

Natural Health Product Update

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Lecture Map

- Use of natural health products (NHPs) in Canada (Context)
- Regulation of NHPs
- Should NHPs be included in drug plan formularies?

The Context

- Up to 70% of Canadians have used one or more natural health products (NHPs) (1999)
- In 1997 Canadians spent \$3.8 billion on complementary/alternative medicine (CAM) products, services and related things such as books, and equipment
- Users spend an average of \$360/yr on CAM; HIV/AIDS pts spend an average of \$1,020/yr (1999)
- Many people use NHPs together with conventional drugs
- Widespread perception that NHPs are inherently safe

Definition of Natural Health Products (NHPs)

- products manufactured sold or represented for use in: (i) the diagnosis, treatment, mitigation or prevention of a disease, disorder, or abnormal physical state or its symptoms in humans; (ii) restoring or correcting organic functions in humans, or (iii) maintaining or promoting health or otherwise modifying organic functions in humans.
- Includes homeopathics, herbs, supplements such as glucosamine, vitamins, minerals, trace elements, amino acids, essential fatty acids

Regulation of Natural Health Products (NHPs)

- Currently under review by the Natural Health Products Directorate
- Currently most sold as “foods” (no medicinal claims or cautions on labels)
- Some as “Traditional Herbal Medicines” (approved label claims not based on RCTs)
- “buyer beware” situation with respect to quality

Proposed New Regulations

- Must have “wide margin of safety”
- Label claims allowed:
 - traditional use
 - other uses
- Minimum quality control standards
 - manufacturers will require licenses
 - licensed products will be assigned NHP numbers

NHPD

- Natural Health Products Directorate (Health Canada):

http://www.hc-sc.gc.ca/hpb/onhp/welcome_e.html

The Question:

Should NHPs be included in drug plan formularies (public and/or private)?

Arguments For Inclusion of NHPs

- Insurance coverage of NHPs would make them more accessible to a wider range of consumers (level the playing field)
- May decrease patients' use of drugs and other health care services and therefore decrease costs
- Would accelerate the trend toward “integrative medicine”
- Could be an attractive feature for private plans to differentiate themselves from competitors

Arguments Against Inclusion of NHPs

- Not enough evidence that NHPs are safe and effective
- Impossible to decide which NHPs should be covered
- No good data indicating how insurance coverage (private or public) would affect the use of NHPs – impossible to predict how much it would cost
- Appropriate regulatory systems are not in place (coming for NHPs; practice remains largely unregulated)
- “Integrative medicine” is not considered desirable by all
- Current widespread use suggests that access is not currently a significant problem

What do Canadians Think?

- 70% of respondents to an Angus Reid poll in 1997 felt CAM should be covered by provincial health plans
- 60% of respondents to a Fraser Institute survey (also 1997) felt CAMs should be paid for privately

Will CAM use decrease use of other health care services?

- 24% of CAM users say they would rather use CAM than visit their doctors (2000)
- BUT, 27% of Canadians see both a doctor and a CAM provider at the same time and most say this is better than either alone (1999)
- UK pilot studies suggest that it depends on what CAM is being used for

How much will it cost?

- Comparison of 2 USA health plans that extended coverage of CAM: a preferred provider organization (PPO) and a health maintenance organization (HMO)
- Nov 1996 to Nov 1997
- Only 1% of all eligible patients used CAM services (1.2% in PPO vs. 0.6% in HMO)
- Average annual cost of CAM services was \$347 in PPO and \$376 in HMO
- Price per member for providing coverage of CAM services was \$0.20 for the PPO and \$0.19 for the HMO

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Who is including CAM now?

- **Very limited Canadian data**
- Review of surveys of CAM inclusion in US employee benefit plans (EBPs) and managed care plans (MCPs):
- Herbal Medicine: 3% of EBPs; 4-5% of MCPs
- Homeopathy: 8% of EBPs; 4-6% of MCPs
- Note: inclusion = full or partial coverage; no differentiation between provider services and products (John Weeks, unpublished data)
- Note: US study found that insurance coverage (both full and partial) was associated with frequency of CAM use (Arch Intern Med 2002; 162:281-287)

Factors Cited as Supporting Inclusion of CAM in plans

- Demand and market-related issues (71%):
 - employee requests
 - attracts new patients
 - differentiates from competitors
- Effectiveness (29%)
 - potential effectiveness
 - potential cost savings
 - fit with existing wellness programs
- Mandates

Factors Cited as Hindering Inclusion of CAM in Plans

- Demand and Market-related Issues:
 - lack of demand
- Effectiveness/cost-effectiveness issues:
 - lack of sufficient proof of efficacy
 - no evidence of cost savings
 - lack of acceptance by physicians
 - budgetary constraints

Conclusion

- Concerns about lack of evidence of safety and efficacy of many NHPs
- Concerns about the regulation of practice
- Concerns about the lack of cost-effectiveness data
- BUT.....
- Consumer demand is increasing