



Neighbourhood
Pharmacy
Association of Canada

Complete the Plan:

A National Plan for Pharmacare

COMPLETE THE PLAN: A NATIONAL PLAN FOR PHARMACARE

The top priority for pharmacists has been, and always will be, improving access to prescription medications for all Canadians. We want to be a part of the solution that ensures no Canadian will go without the prescription medication they need.

As pharmacists, we know the importance of ensuring that our patients have access to the medication they need without financial barriers. We believe that no Canadian should have to decide between paying for required prescription medications or putting food on the table.

Whether through public or private prescription drug plans, all Canadians should have access to drug coverage. All providers — government, pharmacy, insurers and employers — have a role to play in ensuring medication access for everyone.

The COVID-19 pandemic has shown Canadians that there are many gaps that exist in our public healthcare system. Since March, governments across Canada have had to work rapidly to close these gaps and implement solutions. While the strains on our healthcare system have been unparalleled in our lifetime, Canadians' access to prescription drugs has remained almost untouched.

[Based on industry data, 98.5 per cent of Canadians have maintained their drug coverage during the pandemic](#), and access to drugs across the country has remained stable. According to our recent survey from November 2020, some 32.5-35 million Canadians already have prescription drug coverage, either through public or private plans or a combination of both. It is this uninsured segment of the population that a National Pharmacare program must address.

As pharmacists and healthcare providers working on the frontlines, we know there are still gaps that exist. We see first-hand the hardship faced by some Canadians who are uninsured or underinsured and unable to cover the costs of their medication.

Ensuring every Canadian has access to the medicines they need is essential. We believe any National Pharmacare model or policy must satisfy five patient-centered principles:

- **Equity:** Every Canadian should have equitable and consistent access to necessary prescription medications.
- **Timeliness of Access:** All Canadians should be able to access the medicines they need in a timely manner.
- **Appropriateness of Therapy:** All Canadians should have access to high quality and effective medications that are appropriate to their individual needs.
- **Affordability:** All Canadians should be able to afford their medications at point of care and no Canadian should face cost barriers to prescription access.
- **Sustainability:** All Canadians should benefit from a Pharmacare system that ensures ongoing health system sustainability.

Universal access to prescription drug coverage can be achieved while respecting provincial and territorial jurisdiction for the delivery of healthcare. The Federal Government can accomplish this by setting guiding principles for Pharmacare that optimize public awareness and utilization of existing drug plans and which target new funding to enhance existing levels of coverage where public and private programs do not provide adequate coverage — such as shortfalls experienced by low-income workers, self-employed or patients facing catastrophic drug costs or paying for drugs for rare diseases.

OUR RECOMMENDATION

Establish Guiding Principles for Pharmacare in Canada

There is a unique opportunity in Canada for the federal government to work with the provincial and territorial governments to ensure that every Canadian has access to the medication they need.

This can be achieved by:

1. Establishing guiding principles of Pharmacare with the provinces and territories to ensure that every Canadian has access to the medication they need, regardless of where they live, if they are employed or how much money they make. These principles should state that:
 - i. Every Canadian should have access to a prescription drug program, whether private or public.
 - ii. Every Canadian should have a choice in maintaining their existing drug coverage or opting into a provincial or territorial drug program.
 - iii. Every drug program (whether public or private) should include coverage for all drugs listed on a comprehensive Minimum National Formulary created by the Canadian Drug Agency (however drug plans can elect to cover more than the Minimum National Formulary).
 - iv. Every drug program should include coverage for catastrophic care that ensures the coverage of drug expenses that exceed a threshold compared to household income (for example, 3% of household income).
 - v. Every drug program should include special coverage for rare diseases to be developed in alignment with the Federal Government's Rare Disease Strategy.
2. Providing federal sustainable funding to the provinces and territories to help bring all residents under a drug plan or to assist in updating and improving coverage where required including by increasing the Canada Health Transfer.

Complete the Plan: The National Pharmacare Model

Canadians have told us that they want a National Pharmacare program that ensures all Canadians have access to prescription drugs. **Many have also told us they do not want to disrupt their current drug plans or coverage.**

It's a complex task, but the challenge is far from insurmountable. After all, Canada is not the first country to head down this road. There are lessons to be learned from those who have gone before us.

What Should National Pharmacare Look Like?

National Pharmacare ensures that every Canadian who requires prescription drugs can get the medication they need to heal, recover, prevent illness or improve their quality of life.

While there is overwhelming support for a National Pharmacare program, Canadians are less clear on the specific program that want to see administered, so long as it protects the level of coverage they have today.

It's a good vision. Here's what's needed to make it successful in Canada.

Mixed-Payor Model That Ensures All Canadians Have Coverage and Maintains Levels of Care

This model of National Pharmacare relies on both private insurance providers and public drug plans to ensure all Canadians have prescription medication coverage.

- Leveraging the benefits of existing public and private programs will best serve Canadians, including offering a broad range of prescription medications as well as access to timely and easily accessible drug care.

To best support Canadians and to ensure access to the medications they need, we need to maintain and build on the current drug coverage millions of Canadians currently receive through private drug plans. With more comprehensive formularies, private drug plans are seen to provide more options for their participants, as well as more timely access to medicines.

What Have We Learned From The Past?

We know that in Canada it typically takes much longer for new drugs to be covered under public drugs plans, while private drug plans are faster in updating their formularies. A study from 2016 determined that private plans take 132 days on average to approve coverage, compared to 468 days for public drug plans. Any new program must consider the importance of timely access to safe and proven new medications.

From the introduction of Ontario's OHIP+ program in 2018, we know there can be unintended consequences when you try to switch people from a private plan to a public first-payor system,

like medication disruption and unnecessary administration and access hurdles.

By protecting the comprehensive care many Canadians already have, we can learn from the Ontario experience and create a smoother pathway to universal drug access.

It is vital that a move to National Pharmacare not only preserve that level of care and service, but extend it to those who lack sufficient coverage, or do not have coverage through their current drug plan. Drug plans must continue to provide a balanced offering of a broad scope of medications with strong supporting evidence — allowing for individualized care and patient choice.

Creating a Minimum National Formulary

To ensure an equitable approach, the federal government should identify a common baseline for coverage for all Canadians while maintaining the integrity of existing provincial and private plans. This should aspire to reach the highest denominator — the Québec formulary which is the most comprehensive in Canada.

Background Findings on Current Drug Plans

There is a disparity in the medications that are covered in Canada depending on where you get your coverage. Roughly between 22- 27 million Canadians have coverage through a private insurer, whether it is through their employer or a personal plan. These Canadians have access to more than 9,000 approved prescription medications.

Comparatively, public drug programs in the country vary wildly — from 4,169 approved medications in Alberta to 7,792 in Québec — but still fall significantly short of what is available to private plan subscribers.

Considerations for a New National Pharmacare Program

A National Pharmacare program that results in fewer drug choices is a major concern. We cannot back track with a reduced public formulary for Canadians who are already used to and reliant on comprehensive private drug coverage.

Recent surveys have shown Canadians support a Pharmacare program, but don't want it to have a negative impact on their current level of care. In fact, 75 per cent of Canadians would prefer a program that leaves their existing coverage intact. Ensuring universal access by building on, rather than replacing, the coverage enjoyed by those with private plans will minimize disruption.

We need to set a higher bar for drug coverage in Canada that maintains the medications available through public or private plans that already support millions of Canadians.

It is important that this framework include flexibility to allow provinces and territories to maintain their respective formularies or allow them to top up plans to meet unique regional

needs.

How to Create an Effective Pharmacare Program

To be truly effective, the National Pharmacare model must include financial support for those who are administering the plan — the provinces.

And Canada already has a model it can emulate for this. In 2017, Ottawa and the provinces agreed on transfer payments outside of the Canada Health Transfer to support mental health and homecare.

The same can be done for National Pharmacare.

A Pharmacare transfer payment to the provinces will support the implementation of the principles that are established and can provide additional funding to ensure all residents without coverage, or with insufficient coverage, are brought on to a public drug plan.

This approach to National Pharmacare would offer the fastest path to implementation and enable targeted Pharmacare coverage to those who need it most — the uninsured.

Remove Cost Barriers

Cost should never be a barrier to accessing prescription medications in Canada.

We need to ensure safeguards are in place to protect Canada's most vulnerable from being priced-out of their medication — especially those who rely on expensive drugs for the treatment of Rare Diseases.

There is a role for patients, providers and the government to play in ensuring an affordable and sustainable Pharmacare program. But first and foremost, we need to ensure that patient contributions don't exceed a patient's ability to pay or compromise access to medication.

As with other leading countries who have National Pharmacare programs, cost-sharing mechanisms can be leveraged to ensure long-term sustainability of drug programs (England, France, Australia, the Netherlands and New Zealand). Patient contributions, from those who can afford to pay a share, can help to offset prescription costs as well as to promote responsible use, limit diversion and reduce overall waste in the system. These cost-sharing mechanisms will also help to ensure the long-term sustainability of any new Pharmacare program.

Preserve (and Enhance) Canada's Pharmaceutical Research Capabilities

At a time where innovations in healthcare are more critical than ever, a move to a single-payor Pharmacare model could have adverse impacts on the innovative pharmaceutical industry research that Canadian universities and hospitals have established in Canada.

Particularly, the COVID-19 pandemic has brought increased awareness to the challenges our

domestic biopharmaceutical manufacturing sector are facing. The pandemic and other recent regulatory changes are threatening an industry that, now more than ever, needs to be expanded.

Innovations in healthcare are at the forefront of the battle against this current pandemic and while the government has worked hard to secure vaccines for Canadians through the global innovative medicines sector, we need to ensure that we have robust domestic manufacturing and research capacity.

How Much Will National Pharmacare Cost?

There is always a cost for a comprehensive program such as National Pharmacare. But putting all Canadians on equitable footing is a goal worth paying for.

National Pharmacare does not have to be as expensive as forecast by the Parliamentary Budget Officer. *The federal government can minimize costs by creating a model for Pharmacare that is effective and efficient.*

Under our approach to *Complete the Plan*, we estimate the total net new cost to provide public coverage for all Canadians who are currently uninsured or under insured would be significantly less than the more than \$19 billion net new cost to create a single-payor model outlined in the Parliamentary Budget Officer's report. Our cost estimates are based on extending all provincial formularies to a National Formulary based on the Québec model and extending coverage to the underinsured based on the 3 per cent of household income threshold, recommended in the Mowat Institute report.

The cost to *Complete the Plan*.

- **\$2.9 billion** could provide drug coverage to every uninsured Canadian.
- **\$2.2 billion** could support those who do not have sufficient coverage and experience barriers to access due to high financial costs.
- **\$5.1 billion** could ensure that no Canadian goes without access by ensuring coverage to those who are uninsured and underinsured.

This provides prescription drug access to every Canadian and peace-of-mind to nearly the 5.2 million Canadians who are currently without coverage for prescription medications.

The *Complete the Plan* model can result in a sustainable Pharmacare approach that will allow governments to direct healthcare funds to other significant healthcare priorities, including mental health, seniors care, long-term care, First Nations health, reduced surgical and diagnostic wait times and home care.

Action Plan

With a commitment from the federal government to improve access to prescription medications for Canadians, and a pre-existing commitment to develop and fund a rare disease strategy, a unique opportunity exists to make a real difference in the lives of Canadians.

We need to take the best pieces from existing public and private drug programs and build on them to make them better. We need to intervene now to catch those who are most vulnerable and currently going without the medication they need.

We can do this.

By setting guiding principles for Pharmacare and working with the provinces and territories to implement Pharmacare programs within their own jurisdiction, we can limit disruption to patients with existing medication coverage and allow for a new National Pharmacare plan to be implemented now. We can also minimize costs and reserve critical healthcare funding for other essential healthcare programs like seniors' care, long-term care, and mental health care.

Using this model, within a year, the federal government could provide a “Pharmacare Transfer” to the provinces and territories to support a pan-Canadian approach to National Pharmacare that enables federal support but also respects provincial jurisdiction.

The federal government can set these principles for this program and work with the provinces and territories to ensure every Canadian is guaranteed equitable prescription medication coverage, while also allowing flexibility for provinces and private drug plans to go above and beyond that level of care.

This system would result in universal coverage for all Canadians without overhauling every drug program in the country. It would reduce government costs to replace coverage that already exists through private and public plans and allow for government funds to be invested in other priority areas.

By focusing to *Complete the Plan*, the government can ensure patients have the choice to keep their current drug plans and focus on providing coverage to those who need it the most.

As proponents for improving access to medications for all Canadians — this is a plan we can support.