INVESTMENTS IN HUMAN CAPITAL

The productive capability of Canada's citizens: Why investing in addressing HCV is a smart financial decision.

A Brief to the House of Commons Standing Committee on Finance, Pre-Budget Consultations

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HCV is already expensive and the costs are expected to increase dramatically:

- Approximately 250,000 Canadians are already infected with HCV. 5,000-8,000 additional new infections are occurring every year.

- The Canadian Institutes of Health Research estimate the current annual cost to Canadians to be $500 million. In less than 5 years, these costs will mushroom to $1 billion annually.

- U.S. statistical models predict a continued upward trajectory in HCV-related costs for the next 20-25 years. We are unaware of any evidence to suggest that the situation will be materially different in Canada.

- There is great concern about the 'double-decade demographic', a disproportionately large cohort of people infected through the blood system and other routes of transmission prior to 1990. Why? Because it usually takes about 20 years for HCV infection and the body's immune response to overwhelm the liver's ability to repair itself and continue functioning in an adequate manner. Approximately 25% of infected people will progress to cirrhosis (extensive scarring of the liver), liver failure or liver cancer. Unfortunately, due to the large size of this group of people, we are beginning to see a doubling in cirrhosis, decompensated cirrhosis and liver cancer.

- Over the next few years, the need for liver transplants is expected to increase by 246%. Transplant costs range from $120,000 to $250,000 each, not including the lifetime need for costly anti-rejection drugs. They are also hard to come by; only 400 transplants are performed annually. The need continues to grow while the available supply remains static--which means that more people are dying. It is important to note that newly transplanted livers almost always become infected with HCV, and disease progression is greatly accelerated due to the need to use immunosuppressive drugs in order to keep the body from rejecting the transplanted liver. For people with HCV, liver transplants are essentially an expensive and dangerous stop-gap measure, but one that they are desperate enough to be grateful for.

- The lifetime costs of HCV infection have been estimated to range between $100,000 and $1 million per individual.

What is being done today?

Following the tainted blood scandal and the *Krever Commission*, the federal government rolled out a 5-year Hepatitis C Prevention, Support and Research Program with an

annual budget of $10 million. Just days before the end of the fifth fiscal year, at the 2nd Canadian Conference on Hepatitis C, the government announced a one year extension, but only for projects that were funded in the previous year. Eighteen months later, a similar second extension was announced, but just for the final six months of 2005-2006. Most HCV-focused community-based organizations were not included in the process, regardless of need or the excellence of their plans.

For the past two years in BC, the annual investment in community-based support and education projects has amounted to six dollars per infected person. Despite this, community-based initiatives have made remarkable contributions to HCV treatment, care, education and prevention efforts.

The $300 million *Care not Cash Undertaking* between the federal government and the provinces is viewed by many as a boon to general revenue accounts across the country and a betrayal of individual Canadians. 2005 is supposed to be the year for an evaluation of how these monies were spent. What has the Standing Committee on Finance done to ensure that this extraordinary sum of money is being spent as promised?

We realize that in comparison to budgets and surpluses in the billions of dollars, the monies involved are modest. Nevertheless, the *Care not Cash Undertaking* was intended to assist the quality of life of a quarter million Canadians. How much suffering and needless death can we shut our eyes to and still call ourselves good Canadians?

Today, we are a few short months from beginning of another fiscal year, and we are still unaware and uninformed as to how the government, Health Canada and the Public Health Agency of Canada plan to address the HCV crisis in our country. Our greatest fear is that next to nothing will be done.

The HCV epidemic is not over. As you have heard, it is just getting started.

Now for the Good News. We know what to do.

Despite the fact that we are treating so few people on an annual basis that it doesn't even keep up with the number of new infections, we have a new generation of antiviral drugs that can reduce the virus to undetectable levels in a majority of patients.

Despite the fact that treatment carries significant risks and discomforts, we have learned that, in conjunction with appropriately educated healthcare providers, the provision of adequate treatment supports can significantly increase adherence to the treatment regime, enabling even more HCV-infected individuals to achieve treatment success.

By improving access and increasing both the number and percentage of successful treatment outcomes, the overall cost of treatment can be sustained at manageable levels, expensive hospitalizations and transplants can be minimized, and the pool of potentially infectious individuals can be significantly reduced. This is good news, but it requires the commitment and support of all levels of government.

Despite having few resources, HCV-focused community-based organizations are already working to prevent new infections, to educate the public, to reduce the damaging stigma of HCV and to assist newly diagnosed individuals to take the steps needed to maintain their health. These organizations are uniquely positioned to reach hidden

populations of at-risk and infected people. They can also play an important role in organizing and coordinating a community-wide response to maximize the effectiveness of existing services, reduce medical costs and address the determinants of health that affect all Canadians with, or at risk for, chronic or life-threatening diseases.

In addition to their expertise and cost-effectiveness in these areas, HCV-focused community-based organizations can provide much of the needed basic treatment support, freeing up healthcare providers to focus on medical care and increasing the number of patients being treated.

Despite the fact that current HIV-based approaches to prevention have failed to stop the spread of HCV, we know a lot about what does work. Because of the much higher numerical odds and the 10-15 times greater infectivity of HCV, we know that existing prevention and harm reduction education and materials must be made more broadly available and innovative strategies must be piloted and evaluated.

Despite key differences in areas such as prevention, treatment support and education, there is much we can learn from the HIV/AIDS experience. In particular, seropositive people must play a central role in the planning, delivery and evaluation of the services meant to benefit them. We can also learn much from the wisdom of embedding and adequately funding the key components of capacity-building, infrastructure development and social marketing.

Despite the fact that we still have huge gaps in our knowledge about HCV, we have some of the best researchers in the world.

Canada has the capacity to be a world leader in dealing with HCV, but it will only happen with your commitment and support. The decisions you make today may not only benefit Canadians but an estimated 200 million people worldwide who are struggling with HCV.

We strongly support the recommendations contained in the recently released document, *Responding to the Epidemic: Recommendations for a Canadian Hepatitis C Strategy*. This document, which is a collaboration of HCV-focused community-based organizations from across Canada, recommends an investment of $5 million annually in both prevention and community-capacity building, $18 million in community-based support and education, $5 million in both care and treatment support and interdisciplinary research. The program management component is estimated at $4.5 million, for a total of $37.5 million. This modest investment can be recouped easily by simply preventing between 38 and 380 new infections each year. Even using very conservative estimates, this can be achieved by reducing new infections by only 7.6%. Of course, savings due to improved prevention efforts are only a small part of the total savings that can be achieved by a implementing a coordinated national strategy.

On behalf of the Hepatitis C Council of BC, I thank the Committee for your time and consideration. I would be pleased to answer any questions now or to provide additional information at any time in the future.

Ken Thomson
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Hepatitis C Council of BC