

The following article EM9040 describes economic implications of a medical advance.

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AZT move presents problems

Cost of AIDS drug worries provinces

BY MICHELLE LALONDE
Special to The Globe and Mail

MONTREAL – A new federal policy permitting the commercial sale of a drug known as AZT has left provincial governments grappling with the question of who will pay for the expensive AIDS treatment.

"We've had hospitals calling us for stock, but we are telling them to wait a few weeks to find out whether their provincial government is going to cover the cost," said Malcolm Fletcher, medical director of the Canadian arm of Burroughs Wellcome Inc., the pharmaceutical company that manufactures the drug under the brand name Retrovir.

Theoretically, any doctor or pharmacy could now order the drug directly from the company, but until the reimbursement question is resolved, few will do so, meaning that people with AIDS can only get the drug if they are participating in a medical research program.

AZT has been provided free to individuals with acquired immune deficiency syndrome since it was approved for experimental use in Canada in November of 1986. The cost of drug, at least \$3,100 a patient annually, has been covered by provincial governments and provided through hospital open study programs. Ontario, for instance, spends \$5.5-million a year on AZT.

Advocacy groups for people with ADS are concerned that the new status of AZT will give governments an excuse to stop or re-

strict financing for the drug.

Since the Canadian health protection branch approved AZT for commercial sale Oct. 17, very little has changed with regard to its distribution.

In British Columbia, the drug will be covered by a provincial drug plan that requires an individual or family to pay the first \$325 a year in drug costs. After this initial payment, the province will cover 80 per cent of the cost of drugs. The average AZT user would pay at least \$880 a year, plus the local retail markup.

The Nova Scotia government, on the other hand, is committed to maintaining its policy of providing AZT at no charge to patients, at a current cost to the province of about \$500,000 a year.

John Samson, a spokesman for the N.S. Ministry of Health and Fitness, said the ministry is now working out how to deal with an expected increase in demand as doctors begin to prescribe AZT for the treatment of earlier stages of AIDS.

Quebec officials have given no clear guarantee that the province will continue to pay for treatment.

In Ontario, the newly elected New Democratic Party government has yet to establish an AZT policy. Provincial policy has been to provide AZT free to people with AIDS once the disease has progressed to a certain stage.

The article EM9040 reprinted above is used, together with EM9016, in Figure 9.16 of the STAT 220 Course Materials.