



Access to Medicines

***A prescription to improve health
care for Canadian patients***

**Canadian Federation of Medical Students
Fédération des étudiants et des étudiantes en médecine du Canada**
www.cfms.org

An Overview of the Current Pharmaceutical System

Canada is the only developed nation with universal health care but no universal coverage for prescription medications¹. Instead, medications are covered by a combination of public funds (44%), private insurance (36%), and out-of-pocket expenditures (20%)².

Private insurance for prescription medication can be purchased individually or through groups. Group insurance through an employer or union is more common. Coverage and copayments (the amount patients must pay when they fill prescriptions, whether a flat fee or percentage of costs) vary widely amongst different plans³.

Public prescription medication coverage is administered at the provincial level. This results in multiple systems where the type and degree of coverage varies considerably. As a result, the percentage of households that spend greater than 5% of income on prescription medications is inconsistent between provinces, ranging from only 2.2% in Ontario to 10.1% in Prince Edward Island⁴.

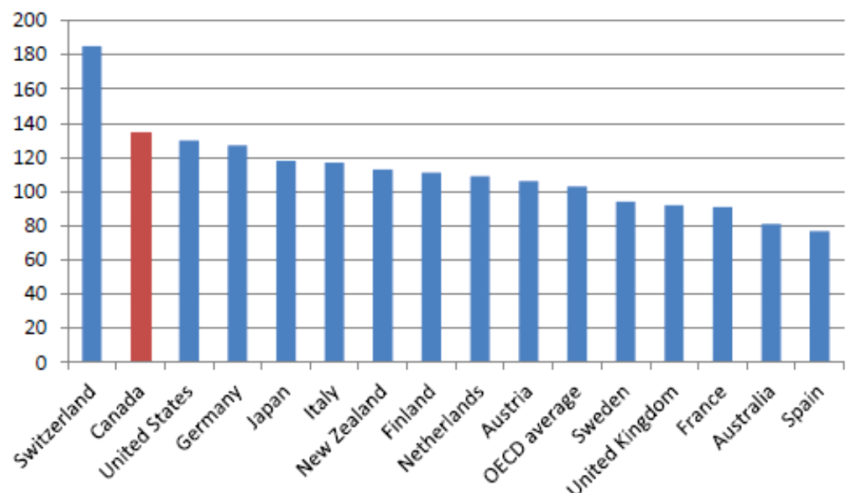
The Common Drug Review (CDR) of the Canadian Agency for Drugs and Technologies in Health reviews the clinical and cost effectiveness of pharmaceuticals in Canada and provides formulary listing recommendations to Canada's publicly funded drug plans (except in Quebec). The provinces then decide whether the product is included on the respective provincial formulary.

Problems with the Current Pharmaceutical System

Financial^{5,6}

1. Drug expenditures are growing fastest amongst OECD nations
2. Canada spends more on medications per capita than other OECD nations
3. Medication prices in Canada are amongst the highest in the world (*30% higher than OECD average*)
4. Public spending on pharmaceuticals is low compared to other OECD nations

Retail price for the same volume of pharmaceuticals in OECD countries, 2005 (US\$)



OECD 2008 - Eurostat OECD PPP Programme, 2007

Health

In a Community Health Survey of over 5,000 Canadians in 2007, 9.6% of respondents reported they could not afford to obtain or renew their prescription medications, and / or had taken steps to make prescribed medication last longer⁷. A Statistics Canada survey (2004) revealed 23.5% of Canadians, approximately 8 million people, do not have sufficient drug coverage⁸.

Medication costs create a disparity in which Canadians do not have equal opportunity to receive medical treatment and enjoy good health - an outcome out of keeping with the principles of universal health care. For example, it has been estimated that providing heart attack survivors with equal access to necessary medications through universal Pharmacare would lead to an average increase in survival of about one year⁹.

1 in 10 Canadians cannot afford their prescribed medications

Financial and Health Benefits of Pharmacare

Financial

Pharmacare is not just financially feasible - it has the potential to cost less than our current fragmented system. Health policy experts estimate a universal Pharmacare program can save Canada up to \$11.4 billion annually⁶. Some of the sources of these savings are described below:

Eliminating Private Insurance Inefficiencies. Administrative costs of private health insurance are approximately 10 times higher than public administration⁶. A single-payer system would save \$1.35 billion annually from improved administrative efficiency⁶.

Increased Purchasing Power. Buying in bulk secures the lowest prices for medications. Provincial governments have collaborated through the Pan-Canadian Pharmaceutical Alliance for joint pricing negotiations - an early effort that has saved \$260 million in drug costs annually¹⁰.

Health

Improved Adherence to Medications

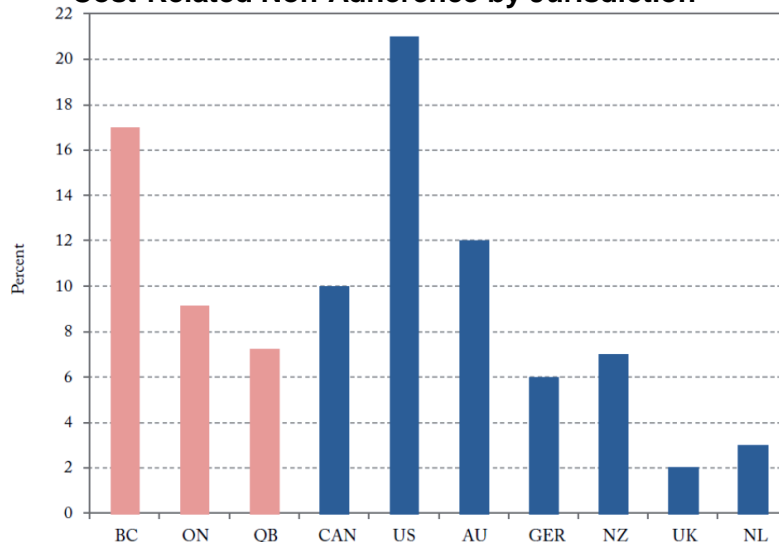
Patients who live in nations with low out-of-pocket expenses are more likely to take their medication¹.

Protection from Catastrophic Costs

Over 5% of Canadians pay more than \$1000 US\$ out-of-pocket annually for prescription medications¹. This decreases funding available for health maintenance (e.g. nutrition, physical activity).

"Canadians cannot afford not to have universal Pharmacare"⁵

Cost-Related Non-Adherence by Jurisdiction^{11,12}



The CFMS Proposal

The CFMS recognizes that meaningful changes to our pharmaceutical system require thoughtful analysis and planning in order to make the best use of limited resources. We suggest federal interest and continued study on the topic of Pharmacare.

The CFMS recommends that the Government of Canada convene a Special Committee or Task Force to

- i) report on the current state of pharmaceutical coverage in Canada, and**
- ii) outline steps towards the development of a national Pharmacare system that corrects current financial inefficiencies while ensuring Canadians have equal access to necessary medicines as part of a truly universal health care system.**

Elements of an economically and socially effective Pharmacare system may include the following:

1. Ensures universal coverage for medically necessary medications with limited patient charge
2. Integrates financing for medications with financing for other medically necessary services covered under the Canada Health Act
3. Adequately consolidates purchasing power to ensure the lowest possible drug prices
4. Works from a National Drug Formulary developed on sound scientific evidence to ensure the best value-for-money for prescriptions

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Canadian Federation of Medical Students

The Canadian Federation of Medical Students is the organization representing over 8,000 medical students from 14 Canadian medical student societies coast to coast. We represent medical students to the public, to the federal government, and to national and international medical organizations.

Mission

The Canadian Federation of Medical Students is the national voice of Canadian Medical Students. We **connect, support and represent** our membership as they learn to serve patients and society.

Vision

Tomorrow's physicians leading for health today

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