



TO: Chair and Members of the Board of Health

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2016 May 19

LOW COST CONTRACEPTIVE PROJECT

Recommendation

It is recommended that Report No. 036-16 re Low Cost Contraceptive Project be received for information.

Key Points

- Per the Ontario Public Health Standards, the Board of Health shall provide a mechanism to provide contraceptives at cost and/or free for clients in financial need.
- The Middlesex London Health Unit received one-time funding from the Ministry of Health and Long-Term Care to engage public health units in Ontario and negotiate with the drug companies on behalf of all health units for low cost contraceptives.
- Estimated annual cost savings for Middlesex-London Health Unit is approximately \$9,000 under newly negotiated contracts. Across the province, this will likely result in hundreds of thousands of dollars in savings to health units.

Background

The Ontario Public Health Standards mandate public health units (PHUs) to provide contraceptives at cost and/or free for clients in financial need. Since 2011, the prices for contraceptives have been increasing. Individual PHUs attempting to negotiate no increases in the purchase price for contraceptives were unsuccessful. The increased purchasing prices eventually resulted in decreased access of clients to affordable contraceptives. In addition, in 2013, The Foundation for the Promotion of Sexual and Reproductive Health discontinued the Ontario Compassionate Care Assistance Program which provided low cost contraceptives to Public Health Units.

In 2013, the Ministry of Health and Long-Term Care (MOHLTC) performed a cursory study on the issue and determined that having one PHU purchase on behalf of all PHUs increased purchasing power and resulted in a greater likelihood of negotiating lower prices. In addition, the survey suggested that bulk purchasing might only be effective for all PHUs in specific contraceptive categories.

The Middlesex London Health Unit (MLHU) received one time funding from the MOHLTC from September 2015 to March 2016 to support a low cost contraceptive project with the goal of taking the idea of bulk purchasing of contraceptives to the next phase.

Survey and Negotiation Results

A Low Cost Contraceptive Survey was developed and implemented by MLHU staff in November, 2015, to understand the contraceptive needs and current purchasing practices among all 36 PHUs. Based on the findings of this survey, the contraceptive products were prioritized to focus negotiations with drug companies using the following criteria: sole product for a contraceptive type; products of high interest to participating public health agencies; high monthly sales; and significant purchase price variation.

The Middlesex London Health Unit, on behalf of Ontario's 36 PHUs, negotiated with the following pharmaceutical companies: Allergan Inc.; Bayer Inc.; Janssen Inc.; Merck Canada Inc.; Paladin Labs Inc.;

and Pfizer Canada Inc. The goal of the negotiations was to secure a reasonable purchase price for the above listed contraceptive products and eliminate the requirement for a minimum order quantity.

The results of the negotiations will be an overall savings. Estimated annual cost savings for MLHU alone is approximately \$9,000 under the newly negotiated contracts. Some of the costs will remain the same but there have been added rebates. The rates negotiated are firm for 2 years with an option of renewing for 1 year. There are no shipping costs or minimum order quantities required when ordering. All 36 PHUs have been notified of the new contracts and pricing that will be effective June 1, 2016.

Conclusion

PHUs will now have greater access to contraceptives and the costs to women in need across the province will be reduced. This will provide more opportunities and/or options for our clinics and clients to access low cost contraceptives.

This report was prepared by Ms. Shaya Dhinsa, Manager, Sexual Health Team.



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This report addresses Ontario Public Health Organizational Standard Sexual Health, Sexually Transmitted Infections, and Blood-Borne Infections (including HIV) requirement #5.