



More Canadians facing crippling drug costs, says national health care think tank

September 2008 - “Wide gaps in coverage by public and private drug plans mean many Canadians can’t access increasingly expensive therapies.” So remarked Dr. Russell King, then Chair of the Canadian Council on Integrated Healthcare (CCIH), at a day-long stakeholder consultation hosted by the CCIH in Toronto in 2006. “Unfortunately, over a year later, nothing has changed,” observed Sharon Blaney, former CCIH Chair, at the group’s most recent bi-annual meeting held in Montreal in June 2008.

The CCIH, whose mission is help Canadians understand emerging health care issues, has spent two of its recent sessions focused on the topic of pharmaceutical access. CCIH thinking on this issue is based on its own multi-stakeholder representation from across Canada as well as on presentations from experts in the field.

Why is it imperative to consider access to pharmaceuticals now?

- Drugs form a significant percent of total health care expenditures in Canada. According to the Canadian Institute for Health Information (CIHI), for the last decade drugs have represented the second-largest component of health spending, after hospitals, and are estimated to have consumed 16.8% of total health care dollars in 2007. Costs are shared by public programs, private insurance plans, and individual Canadians. CIHI reports that spending on prescribed drugs continues to grow faster than spending on non-prescribed drugs and is estimated to have reached 84% of the total drug bill in 2007. (*CIHI - Drug Expenditure in Canada, 1985 to 2007*)
- There are real and concerning inequities in access to pharmaceuticals across the country as well as inequities because of individual circumstance (some Canadians have no drug coverage at all; some work for smaller employers who can only offer limited coverage). The harsh reality is that some Canadians are facing devastating health and financial circumstances as a result. For example, benefit plan manager ESI reports a 20% increase in high cost drug claims from 2000 to 2007 and expects to see a continued increase in specialty medication claims in the future from an aging population. (*ESI Outcomes Conference, 2008*).

CCIH reflections to date on the issue:

- The status quo is not acceptable. Canadians take pride in universality in terms of health care, and yet there is a lack of uniformity and national coordination in Canada's current approach and processes around affordable access to pharmaceuticals. As one CCIH member put it: "Disease is more uniform than the strategies to manage it." The bottom line: Affordable access to required pharmaceuticals is essential for all Canadians' good health. We need to ensure Canadians have access to necessary prescription drugs without financial hardship.

“Disease is more uniform than the strategies to manage it.”

Comment by one CCIH member

- Pharmaceuticals are an important and highly valued component of health care. As noted in the most recent report from the Health Council of Canada (*Rekindling Reform, Health Care Renewal in Canada 2003 – 2008, June 2008*): "The 2003 Health Accord promised to ensure that all Canadians would have reasonable access to catastrophic drug coverage, public drug insurance to prevent financial hardship." However, the task force formed by the First Ministers has resulted in no national plan to date.

- It would be interesting to explore how certain provincial pharmaceutical programs (for example, Quebec, British Columbia, Saskatchewan or Manitoba) might serve as models for other parts of Canada in terms of providing good levels of protection for catastrophic events and for other conditions that can be costly. These programs appear to recognize and effectively integrate with private coverage to improve accessibility without financial hardship to residents.
- It is important to take a strategic view and not just a cost view to this issue. In other words, we need to understand that prescription drugs form part of an overall strategy to improve health care for Canadians that uses various approaches, for example disease state management and wellness programs. We also need to look closely at issues of timeliness of approval of medications, and how to achieve better public/private integration in relation to pharmaceuticals.

Next steps -- Opportunities for collaboration identified by CCIH:

- CCIH plans to undertake a provincial case study to stimulate dialogue and explore alternatives to improve access to pharmaceuticals. This modeling exercise, to be pursued over the coming months, could have wider application in the goal of achieving greater consistency in access across Canada.
- The CCIH will also seek opportunities to dialogue with private payer stakeholders about possible strategies for sharing the risks associated with high claim costs, making it more affordable for small employers to retain valued prescription drug benefit programs.

Want more information? Want to contribute to further discussion of this issue?

The CCIH encourages constructive and inclusive dialogue and broad stakeholder input as, together, we work towards a creative, ‘made in Canada’ solution to our pharmaceutical challenges. For more information about the background discussions the CCIH has had on the issue of access to pharmaceuticals as well as our ongoing work in this area, or to contribute your own thoughts on this topic, please go to www.ccih.ca or email us at info@ccih.ca.

The CCIH: Who we are

The Canadian Council on Integrated Healthcare is an independent, non-aligned think tank whose mandate is “to influence and catalyze change...[and to] build bridges between sectors in the health care system”. Founded in 1997, we are dedicated to helping Canadians understand emerging health issues. Our vision is for an integrated health care system that balances quality, access, and cost, and creates better health for all Canadians. Our membership includes key opinion leaders from the private health sector, consumers, and health professions. The activities of the CCIH are funded through an arms-length, unrestricted educational grant from sanofi-aventis. The CCIH also acknowledges the support it receives in time and assistance from its members and their employers.