

## **B122 NATIONAL PHARMACARE PROGRAM**

WHEREAS the City of Victoria has been recognized and demonstrated its commitment to the importance of healthy citizens as the foundation of a healthy, engaged and economically vibrant community; and Canada is currently the only country with a national medicare program that does not have a national pharmacare program, with over 3 million Canadians unable to afford the cost of medicines prescribed by doctors, and the risk of having no insurance for medicines particularly high among lower income Canadians, including many workers with precarious and seasonal employment;

AND WHEREAS research suggests that adding a national pharmacare program to our national health care system is sound policy, both economically and socially; would lower costs to businesses by as much as \$8 billion per year, with a corresponding competitive advantage for Canadian companies; and could produce substantial cost savings for local government expenditures on employee benefits;

AND WHEREAS a national prescription drug formulary, would support better quality prescribing; including reducing dangerous and inappropriate prescribing to Canadian seniors:

THEREFORE BE IT RESOLVED that the Government of British Columbia work with all provinces and the federal government to develop and implement a national pharmacare program as an extension of Canadian Medicare, to improve the health outcomes of citizens, ensure fairness in access to medicine, and provide for greater efficiency and effectiveness in Canada's health care system.

### **RESPONSE: Ministry of Health**

Under the *Canada Health Act* all necessary drug therapy administered within a Canadian hospital setting is insured and publicly funded. Outside of the hospital setting, provincial and territorial governments are responsible for the administration of their own publicly-funded prescription drug benefit programs.

Most Canadians have access to insurance coverage for prescription medicines through public and/or private insurance plans. The federal, provincial and territorial governments offer varying levels of coverage, with different eligibility requirements, premiums and deductibles. The publicly-funded drug programs generally provide insurance coverage for those most in need, based on age, income, and medical condition.

In January 2016, the Federal/Provincial/Territorial Health Ministers committed to work together to address the issues of affordability, accessibility and appropriate use of pharmaceuticals. On the topic of a proposed "national pharmacare program" there remains a lack of consensus of what "national pharmacare" means as there are differing definitions and interpretations since drugs are currently funded privately (predominantly) and publicly. Further, depending on what model of national pharmacare is contemplated, the potential financial costs/savings and complexity of implementation will vary tremendously. Due to the lack of clarity, there is no consensus at this time on any specific action, although there remains ongoing exploration of this highly complex proposal.

In British Columbia, PharmaCare is the Ministry of Health program that provides public drug coverage through ten drug plans. The Fair PharmaCare plan provides assistance to residents with the cost of eligible prescription drugs and designated medical supplies based on their net income reported to the

Canada Revenue Agency. The lower their income, the more help they receive. British Columbians with the lowest incomes do not need to meet a deductible and receive immediate assistance.

The federal government did address the idea of a national PharmaCare program during the 2015 election campaign. They said that they will work with the provinces to lower drug costs and determine how to make measurable progress on the health care issues that matter to Canadians, including the affordability of prescription drugs. They also said that they are committed to creating a plan that covers the catastrophic costs associated with major diseases like cancer, diabetes, and arthritis.

On August 6, 2010, at a meeting of the Council of the Federation, Premiers agreed to establish a pan-Canadian Purchasing Alliance (pCPA) to consolidate public sector procurement of common drugs (brand and generic), medical supplies, and equipment, where appropriate. The alliance is intended to leverage the combined purchasing power of public drug plans in multiple jurisdictions, leading to lower drug costs, increased access to drug treatment options and increased consistency of listing decisions across participating provinces and territories.

BC has strongly supported pCPA and remains very active. As a result, a total of 63 brand pharmaceutical negotiations were concluded by March 31, 2015, resulting in an estimated annual savings of \$315 million to provincial and territorial drug plans. In addition, the prices of 14 of the most common generic drugs have been reduced to 18 percent of the brand name prices since 2012, which is projected to result in annual savings of \$190 million to provincial and territorial drug plans.

Besides building on the overall success that is being achieved by the pCPA, and establishing a pCPA Office to provide additional support for this initiative, further analysis at the provincial and federal levels is required to provide a better understanding of the potential for additional savings, and evidence-based decision making for improved access and consistency across Canada, before a national PharmaCare program can be developed.