

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

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# Pharmacare in Canada by the Numbers

#### Inadequate access

- Nearly 25% of households include someone who is not taking their prescription medicines as prescribed because of cost.<sup>1</sup>
- Approximately 8.4 million working people living in Canada (self-employed and in paid employment) do not have employer-based health benefits.<sup>2</sup>
- One in 10 patients cannot afford to take their prescribed medicines at all.<sup>3</sup>
- Research in CFNU's *Body Count* suggests that about 1,000 patients die each year from just two health conditions, diabetes and ischemic heart disease, because of the prohibitive cost of prescription drugs.<sup>4</sup>

## High cost for governments, individuals and business

- Canada's per capita prescription drug prices are the third highest in the world, behind only the U.S. and Switzerland.<sup>5</sup>
- Prescription drug costs have risen dramatically in the past 20 years, surpassing physician fees to become the second most expensive category in the delivery of Canadian health care.<sup>6</sup>
- From 2006 to 2015, Canada wasted \$62 billion health care dollars without pharmacare.<sup>7</sup>
- We continue to waste \$7.3 billion per year, equaling \$14,000 squandered health care dollars every minute of every day, without pharmacare.<sup>8</sup>
- People with little or no coverage spend more than \$6 billion per year out of pocket on medicines they need.<sup>9</sup>
- The proportion of out-of-pocket expenditures for prescription drugs has risen to 22% over the past few years, representing a significant and growing financial burden for families.<sup>10</sup>
- Similarly, Canadian businesses are increasingly seeing their bottom lines eroded by the high costs of extended health insurance programs that cover increasingly expensive pharmaceuticals.

### **Potential savings**

- CFNU's *Roadmap to a Rational Pharmacare Policy in Canada* estimated savings of between \$9 and 11 billion.<sup>11</sup>
- Steve Morgan estimated the costs of a universal pharmacare plan in an article published in 2015 and found universal public drug coverage would reduce overall total spending on prescription drugs in Canada by \$7.3 billion per year with costs to government increasing by about \$1 billion.<sup>12</sup>
- In September 2017, in a costing document the Parliamentary Budget Officer (PBO) conservatively estimated the annual savings potential of a national pharmacare plan at \$4.2 billion.<sup>13</sup>

### Support for pharmacare

- House of Commons Standing Committee on Health<sup>14</sup>
- Over 280 Canadian academics<sup>15</sup>
- The Canadian Labour Congress representing 3.3 million workers across Canada<sup>16</sup>
- The Canadian public: 91% support a national prescription drug plan<sup>17</sup>
- Municipal governments, provincial governments and business groups, including the B.C. Chamber of Commerce<sup>18</sup>

#### Sources

<sup>1</sup> Angus Reid. (2015). *Prescription drug access and affordability an issue for nearly a quarter of all Canadian households*. http://angusreid.org/prescription-drugs-canada/ 25 June 2017

<sup>4</sup> Lopert, R., Morgan, S., Docteur, E. (2018). Body Count. Ottawa : CFNU.

<sup>5</sup> House of Commons Standing Committee on Health. (2018). *Pharmacare Now: Prescription Medicine Coverage for All Canadians*. Retrieved from https://www.ourcommons.ca/Committees/en/HESA/StudyActivity?studyActivityld=8837577

<sup>6</sup> Canadian Institute for Health Information (CIHI). (2017). *National Health Expenditure Trends, 1975 to 2017.* Ottawa: CIHI.

<sup>7</sup>Mackenzie, H. (2016). *Down the Drain: How Canada Has Wasted \$62 Billion Health Care Dollars without Pharmacare*. Canadian Federation of Nurses Unions. Retrieved from https://nursesunions.ca/wp-content/uploads/2017/05/Down\_The\_Drain\_Pharmacare\_Report\_December\_2017.pdf
<sup>8</sup> lbid.

<sup>9</sup> Law et al. (2018). The consequences of patient charges for prescription drugs in Canada: a cross-sectional survey. *CMAJ*. DOI:10.9778/cmajo.20180008 <sup>10</sup> Ibid.

<sup>11</sup> Gagnon, M.-A. (2014). A Roadmap to a Rational Pharmacare Policy in Canada. Ottawa: Canadian Federation of Nurses Unions (CFNU).

<sup>12</sup> Morgan, S.G., M. Law, J. R. Daw, L. Abraham and D. Martin. (2015). Estimated Cost of Universal Public Coverage of Prescription Drugs in Canada. *Canadian Medical Association Journal* (CMAJ), 187(7): 491–97. doi:10.1503/cmaj.141564.

<sup>13</sup> PBO. (2017). Federal Cost of a National Pharmacare Program. Retrieved from http://www.pbo-dpb.gc.ca/en/blog/news/Pharmacare

<sup>14</sup> House of Commons Standing Committee on Health. (2018). *Pharmacare Now: Prescription Medicine Coverage for All Canadians*. Retrieved from https://www.ourcommons.ca/Committees/en/HESA/StudyActivity?studyActivityId=8837577

<sup>15</sup> Morgan, S.G., D. Martin, MA Gagnon, B Mintzes, J.R. Daw, and J. Lexchin. (2015). Pharmacare 2020: The future of drug coverage in Canada. Vancouver, Pharmaceutical Policy Research Collaboration, University of British Columbia Retrieved from: http://pharmacare2020.ca/

<sup>16</sup> Canadian Labour Congress. http://www.aplanforeveryone.ca/why\_pharmacare

<sup>17</sup> Angus Reid. (2015). Prescription drug access and affordability an issue for nearly a quarter of all Canadian households. http://angusreid.org/prescription-drugs-canada/ 25 June 2017

<sup>18</sup> Canadian Doctors for Medicare. (2016, June 7). *Support for pharmacare escalates in Canada*. Retrieved from http://www.canadiandoctorsformedicare.ca/Press-Releases/support-for-pharmacare-escalates-in-canada.html

<sup>&</sup>lt;sup>2</sup> Canadian Labour Congress. (2016). *Submission from the Canadian Labour Congress to the Standing Committee on Health Regarding the Development of a National Pharmacare Program*. http://www.ourcommons.ca/Content/Committee/421/HESA/Brief/BR8604329/br-external/CanadianLabourCongress-e.pdf

<sup>&</sup>lt;sup>3</sup> Law, M. et al. (2012). The effect of cost on adherence to prescription medications in Canada. *Canadian Medical Association Journal*, 184(3), 297-302.