

Ensuring a National Pharmacare Plan is Effective And Sustainable

DESCRIPTION

The Government of Canada has indicated its interest in establishing a national pharmacare program and has appointed former Ontario Minister of Health and Long-Term Care, Dr. Eric Hoskins, to convene and lead an Advisory Council to study the initiative.

While ensuring all Canadians have access to the medicines they need is a laudable goal, any pharmacare program must be designed in a way that is fiscally sustainable, ensures continued access to innovative medicines, and does not crowd out the superior coverage options offered by the private sector. If the government is to move forward with a federal pharmacare plan, it must give Canadians an advantage over what the system currently offers.

BACKGROUND

In recent years, there have been calls for the implementation of 'pharmacare' in Canada. At their annual meeting in July 2017, the Premiers requested that the federal government engage in discussions on establishing a national pharmacare program. Ontario has begun to expand their public drug plans to include demographics such as youth under 25 and, in future, the elderly. With the formation of a national Advisory Council on pharmacare, it is likely that the federal government will attempt to unveil a plan before the next election in 2019.

While medicines taken in hospitals are covered by provincial governments, those taken in a community setting are paid for in different ways, including public drug plans, private group insurance plans and individual insurance plans, and cash payments out of pocket. Most Canadians currently have, or are eligible for, some type of drug coverage. The Conference Board of Canada estimates that only 1.8 percent of the population does not have access to drug coverage. A strategic approach to pharmacare would therefore be one in which government and private sector stakeholders work to 'close the gap' for the small proportion of Canadians who are not currently eligible for, or enrolled in, insurance coverage.

The case for improved access to prescription drugs (including vaccines) is a strong one: decreased access and adherence to medicines can lead to suboptimal health outcomes for patients and increases spending in other areas of the health care system, such as hospitals and health professional resources. A well-designed pharmacare program would help drive down costs in other areas of health care by reducing costlier interventions like surgery, and easing the burden of the impending health care human resource shortage. Integrating the financing of prescription drugs into the broader health care system would also

provide opportunities for administrators to consider how and where spending may impact other treatments and subsequent outcomes.

However, many stakeholders – such as the pharmaceutical industry, benefits providers, health care providers, and patient groups – have identified a critical problem with existing proposals for pharmacare: an assumption that the primary goal of any government plan should be to drive down the negotiated price of pharmaceuticals, rather than improve drug access and adherence, and subsequent health outcomes for Canadians. Government plans already cover far fewer medicines than private plans, and tend to favour generics over brand drugs. If the federal government drives down pharmaceutical prices, Canada will become a less competitive market and fewer new drugs will be launched in this country, impacting both patient choice and quality of care.

Continued access to a comprehensive drug formulary and innovative new medicines is critical to ensuring Canadians remain healthy and productive. A focus on cost rather than access will harm Canadian patients, and Canadian businesses both in and outside of the health sector.

RECOMMENDATIONS

If a federal pharmacare plan is to be introduced, the Canadian Chamber of Commerce urges the Government of Canada to:

1. Focus on a 'gaps approach' to pharmacare, in which the public and private sectors collaborate to ensure that no Canadian lacks timely, equitable access to the new innovative medicines they need. Leverage the existing public-private coverage system to provide for patient choice, harness the efficiency of private sector administration, establish a national strategy for catastrophic/orphan drug coverage, and ensure the fiscal sustainability of a pharmacare plan.
2. Consult and engage with private sector stakeholders (such as pharmaceutical companies, benefits providers, and health care practitioners) when designing and implementing a national pharmacare program to prevent unintended consequences, i.e. loss of access to medicines.
3. Use a national pharmacare approach to streamline, and incentivize local innovation and R&D across the country, particularly clinical trials, to ensure Canadians continued to have access to a high quality of care .
4. Collaborate with the Provinces and Territories to ensure the plan is effective across diverse health care systems, delivers equitable access for all Canadians who require it, and is implemented independent of cost-cutting legislation.