

## The CADTH Common Drug Review — Myths Versus Facts

### The Common Drug Review

The Canadian Agency for Drugs and Technologies in Health (CADTH) conducts reviews of the clinical and cost-effectiveness of new drugs through the Common Drug Review (CDR) process and provides recommendations to publicly funded drug plans in Canada. The jurisdictions make final drug formulary listing and coverage decisions based on the CDR recommendation and their plan mandates, jurisdictional priorities, and fiscal resources.

Misconceptions exist surrounding the CDR process. Because CDR advises on difficult decisions that can impact patients, physicians, and drug manufacturers, it's important that these myths be refuted.

#### 1 **MYTH: CDR duplicates the work of Health Canada.**

- ✓ **FACT:** CDR does not duplicate the work of Health Canada. Health Canada reviews and authorizes drugs for sale based on safety, efficacy, and quality, as compared to placebo, and does not consider cost. CDR reviews the clinical and cost-effectiveness of the drug compared to alternative therapies, and looks at whether the drug improves health outcomes and provides good value to the health care system.

#### 2 **MYTH: Drug plans duplicate the work of CDR.**

- ✓ **FACT:** Drug plans do not duplicate CDR's work. CDR recommends whether or not a drug should be listed. Jurisdictions evaluate the impact of adding the drug to their formularies. Their considerations include: non-drug treatment options, policy, budget impact, and other economic considerations. Drug plans also assess drugs not covered by CDR (e.g., generics), monitor drug utilization, promote optimal prescribing, and manage their overall formulary.

#### 3 **MYTH: The CDR is not transparent.**

- ✓ **FACT:** The CDR has set new transparency standards for drug reimbursement and is recognized as an international leader in this area:
  - CADTH makes the reasons for CDR recommendations publicly available.
  - CADTH publicly releases the status of each review.
  - Patient groups can provide input.
  - Manufacturers can comment on draft reviews and recommendations.
  - Two public representatives with full voting rights sit on CADTH's drug expert committee, the Canadian Drug Expert Committee (CDEC).
  - However, manufacturers continue to restrict the publication of proprietary information referenced in CDR reports and recommendations.

#### 4 **MYTH: The CDR delays the listing of drugs on public formularies.**

- ✓ **FACT:** The total time from market authorization by Health Canada to listing by drug plans has not changed significantly with the CDR.<sup>1</sup>

#### 5 **MYTH: The drug plans don't follow the CDR recommendations.**

- ✓ **FACT:** Participating drug plans are in agreement with the CDR recommendations more than 90% of the time, which translates into increased consistency of drug coverage across Canada.<sup>2</sup>

## Canadian Agency for Drugs and Technologies in Health (CADTH)

### 6 **MYTH: CDR is a barrier to access of new treatments by patients.**

- ✓ **FACT:** CDR has not created a new barrier to access. In the five years before CDR's existence, the Ontario Drug Benefit Program approved 44% of new drugs, while CDR has recommended listing 50%. CDR recommendations to list include biologics, drugs for HIV/AIDS, and therapies for rare diseases.

### 7 **MYTH: CDR restricts choices patients have compared to other countries.**

- ✓ **FACT:** Canada ranks second among Organisation for Economic Co-operation and Development (OECD) countries in drug expenditures per capita (CIHI<sup>3</sup>).

### 8 **MYTH: CDR only controls costs and does not recommend expensive drugs.**

- ✓ **FACT:** Reviews of drugs submitted to CDR have shown that there is little difference between the costs of the drugs that CDR has recommended for listing versus those not recommended and that most recommendations include multiple reasons. The health outcomes resulting from the drug under review are of paramount importance. Cost-effectiveness is only considered once improved health outcomes have been demonstrated.

### 9 **MYTH: CDR reviews lack input from relevant clinical experts.**

- ✓ **FACT:** Every CDR review involves input from relevant clinical specialists. CDEC members are specialists in drug appraisal and review; CDEC can also call upon additional experts.

### 10 **MYTH: CDR is not accountable to the public and governments.**

- ✓ **FACT:** CADTH is owned by, and reports directly to, the 13 provincial and territorial Deputy Ministers of Health and the federal Deputy Minister of Health. Under this governance structure, CADTH and CDR are very much accountable.

### 11 **MYTH: Establishment of the pan-Canadian Oncology Drug Review (pCODR) suggests that CDR is not meeting the needs of jurisdictions.**

- ✓ **FACT:** The pCODR was established to increase the consistency of cancer care across the country. CDR is a partner in pCODR, contributing to reviews and sitting as an observer on the pCODR Steering Committee.

## CDR's Success and Evolution

CDR continues to achieve the objectives originally set out by the First Ministers of Health — to reduce the duplication of drug reviews, and to provide the drug plans with equal access to timely, evidence-based information and expert advice.

The National Pharmaceuticals Strategy (NPS) report of June 2006 noted that CDR exemplifies the benefit of a collaborative, national approach in the area of pharmaceuticals, and recommended a staged expansion of CDR. The Health Council of Canada concluded in a 2009 report that, from the perspective of the provincial and territorial ministers of health, the intent of a common national formulary has been met through CADTH's CDR process.

---

<sup>1</sup> IMS Brogan Provincial Reimbursement Advisor, FAME data, November 2011

<sup>2</sup> IMS Brogan Provincial Reimbursement Advisor, FAME data, November 2011

<sup>3</sup> Canadian Institute for Health Information (CIHI), Drug Expenditure in Canada 1985 to 2010, May 2011