Evaluating the Need for a National Pharmacare Program in Canada: Opportunities and Challenges

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Abstract
This paper was originally written for Dr. Lauren Currie's HSCI 305 course *The Canadian Health System*. The assignment asked students to discuss the evidence supporting and opposing establishing a national pharmacare program in Canada, as well as potential challenges associated with the implementation of this program. The paper uses APA citation style.

In the absence of a national pharmacare program, Canada's fragmented approach to funding prescription medications imposes significant out-of-pocket costs on many Canadians. Evidence supporting the implementation of a national pharmacare program is substantial, suggesting that it can improve access and adherence to prescriptions and reduce inequities. On the other hand, evidence opposing the implementation of such a program is primarily concerned with its costs and potential damages associated with cost controls. Implementing a national pharmacare program will not be without major challenges. Gaining support from the public, clinicians, and policymakers poses difficulties, with the most significant challenge being managing the pharma-private insurance alliance. Despite these opposing arguments and challenges, implementing a national pharmacare program is an efficient and equitable way to improve access to prescription medications and enhance health outcomes at the population level.

Introduction
Canada stands alone as the only developed country with a universal health care system that lacks a universal pharmacare, which leaves the system arguably incomplete (Cortes & Smith, 2022). Currently, each province and territory offer some form of prescription insurance coverage to particular subgroups of the population, mainly vulnerable groups, but this coverage varies significantly across regions in terms of eligibility, affordability, and the list of drugs covered (Cortes &

Smith, 2022). Alternatively, some Canadians have private prescription insurance through their employer or self-purchase (Cortes & Smith, 2022). In this patchwork of various government programs that operate alongside private insurance, many Canadians have to bear significant out-of-pocket costs or are unable to afford their prescriptions at all (Morgan & Daw, 2012). In fact, in 2021, 21% of Canadians reported not having any insurance to cover their prescription costs in the past 12 months (Cortes & Smith, 2022). As pharmaceutical companies continue to introduce new and specialized medications at a rapid rate, the availability, use, and cost of prescription medications outside of hospitals keep rising (Government of Canada, 2019; Morgan & Daw, 2012). This upward trend reinforces significant financial vulnerability associated with expensive or long-term medication needs more than ever (Morgan & Daw, 2012). Canada's current fragmented and outdated approach to funding this vital aspect of health care fails to address these growing concerns, and it needs immediate attention. This paper would argue that although the implementation of a national pharmacare program will not satisfy everyone, nor will it be without challenges, it is the most pragmatic and equitable solution.

Evidence supporting and opposing a national pharmacare program

The body of evidence favouring the implementation of a national pharmacare program is substantial. Royal Commissions, such as the Hall Commission (1964) and the Romanow Commission (2002) have recommended the adoption of some form of universal drug coverage (Hajizadeh & Edmonds, 2020). The implementation of such a program ensures that all Canadians have access to prescription medications merely based on need and regardless of their ability to pay (Morgan & Daw, 2012). In the current system, one in 10 Canadians reports not adhering (e.g., skipping doses, delaying refills) to their prescription medication because of the financial burden of out-of-pocket costs (Cortes & Smith, 2022). Non-adherence to a prescription plan is associated with poorer health outcomes, such as increased mortality rates caused by common conditions (Cortes & Smith, 2022). Not only does non-adherence cause ill health, but it also increases physician and hospital visits as individuals' health fails due to a lack of access to medications (Government of Canada, 2019). These extra visits cost the health care system billions of dollars, in addition to longer wait times and potentially poorer quality of care (Government of Canada, 2019). A national pharmacare program also allows for more equitable access to prescription medication. Currently, there are considerable inequities across regions and subpopulations in

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terms of medication access. For instance, a higher percentage of immigrants (29%) and racialized individuals (29%) report not having prescription insurance coverage compared to non-immigrants (17%) and non-racialized and non-Indigenous individuals (17%) (Cortes & Smith, 2022). Unsurprisingly, prescription medication use is lower among individuals without coverage (56%) relative to those with coverage (70%) (Cortes & Smith, 2022). Therefore, a national pharmacare program would reduce social inequities in terms of access to drugs and out-of-pocket costs (Hajizadeh & Edmonds, 2020).

A national pharmacare program will not benefit everyone, and there are some arguments against its implementation. One major opposing argument to this program is the burden of costs on the public (Morgan & Daw, 2012). For instance, when Saskatchewan implemented a universal pharmacare program from 1975 to 1987, real per capita pharmaceutical expenditures in the province increased by 77%, which was higher than the national average of 65% (Morgan & Daw, 2012). One could argue that the discontinuation of universal pharmacare in Saskatchewan indicates that such a program is not sustainable (Morgan & Daw, 2012). However, real per capita pharmaceutical expenditures in Ontario, which did not have a universal pharmacare program, increased by 89% during the same period (Morgan & Daw, 2012). More broadly, comparing Canada with other countries such as Australia, Denmark, France, Germany, the Netherlands, New Zealand, Norway, Sweden, Switzerland, and the United Kingdom, which achieved universal coverage through a diverse range of financing mechanisms, shows that pharmaceutical spending is lower and has been growing at a slower rate in these countries (Morgan & Daw, 2012). A study by Morgan et al. (2017) estimated that Canada could save between $6.9 billion and $10.1 billion annually by undertaking universal coverage, which indicates that such a program can meet the pharmaceutical needs of the majority of Canadians while saving billions of dollars annually. Furthermore, in a tax-funded pharmacare, money previously invested in private plans will be harvested as taxes and allocated to national pharmacare (Lewis, 2020). Another argument against the implementation of national pharmacare is that cost controls damage local research and discourage pharmaceutical companies from sustaining investment in Canada (Rawson, 2020). So, if the national pharmacare program fails to fund high-cost innovative drugs, which can save lives or significantly improve individuals' quality of life, it can ultimately damage the quality of care provided to patients (Rawson, 2020). Evidence is, however, inconsistent with such an argument. First, pharmaceutical companies have not fulfilled their promise of allocating 10% of their sales toward

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Canadian research and development (Morgan & Daw, 2012). Second, not all innovative drugs meet the initial expectations in the long term, and many provide only marginal improvements to the quantity or quality of life while being significantly more expensive than their older versions (Government of Canada, 2019).

Challenges

The implementation of such a complex program will not be without major challenges. For years, the pharmaceutical industry and private insurance companies have attempted to convince the public that no government plan would be able to meet their needs (Lewis, 2020). While a majority of Canadians (79%) support the idea of universal pharmacare, most indicate that they would be concerned if a public plan with fewer benefits and choices were to replace their current plan (Canadian Pharmacists Association, 2015). This poses difficulties in convincing the public that the current system is inefficient and inequitable, and why a public plan would make the society, as a whole, better off (Lewis, 2020). Getting physicians and pharmacists on board, changing their professional culture, and encouraging reliance on peer-reviewed science and unbiased information rather than promotional campaigns of drug companies is an additional challenge, but this is possible to overcome when the incentives embedded in the retail drug economy are no longer present (Lewis, 2020). Perhaps, the most significant challenge is the pharma-private insurance alliance (Lewis, 2020). These sectors are rich, powerful, and well-connected, and if they disappear from the Canadian market, there will be a loss of jobs (Lewis, 2020). One could be hopeful that drug companies would modify their practices to align with the pharmacare, but this is a big ask (Lewis, 2020). Managing the economic and political aspects of retail pharmacy will not be easy, but as Lewis (2020) stated, if policymakers, physicians, and pharmacists do their parts, and if the public and patients support the changes in favour of *"the greatest good for the greatest number"* (Lewis, 2020), a national pharmacare program will be successful.

Conclusion

In conclusion, while opposing arguments and challenges are inevitable in the implementation of universal pharmacare, such a program is the most equitable and efficient way to ensure that all Canadians have access to an appropriate level of care and that out-of-pocket drug costs are no longer a barrier for individuals to achieve better health outcomes.

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