



Universal Pharmacare

By Stan Rice, Saskatoon Community Clinic Pharmacist 1970-1983

On February 27th, 2018, Canada's finance minister Bill Morneau announced the federal government would be introducing a universal pharmacare program. Members of the Saskatoon Community Clinic celebrated this announcement along with many other organizations that have long been advocates of pharmacare. The cheering was short lived as the following day Mr. Morneau began backtracking on this promise. He began talking about a national pharmacare strategy not a national pharmacare plan. He said "We need to recognize that we need a strategy that deals with the gaps and doesn't throw out the system we currently have." In other words the federal plan will not be universal and will not eliminate paying insurance companies to administer a plethora of plans.

The good news is that on April 18th, 2018, the Commons Standing Committee on Health released a report Pharmacare Now: Prescription Medicine Coverage for all Canadians. The all-party committee recommended that prescription drugs be included as insured health services under the Canada Health Act. They went on to say, "The majority of the Committee believes it is time to move forward and create a universal single-payer prescription drug coverage program."

There are a number of good reasons to introduce a universal pharmacare program:

- One in ten Canadians cannot afford the drugs they are prescribed. It is estimated that failure to fill a prescription or cutting back on the recommended dose costs

the health care system \$7 to \$9 billion each year.

- We pay more for our prescription drugs in Canada than we need to. Of 32 OECD countries, Canada pays the second highest cost for prescription drugs. We need to force the drug companies to compete.
- We pay more to administer our current plethora of private plans than we need to. We could reduce the administrative costs by 6% by moving to a single-payer system.
- Canada is the only country with universal health care that does not include drugs.
- We could improve safety, quality and efficacy of the drugs we use by better assessment based on evidence and cost/benefit analysis.

A pharmacare plan must be universal with a single payer system. A universal plan would eliminate the current patchwork of provincial government plans and private plans as well as cover those with no drug plans. For example, cancer treatment can vary from no cost in one province to \$20,000 in another province.

Public drug plans in each of the provinces and territories as well as six different plans covered by the federal government pay for 43% of the total costs of prescription drugs. These plans vary greatly. Private plans are also quite varied and pay for 35% of prescription costs. Out-of-pocket costs amount to 22%.



Our current patchwork contains large administrative costs that drive up the premiums that employers and employees pay for their drug plans. It is estimated that these administrative costs are 8% while costs for a single payer (i.e. each provincial government) would amount to 2%.

Action required

The public must vigorously oppose any national drug plan that does not:

1. Provide universal coverage;
2. Provide for a single payer in each province and territory; and
3. Reduce costs to the maximum by adopting all available strategies.

We urge you to write or email your Member of Parliament, the federal health minister, the finance minister and the Prime Minister to urge them to move quickly towards a universal national single-payer drug program for all Canadians. Contact information is available at www.ourcommons.ca.

Some History

- In 1969 the Saskatoon Community Clinic (SCC) demonstrated that we could force drug companies to compete on pricing through the use of a drug formulary. We provided significant savings (25%) for the cost of prescriptions. We did this through excluding expensive brands of drugs where less expensive brands were available and rejecting products of no proven clinical value.

- The Saskatchewan Prescription Drug Plan (SPDP) as adopted in 1975, was based on the

success at the SCC. A provincial formulary was successful in reducing prices. Although, as pointed out in a speech from Dr. John Bury, we only saved about half as much as we could have mostly because the Saskatchewan market was small. A national plan would accomplish much better results.

The plan covered all Saskatchewan residents and featured a co-payment of \$2.00 per prescription. There was a slow erosion of this principle leading to the present state of some coverage for seniors and children based on income testing and with a large co-payment.

- At the same time, the federal government, in a number of steps increased patent protection from 10 to 20 years under considerable pressure from brand name manufacturers and the USA government. Each of these changes brought promises from the brand name manufacturers that they would increase research and development in Canada, a promise they failed to keep. In 1987 they spent 7% of their sales on R&D and currently are at less than 5%. 

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