

Campaign for a National Drug Plan

More *for* Less

PUBLIC, ACCESSIBLE, AFFORDABLE, SAFE AND APPROPRIATE



The Case for Pharmacare

Medicare and ... Pharmacare

For Tommy Douglas, the founder of our universal Medicare system, covering hospitals and doctors was supposed to be just the beginning, with drugs and other services to follow. Despite repeated proposals and pledges, Canada is still one of the few industrialized countries without a national drug plan.

Pharmacare means a national drug plan that would be publicly funded and administered, control costs, provide universal access and ensure the safe and appropriate use of drugs. It would cover essential drug costs the way that Medicare now covers hospitals and physicians. It would provide equal access for all Canadians to prescription drugs, replacing our uneven patchwork of provincial programs and private insurance at work. Such a system would also reduce administrative costs and restrain escalating drug prices.

Improving access to prescription drugs

Without a national Pharmacare plan, we have over 3 million Canadians who are uninsured or under-insured for prescription drugs.

The current patchwork of provincial programs and work based plans means that access to drugs depends on where you live and where you work. For example, a couple aged over 65 with an income of \$35,000 and in need of \$1,000 of drugs per year, would pay the entire cost in New Brunswick and Newfoundland, two-thirds of the cost in Quebec, one-third in Ontario and BC, and nothing in the Yukon or Northwest Territories.

Almost 8 million Canadian workers, and their 8 million spouses and dependents, are covered by private drug insurance plans through their place of work. These plans vary enormously and are lost if the worker leaves, retires or is laid off. Meanwhile 42% of workers have no drug coverage at work. Not only is it expensive to administer the thousands of different work based plans, but they provide limited benefits and little security.

Controlling drug costs

Spending on drugs is increasing by a remarkable 8% a year above inflation, an unsustainable situation. Our current patchwork approach has clearly failed to restrain drug costs.

By far the major cause of rising costs is the use of the more recent and more expensive drugs in place of existing, less expensive products. If the latest drugs were better, the increased cost might be acceptable, but the vast majority are not.

Figures from the federal Patented Medicine Prices Review Board show that only 15% of new drugs are significantly better than existing medications. In fact, the latest drug is sometimes less safe than existing drugs, which have been tried and tested for years. However, when a drug is newly released onto the market, there is intense promotion by drug companies to both the public and to doctors, encouraging them to request and prescribe the latest expensive brand name. As a result, drug costs escalate, threatening both provincial and work-based drug plans.

A universal drug plan would cost less to administer than the thousands of different plans in our private insurance system. As well, the power of a national plan to bargain with the pharmaceutical companies would mean lower prices for drugs. In Australia, where there is a national drug plan, prices are 9% lower than in Canada. Other measures have cut the New Zealand drug budget by almost 50%, such as tendering for generic products and requiring companies to cut prices for drugs already on a government formulary in return for getting new drugs listed. More control over drug advertising and promotion and more restrictions on patents would also reduce costs.

Safe and appropriate use of drugs

Pharmaceutical companies pay half the operating costs of the agency that approves new drugs and the Canadian Medical Association Journal has criticized Health Canada for approving drugs too quickly and without adequate proof of safety. Research is compromised by funding from drug companies and is often unavailable to either medical professionals or the public.

We need a drug approval agency free of conflict of interest, with no funding from drug companies, that would approve drugs because they are an improvement over existing medications. A national drug plan would be able to work with the medical profession to improve prescribing practices, providing doctors with independent information and limiting prescribing of the most expensive drugs where others are just as effective. In Australia, the federal government funds an independent National Prescribing Service, whose mission is to improve drug prescribing by doctors and drug use by consumers.

We can afford it and we need it

Like so many other industrialized countries with national drug plans, of course Canada can afford Pharmacare. We pay for our drugs now – the only issue is that we could do it more effectively, more economically and more fairly. With Pharmacare we can do more for less. We can have a fairer, more equitable system with economic efficiencies and policies that will reduce costs.

For more information, read the full report:

More for Less: A National Pharmacare Strategy (www.healthcoalition.ca/moreforless.pdf)

About the Campaign for a National Drug Plan

Pharmacare means a national drug plan that would be publicly funded and administered, control costs, provide universal access and ensure the safe and appropriate use of drugs. It would cover medically necessary drug costs in the same way that Medicare now covers hospitals and physicians. The Canadian Health Coalition is a public advocacy organization dedicated to the preservation and improvement of Medicare. For more information visit: www.medicare.ca