



Intelligence MEMOS

From: Marcel Saulnier
To: Canadians Concerned About Healthcare
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Re: **GETTING ON WITH NATIONAL PHARMACARE**

Over four years ago, the Advisory Council on the Implementation of National Pharmacare set out a roadmap to address one of the most significant areas of unfinished business in Canadian medicare. Fast forward to the end of 2023, and there is scant evidence of any real progress.

If pharmacare was anywhere close to the top of the health reform agenda back in 2019, it quickly got eclipsed by COVID-19 and a growing crisis in access to health services. Last February's federal-provincial health funding agreement didn't even mention pharmacare, which says a lot about how health system priorities have shifted.

Yet the imperative to move forward with national pharmacare has not gone away. If anything, it has become even more pressing as Canadians without adequate coverage struggle to pay for their drugs in a context of the rising cost of living, and as health care systems – stretched to the breaking point – seek ways to keep patients healthy and out of ERs and hospital beds. Although the number of Canadians without any form of drug coverage – public or private – is theoretically quite low, more than 20 per cent of Canadians report not having any prescription drug coverage due to high deductibles, copayments, and limited formularies leaves many feeling as if they don't have any real coverage.

Unfortunately, the debate on national pharmacare continues to be polarized between those that support a single-payer approach versus those that want to keep a mixed public-private system and fill the gaps in coverage. (Liberal and New Democrat pharmacare negotiators are reportedly hung up on exactly this point.)

Getting to universal prescription drug coverage is possible under both approaches, but is not without challenges. A single-payer model will be more costly and disruptive. But getting to universal coverage in a mixed public-private is only possible if governments mandate coverage and regulate private drug plans, something that no jurisdiction other than Quebec has been prepared to do.

Regardless of which model is ultimately implemented, the reality is that unless we start investing in improving public drug plans across Canada, we will never get anywhere. There are many roads leading to national pharmacare, but they all pass through more robust and comprehensive public drug plans. The recent bilateral [agreement](#) between PEI and the federal government on drug coverage is an interesting model. The federal government is providing about \$70 per capita annually to PEI to improve drug coverage, including expanding the provincial drug formulary, reducing copays and deductibles and expanding eligibility for public programs.

This should be expanded and be scaled up nationally, with the federal government offering all provinces a flat amount – say \$100 per capita. As with PEI, provinces could use the money to reduce deductibles, copays and premiums, expand eligibility and add drugs to their formularies. Some may want to focus on improving access to essential medicines, others on access to high-cost drugs. The total cost would be about \$4 billion annually – not a small amount of money – but meaningful enough to create momentum for change. This would be in addition to the commitment made in the 2019 budget to provide provinces and territories with \$500 million annually for rare disease drugs.

New federal pharmacare legislation that emerges from the current Liberal-NDP talks should be visionary and enabling, not prescriptive. It should identify the critical goal of achieving universal coverage but should not pronounce on the ultimate model – be it single-payer or something else. It should recognize that implementation will occur by phases over time, and create a framework that enables governments to work collaboratively together and with stakeholders to set national standards on coverage and out-of-pocket payment. Most importantly, it should provide legislative guarantees around long-term federal financial commitments.

In parallel, Canada needs to strengthen the governance of pharmaceuticals. We have too many administrative regimes and too much fragmentation, leading to waste and inefficiency. Existing agencies – notably the Canadian Agency for Drugs and Technologies in Health and the pan-Canadian Pharmaceutical Alliance – are stepping up. The proposed Canadian Drug Agency could potentially add value, but needs a renewed federal commitment to national pharmacare in order to succeed.

The political window to move forward with national pharmacare is open, but not for long. The federal government, working collaboratively with provinces and territories, has an opportunity to make it happen in a focused and realistic manner. Let's get on with it.

Marcel Saulnier is a Senior Fellow at the C.D. Howe Institute and Associate at Santis Health. He is a former Associate Assistant Deputy Minister of the Strategic Policy Branch at Health Canada.

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