

# PRINCIPLES FOR AN EFFECTIVE PHARMACARE PROGRAM



## ABOUT THE ONTARIO CHAMBER OF COMMERCE

For more than a century, the Ontario Chamber of Commerce (OCC) has been the independent, non-partisan voice of Ontario business. Our mission is to support economic growth in Ontario by defending business priorities at Queen's Park on behalf of our network's diverse 60,000 members.

From innovative SMEs to established multi-national corporations and industry associations, the OCC is committed to working with our members to improve business competitiveness across all sectors. We represent local chambers of commerce and boards of trade in over 135 communities across Ontario, steering public policy conversations provincially and within local communities. Through our focused programs and services, we enable companies to grow at home and in export markets.

The OCC provides exclusive support, networking opportunities and access to policy insight and analysis to our members. We also work alongside the Government of Ontario on the delivery of multiple programs, and leverage our network to connect the business community to public initiatives relevant to their needs.



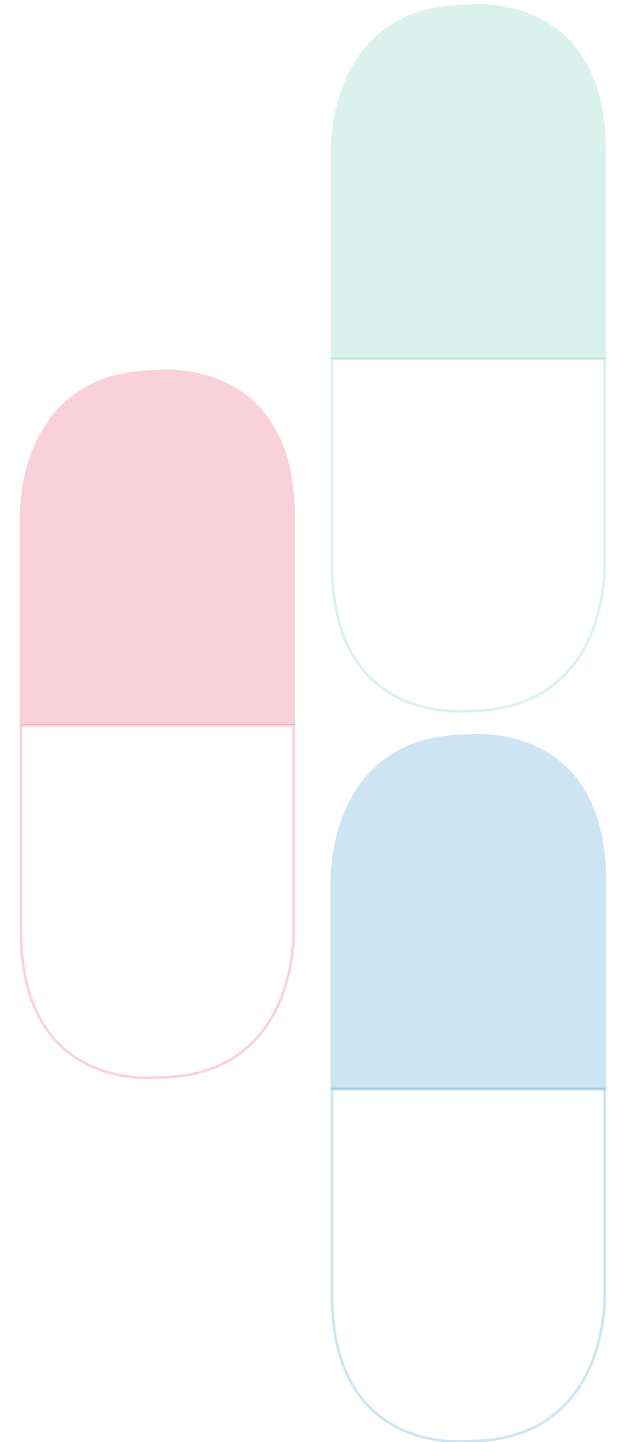
The OCC is Ontario's business advocate.

Author: Ashley Challinor, *Director of Policy*.

Design: Sarah Fordham RGD, *Graphic Designer*.

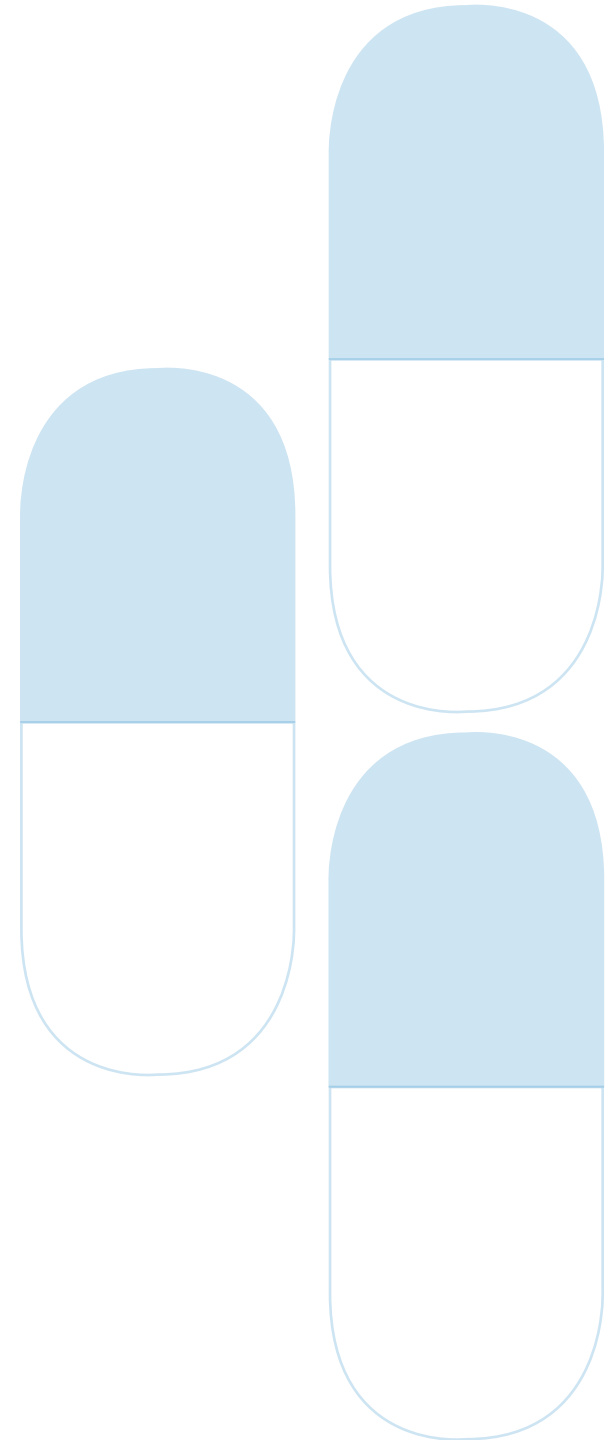
ISBN: 978-1-928052-51-7

©2018. Ontario Chamber of Commerce. All rights reserved.



# TABLE OF CONTENTS

Introduction .....	1
Background .....	2
Principles .....	4
Conclusion .....	6
Works Cited .....	7



## INTRODUCTION

In recent years, there have been increased calls for implementing a national pharmacare program in Canada. At their annual meeting in July 2017, the Premiers requested that the federal government engage in discussions on establishing a national pharmacare program. In addition, in January 2018 the Ontario government launched a new children and youth pharmacare plan (OHIP+) and have expressed an interest in expanding the program in future.

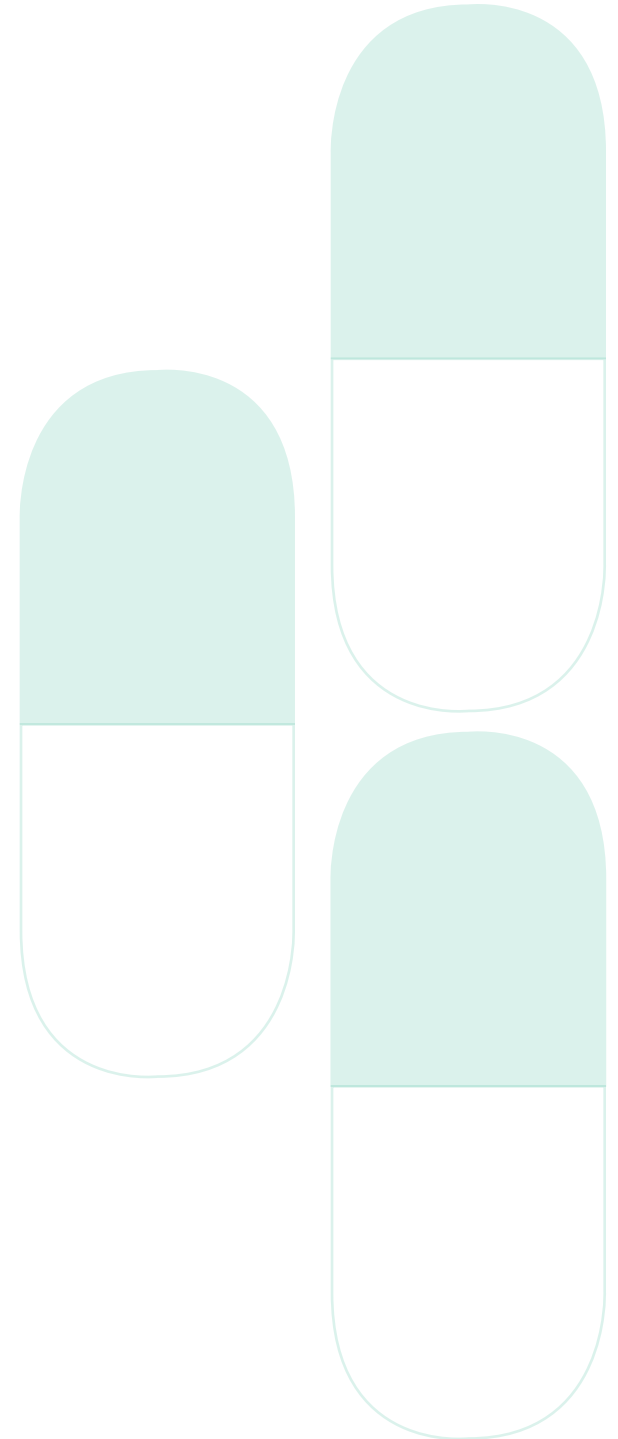
The Ontario Chamber of Commerce (OCC) supports efforts to improve access to medicines for Ontarians. However, to date, pharmacare proposals, such as OHIP+, have been launched with limited consultations with stakeholders and without sufficient time to carefully assess their efficacy.

An effective pharmaceutical drug program should aim to provide the right drug for the right indication at the right time. It should address outstanding gaps while maintaining the high-quality coverage currently enjoyed by the vast majority of Ontarians covered by private drug plans.

In this context, we have developed the following test of principles against which new pharmacare proposals can be evaluated to ensure they constitute effective and sustainable programs:

- Existing gaps in pharmaceutical coverage are identified and addressed to improve access to medications for those who need it
- The strengths of the public-private system are leveraged
- The program is outcomes-oriented and promotes the sustainability and efficacy of the broader health care system
- Patients are able to access their medications in a timely manner
- Broad and appropriate access to innovative medications is ensured

The foundational value of the OCC is collaboration. In that spirit, we have convened a diverse group of stakeholders to develop and endorse these principles. These principles are supported by the organizations listed below, in addition to chambers of commerce and boards of trade throughout Ontario:



## BACKGROUND

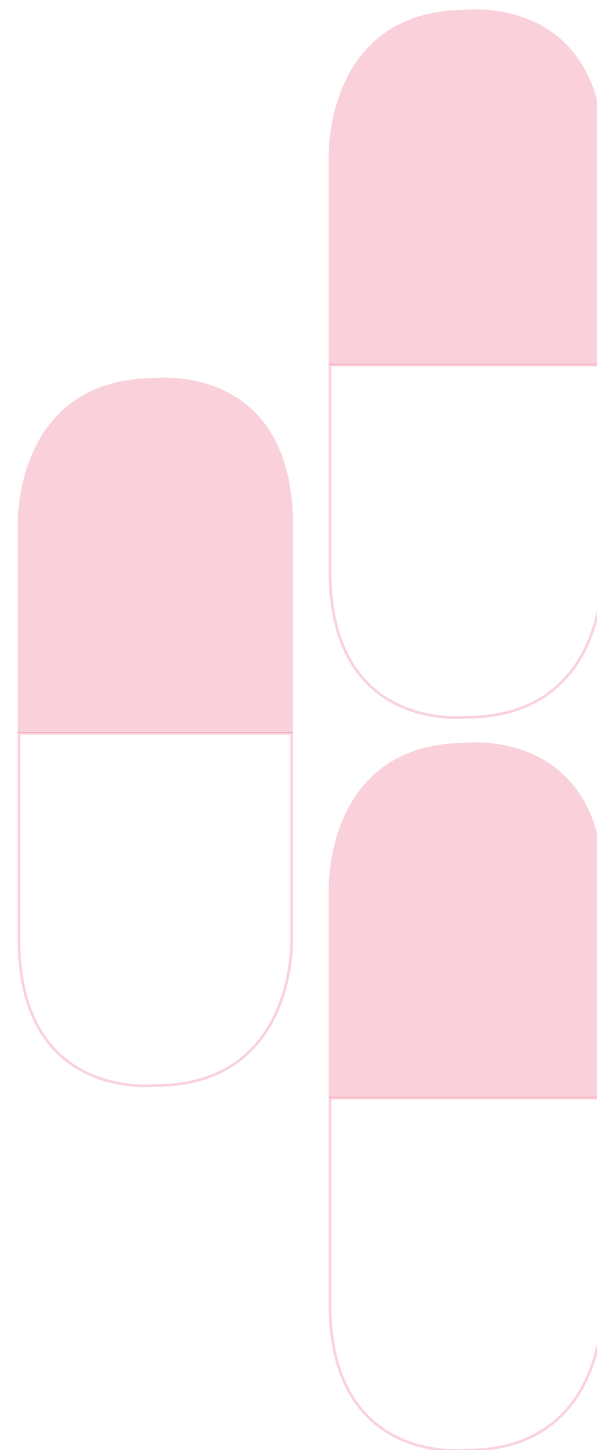
In this era of scientific progress and biomedical discovery, it is becoming increasingly important that patients have access to high-quality and affordable care in both hospital and outpatient settings. Pharmaceutical treatments have long supported the approach of a more patient-centred care model, reducing the burden of disease to the health care system. While medicines taken in hospitals are covered by provincial governments, those taken in the community setting are paid for in different ways, including public drug plans, private group insurance plans and individual insurance plans, and cash payments out of pocket.

Most Canadians currently have, or are eligible for, some type of drug coverage. Now that OHIP+ has extended public coverage to all Ontarians under the age of 25 with an OHIP card, the Conference Board of Canada estimates that only 1.8 percent of Canadians do not have access to drug coverage.<sup>1</sup> Among those Canadians who received a prescription in the preceding six months, less than one percent indicated that they did not take their medication as prescribed because of cost.<sup>2</sup> Of those who did not take their medications as prescribed, more than half were unaware or unsure of available public drug programs to help pay for their prescriptions.<sup>3</sup> The Conference Board estimates that approximately 4.1 million Canadians with no private insurance are eligible but not enrolled in a public plan.<sup>4</sup>

Most Ontarians, therefore, currently enjoy or have access to pharmaceutical coverage. While a key challenge remains educating those who are eligible for public drug programs, we need to work on closing the gaps for the small proportion of Ontarians who are not currently eligible for insurance coverage to ensure they can have access to the medicines they need.

The case for improved access to prescription drugs (including vaccines) is a strong one: decreased access and adherence to medicines can lead to suboptimal health outcomes and also increase spending in other areas of the health care system, such as hospitals and health professional resources.<sup>5</sup> A well-designed pharmacare program would help drive down costs in other areas of health care by reducing costlier interventions like surgery, and easing the burden of the impending health care human resource shortage.<sup>6</sup> Integrating the financing of prescription drugs into the broader health care system would also provide opportunities for administrators to consider how and where spending may impact other treatments and subsequent outcomes.<sup>7</sup>

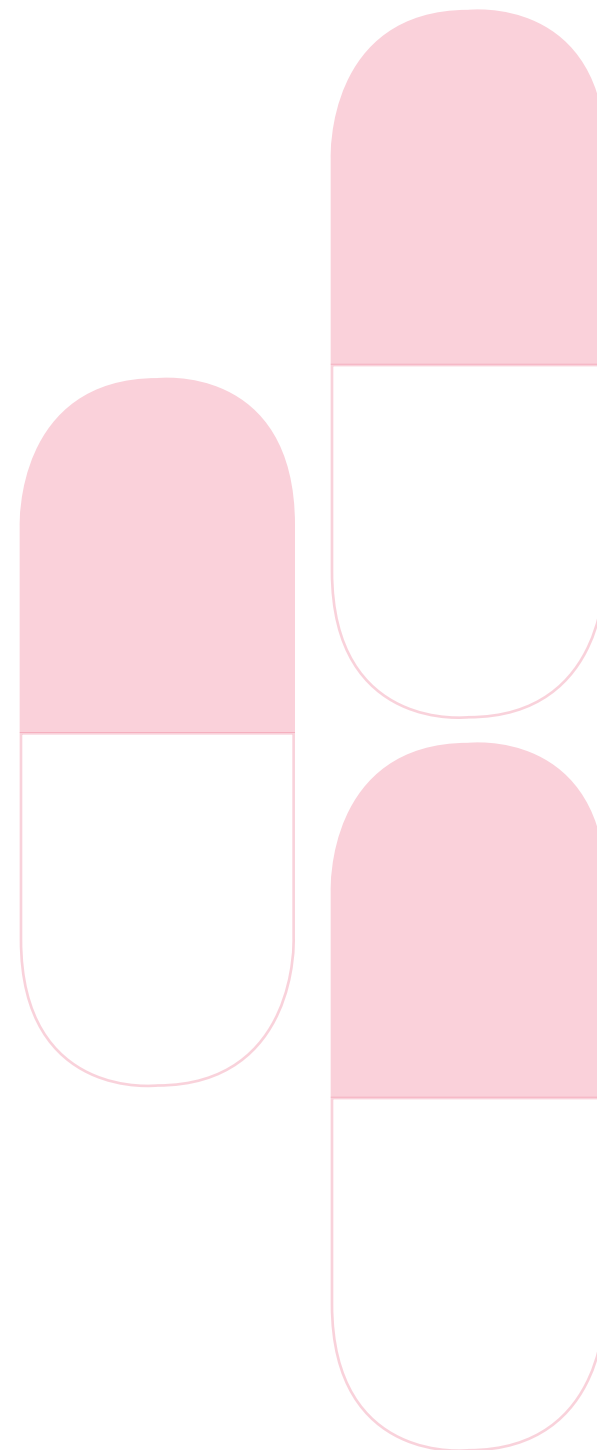
Given the wide-ranging impact of patient access to pharmaceuticals, all health care system stakeholders—including policymakers, patients, health professionals, and industry representatives—need to be included in pharmacare discussions. In particular, industry



partners play an important role in the health care system in the following ways:

- **Private insurers** provide high-quality health care coverage to over 25 million Canadians,<sup>8</sup> offering timelier<sup>9</sup> and more extensive coverage<sup>10</sup> than public drug plans.
- **Pharmaceutical companies** develop and commercialize the treatments that help patients as well as invest in health research, conduct local clinical trials, and support patient access to innovative medicines. Altogether, these factors contribute to Ontario's status as a top life science cluster in North America.<sup>11</sup>
- **Employers** provide benefits packages to ensure their employees and families are productive and in good health, and can access treatments related to dental and vision, mental health, and overall wellness.

The majority of Ontarians are not challenged by cost when accessing prescription medication, and most with access to private plans are satisfied with their coverage.<sup>12</sup> If either the federal or the provincial government are to consider implementing a pharmacare program, an evidence-based and collaborative approach that considers the breadth of stakeholder impacts is critical to success.





## PRINCIPLES

An effective pharmacare program would need to reflect the following principles:

**Existing gaps in pharmaceutical coverage are identified and addressed to improve access to medications for those who need it.**

Prior to defining the scope or design of a pharmacare program, the Ontario government should identify those individuals who are not able to fill their prescriptions and adhere to their treatments, and then assess why they are unable to do so. Policymakers need to gain a better understanding of the current barriers to coverage—all barriers, not just financial—that preclude patients from adhering to treatment. Once this has been completed, the government can determine, in collaboration with all stakeholders, how best to address these gaps and barriers. Expansion of existing public plans should directly address those who are not captured by either existing public or private plans, with particular attention paid to those who face catastrophic illnesses, require access to orphan drugs, and to comprehensive publicly-funded immunization programs.

**The strengths of the public-private system are leveraged.**

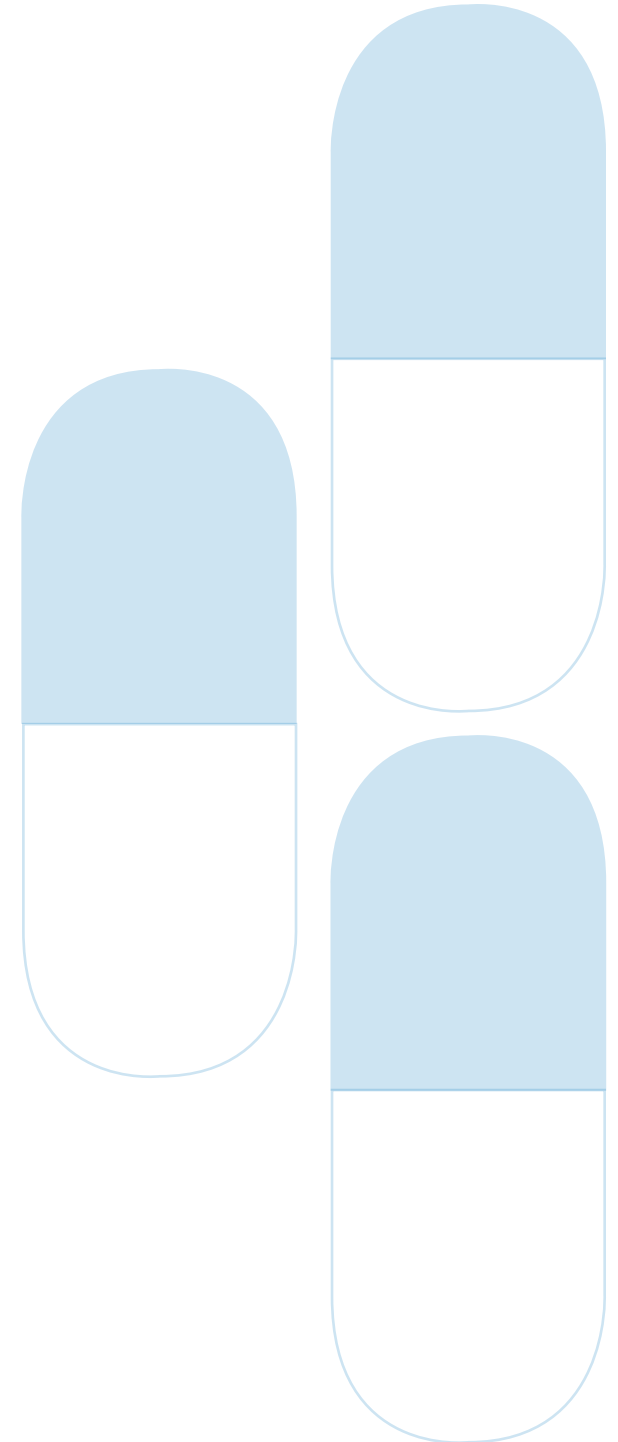
The existing public-private system aligns with individual needs, provides for patient choice, and harnesses the efficiency of private sector administration. An effective pharmacare program should ensure that patients can access the medications they need in a timely

and affordable fashion. It could also assist in addressing coverage for rare diseases and other targeted medications that are the concern of many employers and provincial programs. In seeking to close gaps, government should not crowd out the private sector but work with employers, private insurers, and pharmaceutical companies to provide the most appropriate coverage to those who need it.

**The program is outcomes-oriented and promotes the sustainability and efficacy of the broader health care system.**

Improving affordability of prescription medicines does not need to come at the expense of quality of care or health outcomes. While cost should be part of the equation as a pharmacare program is developed, value-based decision-making should be paramount. Sustainability can be achieved through solutions that recognize the benefits that prescription medicines can bring through preventing and treating diseases. For example, performance measures and initiatives that evaluate real world safety, effectiveness, burden of disease impact, and adherence to therapy can all play a role as solutions to ensure measurable public health benefits.

The design of a pharmacare program should also recognize the link between prescribing practices, the appropriate use of pharmaceuticals, and positive health outcomes. Decisions should be based on best evidence. Like any government program, the impact of pharmacare on patient



outcomes, broader health spending, and access to innovative medicines should be monitored and evaluated. Understanding the benefits of improved pharmaceutical coverage for patients, employers, and the health care system—or where aspects of the program may be impeding broader goals—is critical to ensuring that pharmacare contributes to system sustainability, including the ability of employers to afford benefits plans.

In the spirit of this principle, we recommend that OHIP+ and other new public pharmacare programs be evaluated after one year of implementation to assess efficacy, impacts, and shortfalls and allow any needed adjustments to be made promptly. This evaluation should be transparent with its results made publicly available.

### **Patients are able to access medications in a timely manner.**

A pharmacare program should endeavour to provide access to efficacious medicines in a timely manner, including reducing those administrative barriers that impact timeliness. A pharmacare plan should not add further bureaucratic layers between a patient and their medication.

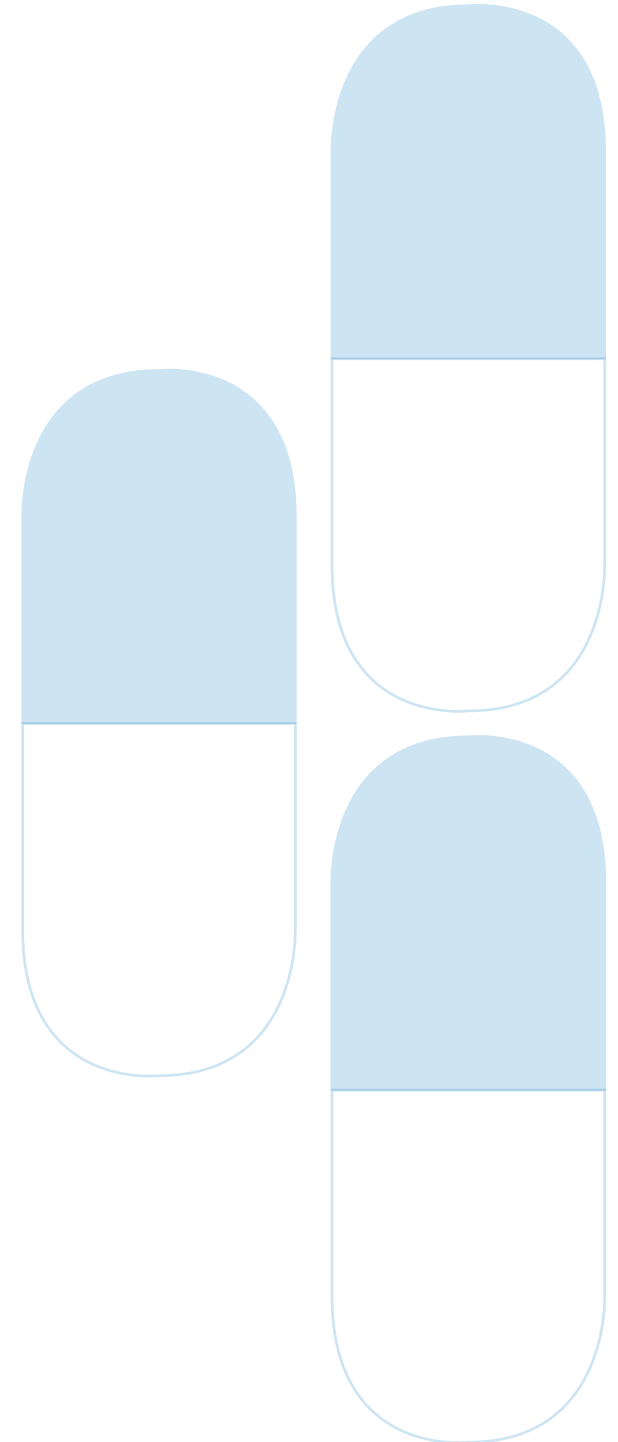
Further, there is an opportunity for public and private payers to work alongside patients, healthcare providers and other health system stakeholders to modernize and optimize the management of medical conditions for improved

patient outcomes (e.g., through appropriate prescribing and deprescribing initiatives, use of technologies such as e-prescribing, adherence and wellness programs, continuums of care).

### **Broad and appropriate access to innovative medications is ensured.**

Patients require access to a wide range of medications, including cutting-edge treatments, that best suit their individual medical needs. This is becoming increasingly important in the era of precision medicine. A pharmacare program that is focused solely on delivering cost reductions, rather than improving patient outcomes, drives unintended consequences such as an environment in which Ontarians have access to fewer pharmaceutical therapies, impacting both patient outcomes and patient choice.

Any pharmacare program should be designed to operate collaboratively with companies from all sectors that invest locally through: research and development, public and private partnerships, education, manufacturing, or other operations. Pharmacare should not hinder innovation but embrace it.

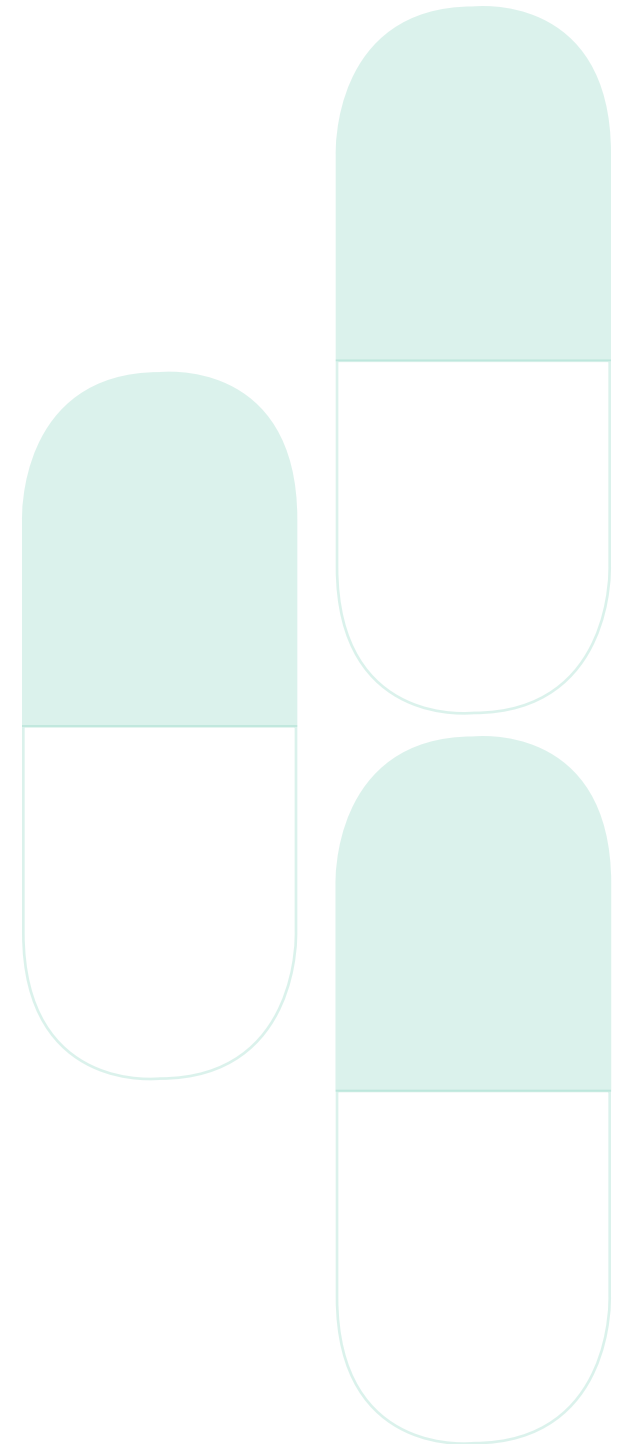




## CONCLUSION

Considerable public good could be achieved through the establishment of a well-designed pharmacare program that leverages the strengths of the public-private model. Yet, if such a program is to become a reality, it must be designed in a manner that gives Ontarians an advantage over what the health care system currently offers.

Therefore, the government must work with all health sector stakeholders, including patients, health care professionals, private insurers, employers, and the pharmaceutical industry, to identify outstanding coverage gaps and implement effective and pragmatic solutions to address them. These solutions should be aligned with the five principles identified in this document. By working together, we can create a pharmacare program that is accessible, timely, and responsive to the needs of patients while simultaneously promoting sustainability and innovation.



## WORKS CITED

- 1 Sutherland, Greg and Thy Dinh. 2017. *Understanding the Gap: A Pan-Canadian Analysis of Prescription Drug Insurance Coverage*. Conference Board of Canada. <http://www.conferenceboard.ca/e-library/abstract.aspx?-did=9326>
- 2 Ibid.
- 3 Ibid.
- 4 Ibid.
- 5 Canadian Pharmacists Association. 2017. *Rx: PharmAccord*. [https://www.pharmacists.ca/cpha-ca/assets/File/cpha-on-the-issues/PharmAccord\\_Final\\_Online.pdf](https://www.pharmacists.ca/cpha-ca/assets/File/cpha-on-the-issues/PharmAccord_Final_Online.pdf)
- 6 Ibid.
- 7 Morgan, Steven G., Jamie R. Daw, Michael R. Law. 2013. *Rethinking Pharmacare in Canada*. C.D. Howe Institute. [https://www.cdhowe.org/sites/default/files/attachments/research\\_papers/mixed/Commentary\\_384\\_0.pdf](https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/Commentary_384_0.pdf)
- 8 Canadian Life and Health Insurance Association. 2017. *Canadian Life and Health Insurance Facts: 2017 Edition*. <http://clhia.uberflip.com/i/878840-canadian-life-and-health-insurance-facts-2017/>
- 9 A 2016 Canadian study shows that for the new drugs that were covered, private drug plans take 132 days on average to approve coverage compared to 468 days for public drug plans. Rovere, Mark and Brett J. Skinner. 2016. "Coverage for new medicines in public versus private drug plans in Canada". Canadian Health Policy. [http://www.canadianhealthpolicy.com/products/coverage-for-new-medicines-in-public-versus-private-drug-plans-in-canada-.html?buy\\_type](http://www.canadianhealthpolicy.com/products/coverage-for-new-medicines-in-public-versus-private-drug-plans-in-canada-.html?buy_type)
- 10 The Ontario Drug Benefit formulary includes less than half of the average 9,000 drugs covered by most plans. Pryce, Chris. 2017. "Sounding Board: A primer on OHIP+ for private payers". Benefits Canada. <http://www.benefitscanada.com/news/sounding-board-a-primer-on-ohip-for-private-payers-106921>
- 11 Life Sciences Ontario. 2015. Sector Report. [http://www.lifesciencesontario.ca/files/file.php?fileid=file-MEGmaMmMlc&filename=file\\_LSO\\_Sector\\_Report\\_2015\\_FINAL\\_2015\\_02\\_25.pdf](http://www.lifesciencesontario.ca/files/file.php?fileid=file-MEGmaMmMlc&filename=file_LSO_Sector_Report_2015_FINAL_2015_02_25.pdf)
- 12 Canadian Pharmacists Association. 2017. "Pharmacare 2.0: What Canadians Are Saying". [http://www.pharmacists.ca/cpha-ca/assets/File/pharmacy-in-canada/Pharmacare2.0\\_What%20Canadians%20Are%20Saying.pdf](http://www.pharmacists.ca/cpha-ca/assets/File/pharmacy-in-canada/Pharmacare2.0_What%20Canadians%20Are%20Saying.pdf)

