

# Development of a National Pharmacare Program

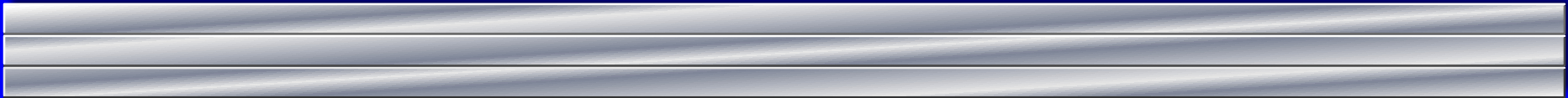
Douglas Eyolfson, MD, FRCP(C)

Member of Parliament

Charleswood-St James-Assiniboia-Headingley

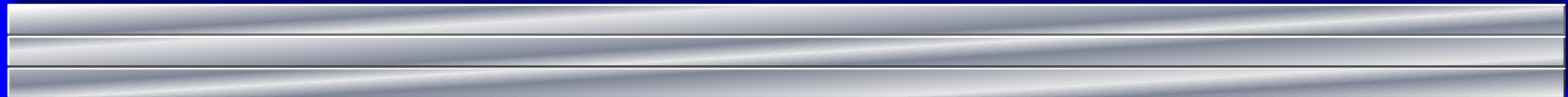
# Key Information

- | Canada is the only country to have a universal medical system without a pharmacare program
- | Canada has the third highest prescription drug prices, behind the United States and Switzerland
- | Cost-related nonadherence estimated at \$5 billion annually



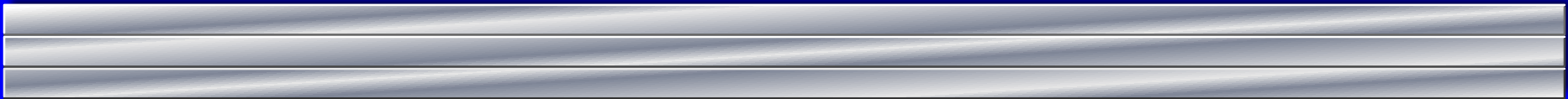
# Key Information

- | Many Canadians are unable to pay for prescription medications due to their cost:
  - 2% of Canadians have no drug coverage
  - 10% of Canadians have coverage but lack the financial means to pay for their prescriptions
- | Spending on prescription drugs has grown rapidly at 5.1% annually from 2004 to 2014



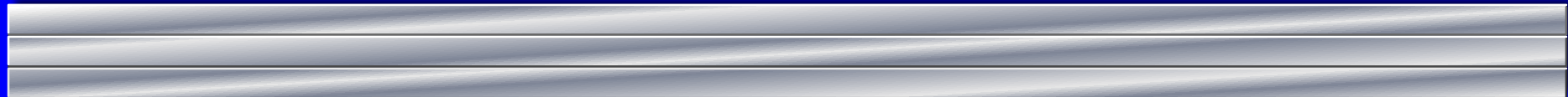
# Health Committee

- The Health Committee unanimously agreed to study pharmacare on March 26, 2016
- Over the next two years, witnesses highlighted challenges facing Canada's patchwork of public and private drug plans



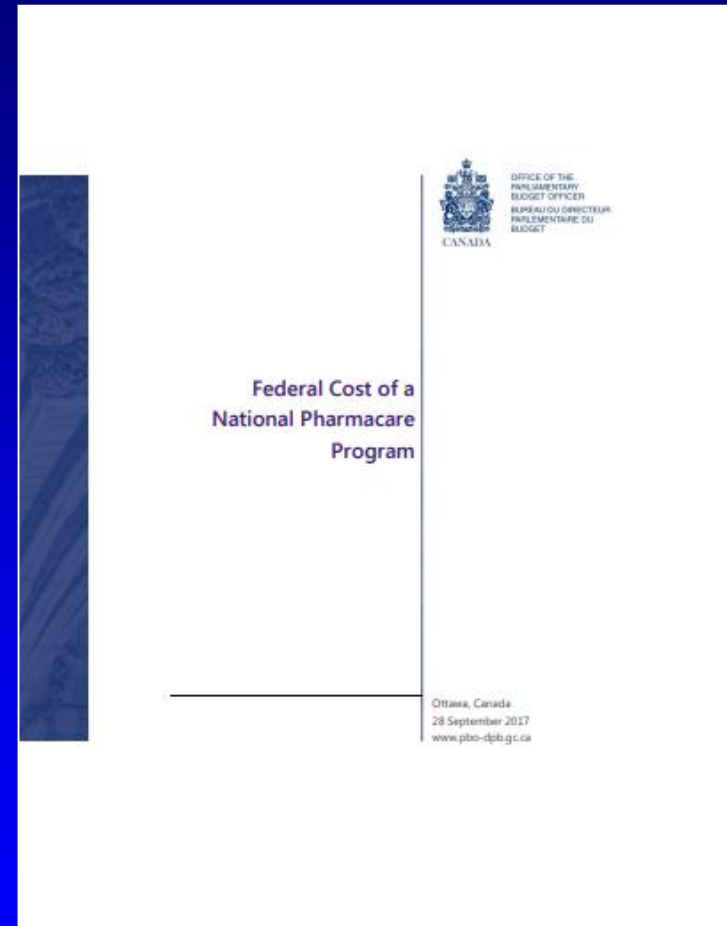
# Parliamentary Budget Officer

- | In September of 2016, the committee asked the Parliamentary Budget Officer to provide a cost estimate of a National Pharmacare Program using the Quebec public drug plan formulary as a model.



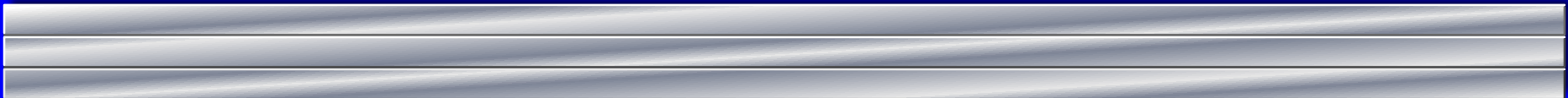
# Parliamentary Budget Officer

- | In September of 2017, the PBO released its report: **Federal Cost of a National Pharmacare Program**



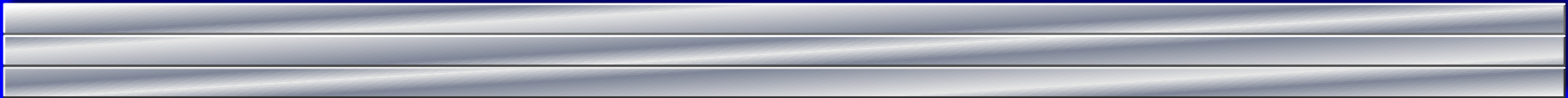
# PBO Report

- Findings suggest that pharmacare could reduce drug expenditures for the drugs listed on Quebec's public drug plan formulary, while ensuring standardized access to these drugs.



# PBO Report

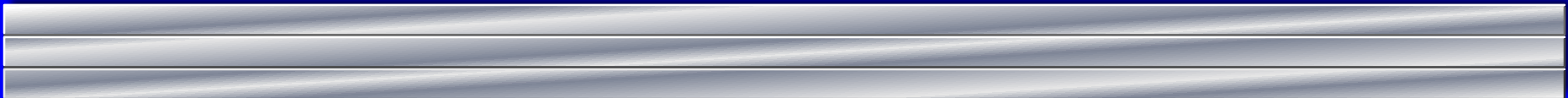
- | The PBO estimated that in 2015, \$28.5 billion was spent on prescription drugs.
  - \$13.1 billion was paid for by public insurance plans,
  - \$10.7 billion was paid for by private insurance plans
  - \$4.7 billion was paid out of pocket
  - \$24.6 billion would be eligible under national pharmacare



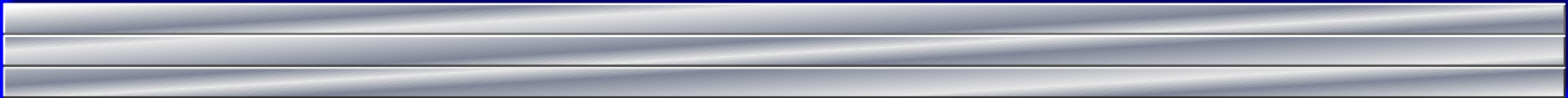


# PBO Report

- | After accounting for pricing and consumption changes, the PBO estimated that drug spending under a National Pharmacare Program would cost \$20.4 billion if implemented in 2014-15.
- | This represents a savings of \$4.2 billion for Canadians.

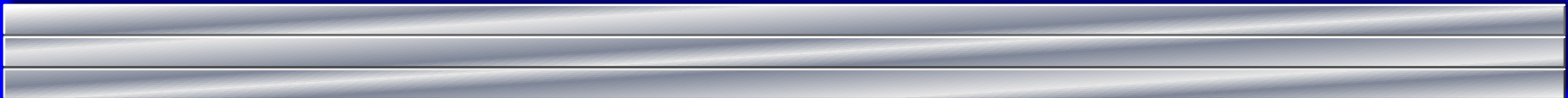


# PBO Report

- | A National Pharmacare Program would increase drug consumption by 12.5%, resulting in an increase of total drug expenditure by \$1.7 billion
  - | Offset by a \$5.9 billion decrease, resulting from:
    - Obtaining the lowest observable price in Canada per unit drug (est. \$1.1 billion);
    - An additional 25% reduction in drug prices through joint negotiations with manufacturers (est. \$4.3 billion);  
and
    - Generic substitution (est. \$532.8 million)
- 

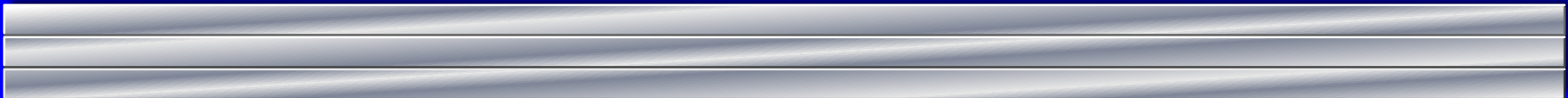
# Pharmacare Now

- | Committee report
- | Based on PBO Report and witness testimony
- | Pharmacare Now: Prescription Coverage for All Canadians
- | Tabled in House of Commons April 18, 2018



# Pharmacare Now

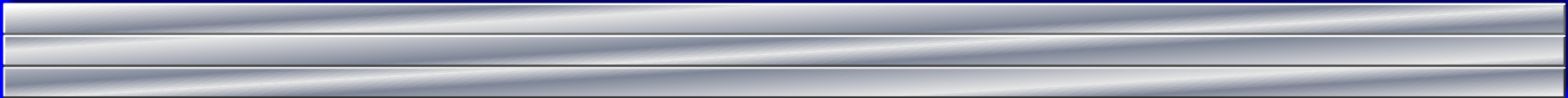
- | 18 recommendations laying the framework for a single-payer, publicly-funded prescription drug coverage program for all Canadians



# Pharmacare Now

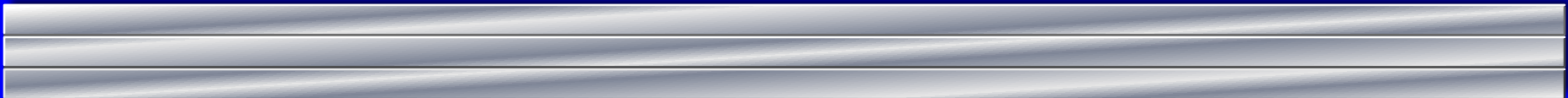
## Recommendation 1:

*“That the Government of Canada work in collaboration with provinces and territories, health care providers, patients and Indigenous communities to develop a common voluntary national prescription drug formulary”*



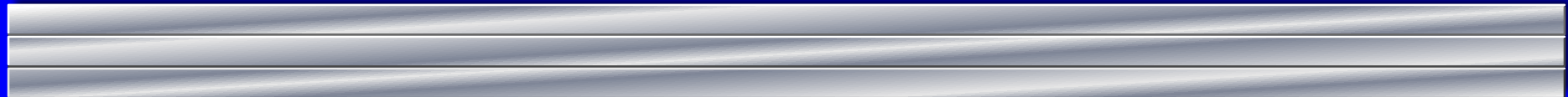
# Health Committee Report

- One in five Canadians forgo taking their prescription drugs because of cost considerations.
- Canada has difficulties managing the rising costs of prescription pharmaceuticals.



# Health Committee Report

- Canada's patchwork of private and public prescription drug coverage programs is in need of serious reform and includes:
  - Gaps in prescription drug coverage; and
  - Variation among drug formularies both across the country and between public and private drug plans.



# Current Developments to Reduce Costs

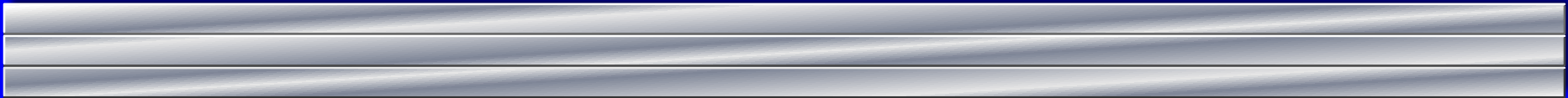
- Joining the pan-Canadian Pharmaceutical Alliance (pCHA)
- Modernizing the Patented Medicine Prices Review Board's regulations to better protect consumers from excessively-priced patented drugs.





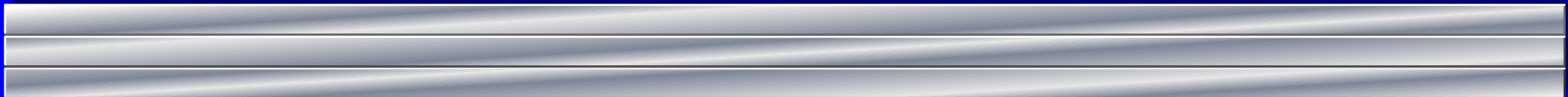
# Advisory Council

- | In Budget 2018, the government announced the appointment of an Advisory Council on the implementation of national pharmacare, chaired by Dr. Eric Hoskins.
- | This council has a mandate to study, evaluate, and ultimately recommend options on a path forward on pharmacare that puts Canadians first.
- | Online public consultation July-September 2018
- | Report expected Spring 2019



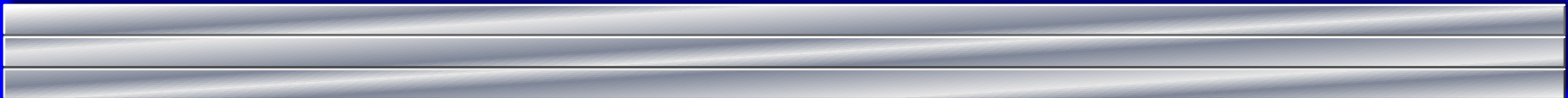
# Pharmacare Report

- | Available online through House of Commons website
- | Available on website:  
[deyolfson.liberal.ca](http://deyolfson.liberal.ca)



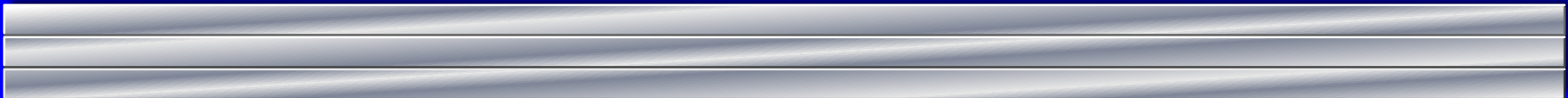
# Challenges

- Industry opposition
  - » Pharmaceutical
  - » Insurance
  - » Lobbyists, ‘think tanks’
- Public Perception
  - » Cost
  - » Preferring private plans



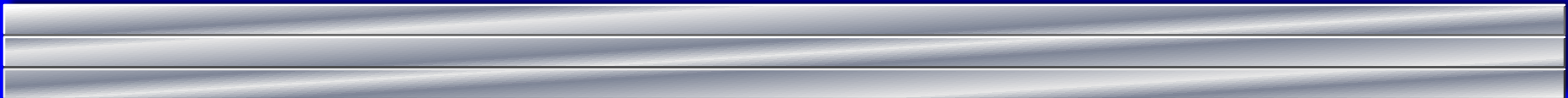
# Challenges

- Political opposition
  - » Partisan
  - » Provincial sovereignty
- Ideological opposition
  - » 'Too much government'



# Medical Community

- | Lobby your MP
- | Lobby Ministers
  - Health
  - Finance
- | Press
  - Letters to editors



# Questions?

