

# *Pharmacare in the Public Interest*

## **BRIEFING NOTE**

Canadian Health Coalition



[www.medicare.ca](http://www.medicare.ca)

Ottawa, August 23, 2004

## Background

A discussion of pharmacare must not deflect attention away from an essential issue that divides Premiers, namely, the need to curb the privatization of health care services in Canada. The key condition for federal funding must be a prohibition on using public funds to privatize the delivery of health care services. Health care belongs in the public and not-for-profit sectors, not in the hands of unaccountable private investors.

A national pharmacare plan must not come at the expense of the other constitutive elements of a sustainable national health care system. This briefing note has been prepared to discuss the elements of a pharmacare plan in the public interest, as opposed to a plan in the interests of the pharmaceutical and insurance industries.

The Canadian Health Coalition's key message and recommendations have not changed. Medicare is sustainable, for-profit care is not. The federal government must secure the long term financial stability of Medicare and buy the changes needed – including public coverage for essential medicines - by restoring long term funding and enforcing the criteria and conditions of the *Canada Health Act*.

The Premiers' Action Plan for Better Health Care issued on July 30, 2004 is focused almost exclusively on a National Pharmacare Program. It calls for the federal government to assume full responsibility for pharmacare across Canada and leave everything else to the provinces. Provincial governments like Alberta, Québec, Ontario, and B.C. would be free to privatize all the other components of national public health care (hospitals, diagnostics, elective surgeries, home and long-term care...).

Pharmacare is an important element but only one of several constitutive elements needed to sustain and expand public health care across the country. Canadians do not want a Pharmacare plan if it undermines the other elements of the national health care system. (See the CHC Briefing Note "*Medicare is sustainable, for-profit care is not*" and the list of 8 recommendations to ensure Medicare's sustainability.)

## National Objectives of Pharmacare in the Public Interest

The goals of a national pharmacare plan in Canada should be:

1. Equity of access;
2. Safety & efficiency;
3. Cost containment

It is time to extend the principles of Medicare and the *Canada Health Act* to essential medicines. Currently, Medicare covers less and less as care is shifted out of hospital settings. Millions of Canadians are denied access to essential medicines when they need them because of financial barriers.

Canadians currently have for drug delivery what the Americans have for medical care. It's a mix of public and private payment instead of a single-payer; it is not universal but inequitable and dysfunctional. Patents and pharmaceutical profits are protected instead of the sick and the poor. The current system is designed to drive up drug sales and profits – regardless of health outcomes. Access to new and expensive treatments is limited to those who can afford them. This approach to medicine is unethical and unsustainable.

Economically disadvantaged segments of society and entire regions of the country are suffering because of this U.S.-style approach to medicine. The problem will get worse if Canada continues to encourage monopoly drug patents on pharmaceuticals and biopharmaceuticals. As an illustration of the perverse effects of the federal approach to health as a commodity to be commercialized - a drug company is now charging \$3,850 per person for a genetic test for breast cancer. There is wealth creation. But what about treating the sick?

Pharmacare in the public interest would lower overall drug costs, provide universal coverage to essential medicines and improve prescribing practices. Access to essential medicine is a human right that takes precedence over intellectual “property rights” and wealth creation for pharmaceutical giants.

To ensure equity, appropriateness and sustainability for a national pharmacare plan, cost-control measures are essential. These include drug patent reforms, strict controls on drug marketing, promotion, and dispensing fees, bulk purchasing, and paying only for what works safely and is cost-effective.



## **10 Elements of Pharmacare in the Public Interest**

### **1. Universal Public Drug Insurance Plan**

- first dollar coverage; no user fees, co-payments or premiums
- fully public insurance plan to control costs (no private “partnerships”)

### **2. National Formulary for Essential Drugs**

- use W.H.O. list of 329 essential drugs as a model, with decisions on inclusion based on evidence of efficacy, safety, and comparative cost-effectiveness. (More than 5000 drugs are marketed in Canada)
- formulary committee to make allowance for special needs
- bulk purchasing with bargaining power to reduce prices

### **3. Patent Reform to End Abuses**

- access to essential medicines has primacy over monopoly drug patents
- change current regulations and prohibit ‘evergreening’ of patents

### **4. Safety and Transparency Paramount in Drug Regulation**

- replace Health Canada’s Therapeutic Products Directorate with an accountable and transparent regulatory agency - free of conflict of interest
- proper safety warnings in plain language which list possible alternatives to taking the drug where appropriate

### **5. Enforce the Ban on Consumer Advertising of Prescription Drugs**

- institute adequate sanctions to prevent prescription drug advertising aimed at the public, and establish strict rules governing industry promotion and marketing to health professionals

### **6. Accountable and Transparent Decision making**

- public plan pays only for what works, not for useless, dangerous, or unnecessarily expensive new drugs;
- public access to all information upon which decisions on drug approvals and financing are made, including pre-clinical and clinical data

### **7. National Prescribing Service**

- integrate support for more appropriate drug prescribing into health care system
- work through College of Physicians and Surgeons, College of Family Physicians

### **8. Establish Public Drug Information System**

- independent comparative information on drug and non-drug treatments
- fund pharmacists to run a medicine information line

### **9. Systematic Follow up of Treatment Outcomes**

- compulsory adverse reaction reporting by physicians

### **10. Regulation for Ethical Conduct in Clinical Trials and Research**

- monitor and enforce national rules for ethical conduct in clinical trials and health research