

## **Position Statement**

## DISTRIBUTION AND REIMBURSEMENT OF BLOOD PRODUCTS

September 2018

It is the position of the NRBDO that distribution and reimbursement of blood products, including all plasma derived medicinal products (PDMPs) and their synthetic alternatives, be through Canadian Blood Services (CBS) and in Quebec, Héma-Québec (H-Q).

## **Background**

The NRBDO is a pan-Canadian coalition of not-for-profit organizations representing people with rare blood disorders and/or people with chronic conditions who are regular recipients of blood or blood products or their alternatives. Together, we represent many thousands of patients. As such we have had a vested interest in blood safety and supply in Canada and internationally since forming in 2004.

Distribution and reimbursement of the cost of blood products, including all plasma derived medicinal products (PDMPs) and their synthetic alternatives, has since 1998 occurred via Canadian Blood Services (CBS) and in Quebec, Héma-Québec (H-Q). Outside of Quebec, CBS has sole responsibility for managing a national portfolio of (about 45) plasma-derived products and their synthetic alternatives<sup>1</sup> (which have an approximate worth of \$700 million per year). Provinces and Territories jointly fund CBS to perform this function in our health care system. Having a national, scalable, cost-shared infrastructure and logistics network has ensured fair and equitable blood product access for Canadians.

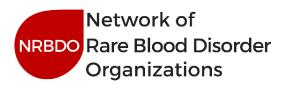
From time to time, the suggestion is made within our health system to move these "provincial blood budgets" from CBS and H-Q and to devolve them to hospitals. The rationale is that, if hospitals were responsible for reimbursing the cost of these products themselves, they would find alternatives, constrain utilization, and generally spend less on blood products.

The NRBDO is opposed to this idea for many reasons:

- Most hospitals have no ability to effectively track utilization (many PDMPs are used at home), and no experience in conducting recalls or notifying patients, which CBS and H-Q do.
- Hospitals that are not specialized centres will have no way to demonstrate appropriate utilization.
- CBS has the capacity, and a plan in place,<sup>2</sup> to determine and manage risks of potential shortages which could be caused by labour disruptions, endemic disease outbreaks, extreme weather disturbances or disruptions in transportation systems, and adjust inventory as needed in a way individual hospitals cannot.
- Hospitals will be unable to predict their needs when utilization fluctuates wildly from year to year where the number of patients is small and their utilization varies considerably.

<sup>&</sup>lt;sup>1</sup> Sher, Graham. "Plasma Protein Products: A Model to Inform Discussion on National Pharmacare." Canadian Blood Services, 2016. https://blood.ca/sites/default/files/StandingCommitteeSubmission\_Pharmacare.pdf

<sup>&</sup>lt;sup>2</sup> National Advisory Committee on Blood and Blood Products and Canadian Blood Services. "The National Plan for Management of Shortages of Labile Blood Components." 2015. http://www.nacblood.ca/resources/shortages-plan/National Plan October72015.pdf



- This situation could lead to rationing of blood products in both chronic and emergency situations when individual hospital budgets for these products are exhausted.
- Hospital-based billing could mean the end to national procurement through H-Q and CBS.
  National procurement has proven effective in obtaining PDMPs in optimal quantities and at very competitive prices.<sup>3</sup>

The NRBDO suggests that there are more effective ways to encourage hospitals to optimize their utilization of these costly blood products:

- Developing a billing system where hospitals see the costs of products but do not pay for them, ie "soft price signaling" has proven an effective incentive to devote the necessary resources to utilization management.<sup>4</sup>
- Creation of blood disorder Centres of Reference, similar to the model used for hemophilia care in Canada, with expertise in the optimal use of these specialized products, will lead to savings in blood products and better care for patients simultaneously.
- Centralized product tracking databases with ability for patients to input home use of product and the resulting health outcomes, monitored by Centres of Reference, can drastically optimize utilization, leading to more accurate planning of supply requirements, savings and improved health care.<sup>5</sup>

<sup>&</sup>lt;sup>3</sup> Sher, Graham. "Plasma Protein Products: A Model to Inform Discussion on National Pharmacare." Canadian Blood Services, 2016. https://blood.ca/sites/default/files/StandingCommitteeSubmission\_Pharmacare.pdf

<sup>&</sup>lt;sup>4</sup> Sapere Research Group. "Options to Manage Appropriate Use of Blood and Blood Products. For the Australian Department of Health and Ageing. 2011.

<sup>&</sup>lt;sup>5</sup> Sapere Research Group. "Options to Manage Appropriate Use of Blood and Blood Products. For the Australian Department of Health and Ageing. 2011.