



Backgrounder: Canadian Pharmacare

Unifor advocates for the creation of a public, national pharmacare program. Providing a robust social system that includes universal access to health care is critically essential for Canada to succeed in a global economy. However, Canada remains the only developed country with a universal health care system that has no universal prescription drug coverage.

The High Cost of Prescription Drugs in Canada

Canadians (and often employers on their behalf through workplace drug plans) pay more for pharmaceuticals than almost any country in the world. Our country's drug spending on a per capita basis is 30 per cent above the OECD average and second amongst OECD countries only after the United States. This is clearly unsustainable in the longer term and workplace drug plans are under enormous pressure to contain, if not shift costs (possibly onto the workforce).

When it comes to prescription drug coverage, Canadians face a bewildering patchwork of programs and plans. An estimated 43 per cent of spending on prescription drugs is through publicly-funded plans providing coverage for the elderly, disabled and/or low-income Canadians. More than one third, or 35 per cent, is funded by private insurance, with the remainder including another 22 per cent that is paid out-of-pocket by Canadians.

Prescription drug spending in the private sector has increased drastically over the last two decades from \$3.6 billion in 1993 to almost \$11 billion in 2015. The lack of universal access often results in real harm - with non-adherence or drug interactions resulting in hospital admissions and additional public costs and loss of life. It is estimated that private drug plans reimbursed for \$5.1 billion in 2012 alone without evidence of that spending yielding any therapeutic benefits in return.

Recent research has documented a significant international difference in average per capita expenditures on primary care pharmaceuticals - those routinely prescribed by primary care providers in six therapeutic categories: hypertension, pain, cholesterol, diabetes, ulcers and antidepressants - across other high-income nations with universal health systems. Spending was consistently lower among single-payer pharmaceutical systems due to lower prices and selection of lower cost treatment options. Compared to the ten countries with universal coverage of outpatient prescription drugs, Canada recorded list prices about 61 per cent higher despite having a comparable volume - representing an estimated \$2.3 billion 'oversend' relative to average costs in these other countries.

What Pharmacare Can Do For Us

A universal pharmacare plan for Canada would improve access and affordability through bulk purchase and negotiated pricing with drug manufacturers; it would eliminate duplication and cost-shifting amongst

existing payers while promoting integration amongst health care providers. A universal pharmacare plan including an evidence-driven drug assessment process could also help distinguish and discriminate between drug products in order to ensure the quality, safety, and cost-effectiveness of prescribed medicines. Recent studies show a national drug plan through bulk purchasing could lower the costs of drugs enough to finance a full pharmacare system with no increase to government costs, and in fact a net savings of up to \$7 billion annually to Canadians. Even the federal Parliamentary Budget Office (PBO) estimates minimum savings of at least \$4 billion annually based on the most comprehensive drug coverage.

As far back as 1964, the Royal Commission on Health Services recommended that a universal drug insurance plan be established for all Canadians. The National Health Forum, under Jean Chrétien in 1997, also recommended universal drug coverage. The Romanow Commission in 2002 recommended catastrophic drug coverage as a first step towards universal pharmacare.

The Time to Act is Now

We stand at a unique juncture in Canadian history in terms of the transformative change necessary to address the critical issues of access, appropriateness, value and safety through a universal national pharmacare strategy. Unifor's call for a national pharmacare program in Canada is not only rooted in the well-established economic benefits of implementing such a program, but is also based on the principle that all Canadians should have equitable access to medically necessary prescription drugs without financial or other barriers. Currently, about 8.4 million working Canadians do not have any prescription drug coverage.

A universal pharmacare has even more pharmacare champions today such as Ontario's Health Minister Eric Hoskins, a passionate advocate willing to state the obvious case that access to prescription medicine must be more equitable in Canada and would improve health outcomes, but also that such a plan would generate savings for all Canadians of up to \$10.7 billion in prescription drugs. Both the Ontario Liberal and Ontario New Democratic Party have proposed significant policy initiatives to support evolving towards a universal pharmacare plan. At the Premiers conference this past July, Premiers, including Ontario Premier Kathleen Wynne, Newfoundland Premier Dwight Ball and Manitoba Premier Brian Pallister all joined together to call on the Federal government to bring prescription medications under our Medicare system.

Latest polls show 91 per cent of Canadians want a national drug plan.

Take Action

Visit www.unifor.org/en/take-action/campaigns/universal-pharmacare to sign the petition and find out more about getting involved in the campaign for a national pharmacare plan.

SA:amvcope343