

**Written Submission for the Pre-Budget
Consultations in Advance of the 2020 Budget**

By: Neighbourhood Pharmacy Association of Canada



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Introduction

The Neighbourhood Pharmacy Association of Canada (Neighbourhood Pharmacies) appreciates the opportunity to provide this Submission Brief to the House of Commons Standing Committee on Finance for its pre-budget consultations in advance of Budget 2020.

Neighbourhood Pharmacies represents Canada's leading pharmacy organizations who deliver high value, quality care to Canadians in all models including chain, banner, long-term care, specialty and independent pharmacies as well as grocery chains and mass merchandisers with pharmacies. Our members are home to the most trusted providers of drug therapies, pharmacy-based patient services and innovative healthcare solutions. We advocate for community-based care through our members' high accessibility and proven track record of providing optimal patient care closer to where patients live, work and play. By leveraging over 10,500 points of care with pharmacies conveniently located in every community across Canada, Neighbourhood Pharmacies aims to advance sustainable healthcare for all stakeholders.

Neighbourhood Pharmacies broadly supports the work the government is doing to create a healthier Canada. As a key stakeholder in Canada's healthcare framework, Neighbourhood Pharmacies has engaged extensively with government to improve individual and population health as it undertakes changes to Canada's medical cannabis regime, changes to the Patented Medicine Prices Review Board (PMPRB), develops a made-in-Canada Pharmacare program, and works to address the ongoing opioid crisis.

The following sections in this document outline the three primary issues that must be considered in creating an efficient and effective made-in-Canada Pharmacare system that delivers better health outcomes for Canadians. Those are:

1. Completing the Plan – a pan-Canadian approach to Pharmacare
2. Covering Medicines for Uninsured and Underinsured Canadians; and
3. Creating a National Minimum Formulary.

Before moving on, it is important to note the value of pharmacy to Canada. Community pharmacies hold significant value for middle class and struggling Canadians. A recent series of reports by the Conference Board of Canada concluded that the community pharmacy sector generated more than \$16 billion in economic activity and supported nearly 250,000 jobs in 2016. The direct economic output of Canada's community pharmacy sector is comparable to that of the motor vehicle manufacturing sector. Your neighbourhood pharmacy is an important economic engine supporting thousands of middle-class jobs and helps create efficiencies in Canada's broader health system by providing valuable health services in convenient retail locations, contributing to improved individual and population health.

Recommendations

Canada's pharmacies and pharmacists have developed recommendations for the government to *Complete the Plan* on Pharmacare. Our recommendations are rooted in five guiding principles:

1. **Equity:** that every Canadian should have equitable and consistent access to necessary prescription medications;
2. **Timeliness of Access:** that Canadians should be able to access the medicines they need in a timely manner;
3. **Appropriateness of Therapy:** that all Canadians should have access to high quality medications that are appropriate to their individual needs;
4. **Affordability:** that all Canadians should be able to afford their medications at the point of care; and
5. **Sustainability:** that all Canadians should benefit from a Pharmacare system that ensures ongoing health system sustainability.

Neighbourhood Pharmacies is calling on the federal government to follow these principles in building on existing public and private prescription drug programs to *Complete the Plan* and ensure all Canadians have access to the prescription medications they need to live a healthy life.

Recommendation 1: Create a new pan-Canadian approach to Pharmacare.

Recommendation 2: That the government provide sustainable funding of between \$1.8 to \$3 billion to the provinces and territories to help bring all residents under a drug plan or to assist in updating/improving coverage where required.

Recommendation 3: That the federal government Create a forum for pharmacy care experts, plan administrations, and policy makers to collaborate, learn, and apply evidence informed practices to improve optimal prescription usage and value.

Completing the Plan – A pan-Canadian Approach to Pharmacare

Currently, more than 95% of the Canadian population, representing 34 million Canadians, have drug coverage. The remaining 5%, about 1.9 million Canadians, do not have any access to prescription drug coverage.

Working with Pollara Strategic Insights, Neighbourhood Pharmacies undertook public opinion research in August 2018. We learned that a majority of Canadians would prefer a made-in-Canada Pharmacare system that maintains their existing plans and coverage, avoids an increase in costs to governments or taxpayers, and ensuring the plan design is easy to implement. This is well in line with existing drug coverage rates.

Given what we know about Canadians attitudes toward maintaining their existing drug plans, **Neighbourhood Pharmacies is proposing a responsible, pan-Canadian approach to *Complete the Plan on Pharmacare***, centered on driving greater consistency in coverage, ensuring all Canadians have access to and are enrolled in a prescription drug program, and enabling flexibility for provinces and territories to adapt their plans to allow for regionalized considerations and needs. In developing a pan-Canadian approach to Pharmacare, it is essential that the federal government:

- Establishes a *Minimum National Formulary* to improve equity, portability of benefits and drive greater consistency in all provinces and territories;
- Ensures all Canadians have access to and are enrolled in a prescription drug program whether public or private (public/private such as in Quebec);
- Enables flexibility for provinces and territories to adapt plans to allow for regionalized considerations and needs, including establishing a larger formulary or allowing income-based pricing or premiums to cover program costs.
- Supports Canadians who are underinsured by harmonizing catastrophic drug programs across Canada;
- Promotes optimal use of medications.

A pan-Canadian national pharmacare program should be delivered through a mixed-provider model that leverages the benefits of existing public and private programs to best serve Canadians, including offering a broad range of prescription medications as well as access to timely and easily accessible drug care. The primary role of the federal government in *Completing the Plan* would be to develop cost-sharing mechanisms which can be leveraged to ensure long-term sustainability of drug programs, and developing a *National Minimum Formulary*.

Covering Medicines for Uninsured and Underinsured Canadians

Neighbourhood Pharmacies believes that all Canadians should have access to the prescription medications they need to live a healthy life, and that no Canadian should have to decide between paying for required prescription medications or putting food on the table.

Whether through a public or private prescription drug plan, all providers – government, pharmacy, insurers, and employers – have an important role to play in ensuring that all Canadians have the coverage they need. As mentioned previously, 5% of Canadians, or about 1.9 million people, do not have any access to prescription drug coverage. We believe that a federal Pharmacare plan must address this uninsured segment of the population.

Together, we have an opportunity to realize universal access to prescription drug coverage by increasing public awareness and utilization of existing drug plans, and targeting new funding to enhance existing levels of coverage where public and private programs do not provide adequate coverage – such as shortfalls experienced by low- income workers, the self-employed or patients facing costs of Orphan drugs.

To properly target the 5% of Canadians who do not have any access to prescription drug coverage, **Neighbourhood Pharmacies is calling on the federal government to mandate drug coverage in all provinces and territories, as established in Quebec.** In doing so, the federal government can ensure prescription medication access across the country while allowing the provinces to maintain control and flexibility of publicly offered programs within their own jurisdictions.

Furthermore, **Neighbourhood Pharmacies is calling on the federal government to provide sustainable funding support to the provinces and territories** to ensure we bring all residents under a drug plan or to assist in updating and improving coverage for Canadians, where required. To bring all uninsured Canadians on to a public drug plan, we estimate an investment of between *\$1.8 to \$3 billion* from the Federal government would be required.

The *Complete the Plan* model can be achieved by establishing a “*Pharmacare Transfer*” with the provinces. Using the precedent set with agreements made outside of the Canada Health Transfer in 2017 (on mental health and home-care), the federal government can create a payment transfer to the provinces to: support provincial drug coverage standards that are in-line with the *Minimum National Formulary*, and to provide additional funding to bring all residents without coverage on to a public drug plan. This approach to pharmacare would offer the fastest path to implementation and enable targeted drug coverage to those who need it most: the uninsured. This model could then be built into the Canada Health Act over time to secure long-term sustainability.

Creating a National Minimum Formulary

Mandating drug coverage is an efficient mechanism at the disposal of the federal government to ensure that each Canadian has drug coverage. It also respects provincial authority and autonomy over health policy and spending within its own jurisdiction. Beyond mandating drug coverage in all provinces and territories, **Neighbourhood Pharmacies is calling on the federal government to establish a Minimum National Formulary.**

Paired with mandated drug coverage, establishing a *Minimum National Formulary* would guarantee that all Canadians have access to a set list of common drugs. Every drug plan across the country, whether public or private, would have to include these drugs on their formularies allowing the federal government to set the standard for drug coverage in Canada.

Of the 34 million Canadians who currently have drug coverage, nearly 25 million Canadians receive drug coverage through their employer or other private drug plans. As members of these private drug plans, many Canadians already have access to most prescription drugs listed in Canada, including more than 9,000 drugs. That is in comparison to the number of drugs currently covered by public drug programs in Canada ranging from 4,169 in Alberta to 7,792 in Quebec. We propose that the *Minimum National Formulary* be equivalent to the most comprehensive public formulary today (i.e. Quebec) to minimize disruption to patient access.

In moving forward with national Pharmacare, it is important that we do not back track with a reduced public formulary for Canadians who are already used to and reliant on comprehensive drug coverage. We must see this as an opportunity to set a higher standard for drug coverage in Canada and create a truly Minimum National Formulary while maintaining the private plans that support Canadians.

Following the adoption of the *Minimum National Formulary*, attention would have to be given to implement an efficient, and safe review process that can determine if a new drug is clinically essential and should be covered for every Canadian

Recommendations

Recommendation 1: Create a new pan Canadian approach to Pharmacare that:

- Establishes a Minimum National Formulary to improve equity, portability of benefits and drive greater consistency in all provinces and territories;
- Ensures all Canadians have access to and are enrolled in a prescription drug program whether public or private (public/private such as in Quebec);
- Enables flexibility for provinces and territories to adapt plans to allow for regionalized considerations and needs, including: establishing a larger formulary or allowing income-based pricing or premiums to cover program costs.
- Supports Canadians who are underinsured by harmonizing catastrophic drug programs across Canada;
- Promotes optimal use of medications leveraging the accessibility of pharmacists – the medication experts, to ensure patients receive maximum value from the medications they are prescribed.

Recommendation 2: That the government provide sustainable funding of between \$1.8 to \$3 billion to the provinces and territories to help bring all residents under a drug plan or to assist in updating/improving coverage where required.

Recommendation 3: That the federal government Create a forum for pharmacy care experts, plan administrations, and policy makers to collaborate, learn, and apply evidence informed practices to improve optimal prescription usage and value.

Conclusion – It’s Time to Complete the Plan

With a commitment from the Federal government to improve access to prescription medications for Canadians, and with an established Advisory Council on the Implementation of National Pharmacare, a unique opportunity exists to make a real difference in the lives of Canadians. Working with our federal partners, we know that we can empower the over 10,500 points of care in pharmacies in every neighbourhood across Canada to be a positive partner in providing high quality pharmacare for all Canadians.

It is time to take the best pieces from existing public and private drug programs and build on them to make a better system that catches those who are most vulnerable and currently going without the medication they need. And together, we can do this.

By ‘Completing the Plan’ for pharmacare with a mixed public + private system, we can limit disruption to patients with existing medication coverage and allow for a new pharmacare plan to be implemented now.

Within a year, the federal government could provide a “Pharmacare Transfer” to the provinces and territories to support a pan-Canadian approach to National Pharmacare that enables federal support but respects provincial jurisdiction. The federal government can establish a Minimum National Formulary as part of this transfer that every province/territory must match while allowing flexibility for provinces to go above and beyond that care.

This system would result in universal coverage for all Canadians without overhauling every drug program in the country. It would reduce government costs to replace coverage that already exists through private and public plans and allow for government funds to be invested in other priority areas.