Rx: National Pharmacare

Why do doctors care?

As physicians, we confront the daily challenge of seeing patients who cannot afford the medications they need. We see the same patients coming back to us with the same problems in our offices and ERs, due to complications and worsening conditions that arise from not being able to take their medications. We often scramble to find samples to help our patients – a patchwork solution that doesn’t always work, and shouldn’t be necessary. We know firsthand the difference it would make to have patients who are able to afford their medications: frankly, we’d see a lot less of them - and that’s a good thing.

Affordability out of reach for many Canadians

In Canada, 1 out of 10 people can’t afford their prescriptions, and that’s 1 in 4 if you’re uninsured.¹ There is a growing segment of our population without insurance due to high levels of contract employment, self-employment, and an unstable workforce.² The Canadian Medical Association’s recent polling estimates that a fifth of Canadians don’t have supplementary health insurance and that one in three Canadians or their family members have gone without needed care because of insufficient insurance coverage.³ Is our health care system really taking care of health needs when Canadians can see their doctors for free but millions can’t afford the treatments they prescribe?

When Canadians cannot contribute to the economy or their communities due to ill health, we are losing out on enormous human potential. It makes no sense to send people back to the emergency rooms, or more serious care, where the cost of treating their illnesses is much greater than providing them with needed medications in the first place. Evidence shows that providing medically necessary medications at no cost to the patient improves outcomes, and the overall cost of that patient for the insurer is the same or less.⁴

Higher costs for Canada

Not only do Canadians pay out of pocket for prescription drugs, but Canada allows unusually high prices for drugs. We’re paying 30% more for prescriptions than the

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³ Canadian Medical Association. “Gaps in medicare affect one-third of Canadians, poll shows.”
OECD average.\(^5\) In just one example, Canada pays 62.5 cents compared to the United States’ 6.9 cents for simvastatin, a drug used to lower cholesterol.\(^6\) Bulk-buying increases buying power, reduces costs, and provides us with greater leverage to mitigate drug shortages. At last year’s Council of the Federation, premiers agreed to bulk-buy six generic drugs in order to lower costs across all jurisdictions. It’s a good starting point to more comprehensive bulk-buying agreements that could have an impact on cost and availability across the board, and they should continue to find additional medications for joint bulk-purchasing.

Coupled with a strong drug review process to determine which drugs should be purchased, bulk-buying can significantly reduce costs to make a national Pharmacare program more affordable. There would be an immediate increase in government spending, but long-term savings to patients, employers and those buying private insurance. It’s a net cost reduction for Canada, but it requires the political courage of our leaders to look into the future instead of the next election cycle.

**Buying based on research, not marketing**

Recent research also shows that the effectiveness of new drugs is much lower than that of older drugs, performing only 36% better than a placebo, compared to older drugs’ performance of 4.5 times the efficacy of a placebo. While there may be multiple causes for this effect, at least one variable is that the incentive for the pharmaceutical companies is to produce many variations of the same drugs to ensure steady profits, instead of working towards new breakthroughs in treatments of illness and disease. Approximately 85-90% of new products provide few new benefits, and the promotion of those drugs can account for as much as 80% of increase in drug costs.\(^7\)

Bulk-buying only the drugs that are effective and clinically indicated could push for new directions in R&D, by providing disincentive for making yet another version of an older drug with new packaging and no improvement in efficacy, and creating clear markets for specific drugs where real needs exist.

**It’s time for national Pharmacare**

Canada is the only developed country with a universal health care system that doesn’t include Pharmacare. We would be healthier, have lower long-term system costs, and reduce drug prices if provinces and territories worked together to create a national Pharmacare program.

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\(^5\) Gagnon, Marc-Andre. 2010. The Economic Case for Universal Pharmacare. Canadian Centre for Policy Alternatives (Ottawa) and the Institut de recherche et d’information (Montreal).
