



CANADIAN FEDERATION  
OF NURSES UNIONS  
LA FÉDÉRATION CANADIENNE  
DES SYNDICATS D'INFIRMIÈRES  
ET INFIRMIERS

## **Summary of CFNU's Parliamentary Breakfast** ***Filling the Prescription: The case for pharmacare now***

**May 31, 2016**

The Canadian Federation of Nurses Unions hosted a breakfast meeting on Parliament Hill, entitled ***Filling the Prescription: The case for pharmacare now (Provincial and Expert Perspectives)***, with an introductory presentation by Dr. Marc-André Gagnon (Fiscal and Comparative Analysis), the keynote by Kevin McNamara (Provincial Perspectives), and a wrap-up by Dr. Steven Morgan (Political Context). Members of Parliament, Senators and a wide range of health and labour stakeholders came together to hear expert speakers make the compelling case for Canada's implementing a universal pharmacare program as the next step in the evolution of Canada's health care system.

### **Dr. Marc-André Gagnon (Fiscal and Comparative Analysis)**

Dr. Marc-André Gagnon is an Associate Professor with Carleton University's School of Public Policy and Administration. He is currently a Fellow with the WHO Collaborating Centre for Governance, Accountability and Transparency in the Pharmaceutical Sector, and researcher with the Rational Therapeutics and Medication Policy research group. His current research focuses mainly on the political economy of the pharmaceutical sector.

### ***Backgrounder on Drug Coverage in Canada***

- The Canadian pharmaceutical insurance system could be considered an anomaly. Canada has a universal public health insurance system, but is the only country in the world to have excluded prescription drugs from that system, as if drugs were not an essential element of health care. Universal public drug insurance is not the exception but the rule among OECD nations.
- Canada has the 2<sup>nd</sup> lowest percentage of the population covered by a public drug insurance plan in all OECD countries, after the U.S. (OECD, 2013). However, it has the 2<sup>nd</sup> highest expenditure per capita (2012) on pharmaceuticals, after the U.S. (OECD Health Statistics, 2014).
- From 2000-2012, Canada experienced stronger annual growth in prescription drug costs per capita than any other similarly developed nation, surpassing even the U.S.
- The data shows that the Quebec system is not a model for Canada as Quebec had the highest rate of annual growth in prescription drug costs per capita (2000-2012), greater than even that for Canada as a whole.
- If Canada paid the same official price for drugs as the OECD median, Canadians would save about 25% on patented drugs.
- A renewed pharmaceutical policy guided by a clear and compelling vision with supporting policy objectives and actions is needed.

### **Keynote: Kevin McNamara (Provincial Perspectives)**

Kevin McNamara is the former Deputy Minister of Health and Wellness in Nova Scotia (2009-2013). During this term he served as the Provincial/Territorial Representative on the Boards of Canada Health Infoway and the Canadian Institute for Health Information (CIHI), and as the Atlantic Board Representative for the Mental Health

Commission. In addition, he was Chair of the Provincial/Territorial Council of Health Deputy Ministers and Co-Chair of the FPT Council. Prior to becoming a Deputy Minister, he was the CEO of the South Shore District Health Authority in Nova Scotia (2003-2009). He currently sits on CIHR's (Canadian Institute of Health Research) International Review Panel for Strategies for Patient-Oriented Research (SPOR) projects for funding, and on CIHI's Financial Standards and Information Advisory Committee.

## **Adding up the costs**

### **1. Provincial Government Costs: provinces have taken measures to contain the costs of pharmaceuticals by:**

- Reducing generic drug prices by legislation (percentage varied from province to province). This reduction did not impact the manufacturer and supplier but was a reduction in the fee paid by the manufacturer to drug stores to carry the product on their shelves and dispense them.
- Working together to negotiate the price of a few high-cost drugs. Not a perfect system because the outcome is protected by confidentiality agreements signed with each province, which means one province will not know the price negotiated in another (except jointly negotiated costs). Usually this means a higher price for smaller provinces than larger ones. Private medical plans would also not be aware of these agreed prices or vice versa.

### **2. Private Plans**

- As employers, private companies, provincial/federal government as well as government agencies provide drug coverage (from basic to elaborate) on a cost-shared basis to their employees. These plans have formularies that are often more robust than government public plans, covering a wide variety of drugs, depending on the plan. The costs can be enormous given the breadth of the formulary; products may cost more, leaving governments unable to fund other necessary health services.
- As an employer, the federal government also funds drug plans for the armed forces, RCMP (cost recouped from provinces for those doing provincial police work) as well as for Veterans.

### **3. Pharmaceutical Industry Marketing Practices**

- The pharmaceutical industry spends about 30% of its budgets on marketing. It markets its medicine through: a) direct media advertising; b) by directly influencing doctors, researchers, hospitals, etc.; c) using disease charities or vulnerable patients to lobby on their behalf.

**How to get more value for our \$: everyone has a role to play in reducing the use of drugs that provide little or no benefit.**

#### **Patients**

- Individuals have to stop expecting a medication to fix every ill. An antibiotic will not cure an infection caused by a virus such as the flu, a cold or sore throat.

#### **Doctors**

- Physicians need to stop providing unnecessary medications.

- Physicians (and patients and politicians) should refer to Choosing Wisely Canada where information has been developed and approved by eminent medical specialist in our country on what we should not be doing that are now common practices.

### **Governments**

- Provinces have to start working together on what drugs are included in their formulary, basing decisions on the evidence and a cost/benefit analysis.
- Federal government leadership is required. There is mishmash of products approved and prices, and it will take a major revamping to have a common system nationally. There is more than enough money in our existing drug payments. We have to work together, more strategically and endorse a process that will provide the correct drug necessary to manage illness.

### **Health Canada**

- Health Canada's current mandate is to provide access to safe pharmaceuticals. They do not look at effectiveness, or costs, or cost effectiveness, or how pharmaceuticals compare to other products on the market. They look at safety and make sure it does what it claims to do in the monograph (or efficacy).
- Application for regulatory approval is totally manufacturer-driven, and the product must be submitted by the manufacturer to be licensed. A province cannot even request that a drug be reviewed.
- My recommendation is that Health Canada should incorporate the Canadian Agency for Drugs and Technologies in Health (CADTH) in its review of new drugs and require the necessary information from manufacturers so that cost effectiveness and the added value of a new drug can be measured. This would be a valuable outcome to assist both provinces and employers with private plans. Currently 18 of the 19 public drug plans in Canada use the Common Drug Review at CADTH to try and access the value of a drug which includes the clinical and cost effectiveness. Often the assessment cannot be done because of a gap in the data (what is needed for regulatory approval is not what is needed to make this decision). While catastrophic drug plans and bulk buying may help bring down drug prices, they do not address the issue of drug effectiveness. There is no point in paying huge amounts for medications that are of no benefit. There has to be increased attention on health technology assessment.

### **Dr. Steven Morgan (Political Context)**

Dr. Steven Morgan is a Professor in UBC's School of Population and Public Health, a leader of Canada's Pharmaceutical Policy Research Collaboration, and a founder of Pharmacare 2020, a campaign to promote evidence-informed conversation about the future of prescription drug coverage in Canada. A renowned expert in health care financing and pharmaceutical policy, Dr. Morgan helps governments balance three sometimes competing goals: providing equitable access to necessary care, managing health care costs, and promoting health innovation. He recently received the 2016 CIHR-IHSPR Article of the Year Award for the article "Estimated cost of universal public coverage of prescription drugs in Canada."

### ***Pharmacare: your once-in-a-lifetime health policy legacy***

- Pharmacare is an essential element of any health care system – reached this conclusion as a result of years of research, collaborating with other experts on this issue, and speaking to a broad range of stakeholders.
- Our lack of action on comprehensive public pharmacare is unacceptable, and Canadians are literally dying as a result. A 2012 study by researchers at the University of Toronto estimated that in Ontario alone, over

700 diabetic patients under the age of 65 died prematurely each year between 2002 and 2008 because of inequitable access to essential prescription drugs. That is like a plane full of Canadians crashing every year, perhaps every month, while governments refuse to take action because of concerns about costs and politics.

***The time for pharmacare is now – never before has there been as great an alignment of the key players.***

#### **Government Accord**

- Reached a crucial point where the stars may be aligned politically. Never had alignment like we have today in terms of provincial government accord. Need most provinces aligned – though you will never get 100% on board.
- For pharmacare to happen, Quebec and Ontario must be on-side. Ontario is currently taking the lead on this issue. Quebec is also interested in improving their system and might be willing to work with a federal government on improvements, if conditions are right.
- Federal Liberals recently passed a resolution at their Convention, calling for a national pharmacare program.

#### **Public**

- 91% support a national pharmacare program in Canada, and 87% support adding prescription drugs to the universal health coverage of medicare.

#### **Business**

- On May 30, the B.C. Chamber of Commerce passed a motion in favour of pharmacare.
- Large employers like Magna International have come on-side on this issue.

#### **Health Care Professionals**

- The CFNU has been working on this issue for over two decades. Canadian Doctors for Medicare view it as a crucial plank in the sustainability of our public health care system. And the Canadian Medical Association (CMA) passed a motion at its AGM last August, calling for a national pharmacare program.

#### **Experts**

- Almost 300 experts have signed onto Pharmacare 2020. Twelve of these individuals are members of the Order of Canada.

#### **Conclusion**

This is not the time for more studies on this issue or even more resolutions. The issue has been sufficiently studied and debated. The time for action is now.

#### **For further information**

Gagnon, M.-A. (2014). *A Roadmap to a Rational Pharmacare Policy in Canada*. Ottawa: Canadian Federation of Nurses Unions. [https://nursesunions.ca/sites/default/files/pharmacare\\_report.pdf](https://nursesunions.ca/sites/default/files/pharmacare_report.pdf)

Morgan, S.G., Martin, D., Gagnon, M.-A., Mintzes, B., Daw, J.R., and Lexchin, J. (2015). *Pharmacare 2020: The future of drug coverage in Canada*. Vancouver: Pharmaceutical Policy Research Collaboration, University of British Columbia. [http://pharmacare2020.ca/assets/pdf/The\\_Future\\_of\\_Drug\\_Coverage\\_in\\_Canada.pdf](http://pharmacare2020.ca/assets/pdf/The_Future_of_Drug_Coverage_in_Canada.pdf)