

Pharmacare

INTRODUCTION

Can it be said that a country has universal health care when nearly a quarter of Canadian households can't afford to fill their prescriptions?¹ Canada is the only country in the world with a universal health care system that does not also provide universal prescription drug coverage. As a result, Canadians consistently pay among the highest prices for prescription drugs, and 20 per cent don't have adequate coverage to meet their needs.

All Canadians should have access to the medications they need, given the important role medication plays in preventing and treating illnesses. A universal, public pharmacare program would help Canadians better manage their health, decrease medication costs and improve monitoring of the effectiveness and safety of medications. It would reduce the burden on other parts of the health care system at a time when the system is overloaded, and save the health care system an estimated \$4 to \$11 billion annually.²

RECOMMENDATIONS

1. Canada must implement a universal, public pharmacare program

Canada spends over \$30 billion dollars on prescription drugs — nearly four times the amount spent 20 years ago.³ No other health care cost has grown as quickly. Drug expenditures have surpassed spending on physician remuneration to become the second-largest cost in the Canadian health care system.⁴ Canada's drug prices are the third highest among Organisation for Economic Co-operation and Development (OECD) countries and are approximately 25 per cent above the OECD average.⁵ The price of generic drugs is 79 per cent higher than the median prices found in other OECD countries and more than four times higher (445 per cent) than the best available prices.⁶

The current patchwork system of public and private prescription drug coverage in Canada creates inequities

in the accessibility and affordability of medication for Canadians, fragments Canada's purchasing power on the global pharmaceutical market and isolates the management of prescriptions drugs from the rest of the Canadian health care system. A national approach to pharmacare is the most effective way to address these issues, and could be coordinated with all levels of government to ensure consistent and equal access to prescription medication, capitalize on increased purchasing power to control costs, and secure affordable prescription drugs for all Canadians.

Among adults aged 65 to 79, 83 per cent use prescription drugs.⁷ Two in three Canadians 65 or older are prescribed five or more prescription medications, while more than 26 per cent are prescribed ten or more different prescription medications.⁸

Through a national pharmacare program, Canada would benefit from greater purchasing power and a more integrated health care system, which would address the problems of accessibility, affordability, increased spending and prescription drug safety, delivering better value for money for Canadians. Ensuring that Canadians can access and afford their prescription drugs would ease the burden on other parts of the health care system, reducing hospitalizations and other forms of treatment resulting from patients not properly taking their medications.

It is imperative that the federal government implement a universal, public pharmacare program to ensure that Canadians, including older Canadians, can access and afford the medications they need to stay healthy.

2. Pharmacare must be based on the Pharmacare Consensus Principles

Canada's pharmacare program must be developed and implemented based on the Pharmacare Consensus principles, reflected in the recommendations of the Advisory Council on the Implementation of National Pharmacare.



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The Pharmacare Consensus Principles are:

- **Universality:** Coverage must be available to residents of Canada on equal terms and conditions.
- **Public, Single-Payer Administration:** A publicly administered and delivered program that must be integrated with the medicare systems in which it operates and directly accountable to the public it serves, and it must leverage single-payer procurement to maximize purchasing power for the entire Canadian population.
- **Accessibility:** Access to covered medications must be offered without financial barriers or other impediments.
- **Comprehensiveness:** Coverage must be available for as many medications as are judged safe and effective by scientific evidence and must be based on the best value for money. The public service experts who select medications for coverage must be appropriately insulated from political pressure and marketing campaigns.
- **Portable Coverage:** Coverage must be continuous and consistent for residents who move within Canada.

Incorporating these principles into the development and implementation of a national pharmacare program would address many of the issues older adults currently face in obtaining prescription drugs — specifically, the accessibility and affordability of prescription medications. These principles would ensure that all Canadians have equal and affordable access to prescription drugs based on need, not on location or ability to pay, in a way that is consistent with the values that form the basis of Canada's universal health care system.

3. Pharmacare must coordinate with existing public and private prescription drug coverage

Many Canadians have access to public coverage, private coverage or a mix of both for prescription drugs. Older adults across Canada generally have coverage through provincial and territorial programs — but the level of coverage and cost associated with these programs can vary. Private plans and the coverage they provide play a pivotal role in ensuring individuals have access to the prescription drugs they need to maintain their health. Some older adults, including our members, have access to private plans, such as the Public Service Health Care plan (PSHCP), upon retirement.

Implementation of a national pharmacare program must also focus on coordination to strike a balance between a robust national formulary and the role of private health insurance plans to meet other health care needs. The federal government must work with provincial and territorial governments and private providers to ensure that current levels of prescription drug coverage are maintained. When surveyed about the implementation of pharmacare in Canada, 98 per cent of our members said it is important that they continue to receive their current level of prescription drug coverage, while 89 per cent said maintaining current coverage levels is very important. When asked whether national pharmacare should coordinate with private drug plans, 80 per cent of our members agreed that it should; 50 per cent strongly agreed.⁹

4. Pharmacare should monitor the prescription and use of drugs to ensure the safe, appropriate, and rational use of medications

Advances in pharmacology over the last century have resulted in an abundance of pharmaceuticals available on the market. Effective monitoring and evaluation are necessary to ensure prescription drugs are prescribed and used safely and appropriately. That is why, in developing and implementing a pharmacare program, the federal government must build in mechanisms to monitor and promote the safe, appropriate and rational prescription and use of prescription drugs. This is in keeping with the Advisory Council on the Implementation of National Pharmacare's recommendation for a national strategy on appropriate prescription drug use.

Monitoring and evaluation are particularly important for older adults. As previously mentioned, about two-thirds of older adults are prescribed five or more drugs at a time; more than a quarter are prescribed ten or more at a time. Those in long-term care are prescribed opioids twice as often (39.9 per cent, compared to 20.4 per cent) and antidepressants more than three times as often (60.3 per cent, compared to 19.1 per cent) as older adults living in the community.¹⁰ It is estimated that up to half of the drugs prescribed to older adults are either taken incorrectly or overprescribed — and the negative impacts are real and serious.¹¹

Further, one third of older adults are given prescriptions



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for drugs that are known to pose risks to their age group.¹² Many medications prescribed to older adults have not been properly tested for their age group¹³ and the effects of combining multiple medications have not been adequately studied either.¹⁴

Taken together, these factors increase the likelihood of adverse drug reactions and interactions. They also point to a need to reduce the number of drugs — some of them potentially inappropriate drugs — being prescribed to older adults.¹⁵ In fact, it is estimated that nearly 20 per cent of hospitalizations in Canada could be prevented through the more appropriate use of prescription drugs.¹⁶

The harm caused by risky medication use can have a financial impact on older adults and Canadian taxpayers. In 2013, older Canadians spent \$419 million on potentially harmful prescription medications, while taxpayers spent \$1.4 billion to treat health problems in older adults caused by risky medications.¹⁷ This money could be spent on safer, evidence-

based, non-drug therapies that would better treat health conditions and improve older Canadians' health and quality of life.

Improving this situation for older adults, and for Canadians generally, requires a coordinated, national strategy for monitoring and promoting the safe, appropriate and rational distribution and use of prescription drugs.

CONCLUSION

A national pharmacare program was a vital part of the platform on which the current government was elected, and formed an important part of the platforms of several other parties. The implementation of pharmacare in Canada has been studied and recommendations to the government have been made. It is now time for the federal government to act by working with the provinces, territories and private insurers to implement a national pharmacare program that is universal, public, comprehensive, accessible and portable.

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- 2 Busby, C. (2017). Federal Cost of a National Pharmacare Program. Ottawa: Office of the Parliamentary Budget Officer. Retrieved from: https://www.cbo-dpb.gc.ca/web/default/files/Documents/Reports/2017/Pharmacare/Pharmacare_EN_2017_11_07.pdf; Canadian Centre for Policy Alternatives and Canadian Doctors for Medicare. (2017). Cost Savings Resulting from a National Pharmacare Program. Ottawa: Canadian Centre for Policy Alternatives and Canadian Doctors for Medicare. Retrieved from: <https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2017/09/Cost%20Savings%20From%20Pharmacare.pdf>
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- 11 Bernier, N.F. (2017). Improving Prescription Drug Safety for Canadian Seniors. IIRP Study 61. Montreal: Institute for Research on Public Policy. <http://irpp.org/wp-content/uploads/2017/01/study-no61.pdf>.
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- 13 Supra, note 11.
- 14 Ibid.
- 15 Supra, notes 8 and 12.
- 16 Supra, note 12.
- 17 Morgan, S.G. et al. (2016). Frequency and cost of potentially inappropriate prescribing for older adults: a cross sectional study. CMAJ Open; 4: E346-E51.



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