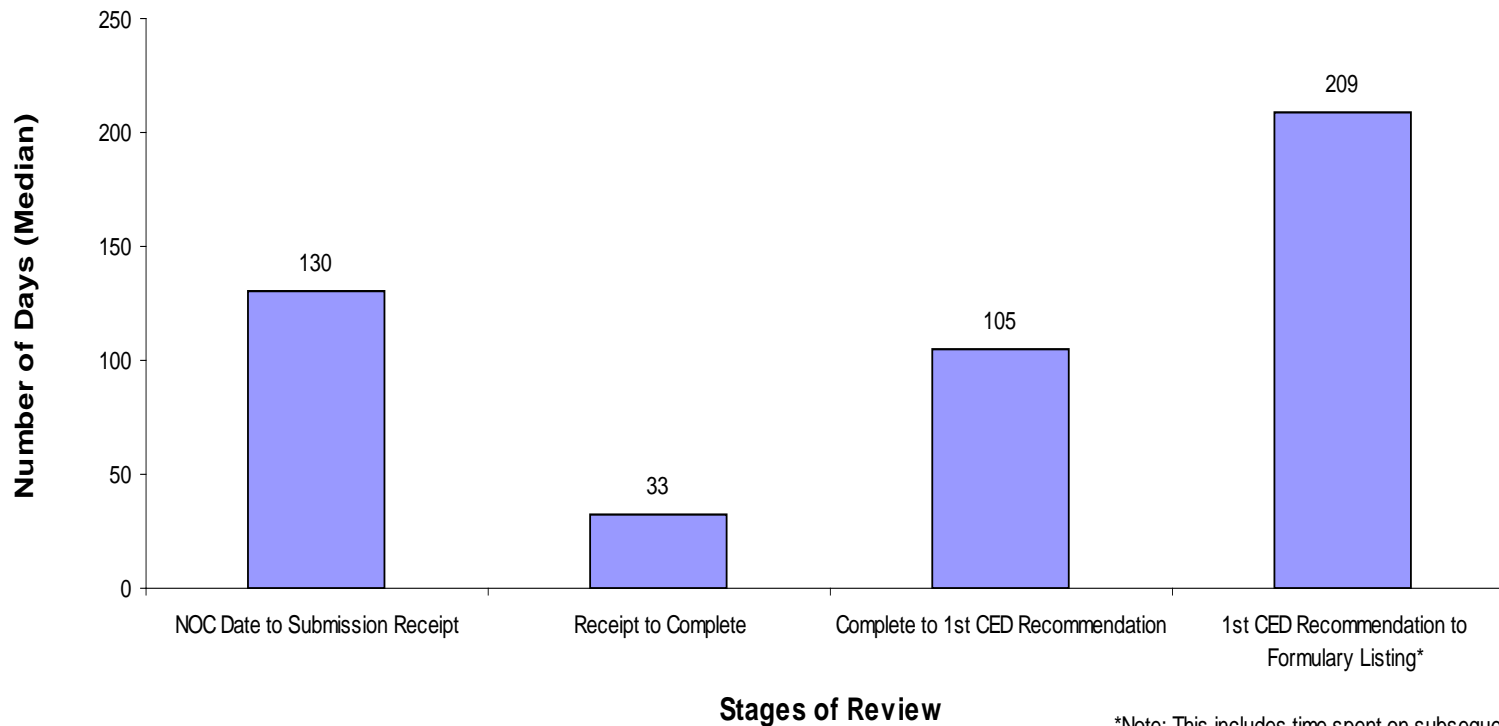
Highlights of Financials

- Drug program spending increased in 2008/09: Government cost totalled \$3,919M in 2008/09, a 6.8% increase over the previous year; total number of beneficiaries covered under the program rose by 3.5% during that time period.
- Total RxCost increased for brand products (3.5%) and generic products (12.9%). Claims for generic products continue to increase in 2008/09, while claims for brand products declined slightly over 2007/08.
- The brand drug cost per standard claim continues to increase over time. In 2002/03 the brand drug cost per standard claim was \$46 and in 2008/09 it had increased to \$60.
- The top chemical by number of utilizing beneficiaries and drug cost was Atorvastatin (Lipitor). The fastest growing brand product according to drug cost for 2008/09 was Lucentis.

Report Card Framework



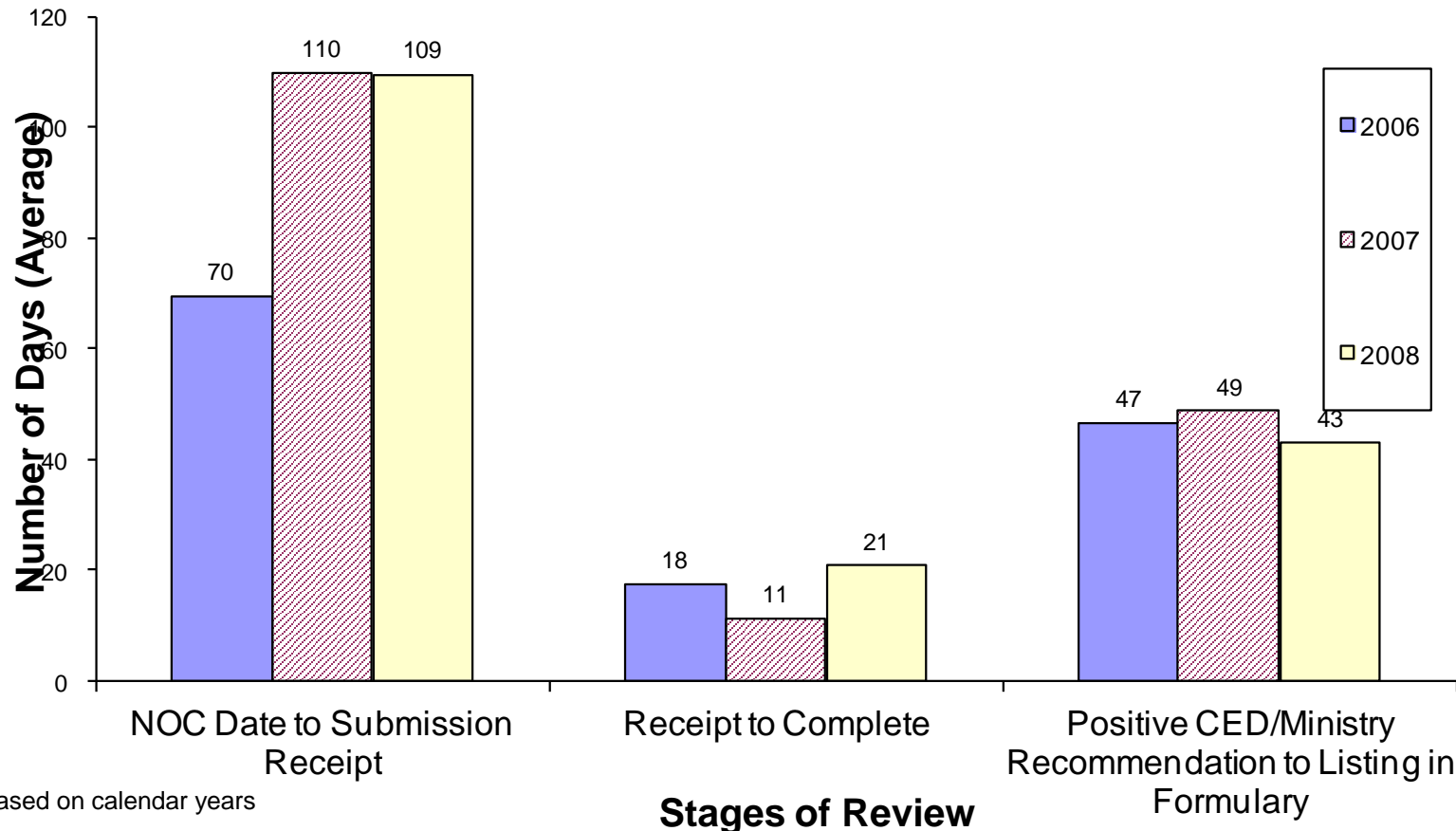
Median Review Timelines for All Single Source Products listed: 2008*



*Based on calendar year

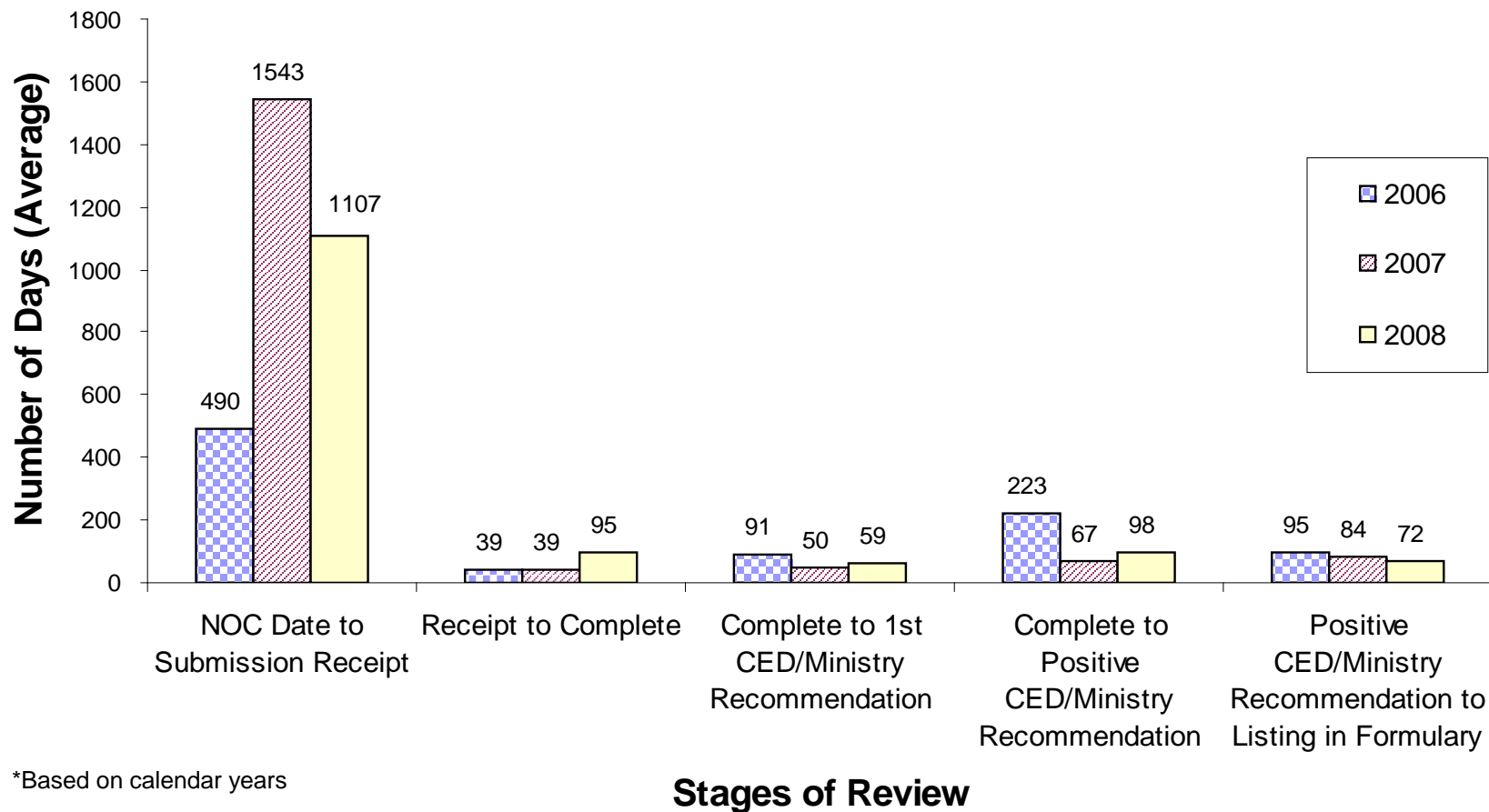
*Note: This includes time spent on subsequent CED reviews of re-submissions and time required for negotiating listing agreements (if applicable).

Average Review Timelines for Streamlined Multiple Source Drug Products Listed: 2006* to 2008

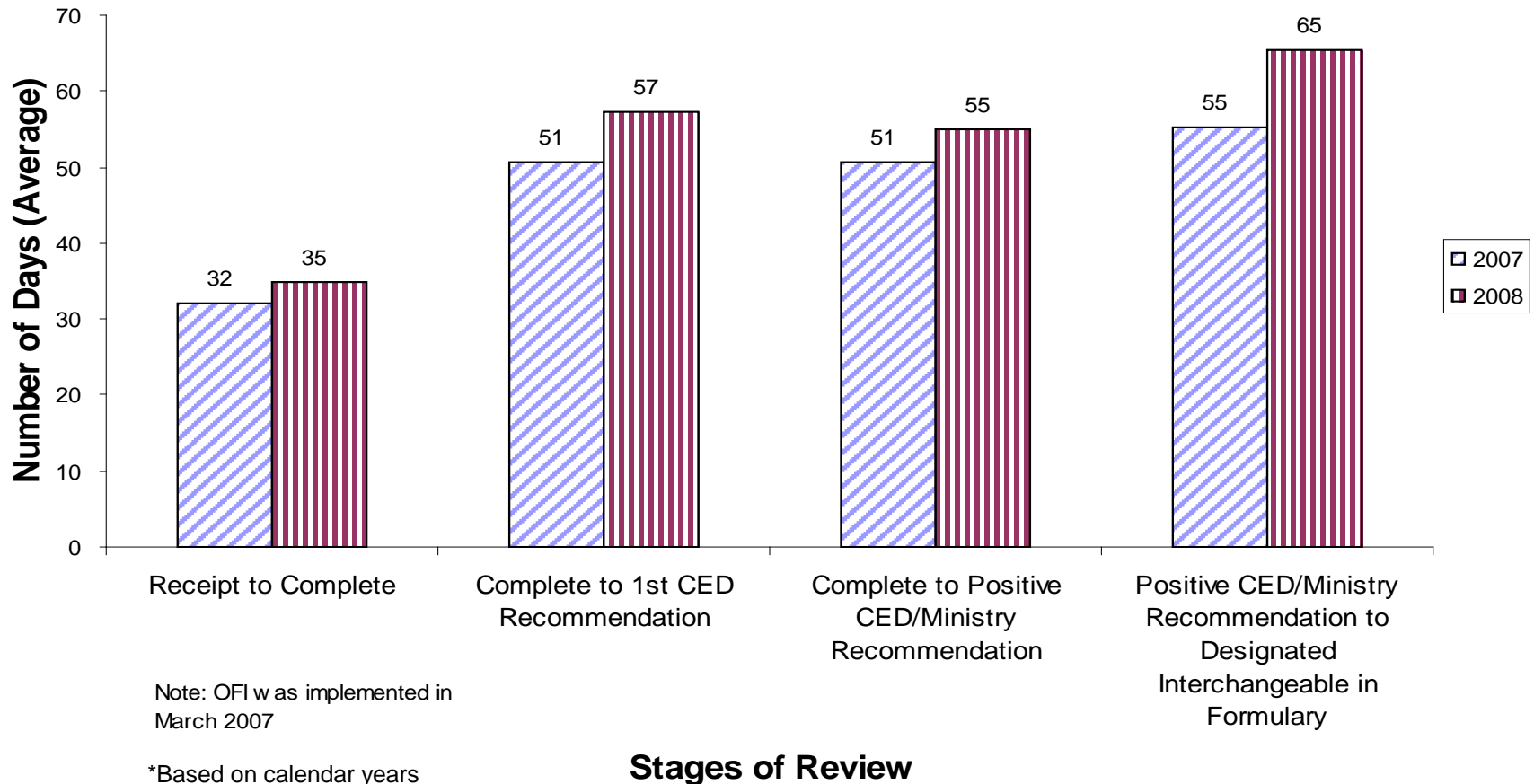


*Based on calendar years

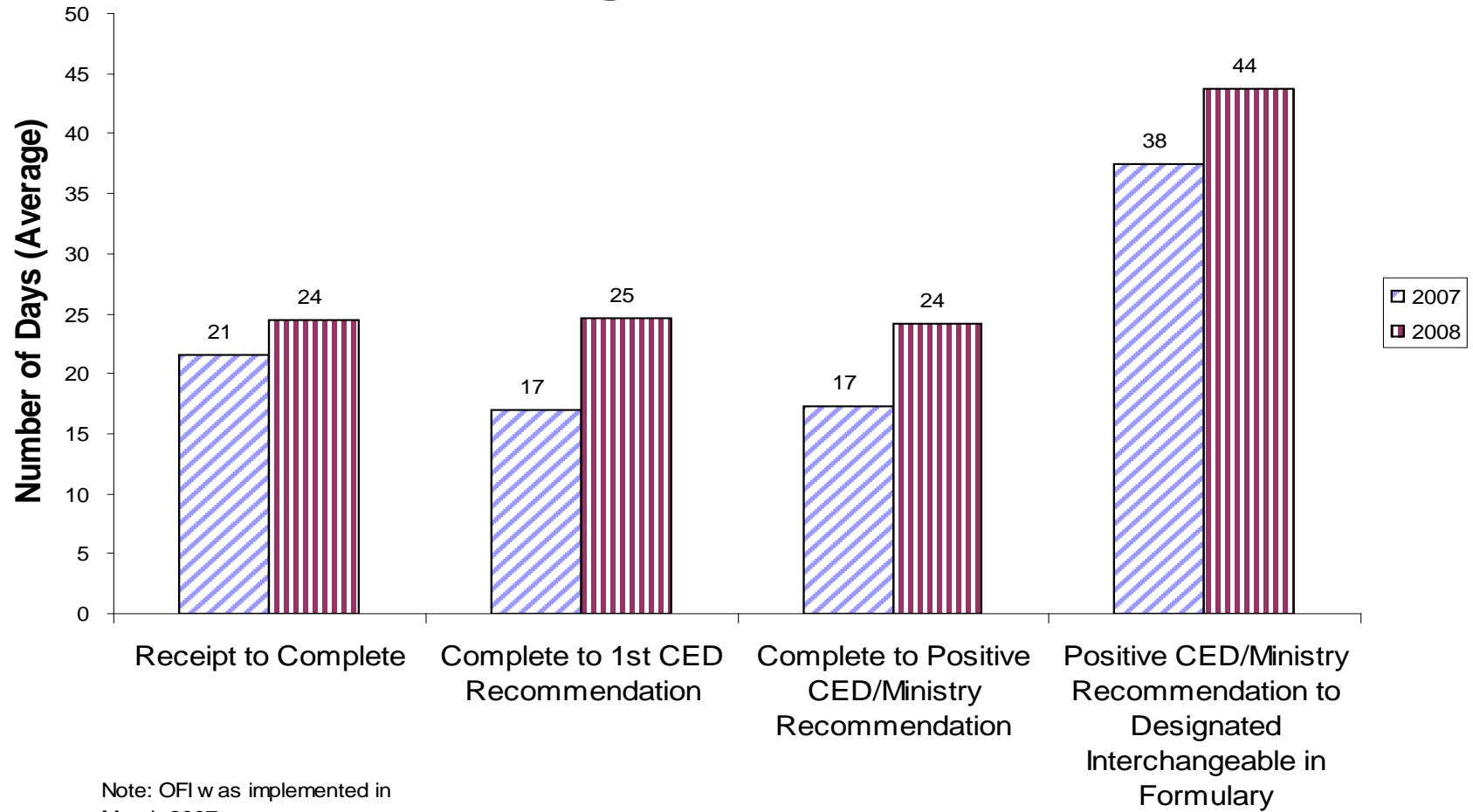
Average Review Timelines for Non-Streamlined Multiple Source Drug Products Listed: 2006* to 2008



Average Review Timelines for Off Formulary Interchangeability (OFI) Non-Streamlined Multiple Source Drug Products Designated Interchangeable: 2007* vs. 2008



Average Review Timelines for OFI Streamline Multiple Source Drug Products Designated Interchangeable: 2007* to 2008



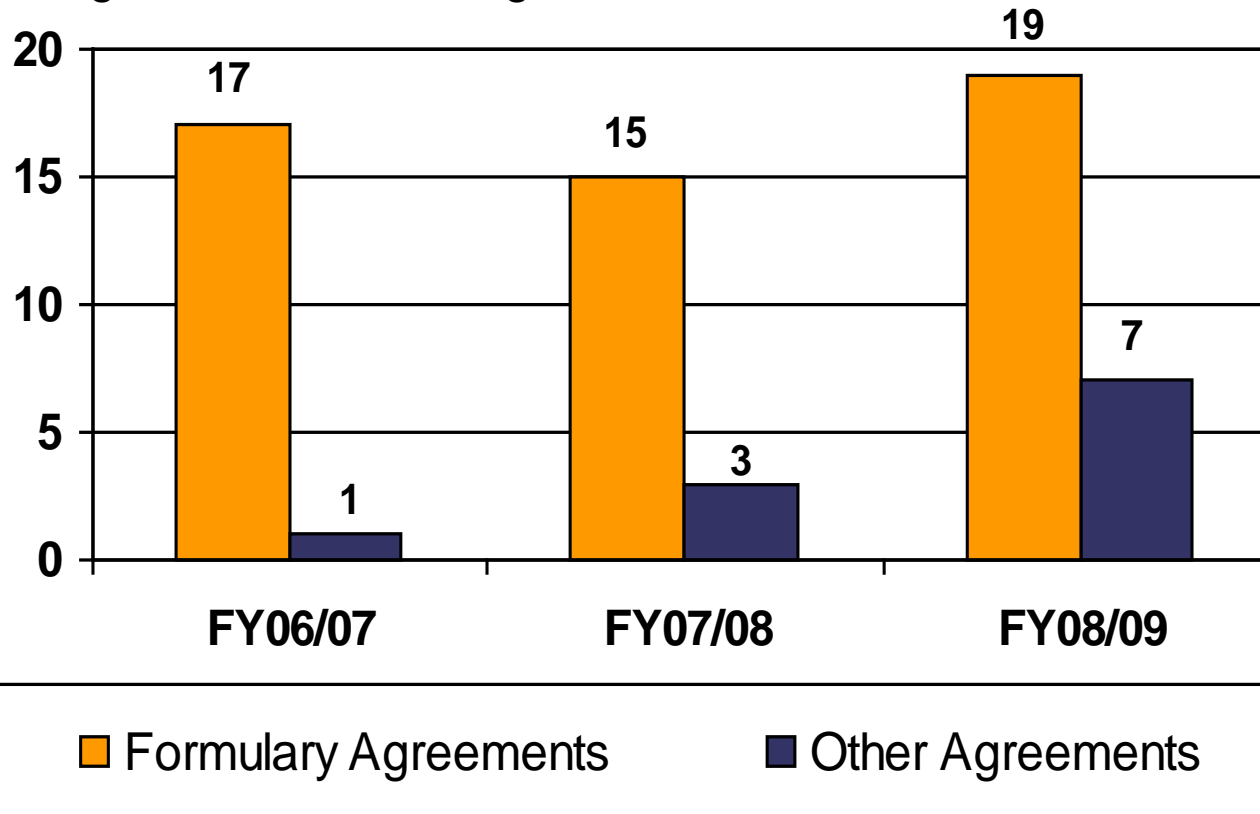
Note: OFI was implemented in March 2007

*Based on calendar years

Stages of Review

Product Listing Agreements: 2006/07* - 2008/09

- 51 Formulary Agreements
- 11 Other Agreements, including EAP, NDFP & FA



* FY 2006/07 = October 1, 2006 – March 31, 2007

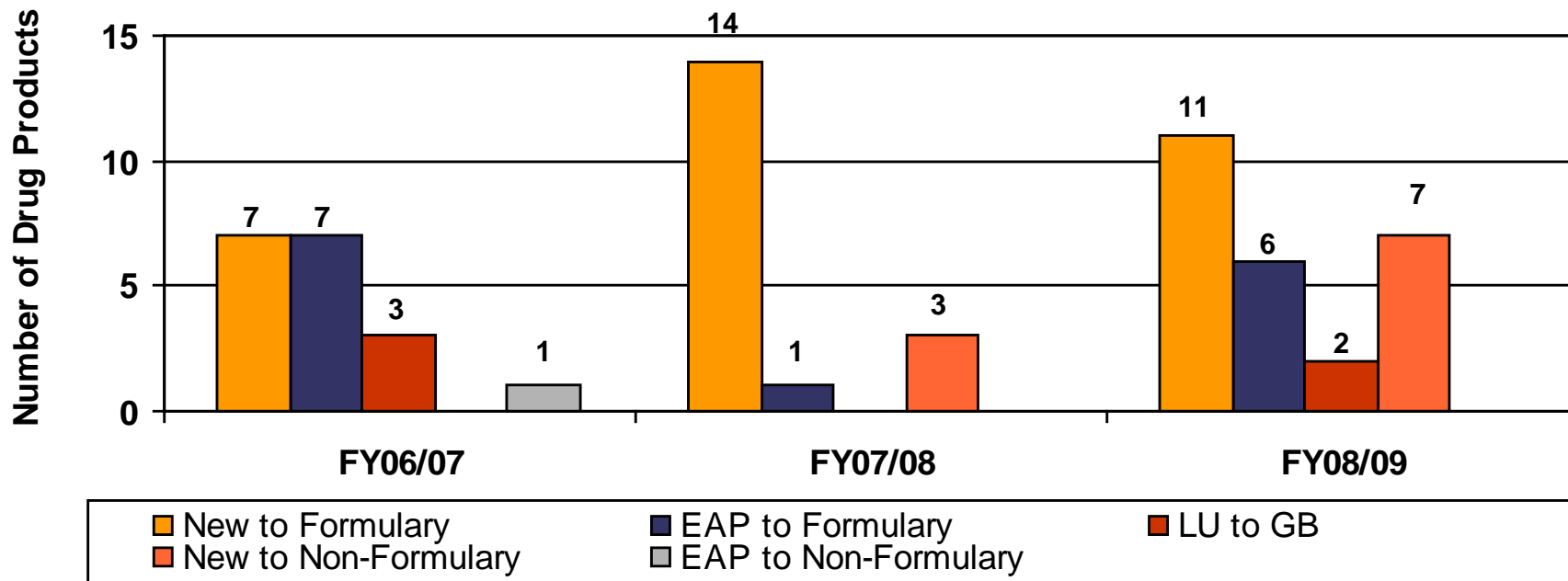
Funding of new indications are counted as new agreements

EAP – Exceptional Access Program; NDFP – New Drug Funding Program;

FA – Facilitated Access Program

Product Listing Agreements by Benefit Status: FY 2006/07* - FY 2008/09

- 32 New Drug Products to Formulary
- 14 EAP Drug Products to Formulary
- 5 LU Drug Products to GB
- 10 New Drug Products to Non-Formulary (EAP, NDFP & FA)
- 1 Non-Formulary Product with a New Indication



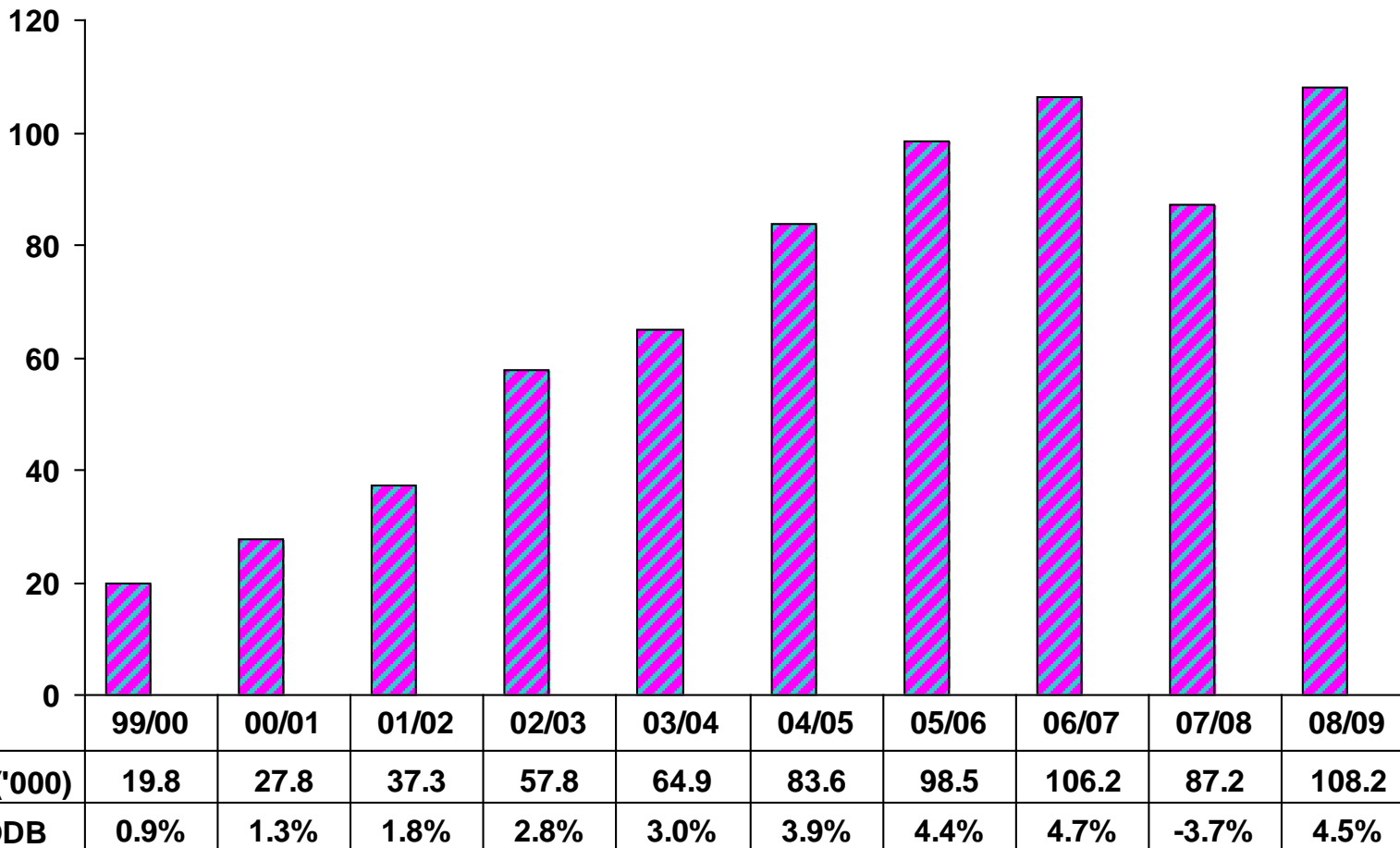
* FY 2006/07 = October 1, 2006 – March 31, 2007

Funding of new indications are counted as new agreements

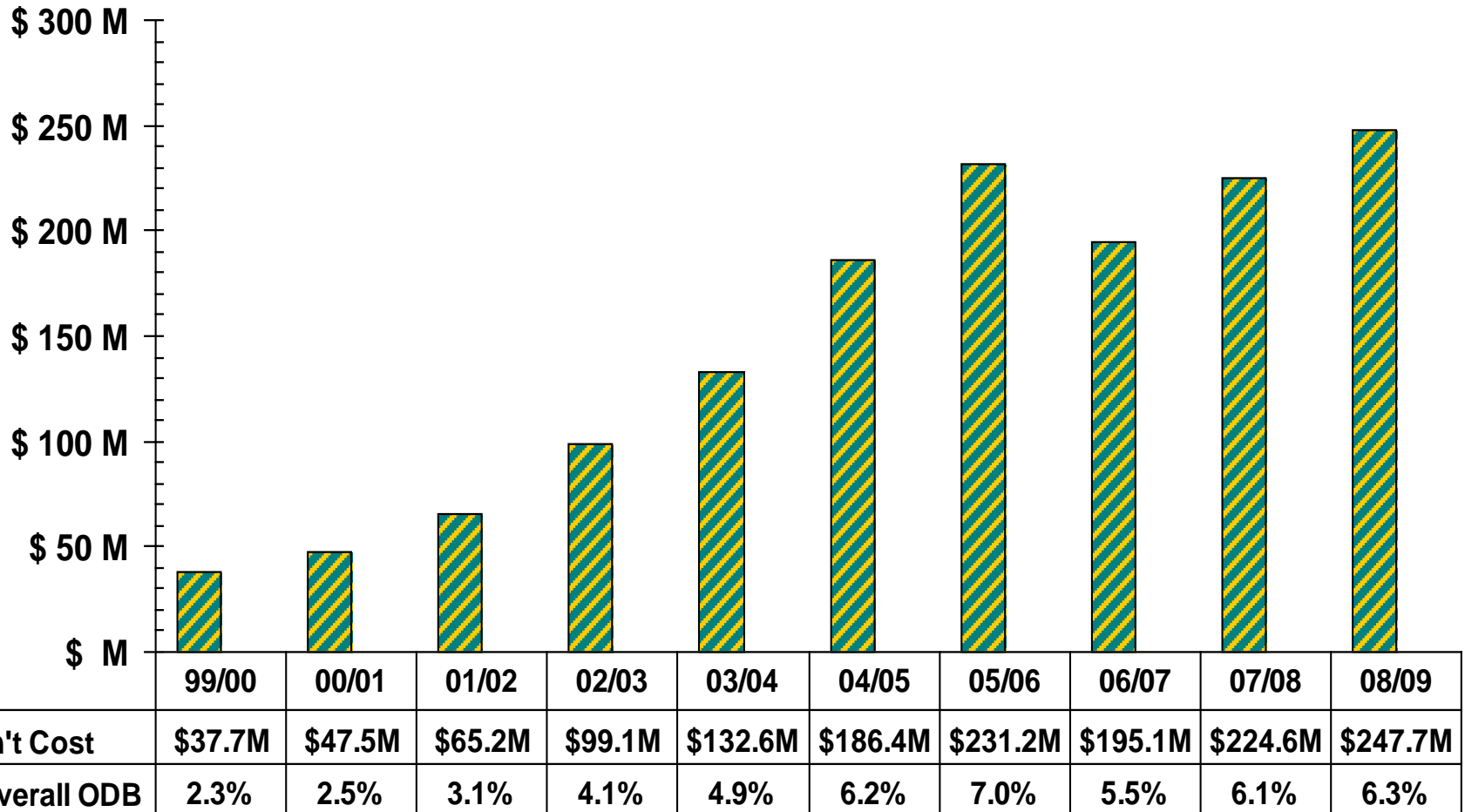
EAP – Exceptional Access Program; NDFP – New Drugs Funding Program; FA – Facilitated Access

Drug Product is defined as the brand product and its associated strengths and formulations relevant to the agreement. One drug product may relate to more than one DIN.

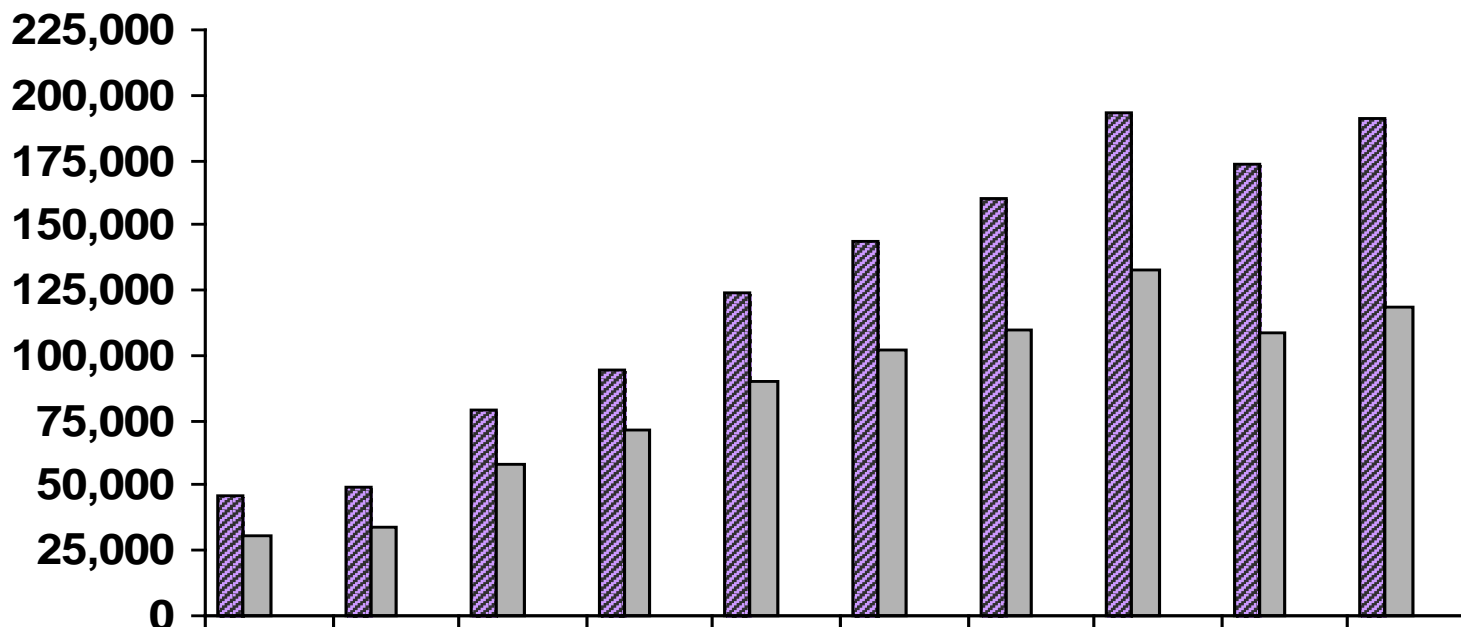
Exceptional Access Program Beneficiaries: 1999/00 – 2008/09



Exceptional Access Program Government Cost: 1999/00 – 2008/09



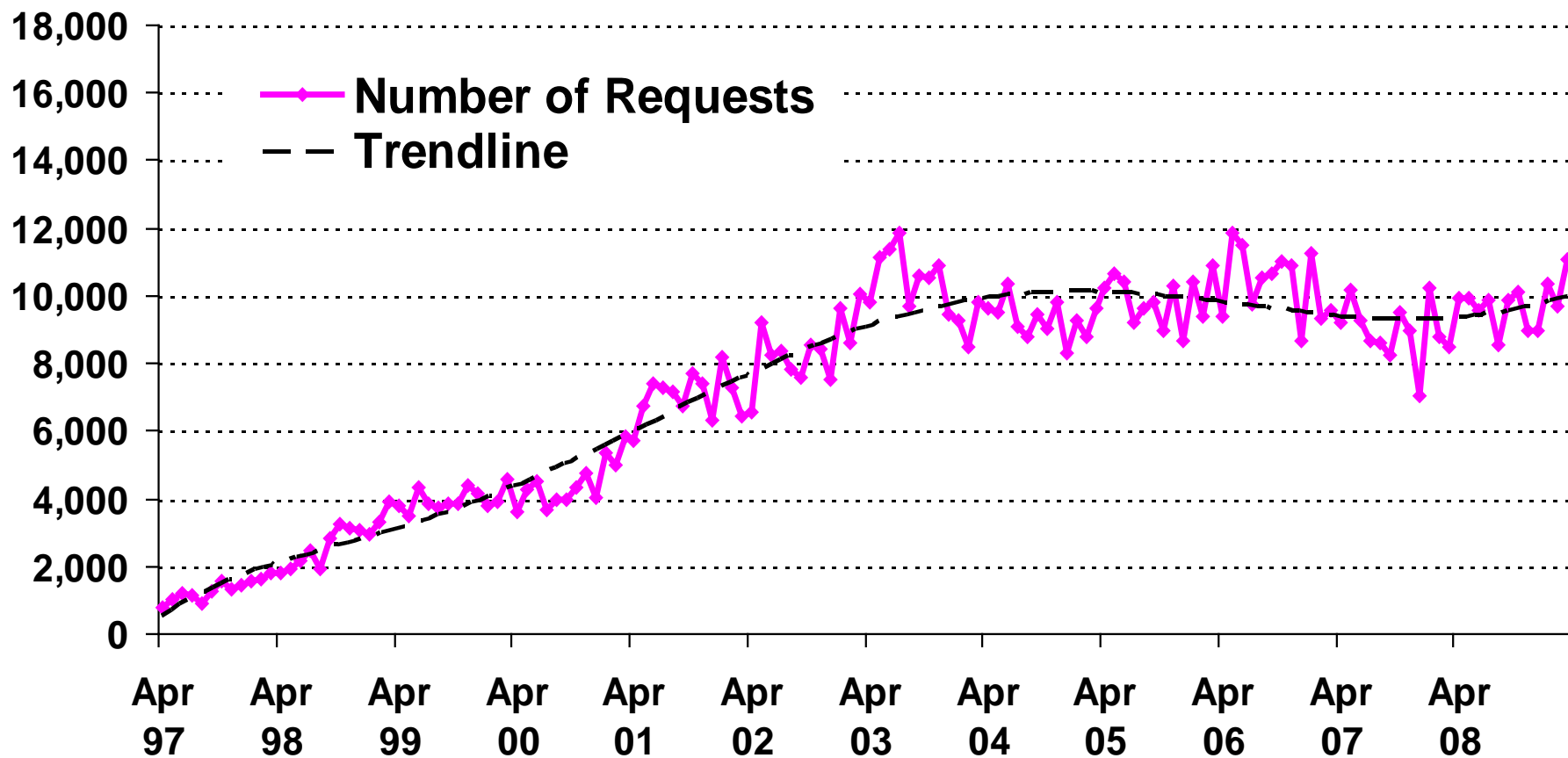
Exceptional Access Program Requests & Approval Rate: FY 1999/00 – 2008/09



	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
Received	45,694	49,518	78,855	94,212	123,515	143,370	160,405	192,629	173,306	191,406
Approved*	30,487	34,110	57,628	70,907	90,095	102,512	109,506	133,204	109,124	118,976
% Increase in Requests	46%	12%	58%	19%	28%	15%	14%	15%	-10%	10%
% Approved	68%	69%	75%	75%	74%	70%	68%	69%	63%	62%

* Approved on first review; does not include approvals subsequent to provision of additional information from requesting physicians

Monthly Exceptional Access Program Requests*: April 1997 – March 2009

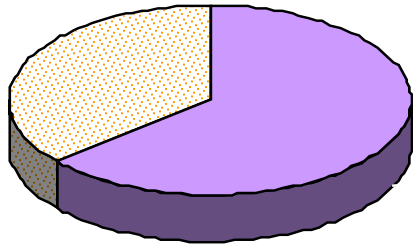


* Each Drug Identification Number (DIN/PIN) is counted as a request.

Exceptional Access Program Response Time: FY 2005/06 – 2008/09

2008/09

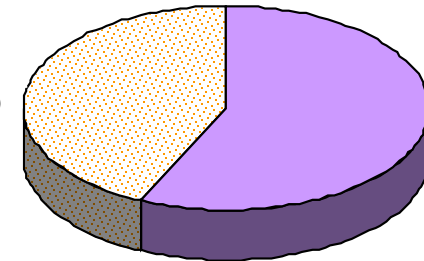
Over 1
month
36%



Within 1
month
64%

2007/08

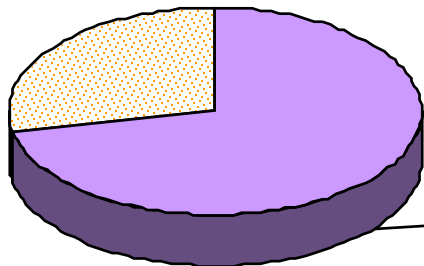
43%



57%

2006/07

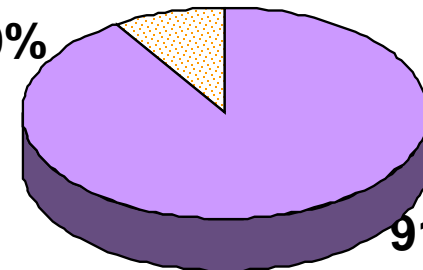
28%



72%

2005/06

9%



91%

Exceptional Access Program Top 10 Requested Drugs by Volume: FY 2008/09

Rk	Drug	Requests	Approved	% Approved*	Gov't Cost
1	Plavix	57,126	49,595	86.8	\$40.0M
2	Lyrica	16,674	4,236	25.4	\$2.2M
3	Remicade	9,349	6,637	71.0	\$44.6M
4	Gabapentin	8,852	3,862	43.6	\$1.5M
5	Enbrel	6,451	4,375	67.8	\$28.4M
6	Humira	4,545	2,934	64.6	\$13.8M
7	Neupogen	4,480	2,758	61.6	\$12.7M
8	Concerta	4,187	971	23.2	\$0.7M
9	Eprex	3,612	2,756	76.3	\$4.9M
10	GlucNorm	3,022	1,664	55.1	\$1.1M
Top-10 Total		118,298	79,788	67.5	\$149.9M

* approved on first review

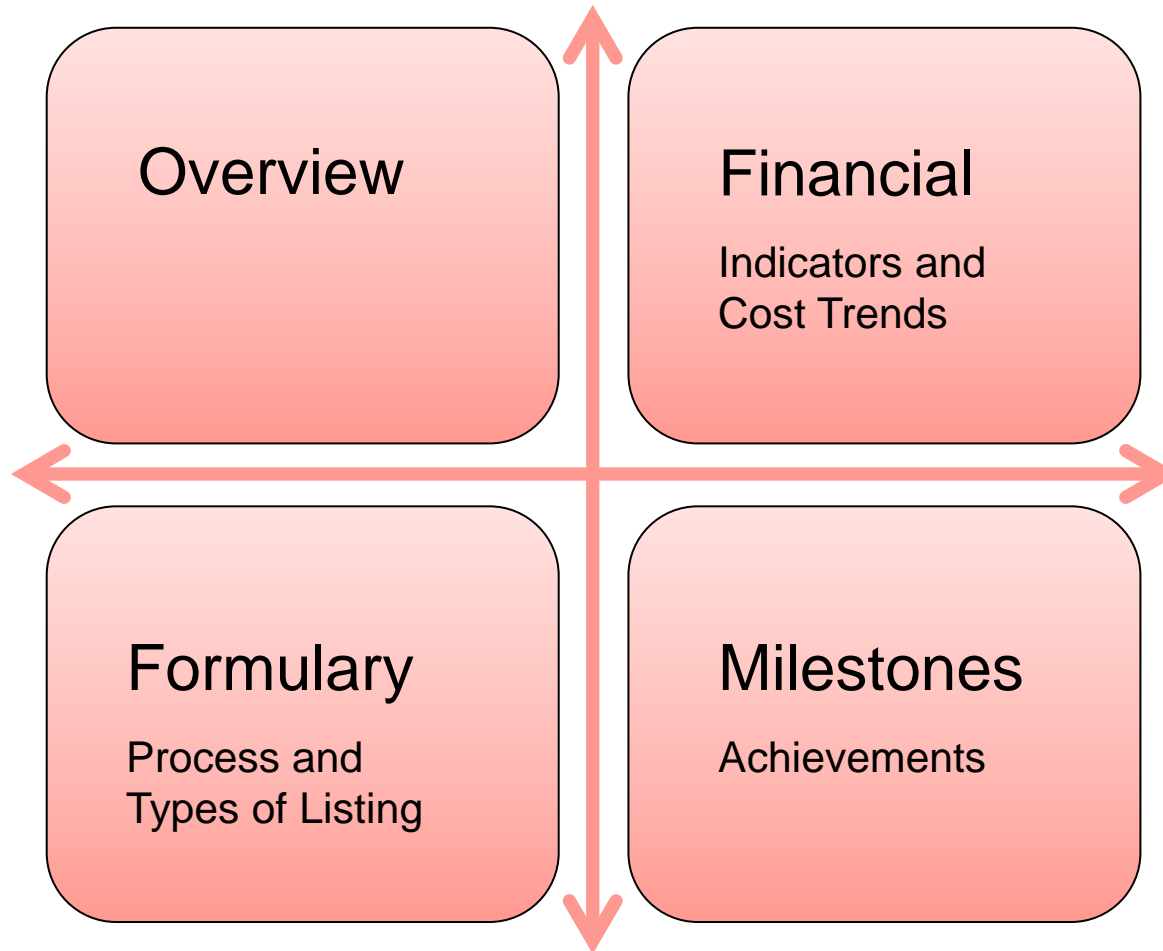
Exceptional Access Program Top 10 Requested Drugs by Government Costs: FY 2008/09

Rk	Drug	Beneficiaries	Claims	Gov't Cost
1	Remicade	2,069	11,411	\$44.6M
2	Plavis	51,682	484,444	\$40.0M
3	Enbrel	1,966	14,801	\$28.4M
4	Humira	1,023	7,365	\$13.8M
5	Neupogen	1,896	6,887	\$12.7M
6	Rebif	537	4,621	\$8.7M
7	Tracleer	210	2,148	\$7.8M
8	Pegasys RBV	823	5,061	\$7.0M
9	Avonex	463	3,829	\$6.5M
10	Sutent	277	1,302	\$6.1M
Total Top 10 EAP		60,675	541,869	\$175.6M
% Top 10 EAP / Total EAP		56.1%	62.5%	70.9%

Highlights of Formulary

- In 2008/09 19 Formulary Product Listing Agreements were established; 7 'Other' agreements were established (includes EAP, Facilitated Access, and NDFP).
- Both the number of EAP beneficiaries and EAP government cost increased in 2008/09 (4.5% and 6.3%, respectively).
- The median time from NOC date to complete single-source submission by Ministry was 130 days.
- The average time from positive recommendation to Formulary listing for streamlined multiple source submissions was 43 days.
- 191,406 requests were processed through the EAP mechanism during 2008/09, and 62% of those requests were approved on first review.

Report Card Framework



MedsCheck

- The MedsCheck program helps patients realize the most benefit from their medication regimen..
- For Ontario Drug Benefit (ODB) and non-ODB Ontarians taking 3 or more Chronic Rx medications
- Annual Review and Follow-Up consultations between the pharmacist & the patient to talk about patient's prescriptions, over-the counter drugs, vitamins, herbal supplements
- 2008/09 marks the second year of the MedsCheck program

In 2008/09:

- 204,545 Ontarians received a MedsCheck Annual or Follow-Up review
- 216,678 MedsCheck Annual Review and Follow-Up claims
- Total Government Cost for MedsCheck in 2008/09= \$10.5M

MedsCheck: Annual/Follow Up: 2007/08 – 2008/09

MedsCheck 2 Year Statistics – *MedsCheck Annual and Follow Up Only* (From April 1, 2007 – March 31, 2009)

	Year 1 (2007/08)	Year 2 (2008/09)
# of Ontarians who received a MedsCheck (Annual/Follow Up)	195,772	204,545
Total # of MedsCheck (Annual/Follow Up) Claims	201,101	216,678
Total Government Cost (payment to pharmacies)	\$12.9M*	\$10.5M
Avg. # of Annual Reviews conducted per pharmacy	65	69
Avg. # of Follow Up reviews conducted per pharmacy	6	12

*Includes \$2.9M in transition payments to pharmacies provided in the first year of the program.

MedsCheck Follow-Up by Type: Number of Claims from November 30, 2007 – March 31, 2009

Type: <i>MedsCheck</i> Follow-Up (November 30, 2007 – March 31, 2009)	ODB	Non-ODB	Total
Hospital Discharge (16%)	4,046	582	4,628
Pharmacist's Decision (48%)	12,093	1,881	13,974
Physician / RN (EC) Referral (28%)	6,578	1,576	8,154
Planned Hospital Admission (8%)	1,747	493	2,240
Totals:	24,464	4,532	28,996

Exceptional Access Project – Telephone Request Service

- Effective November 27, 2008, the Ontario Public Drug Programs introduced a Telephone Request Service (TRS) for the EAP as the first phase of the EAP modernization initiative.
- The TRS offers physicians another way to submit requests for selected drugs not listed in the ODB Formulary. In most cases, these requests are assessed in ‘real-time’ and physicians or their agents are provided with a verbal response immediately and faxed confirmation within 24 hours for requests that were approved.
- The TRS provides timely patient access to funding for a number of drug products for specific, often urgent, indications.
- Physician feedback on the TRS has been positive noting that the service has improved access to decision-making and raised customer service levels.

Streamlining of Drug-Related Programs

- Inherited Metabolic Diseases (IMD) Program:
 - On April 1, 2008, the IMD Program was transitioned to the OPDP. The program provides full funding of specific out-patient drugs, supplements, and specialty foods used in the treatment of specific inherited metabolic diseases.
 - The OPDP reviewed the governance and delivery of the program and implemented changes to ensure its drug policies and reimbursement practices were aligned with the ministry's other public drug programs. As part of the restructuring, a set process was implemented to review and consider new drugs, products and diseases and also to integrate ongoing reviews.
- Visudyne:
 - As of April 1, 2008, the funding and policy direction for the Visudyne program were transferred to the OPDP to ensure alignment with out other public drug programs. The program provides reimbursement for the drug Visudyne which treats specific eye-related conditions that can progress to blindness.
 - The funding, delivery and governance of this program were reviewed in order to achieve greater accountability.