

Briefing Note

To: House of Commons' Standing Committee on Health
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Subject: Canadian Public Opinion Regarding a
National Pharmacare Program

Summary

A significant and increasing number of Canadians are feeling the pressure of prescription drug costs, are unable to afford the medications being prescribed to them, and are compensating by skipping doses, splitting pills, or not filling their prescriptions.

These are among the main findings of a comprehensive public opinion survey conducted in 2015 by the Angus Reid Institute – in partnership with the Mindset Social Innovation Foundation and with the co-operation of renowned health policy researchers in Canada.

This national study also finds a large majority of Canadians share the view that "medicine should be part of Medicare", supporting a national Pharmacare system that would cover the cost of prescription drugs. There is decidedly less consensus on what the program should look like and – especially – how it should be funded.

This complete report including detailed tables and methodology can be found at <http://www.angusreid.org/prescription-drugs-canada>

Key Findings

- More than one-in-five (23%) report that in the past 12 months they or someone in their household did not take their medicines as prescribed, if at all, because of the cost
- Regionally, BC and Atlantic Canada show the highest levels of access problems (29% and 26% respectively)
- Cost barriers affect Canadians of all ages and income levels to some degree
- Seven-in-ten Canadians think this country's current system of drug coverage has flaws

- An overwhelming majority of Canadians (91%) express support for the concept of a national “Pharmacare” program, but public concern associated with program costs are notable

Issues

Part 1: Many Canadians cannot afford their prescribed meds

Nearly one-quarter (23%) of Canadians report that, in the past 12 months, they or someone in their household did not take their medicines as prescribed, if at all, because of cost. Specifically:

- About one-in-seven (14%) reported that they or someone in their household did not fill a prescription at all
- One-in-ten (10%) did not renew a prescription
- And one-in-seven (15%) did things to make a prescription last longer (such as skip doses/split pills/etc.) due to cost.

Survey results highlight access barriers in all provinces, with variations that may reflect public coverage policy. For example:

- B.C. has the highest rate of access barriers: 29 per cent don’t take medicines as prescribed, if at all, possibly because government in B.C. offers only “catastrophic” drug coverage
- Atlantic Canada is also relatively high (26%). This too may be because of the limited nature of provincial drug plans in the region

Cost barriers affect ages and income levels differently

All age groups experience some difficulty filling prescription drugs:

- Almost three in ten (28%) adults under age 45 do so. This level was reported even by the youngest group, aged 18 to 24 (27%). This group generally also has lower income and less drug coverage.
- Though older Canadians are less likely to experience access barriers to prescribed medicines, they still report experiencing such barriers at relatively high rates compared to other comparable healthcare systems around the world ([2014 Commonwealth Fund International Health Survey](#))

Household income also makes a significant difference in rates of non-adherence to prescriptions:

- One-third (31%) of Canadians with incomes under \$50,000 report they or someone in their household didn't take medicines as prescribed, if at all, because of cost.
- This figure was roughly half (16%) among Canadians with household incomes over \$100,000.

Drug coverage is a big factor

The availability and extent of drug coverage is a strong predictor of access to prescribed medicines.

- Just one-in-ten (10%) whose prescription drug costs are fully paid by insurance or government reported that they or someone in their household did not take their medicines as prescribed, if at all, because of cost.
- This figure doubles (20%) among those who have “most” of their drug costs paid by insurance/ government with some paid by themselves.
- And the figure nearly doubles again among other Canadians – those who have no drug coverage at all or coverage of up to half of their drug costs (38%).

Out-of-pocket drug costs

Key findings regarding out-of-pocket drug spending:

- One-in-five (20%) Canadians spent \$500 or more on prescriptions for their household in the past year, and a total of seven per cent paid \$1,000 or more out-of-pocket.
- Insurance makes a big difference to out-of-pocket expenditures: fewer than one-in-ten insured people pay \$500 or more on prescriptions for their household.
- In Quebec, where there is a system of mandatory prescription drug insurance, one-in-three households (32%) bear costs above \$500. It may be attributable to the monthly deductibles and co-insurance on drug purchases they face under this plan. Limits on these charges are [now over \\$1,000](#) per adult in a household in Quebec (after which the drug plan is supposed to cover all costs).

- By contrast, Ontarians carry the lowest rates of such burdens (14% pay \$500+). This may be due to relatively comprehensive coverage of seniors there, universal “catastrophic” coverage for non-seniors, and levels of work-related coverage.
- Older Canadians bear such burdens most: one-in-five aged 55-64, and two-in-five aged 65+; perhaps stemming from somewhat limited coverage for seniors' drug needs in provinces that offer age-irrelevant “catastrophic” coverage (like BC and MB) and in provinces that have limits on seniors' entitlement to public coverage.
- High burdens are least common among Canadians who earn \$100,000+, but are not insignificant given that about one-in-seven households with that level of income pay \$500+ for prescriptions they fill. The out-of-pocket rate is closer to one-in-five among middle and lower income earners.

Drug costs also a source of worry

Pharmaceutical drug costs pose other burdens for Canadians in addition to prescription non-adherence.

- One-in-seven (15%) Canadians said while they may not have missed taking prescribed medications, they did experience financial difficulty due to cost (borrowing or cutting back elsewhere)
- Almost one-in-four (24%) reported that they've worried in the past year about how they or their family might be able to afford the drugs they need
- Asked to look ahead 10 years, almost half (46%) said they're worried about being able to afford drugs down the road

Many know vulnerable people in their network

Drug access and affordability affect Canadians indirectly as well. Many are exposed to the issue in the form of vulnerability within their social network:

- One-third (31%) said they have friends or family who cannot afford their prescription medications and have had to skip or delay renewing prescriptions as a result
- More than one-third (36%) know of friends or family members who have financial difficulty paying for their prescription medicines

Part 2: Canadian Values & Prescription Drug Policy

A matter of fairness

For the vast majority, drug access and affordability are viewed as issues of fairness. Almost nine-in-ten (88%) agree with the statement: "Every Canadian - regardless of income - should have access to necessary prescription medicine". The same number (88%) agree that "It's simply not right that some Canadians have to struggle to pay for the drugs they need".

Further, amid debate regarding whether the principles of universal healthcare should apply to drugs (along with dental and eye care, etc.), this survey finds 85 per cent agree (40% strongly) with the statement: "It only makes sense that medicine should be part of medicare".

Most Canadians think status quo is flawed

The research design of this survey was focused primarily on exploring the scale of the underlying problem of access barriers. That said, the survey data offer an initial temperature-taking on the concept of Pharmacare in Canada.

This survey examined public opinion regarding the overall policy context surrounding this issue of prescription drug access and affordability – beginning with assessments of the status quo:

- Fewer than one-in-three (31%) agreed that the "overall the current system is working well enough" while two-in-three (69%) disagreed
- This pattern of response is fairly consistent across demographics with respect to levels of prescription use, insurance status, out-of-pocket costs, and difficulty affording medicines.

Reform a priority, but there are others

Improving prescription drug access and affordability ranks as a priority for Canadians. Four-in-five (81%) described this as a high (45%) or very high (36%) priority issue.

However, a separate line of questioning found 60 per cent agree with the statement: "There are lots of other higher priority issues facing the health care system right now".

A national Pharmacare program

Fully nine-in-ten (91%) indicate overall support for "the *concept* of "Pharmacare" in Canada - providing universal access to prescription drugs" (51% voiced strong support).

This support is noted across provinces, age groups, genders, education levels, and income levels.

This level of support for Pharmacare remained high even when the policy option was more explicitly described as “adding prescription drugs to the universal health coverage of ‘medicare’ so all Canadians have access to prescribed medicines without having to pay out of their own pocket.” On this, 87 per cent expressed support.

Among those whose drug costs are covered entirely by government or private insurance and among those who paid nothing for medicines in the past year, support is higher than 80 per cent. Among those who did not themselves fill any personal prescriptions in the previous 12 months, support is higher than 90 per cent.

Less consensus on funding, administration of Pharmacare

There is less agreement when it comes which level of government might run Pharmacare:

- Just over half (52%) of Canadians surveyed opted for "both the provinces and the federal government"
- The rest are evenly split as to whether it should be entirely or mostly the provinces (24%) or entirely or mostly the federal government (25%).

And there are divisions regarding coverage and payment:

- 1) With respect to a basic Pharmacare program that only covers the full cost of the most common and essential drugs:
 - One-in-three (36%) thought this would be an improvement on the current system.
 - 28 per cent thought this would be worse.
 - The remaining 36 per cent chose neither.
- 2) What about a "co-pay" approach in which virtually all drugs are covered at a standard user-charge of \$15 per prescription?
 - Almost half (45%) thought this would be an improvement over the status quo.
 - 30 per cent thought this would be worse.
 - Roughly one-quarter (25%) said neither.

Cautious about cost

There is wariness that Pharmacare will cost more than the status quo:

- Two-in-five (40%) Canadians – including half (49%) of those with household incomes over \$100,000 per year – believe that Canada "simply can't afford universal drug coverage"
- A majority (61%) agree that "no matter what the research shows, a national Pharmacare plan will end up costing taxpayer's a lot of money."

Perhaps reflecting this belief, support for a variety of means of funding Pharmacare is tepid at best, especially when compared to the very substantial majorities who support such a plan in concept:

Canadians' preferred method for funding a national Pharmacare program would be to restore the federal corporate income tax to its 2010 rate of 18 per cent. More than three-in-five (62%) indicated they would support a Pharmacare with this funding source.

Other possible funding sources – such as increasing the GST or the basic income tax rate for incomes over \$40,000 – are rebuffed, with most Canadians surveyed indicating they would oppose a Pharmacare system via these modes of funding.

One statement around which there is more consensus: 80 per cent surveyed agreed "it would be more efficient if there is one single system for drug coverage in Canada".

Part 3: Additional Findings on Prescription Use and Coverage

Prescription use

Nine-in-ten (89%) report they or someone in their household had received a prescription in the past year. This is about the same as the number who visited a doctor's office or clinic.

More than one-in-four Canadian households (27%) are routine users of prescription drugs, reporting filling six or more prescriptions in the past year (about the same number as reported this many doctor visits).

Drug coverage

Most Canadians have some drug coverage, but this coverage is incomplete for the almost three-in-ten (27%) Canadians who either pay for all of their drugs (11%), pay for most (10%) or have a roughly 50/50 plan (6%).

By contrast, fully two-thirds (69%) of Canadians have most (54%) or all (15%) of their prescription costs paid for by government or an insurance plan.

There are some important differences in drug coverage across the population:

- British Columbians are most likely to have no drug coverage (19% versus the national average of 11%).
- Older Canadians have more comprehensive drug coverage: 74 per cent of those aged 55+ have public or private coverage for half or more of their household drug costs.
- By contrast, just over half of Canadians under age 24 have most or all of their drug costs covered by government or an insurance plan.

Concluding Comments

Canadians show strong, near unanimous support for a national Pharmacare program. Indeed, many are afflicted by gaps in coverage and financial hardships associated with covering their prescription expenses. However, trepidation exists when considering the costs associated with such a program.

Given the absence of clear data regarding such a cost, and the potential funding mechanisms associated with supporting such a program, more study is needed. If provided, these costs and funding structures could assist in assessing truer support levels for Pharmacare in this country.

Angus Reid Institute:

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