

Pharmacare

Will you support the development of a first-dollar* pharmacare program?

*First-dollar refers to a fully subsidized program with no co-payments or user-fees.

Canadians are covered by a patchwork of partial pharmacare coverage. A commentary written for the conservative C.D. Howe Institute¹² neatly summarizes the case for pharmacare in Canada: it would deliver equitable access to medicines; it would provide better financial protection for the ill; and it would result in a net saving of money. The savings come from: reduced administrative, marketing and regulatory costs (due to being a single-payer system); integration of decisions on pharmaceutical care into overall health care (e.g., health-care providers have more incentive to rationally optimize between medical and pharmaceutical care); pooling of risk over larger populations; value-for-money testing; and use of purchasing power to reduce drug prices. A 2010 study quantified the potential savings of a comprehensive first-dollar pharmacare program for Canadians at up to \$10.7 billion annually (or 42.8 per cent of total spending on pharmaceuticals).³ A 2015 *Canadian Medical Association Journal* article provided a range of estimates of saving: \$7.3 billion expected, with savings ranging from \$4.2 billion to \$9.4 billion (worst-case scenario to best-case scenario). Expected savings to the private sector would be \$8.2 billion, with net costs to government rising by about \$1.0 billion.⁴ The government would save on current obligations, but would incur new obligations, necessitating a rise in expenditures. Of course the government could tax back some of the private savings so that it would not be out of pocket.

The list of organizations calling for a national pharmacare program is long: RNAO,⁵ Canadian Federation of Nurses Unions⁶⁷; Canadian Medical Association,⁸ Standing Senate Committee on Social Affairs, Science and Technology,⁹ Canadian Health Coalition,¹⁰ Canadian Association of Retired Persons,¹¹¹² Canadian Doctors for Medicare,¹³ the Nurse Practitioners' Association of Ontario, the Canadian Association of Community Health Centres, the Association of Ontario Health Centres, the Association of Family Health Teams of Ontario, Unifor, the College of Family Physicians of Canada, the United Steelworkers, the Canadian Diabetes Association, the Phoenix Centre for Families and Children, the National Council of Women Canada, The Canadian Treatment Action Council, the Council of Canadians, the Canadian AIDS Society, the Association of Local Public Health Agencies, the National Union of Public and General Employees, the Canadian Union of Public Employees, 25 in 5: Network for Poverty Reduction, Planned Parenthood Toronto, the Human Development Council, the Child Poverty Action network, Alternatives North, and the Centre for Social Justice.¹⁴ There are very active campaigns for a national pharmacare program, including the Campaign for National Drug Coverage (RNAO is a founding member),¹⁵ and the Campaign for a National Drug Plan.¹⁶

And the public is on side as well. A May 2013 poll by EKOS found 78 percent of Canadian respondents supported a universal public drug plan for all necessary prescription drugs.¹⁷ The poll also found strong support (82 percent) for bulk purchasing of drugs and strong negotiations to lower drug prices. The support was even stronger in a July 2015 Angus Reid poll: 91 per cent supported the concept of pharmacare in Canada, and 87 per cent supported adding prescription drugs to the universal health coverage of medicare. One reason for the overwhelming support is the fact that many households (23 per cent of respondents) reported one or more members not taking medicines as prescribed because of cost.¹⁸

It would be better if pharmacare were implemented nationwide, but as the C.D. Howe article points out, in the current policy environment, one or more provinces must lead the way. Ontario would serve its citizens and all Canadians well if it were to play that role. With the federal election in October 2015, there may be more willingness to cooperate on pharmacare from the federal level. Currently in Ontario, the Ontario Drug Benefit Program covers senior citizens and those receiving social assistance, while the Trillium Drug Program subsidizes those whose costs are high relative to their income.¹⁹²⁰ The Ontario government has indicated an interest in a full provincial pharmacare program, but it requires a push.²¹ RNAO will continue to mobilize for a national pharmacare program.

A national pharmacare program should include a national formulary and prescribing guidelines that deal with the issue of improper prescribing and over-prescribing."

References:

¹ Morgan, S.G., Daw, J.R., and Law, M.R. (2013). *Rethinking Pharmacare in Canada*. C.D. Howe Institute. Retrieved September 15, 2015 at http://www.cdhowe.org/pdf/Commentary_384.pdf.

² See also Canadian Association of Retired Persons. (2012). *The Case for a National Drug Strategy*. Retrieved September 15, 2015 at <http://www.carp.ca/2012/09/20/the-case-for-a-national-drug-strategy/>.

³ Gagnon, M. and Hébert, G. (2010). *The Economic Case for Universal Pharmacare*. Canadian Centre for Policy Alternatives and Institut de recherche et d'informations socio-économiques. P. 10. Retrieved September 15, 2015 at https://s3.amazonaws.com/policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2010/09/Universal_Pharmacare.pdf.

⁴ Morgan, S.G., Law, M., Daw, J.R., Abraham, L., and Marin, D. (2015). Estimated cost of universal public coverage of prescription drugs in Canada. *Canadian Medical Association Journal*, April 21, 187(7), p. 401. Retrieved September 15, 2015 from <http://www.cmaj.ca/content/187/7/491.full.pdf>.

⁵ Registered Nurses' Association of Ontario. (2010). RNAO says economic analysis shows Canada can't afford not to have pharmacare. Retrieved September 15, 2015 at <http://rnao.ca/news/media-releases/RNAO-says-economic-analysis-shows-Canada-can-t-afford-not-to-have-pharmacare>.

⁶ Canadian Federation of Nurses Unions. (2011). *A National Pharmacare Strategy*. November. Retrieved September 15, 2015 at <http://nursesunions.ca/sites/default/files/2011.backgrounder.pharmacare.e.pdf>.

⁷ White, J. (n.d.). *Speaking out for public pharmacare*. Retrieved September 15, 2015 at http://nursesunions.ca/sites/default/files/speaking_out_for_PHARMACARE-en.pdf.

⁸ Canadian Medical Association. (2013). *Healthier Generations for a Prosperous Economy: Canadian Medical Association 2013-2014 pre-budget consultation submission to the Standing Committee on Finance*. November 6. P. 4. "Recommendation # 7: The CMA recommends that the federal government,

in consultation with the provincial and territorial governments, health care providers, the life and health insurance industry and the public, establish a program of comprehensive prescription drug coverage to be administered through reimbursement of provincial/territorial and private prescription drug plans to ensure that all Canadians have access to medically necessary drug therapies " Retrieved September 15, 2015 from https://www.cma.ca/Assets/assets-library/document/en/advocacy/Pre-Budget-Submission-2013-2014_en.pdf.

⁹ Standing Senate Committee on Social Affairs, Science and Technology. (2012). *Time for Transformative Change: A Review of the 2004 Health Accord*. P. xviii. Retrieved September 15, 2015 from <http://www.parl.gc.ca/content/sen/committee/411/soci/rep/rep07mar12-e.pdf>. "Recommendation 28: That the federal government work with the provinces and territories to develop a national pharmacare program based on the principles of universal and equitable access for all Canadians; improved safety and appropriate use; cost controls to ensure value for money and sustainability; including a national catastrophic drug-coverage program and a national formulary."

¹⁰Canadian Health Coalition. (n.d.). *The Case for Pharmacare*. Retrieved September 15, 2015 from <http://pharmacarenow.ca/wp-content/uploads/2010/01/PharmacareFactsheet1.pdf>.

¹¹Canadian Association of Retired Persons. (2013). *Canada Needs Pharmacare*. Retrieved September 15, 2015 at <http://www.carp.ca/2013/06/28/canada-needs-pharmacare/>.

¹²Canadian Association of Retired Persons. (2010). *CARP Pharmacare Report: October 7 2010*. Retrieved January 2, 2014 at <http://www.carp.ca/o/pdf/pharmacare%20report%20october%208th%202010.pdf>.

¹³Canadian Doctors for Medicare. (2013). *RX: National Pharmacare*. Retrieved September 15, 2015 at http://www.canadiandoctorsformedicare.ca/images/2013-07-21_CoF_Pharma_.pdf.

¹⁴ Campaign for National Drug Coverage. (2015). Organizations endorsing the Campaign for National Drug Coverage. Retrieved September 15, 2015 from <http://campaign4nationaldrugcoverage.ca/who-we-are/supporters/>. This and the earlier unreferenced organizations' names were drawn from the same source.

¹⁵ Campaign for National Drug Coverage. (2015) Retrieved September 15, 2015 from <http://campaign4nationaldrugcoverage.ca/>.

¹⁶Canadian Health Coalition. (2015). Pharmacare: More for Less. Retrieved September 15, 2015 from <http://pharmacarenow.ca/>.

¹⁷ EKOS. (2013). Canadian Views on Prescription Drug Coverage. May 22. Retrieved September 15, 2015 at http://www.ekospolitics.com/wp-content/uploads/press_release_may_22_2013.pdf.

¹⁸ Angus Reid Institute. (2015). Prescription drug access and affordability an issue for nearly a quarter of all Canadian households. Retrieved September 15, 2015 from <http://angusreid.org/prescription-drugs-canada/>.

¹⁹Ontario Ministry of Health and Long-Term Care. (2012). Ontario Public Drug Programs. Retrieved September 15, 2015 at <http://www.health.gov.on.ca/en/public/programs/drugs/default.aspx>.

²⁰ Advocating for a Poverty Free Ontario. (2013) Pharmacare: What is Publicly Funded in Ontario. August 13. Retrieved September 15, 2015 at <http://povertyfreeontario.blogspot.ca/2013/08/pharmacare-what-is-publicly-funded-in.html>.

²¹ Ontario Minister of Health Deb Matthews indicated the government would make prescription drug coverage a priority if it had sufficient money. See: Morgan, S. (2013). Why Ontario should pioneer the expansion of prescription drug coverage in Canada. Retrieved September 15, 2015 at <http://umanitoba.ca/outreach/evidencenetwork/archives/12588>.