

Closing the Gap in Pharmacare

Health Charities Coalition of Canada:

**2017 pre-budget consultation submission to
the House of Commons Standing Committee
on Finance**

August 5, 2016



Executive Summary

The Health Charities Coalition of Canada (HCCC) is pleased to submit this brief to the House of Commons Standing Committee on Finance for the 2017 pre-budget consultations. The recommendations below address the key theme of helping Canadians by focusing on optimizing health outcomes and maximizing Canadians' ability to contribute to the country's economic growth by closing the gap in Canada's pharmacare systems and investing in health research.

Closing the Gap on Pharmacare

Canada's Health Act ensures access to basic health services such as hospital and physician visits for Canadians but excludes equitable access to prescription medicines. Prescription drugs are an integral part of our health care system, as 90% of Canadians with chronic conditions (e.g., cardiovascular disease, kidney failure, rheumatoid arthritis, etc.) take at least one prescription drug and 54% of those take four or more.¹ Prescription drugs can manage conditions, cure disease, improve quality of life, shorten time spent in hospitals and reduce demand for physician services, potentially leading to positive health outcomes and potential decreased costs for the healthcare system.²

Unfortunately access to prescription drugs is inequitable across provinces and territories, delivery settings, disease states and conditions. Inequity in access to medications stems from variations in; public and private drug programs, decisions between provinces/territories and insurance plans on what medications will be listed and at what cost and under what conditions. **The development of pan-Canadian standards for pharmacare are needed** to begin addressing gaps in the system and provide Canadians with access to a broad range of evidence based therapies.

The Health Charities Coalition of Canada (HCCC) calls on the Government of Canada to take a leadership role in **closing the gap in pharmacare** by ensuring all people living in Canada have equitable and timely access to necessary prescription medications based on the best possible health outcomes rather than the ability to pay.

Investing in Health Research

The Minister of Science recently announced Canada's Fundamental Science Review that will provide an opportunity for Canadians to provide input on how the federal government supports fundamental science. This review is timely and necessary. While we were pleased to see the announcement of new annual funding for discovery research in the 2016 budget, Canada has not sustained investments in health research. Base funding to the Canadian Institutes of Health Research (CIHR) has not increased with the pace of inflation. A report from the Organization for Economic Co-operation and Development released in 2014 reported that Canada has fallen out of the top ten countries of research and development spenders and now ranks 12th overall.³

¹ Health Council of Canada. (December 2011). "Fact Sheet: How Do Sicker Canadians with Chronic Disease Rate the Health Care System?" Retrieved from: http://www.healthcouncilcanada.ca/rpt_det.php?id=312

² Wellesley Institute. (2015). "Access to prescription drugs." Retrieved from: <http://www.wellesleyinstitute.com/wp-content/uploads/2015/10/PrescriptionDrugsHEIA-UPDATE>

³ OECD (2014). "OECD Science, Technology and Industry Outlook 2014," OECD Publishing. Retrieved from: http://www.keepeek.com/Digital-Asset-Management/oecd/science-and-technology/oecd-science-technology-and-industry-outlook-2014_sti_outlook-2014-en#_V6PbsvkrLIU#page2

Health research remains a priority for many HCCC members with our members funding over \$200 million dollars in health research each year. HCCC is preparing a submission to Canada's Fundamental Science Review and will outline our key recommendations for advancing health research under this process.

Summary of Recommendations

Recommendations

HCCC recommends that the Government of Canada:

- Establish comprehensive, evidence-based, pan-Canadian standards for pharmacare that will address gaps in the system and provide Canadians with access to a broad range of evidence-based therapies.
- Take a leadership role and share the cost in implementing pharmacare standards to ensure that Canadians have equitable access to prescription therapies regardless of where they live, the setting they are in or the state of their disease.

Introduction

The Health Charities Coalition of Canada is a member-based organization comprised of 30 national health charities who represent the voice of patients at all levels of the health continuum. Our members work together to improve health by; identifying gaps, monitoring trends, promoting best practices and investing in health research. We believe in patient partnerships and creating meaningful opportunities for patients to participate in healthcare planning, decision-making and review processes that impact health outcomes. On behalf of the patients and families that we work with, we wish to identify access to medicines as a major concern for Canadians.

Pharmacare in Canada – a patchwork of programs and coverage

Prescription medications are a core component of Canada's health care system, required to help improve health, prevent disease and save lives. Unlike other mainstays of our health care system, such as access to hospital and physician care, prescription medications are not required under Canada's Health Act to be funded publicly unless administered in a hospital. In fact, access to prescription medications is inequitable across provinces and territories, delivery settings, diseases states and conditions.

Inequity in access to medications means that in some cases, people go without the required prescription drug because the drugs are either not available on their insurance plan or that they have inadequate coverage or the medication is not available in the province/territory where they live. Additionally, some individuals cannot afford the required prescription drug because it puts them in serious financial difficulty.⁴

The following provides a snapshot of the current reality of accessing medicines in Canada.

- 90% of Canadians with a chronic condition take at least one prescription drug.⁵
- 54% of Canadians with chronic conditions take four or more prescription drugs.⁶
- One in five Canadians report having difficulty paying for prescription medications without insurance and one in ten Canadians have difficulty paying for prescription medications even if they have insurance coverage.⁷
- Many Canadians do not have insurance because they are self-employed or are working on contract or part-time.⁸
- Individuals between the ages of 18 and 34 who receive low to middle-class incomes, or work part-time, are most likely to be underinsured or to have no insurance at all.⁹
- Many drug plans provided by employers have maximum coverage thresholds and a limited range of therapeutic options, so even those covered by private insurance sometimes find options available to them that do not meet their needs.¹⁰
- Prescription drug costs represent 13.4% of total health care expenditures.¹¹

⁴ Law Commission of Ontario. (2012). "Vulnerable Workers and Precarious Work: Final Report." Retrieved from: <http://www.lco-cdo.org/en/vulnerable-workers-final-report>

⁵ *Ibid.* Health Council of Canada. (December 2011).

⁶ *Ibid.*

⁷ *Ibid.* Law Commission of Ontario. (2012).

⁸ *Ibid.*

⁹ Library of Parliament. (February 2016). "Catastrophic Drug Coverage in Canada." Ottawa, Canada. Publication No. 2016-10-E. Retrieved from: <http://www.loppar.gc.ca/Content/LOP/ResearchPublications/2016-10-e.pdf>

¹⁰ *Ibid.* Law Commission of Ontario. (2012).

¹¹ Canadian Institute for Health Information. (2015). "Canadians spent \$28.8 billion on prescription drugs in 2014" Retrieved from: <https://www.cihi.ca/en/types-of-care/pharmaceutical-care-and-utilization/canadians-spent-288-billion-on-prescription-drugs>

Inequitable access to medication has a very real and profound effect on our economy. It means that people cannot afford or access the medications that they need to manage their disease/condition, impacting their ability to contribute fully to society.

The impact of lack of access to prescription medications is significant, with low-income Canadians disproportionately affected. While some Canadians can't afford their prescriptions because they have no drug coverage, even patients with insurance can experience financial barriers when they must pay deductibles and co-payments.¹²

Ability to pay for prescription drugs has been shown to be a barrier to adherence with an overall 10% of Canadians skipping medications due to cost, 23% of those with a chronic disease.¹³ Failure to take drug prescriptions has been associated with significant increases in mortality, hospitalizations, and costs.¹⁴

Pharmacare is a national issue that effects all Canadians. We look to the Government of Canada to facilitate equitable access to all forms of health services, including access to medicines for Canadians without financial or other barriers.

Recommendations

The Government of Canada can address gaps in the pharmacare system by:

1. *Calling for the establishment and implementation of pan-Canadian standards for pharmacare*

- HCCC asks the Government of Canada to create an Advisory Panel to establish comprehensive, evidence based, pan-Canadian standards for pharmacare.
- The advisory panel's mandate would be to conduct broad consultation with a wide range of stakeholders in order to develop comprehensive, evidence based pan-Canadian pharmacare standards.
- We recommend establishing an advisory panel similar to the model used to establish the federal advisory panel on Healthcare Innovation which was estimated to cost \$1M.
- Health charities and the Canadians they represent are well positioned to identify gaps in pharmacare that need to be addressed, illustrate concrete issues related to access and inequities, develop data on health outcomes and offer constructive and innovative solutions. We ask that our members be active participants in any consultation that supports the development of national pharmacare standards.
- Once the consultation is complete and standards are established, the advisory panel will then be in a position to recommend the best model for implementing those standards and would then inform federal/provincial/territorial agreements that will be sustainable, equitable, provide greater access and improve healthcare outcomes.
- Implementation of these standards would ensure that all Canadians have access to prescription drug coverage based on the best-evidence available and will respect an individual's choice based on need, not on cost.

¹² Rx&D. (2015). "Access to New Medicines in Public Drug Plans: Canada and Comparable Countries, Annual Report." Retrieved from: http://stream1.newswire.ca/media/2015/05/21/20150521_C8665_PDF_EN_16843.pdf.

¹³ *Ibid.*

¹⁴ Baroletti, S. and Dell'Orfano, H. (2010). *Medication Adherence in Cardiovascular Disease*, *Circulation*. 121:1455-1458.

2. *Taking a leadership role and sharing the cost in implementing pharmacare standards to ensure that Canadians have equitable access to prescription therapies regardless of where they live, the setting they are in or the state of their disease.*

- HCCC recommends the Government of Canada ensure accountability for increased investment in pharmacare by specifying requirements that must be met in order for provinces and territories to receive increased transfer payments to implement comprehensive, evidence-based, pan-Canadian pharmacare standards.

Conclusion

Canadians currently experience drug access inequities across disease states, settings and jurisdictions. The development of comprehensive pan-Canadian pharmacare standards will ensure that all Canadians have equitable access to prescription drug coverage and that treatment decisions will be made on the best-evidence available and respect an individual's choice based on need, not just cost.

About the Health Charities Coalition of Canada

Established in 2000, HCCC, a member based organization, is dedicated to advocating for sound public policy on health issues and promoting the highest quality health research. HCCC strives for excellence in health policy and seeks to ensure that the federal government and policy makers look to the Coalition and its members for timely advice and leadership on major health issues of concern to Canadians and that they recognize the competence, commitment and contributions of health charities in improving the health and well-being of Canadians. A list of members is available on our [website](#).

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