BRIEF

CANADIAN NURSES ASSOCIATION*

PAN-CANADIAN PHARMACEUTICAL STRATEGY: RECOMMENDATIONS TO IMPROVE ACCESS TO AFFORDABLE PRESCRIPTION MEDICATIONS

Brief prepared for the House of Commons Standing Committee on Health

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CNA is the national professional voice of registered nurses in Canada. A federation of 11 provincial and territorial nursing associations and colleges representing nearly 139,000 registered nurses, CNA advances the practice and profession of nursing to improve health outcomes and strengthen Canada's publicly funded, not-for-profit health system.

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INTRODUCTION

Canada is the only developed country with a universal health insurance system that excludes universal coverage for prescription drugs. "Provinces rely on a patchwork of private and public drug plans that operate highly independently of each other and of the rest of the health care system"(p. viii).[1] Prescription drug coverage is only provided for patients in hospitals while public access depends significantly on a person's age, province of residence, health-care setting, employment benefits and health-care needs.

The Canadian Nurses Association (CNA), representing almost 139,000 registered nurses across Canada, believes access to affordable prescription medications is vital for preventing, treating and curing diseases, reducing hospitalization and improving quality of life. Every Canadian should have timely access to safe and effective prescription drugs in all health-care settings, and no citizen should be deprived of these drugs because of an inability to pay.

Canada's system of subsidizing private insurance programs is regressive and disproportionately favours workers who are able to pay for private health insurance. Twenty four per cent of Canadians have no insured pharmaceutical coverage,[2] while one in 10 report not filling a prescription or skipping a dose because of cost.[3]

According to recent research, "progress toward universal public drug coverage in Canada has been slow, in part because of concerns about the potential costs."[4] This concern is no longer justified, however, given that in the absence of a national program Canada's per capita drug spending is nearly twice the average of other peer nations.[5] Prescription drugs are the second largest portion of health-system costs, which are expected to grow further if Canada ratifies the Trans-Pacific Partnership (which extends drug patents).[6] Seeking to address these rising costs, economic studies point out the savings that could be achieved through a universal public drug insurance plan.[7,8]

To support such a plan and improve the accessibility, equity, efficiency, security and quality of prescription drug use, complementary pharmaceutical policies, structures and mechanisms are needed.

CNA recommends that, in partnership with the provinces and territories, the federal government implement an equitable pan-Canadian pharmaceutical strategy that includes the following:

1 Comprehensive, universal, public, affordable prescription medication coverage that ensures access in all health-care settings based on need and not the ability to pay.

2 Information and mechanisms to support appropriate prescribing practices in all jurisdictions by means of funding for programs such as Choosing Wisely Canada and Canada Health Infoway e-prescribing.

- Recognition of the prescribing role of nurse practitioners (NPs) through modification of the *Food and Drugs Act/Regulations* to enable NPs to distribute drug samples in a way similar to physicians, pharmacists, dentists and veterinary surgeons.

3 The expansion of collaborative purchasing strategies such as bulk purchasing to reduce drug costs.

4 A single, pan-Canadian drug formulary that eliminates inequities in the availability and cost of drugs between provinces/territories while simplifying and reducing the administrative costs of maintaining 13 separate lists of drugs.

5 A stable supply of clinically safe and cost-effective drugs, as identified in the 2015 Naylor report[9] recommendation regarding the Canadian Agency for Drugs and Technologies in Health (CADTH).

6 A federally led pan-Canadian drug strategy for rare diseases that enables cost sharing between federal and provincial/territorial governments for approved drugs from an agreed list of rare diseases.

7 Mandatory generic substitution that allows patients to choose non-generic drugs (at their own expense) and prescribers to give reservation notes when substitution should not take place for medical reasons.

BACKGROUND

1 Comprehensive, universal, public, affordable prescription medication coverage that ensures access in all health-care settings based on need and not the ability to pay.

Fewer than 50 per cent of Canadians are covered by public drug plans that pay for day-to-day prescription medications,[10] while nearly 100 per cent of citizens are covered in virtually all similar countries. Since the 1940s, every major commission on health care in Canada has recommended universal public coverage of medically necessary prescription drugs.[11] In a recent poll, more than one-in-five Canadians (23 per cent) reported that they or someone in their household did not take their medications as

prescribed because of concerns about cost.[12] "When people skip their medically necessary medications, they are at risk of poor health outcomes and complications that are more costly overall to the health care system" (p. 5).[13]

Recent research indicates that universal public drug coverage would reduce total spending on prescription drugs in Canada by $7.3 billion.[14] Similarly, if a national pharmacare strategy was implemented, federal and provincial governments could reduce current spending on prescription drug coverage by up to 43 per cent, or $10.7 billion.[15]

2 Information and mechanisms to support appropriate prescribing practices

Prescribing quality refers to "the potential for drug overuse, misuse, safety and other adherence issues" (p. 7).[16] A drug that is inappropriate for a patient is not only wasteful and expensive, it can also bring side effects that require other medications. At worst, adverse drug reactions mean greater use of the health-care system and, for patients, a poorer quality of life or an increased risk of death. The Naylor report highlights emerging evidence on the direct and indirect links between imprecise prescribing, mental health issues and economic impacts.[17]

Seniors in Canada who are given multiple prescriptions are often at the highest risk of medication misuse. "Research has shown that around half of seniors taking five or more medications experienced a side effect requiring medical attention (Reason et al. 2012), and all face increased risks of hospitalization" (p. 7).[18] Given our aging population, prescribing practices must be aligned with Canada's seniors strategies in order to limit such use of multiple medications and promote adherence to best practice guidelines (e.g., the Beers List).

Choosing Wisely Canada is an initiative that can contribute to appropriate prescribing practices. Developed as a campaign to get physicians and patients talking about smart and effective choices to ensure high-quality care, Choosing Wisely Canada is now working with CNA to develop resources relevant to Canadian nurses.

CNA recommends that governments support the implementation of Choosing Wisely Canada in all jurisdictions and carefully evaluate its impact.

The potential for error in the manual prescription process exposes patients to significant injury and even death. A 2008 study found that more than one in nine emergency department visits were due to potentially preventable drug-related adverse events.[19]

CNA recommends that a portion of Canada Health Infoway funds be targeted for the implementation of e-prescribing, which improves prescribing practices, significantly reduces errors and reduces drug events.

CNA recommends that the federal government recognize the prescribing role of nurse practitioners (NPs) and modify the *Food and Drugs Act/Regulations* to enable NPs to distribute drug samples in a way similar to physicians, pharmacists, dentists and veterinary surgeons.

3 Purchasing strategies such as bulk purchasing to reduce drug costs

Canada pays 30 per cent more than the Organisation for Economic Co-operation and Development (OECD) average for our prescription medications.[20] Furthermore, Canada pays more than all other OECD countries, except the U.S.[21] This higher cost is the result of our fragmented system of price negotiations and purchasing. Other countries purchase the same medicines from the same companies but pay much lower prices because they negotiate and purchase medicines in bulk.[22]

Canada has achieved some progress in this area with all jurisdictions (including Quebec and the federal government) participating in the pan-Canadian Pharmaceutical Alliance (pCPA). The alliance achieves the best prices for drugs while combining the negotiating power of drug plans to increase drug treatment options and improve the consistency of coverage across Canada. The alliance's joint negotiations have resulted in consistent drug listings and saved an estimated $80 million in annual drug costs.[23]

Provinces and territories are also working together to reduce the price point of commonly-used generic drugs to 18 per cent of the brand name price.[24] As of 2014, 10 of these drugs were reduced in price with annual savings estimated to be $150 million. This means real cost savings for Canadians, as generic drugs account for 38.8 per cent of provincial drug plan spending (as of 2012-2013).[25]

CNA recommends that collaborative purchasing strategies continue to be expanded.

4 A pan-Canadian common drug formulary

Canada currently operates 13 separate provincial/territorial public formularies, which results in significant variation in the number and type of drugs covered and lag time between the regulatory approval of new drugs and their formulary listing. In addition, there are many differences among private health insurance company formularies.

Countries such as France, Norway, Sweden, Australia, New Zealand and the U.S. (Veterans Affairs) all manage national formularies to ensure that the state is getting the

best possible value for money from the drugs it is covering.[26] Such formularies eliminate regional inequities in prescribing patterns and drug prices and provide clear guidance to drug companies during their listing process on what profit they can expect.

CNA recommends the establishment of a single, pan-Canadian formulary to eliminate inequities in the availability and cost of drugs between provinces/ territories and to simplify and reduce the administrative costs of maintaining 13 separate lists of drugs.

5 A stable supply of clinically safe and cost-effective drugs

The Canadian Agency for Drugs and Technologies in Health (CADTH) is engaged in the evaluation of drugs and medical technologies, but the procedures for selecting cost-effective drugs for Canadian drug plans are not nearly as transparent or rigorous as those in the U.K. and Australia.

CNA supports the advisory panel on health-care innovation in its recommendation regarding CADTH: [27]

Re-orient CADTH to "better support innovation by providing real-time advice to decision-makers on drugs and medical devices, and support CADTH to:

- Build up its expertise and increase its turnover related to its decisions on technologies to reflect their rapid life-cycle, including partnering with provincial initiatives that seek to align the pre-market and post-market assessment processes.
- Benchmark its turnaround against similar health technology assessment agencies internationally, which play a central role in providing rapid-cycle guidance on the cost-effectiveness of drugs and technologies.
- Assume the responsibilities of the Drug Safety and Effectiveness Network (DSEN; currently located in CIHR), which supports research into the post-market safety and effectiveness of drugs, given the natural affinity of this work with CADTH's mandate" (p. 94).

6 A pan-Canadian drug strategy for rare diseases

About one in 12 Canadians, two-thirds of them children, are affected by a rare disorder.[28] Right now, only 60 per cent of treatments for rare disorders make it into Canada, and most get approved up to six years later than in the U.S. and Europe. "Because these diseases only affect small numbers of people, the pharmaceutical industry will only continue developing drugs for such diseases if they can charge very

high prices, and it is sometimes argued that they should be exempted from standard cost-effectiveness tests" (p. 7).[29]

Federal, provincial and territorial health ministers implicitly acknowledged the case for working together to address this issue when they announced the formation of the Canadian Organization for Rare Disorders.[30]

CNA recommends that the federal government assume a leadership role by collaborating with the provinces/territories and offering to share costs for a special program to pay for approved drugs, either for an agreed list of rare diseases or, more generally, of diseases where the cost of approved drug treatments would exceed a specified level.

7 Implementing mandatory generic substitution

Several countries including Norway and Sweden employ mandatory generic substitution. Doctors and NPs are obliged to prescribe the least expensive equivalent product unless a serious medical reason exists for the more expensive alternative. Pharmacies are also obliged to inform patients if a less expensive generic alternative is available. If patients do not want the generic version, they must pay the price difference out of pocket. When generic drugs should be avoided for medical reasons, doctors and NPs may provide reservation notes against such substitution.

CNA recommends that governments implement mandatory generic substitution, allowing for patient choice at their own expense and prescriber reservation notes against substitution for medical reasons.

CONCLUSION

A publicly funded, not-for-profit health system best serves Canada and the health of Canadians. Canada is the only industrialized country with a universal health insurance system that excludes coverage of prescription drugs. Canada also pays some of the highest prices in the world for prescription drugs, yet Canadians have relatively poor access to medicines.

CNA is calling on the federal government to collaborate with the provincial/territorial governments in a pan-Canadian pharmaceutical strategy to improve the accessibility,

equity, efficiency, security and quality of prescription drug use in our health-care system, which includes the following:

- Comprehensive, universal, public, affordable access to prescription medications in all health-care settings, based on need and not the ability to pay.
- Information and mechanisms to support appropriate prescribing practices
- Purchasing strategies such as bulk purchasing to reduce drug costs
- A pan-Canadian drug formulary
- A stable supply of clinically safe and cost-effective drugs
- A pan-Canadian drug strategy for rare diseases
- Implementing mandatory generic substitution

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