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## ISSUE BRIEF

### E. National Pharmaceuticals Strategy

***Resolved, that governments in Canada commit to make pharmaceuticals an integral component of Canadian health care through a renewed National Pharmaceuticals Strategy that ensures that all Canadians have access to a safe and secure supply of prescription drugs at an affordable cost regardless of care setting.***

**Sponsor:** Steve Morgan, Professor, University of British Columbia

#### ISSUE

The World Health Organization (WHO) has declared universal access to safe, affordable, and appropriately prescribed medicines an obligation of all nations, rich and poor.[1] Unfortunately, pharmaceutical policies that might achieve that goal in Canada are neither well-coordinated across the country nor well-integrated with broader health system management – particularly for the majority of Canadians who are not covered by public drug benefit plans. This creates inconsistencies in care across provinces and care settings, leaves millions of Canadians without access to necessary medicines, and costs Canadians billions of dollars every year.[2]

#### BACKGROUND

For over 50 years, national commissions have consistently recommended reforms to better coordinate pharmaceutical policies in Canada and to better integrate them with other components of the health care system. As part of the 2004 Health Accord, *A 10-year plan to strengthen health care*, Canada's First Ministers agreed to develop a National Pharmaceuticals Strategy. Some progress was made on certain policy issues, such as generic drug pricing, but lacking clear leadership, shared goals, and commitment of resources, the 2004 strategy was not transformative.[3]

Today, pharmaceutical policies in Canada remain poorly coordinated. There are examples of excellent policies and promising collaborations but, on the whole, we lag behind international best practices in many important ways.[2]

1. Approximately 1 in 10 Canadians do not take their prescriptions as written because of cost. In contrast, such cost-related barriers to prescription drugs are reported by only about 1 in 50 residents of the United Kingdom, where universal coverage of prescription drugs is provided at little or no cost to patients.
2. Canadians who fill prescriptions incur out-of-pocket costs that vary considerably depending on their age, employment status and province of residence. More than 1 in 20 Canadians spends over \$1,000 out-of-pocket for prescriptions each year; the comparable figure for the United Kingdom is 1 in 100.
3. Because of our fragmented system, Canada pays higher prices and spends more in total for pharmaceuticals than any comparable country with a universal health care system. The United Kingdom, for example, spends approximately 40% less on pharmaceuticals per capita, yet attracts approximately 5 times the research investment per capita.
4. Finally, with medicines left “outside” of our universal public health care system, we have less investment systems to ensure safe and appropriate use of medicines relative to comparable countries. For example, approximately 3 in 10 Canadian doctors routinely use electronic prescribing systems that provide prompts about potential problems with drug doses or interactions; in contract, this figure is approximately 9 in 10 British doctors.

## **CONSIDERATIONS**

In any country, a coordinated pharmaceutical strategy is needed because many policies affect the availability, use and cost of prescription drugs. There is a particularly strong need for a national strategy in Canada, where key policies are controlled by different levels of government.

Canadian provinces are responsible for the delivery of health care and the regulation of health professions; the federal government is responsible for consumer safety, intellectual property, and trade. This does not, however, imply that Canada is destined to have sub-standard pharmaceutical policies and related outcomes. A coordinated strategy can and would help federal, provincial, and territorial governments and health care institutions and organizations work better together.

To make this transformative change requires leadership and commitment from all levels of government and across all settings of care. This begins with re-envisioning pharmaceuticals with a clear and broadly-shared understanding of their importance as an integral part of the health care provided to Canadians – as individuals and as a population.

From this vision, a plan should be developed around the central goal of equitable access to safe, affordable, and appropriately prescribed medicines. This provides four clear objectives for policy and practice change:



- **Equitable Access:** Every Canadian should have access to necessary medicines without financial or other barriers.
- **Appropriate Use:** Pharmaceuticals should always and only be prescribed and used in accordance with best available, unbiased information, monitoring, and follow-up.
- **Affordable Care:** Pharmaceuticals should be priced, prescribed, and distributed in ways affordable and cost-effective for Canadians, the health care system, and society as a whole.
- **Public Safety:** Pharmaceuticals should only be available if proven to offer potential benefits that outweigh potential harms for Canadians that will use them.

It had historically been believed that desired reforms would be too costly for governments. However, recent research suggests that this belief is untrue.[4] It now appears that Canadians could achieve the objectives outlined above at lower overall cost to society and relatively modest cost to government.

However, leadership is essential because what is needed in Canada is a truly coordinated and strategic plan for the country. This requires inter-jurisdictional collaboration, which is challenging but not impossible in our federation. It also requires the political will to withstand opposition from certain industries that benefit from the status quo – such as the manufacturers and retailers of pharmaceuticals that are currently priced higher in Canada than comparable countries.

#### **NEXT STEPS**

To achieve the objectives identified above, federal, provincial, and territorial governments must come together to develop a plan and a commitment to ongoing collaboration. An election year is an important opportunity to strike up the necessary conversations.

Health care leaders from all of Canada’s health care institutions, professions, patient groups, and communities will play a critically important role in the months and years to come. This is because the political will to implement a transformative national pharmaceutical strategy is, in significant measure, a function of political support for required reforms.

Organizations such as HealthCareCAN and the Canadian College of Health Leaders can help to develop a compelling national strategy by clearly articulating their view of the importance of pharmaceuticals in the health care provided to Canadians. They can also share insights regarding how individual Canadians, local health systems, and the population as a whole might benefit from a national strategy to promote goals such as those identified above. Finally, NHLC delegates will be drivers of change because only they can provide the health system insights and leadership required to better integrate medicines into our health care systems in Canada.

**This brief was prepared by:** Steve Morgan, Professor of health policy at UBC and Leader of the Pharmaceutical Policy Research Collaboration.



## REFERENCES

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2. Morgan, S.G., J.R. Daw, and M.R. Law, *Rethinking Pharmacare in Canada*, in *C.D. Howe Institute Commentary*. 2013, C.D. Howe Institute.
3. Health Council of Canada, *A status report on the national pharmaceuticals strategy : a prescription unfilled*. 2009, Toronto. 32 p.
4. Morgan, S.G., et al., *Estimated cost of universal public coverage of prescription drugs in Canada*. Canadian Medical Association Journal, 2015.

