

OPINION EDITORIAL

Striving Towards Accessibility for Prescription Drugs: The Need for a Pharmacare Program in Canada

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In 1984, the Canada Health Act ensured Canadians receive necessary physician and hospital care at no cost [1]. Problematically, this excludes prescription drugs. Instead, these medications are covered through a patchwork of provincial programs, private insurance plans, and out of pocket costs from patients [2]. The end result is a fragmented system that leaves one in five Canadians struggling to cover the cost of prescription drugs [2]. Most importantly, these inequities have only heightened as a result of the COVID-19 pandemic. This article will examine the urgent need for pharmacare in Canada: a system in which universal healthcare covers the cost of prescription drugs [3].

BARRIERS TO PRESCRIPTION DRUG ACCESS

Critics of pharmacare often cite existing provincial programs that assist in covering the cost of prescription drugs [4]. For instance, the Ontario Drug Benefit covers this cost for those over 65 under specific conditions [5]. However, this argument overlooks three key issues. First, these programs vary significantly between provinces. In six provinces, those receiving social assistance do not pay out of pocket, whereas in the remaining provinces they do [6]. Patients in some provinces pay a premium before receiving coverage while others cover the cost out of pocket until a deductible amount [6]. This disjointedness means that Canadians receive coverage on the basis of where they live which, evidently, is unjust.

Even private or provincial coverage does not fully resolve patients from paying. Canadians still face the cost of premiums, deductibles, and copayments [7].

For this reason, nearly 22% of total expenditure on prescription drugs in Canada is out of pocket [8]. Lastly, the millions of Canadians who fall through the cracks of this patchwork of programs are left to deal with these costs unassisted as 11% report not having prescription drug insurance [9]. This has serious health implications since patients may choose to not take their medications altogether or take a decreased dosage so they last longer [10]. In fact, 26.5% without insurance report cost-related non-adherence to prescription drugs [10]. These apparent structural flaws in the Canadian drug system underscore the critical need for reform.

IMPACT OF COVID-19

COVID-19 has only widened the inequalities present in prescription drug access. It is estimated that two thirds of Canadians rely on private insurance coverage through employers [11]. Alarming, nearly 44% of Canadians have lost work or been laid off due to the pandemic and, consequently, do not have the private health insurance their former jobs once provided— assuming they had coverage to begin with [12]. To add to this crisis, copayments and dispensing fees have risen since pharmacies are instructed to dispense a month's supply of medication at a time. In a time when Canadians are most vulnerable, they are subject to increased barriers to medicine necessary for their well-being.

Further, Canadians who are self-employed and do not receive employer or provincial coverage are also left vulnerable. These Canadians already had the burden of no insurance plan, but now do so with decreased income. Yet again, stark differences

between provincial plans aimed to cover low-income families only add to this issue. In British Columbia, the fair PharmaCare Plan covers 70% of costs for a family with a net income of less than \$15,000 [13]. In contrast, the Non-Group coverage in Alberta only applies for families earning less than \$39,250 and still requires a monthly payment of roughly \$82 [13]. COVID-19 has illuminated these stark differences in coverage for low-income Canadian families. This uncoordinated coverage only doubles down on existing health inequities that are associated with lower socio-economic status. Implementing a national pharmacare program would ensure that Canadians regardless of their type of work, province of residence, or income can enjoy necessary access to prescription drugs.

IMPLEMENTING PHARMACARE

Despite the long-standing argument that a pharmacare program would be an immense financial burden, it is a cost-effective strategy. Current efforts to reduce drug prices in Canada are limited by the fact that provinces individually negotiate costs [8]. Clearly, this is an inefficient strategy due to diminished purchasing power. Canada is ranked third among the Organization for Economic Development countries in drug prices [14]. The cost of drugs has risen to 15.3% of total healthcare costs in 2018 which surpasses that of physician services at 15.0% [15]. Under pharmacare, however, Canada, as a single national body, negotiates with pharmaceutical companies. This renewed system holds significantly more negotiating power to drive down drug prices. An article by Morgan et. al. reported that a pharmacare system that accounted for 44% of prescription drugs would save the Canadian government \$4.27 billion a year [16]. A similar strategy is also used in Europe. The most prominent example is the bloc formed by Austria, Netherlands, Luxembourg, and Belgium to effectively negotiate prices of orphan drugs [17].

Recent political will to implement pharmacare has brought light to this conversation. In March 2020, Members of Parliament unanimously voted to move ahead with a pharmacare program [18]. Although, no significant progress has yet been made. The

presence of existing provincial programs likely explains the lack of urgency to develop such a paradigm shifting program. There has also been overwhelming support from Canadians for pharmacare. A 2020 survey by Angus Reid found that 89% support the idea and 77% say increasing prescription drug coverage should be a top priority [12].

RECOMMENDATIONS

A national pharmacare program directly addresses the flaws of the Canadian healthcare system. The national pharmacare program of New Zealand, called the Pharmaceutical Management Agency, illustrates this clearly [19]. In 2015, Canada spent \$1,015 per capita on drug expenditure [19]. In contrast, New Zealand only spent \$372 per capita [19]. Shockingly, New Zealand also insures all of its population — including vulnerable groups such as those with disabilities or chronic illnesses [19]. The reason behind New Zealand's successes stems from their increased negotiating power, which is only possible through a nationalized pharmacare program. Clearly, a pharmacare program decreases pharmaceutical costs, increases prescription drug accessibility, and eliminates inconsistencies across jurisdictions.

CONCLUSION

The Canada Health Act was founded on the principles of universality and accessibility [1]. Although, it has become strikingly clear that the disjointed Canadian drug system fails to deliver on these fronts. The fact remains that Canada is the only developed country with universal healthcare that does not include prescription drugs [2]. A pharmacare system ensures that every Canadian, regardless of their province or income level, receives necessary medication. COVID-19, if nothing else, has emphasized these pressing inequities. It's time for prescription drug access to be based on the principles the healthcare system was founded upon.

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