



Pharmacare

2023





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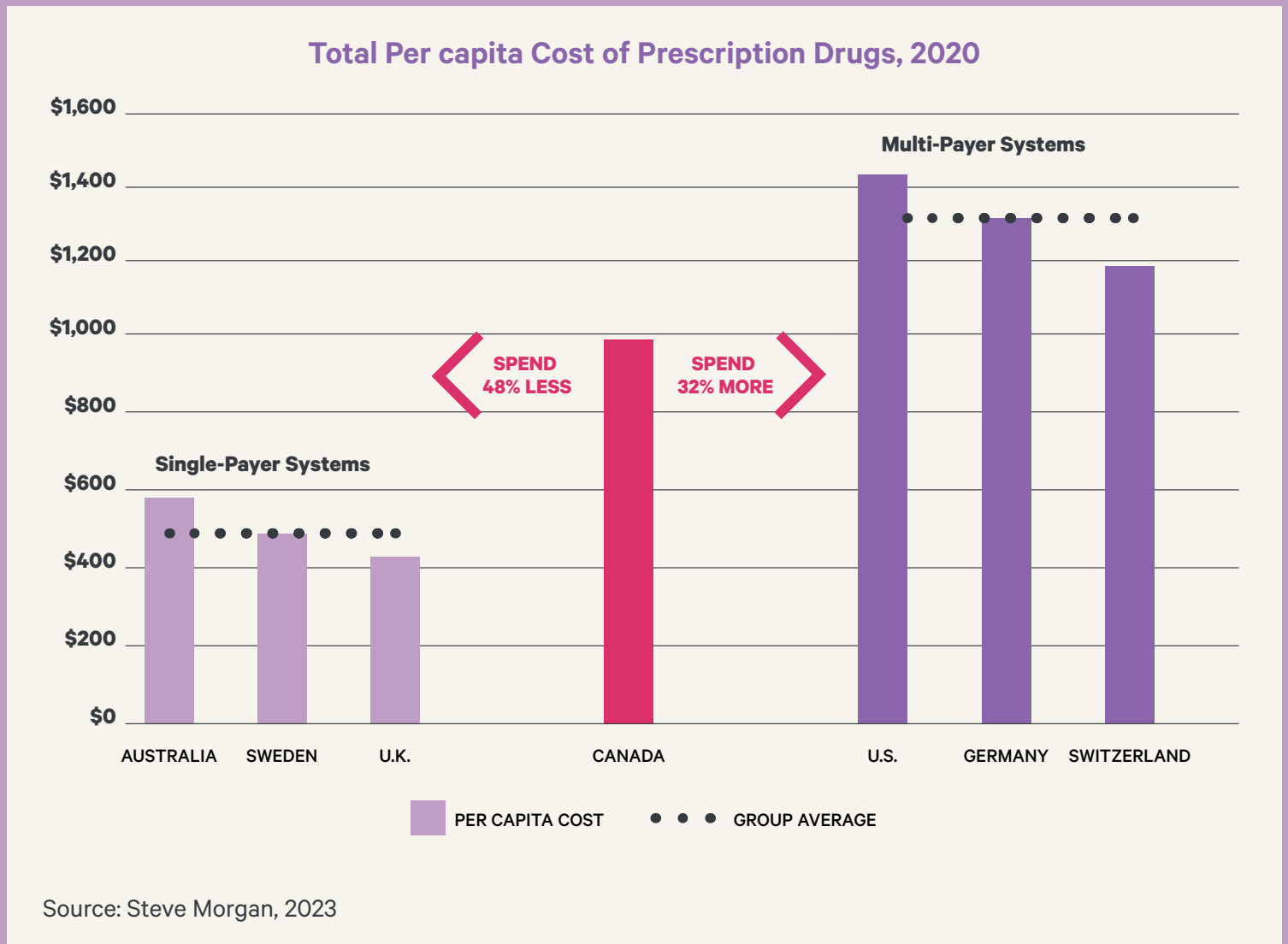
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FIGURE 1



Recommendations

1. We are asking the federal government to create a single-payer universal public prescription drug plan that provides coverage for all residents regardless of their income, age, or where they live.

This will include the following principles in a universal prescription drug plan:

- **Universality:** All Canadians must be entitled to the same level of pharmacare.
- **Accessibility:** All Canadians must have reasonable access to the prescription medicines they need, regardless of their income, age or where they live. The plan must provide first dollar coverage, eliminating out-of-pocket payments such as co-payments and deductibles.
- **Comprehensiveness:** Canada's pharmacare plan must have a comprehensive national formulary or list of medicines that ensures superior drug choice, safe and effective prescription drug use, and the best value for money. The formulary should be evidence-based for best health outcomes and should be evaluated on an ongoing basis by an arms-length, publicly accountable, non-partisan oversight body.
- **Public administration:** Canada's pharmacare plan must be publicly administered.
- **Portability:** The plan must follow Canadians no matter which province or territory they move to or live in.

2. The federal government should accelerate the current plans and realign with timelines set out in the implementation blueprint, *A Prescription for Canada: Achieving Pharmacare for All* of the Advisory Council on the Implementation of National Pharmacare, by bringing in full universal public pharmacare by 2027.

As part of the accelerated commitments to universal public pharmacare, the federal government should:

- Pass the Canada Pharmacare Act by the end of 2023;
- Implement the initial phase of universal public pharmacare of essential medicines by January 1, 2024; and
- Implement the bulk purchasing plan by January 1, 2024.

Canada's universal public pharmacare plan must be a single system of public insurance coverage for prescription drugs, commonly referred to as a single-payer system. The plan must be patient-centred, integrated with our Medicare or universal health care system and sustainable.

A universal public pharmacare plan replaces the existing patchwork prescription drug system consisting of several payers, commonly referred to as multi-payer system—from individuals paying out of their own pockets, to more than 100 public government plans¹ and about 113,000 private insurance plans.²

The affordability of a single-payer prescription drugs plan is clear, and Canada adopting a publicly funded and publicly delivered pharmacare plan will cost a lot less than a multi-payer system (see Figure 1).

Further, in times of great disruptions and change, the federal government must protect Canada's public pharmacare plan by refusing to ratify any trade agreements that result in higher prescription drug prices or affects our ability to provide universal public pharmacare in any way.

1. [Government of Canada, Towards Implementation of National Pharmacare Discussion Paper, \(2018\).](#)

2. [Parliamentary Standing Committee on Health, Government of Canada, Pharmacare Now: Prescription Medicine Coverage for All Canadians, \(2018\).](#)



Making life more affordable with universal public pharmacare

People are struggling and hurting from high prices, stretched budgets and a weakening economy. Universal public pharmacare will help people afford the medicine they need during these very tough times. No one should have to make the impossible choice of choosing whether to pay for rent, groceries, or the medicine they need.

Prescription drugs are essential in the management of many health issues and chronic conditions. One in ten people who were prescribed medication did not take the drugs they needed because of costs, including skipping doses, splitting pills, or not filling their prescription. Millions of people in Canada who cannot access their medicines because of costs, prolong their suffering from their ill health or die prematurely.³

When people cannot afford to take the medicine they need, a manageable health condition becomes a serious health crisis often with complications. This is costly to the patient, the health care system and to the economy as they are unable to work.

Universal public pharmacare will give everyone the assurance that when they need medication it will be there—so they can be there for their family, work, and community.

Universal public pharmacare is more fair for everyone no matter where they live, no matter if they have workplace coverage for prescription drugs, no matter their age or their ability to pay. It is safer, provides more comprehensive drug coverage and lowers drug costs.

The current patchwork of private-public prescription drug plans is unfair and provides uneven drug coverage. The disparities of drug coverage vary province-to-province, and employer-to-employer.

Private drug plans that are tied to employment are part of the benefits package to attract workers and support workplace productivity—and not intended to be a social safety net. The better your employment and wages, the better your private drug coverage. This is not a sustainable solution especially with growing gig and precarious employment, and the uncertainties of the world of work.

Public plans by each province offers their own lists of prescription drugs and provides drug coverage to various populations that they determine are in need such as:

- Seniors;
- Low-income people; and
- Persons living with a disability.

But many people are falling through the cracks because they don't qualify for public plans, or the public plans have unaffordable co-payments, co-insurance fees and deductibles for their prescription drugs.

● 3. [Government of Canada, Advisory Council on the Implementation of National Pharmacare, A Prescription for Canada: Achieving Pharmacare for All, \(2019\).](#)

Replacing the current patchwork public-private prescription drug system with universal single-payer public pharmacare will be cost efficient, provide fair access and coverage, and will be safer for everyone from coast to coast.



If the federal government proposes a “fill-in-the-gaps” model to replace the current patchwork of public-private prescription drug system, it would be replacing a very expensive system with an even more expensive one.

Replacing the current patchwork public-private prescription drug system with universal single-payer public pharmacare will be cost efficient, provide fair access and coverage, and will be safer for everyone from coast to coast.⁴ Even Canadians with existing coverage will benefit.

A fully implemented universal, single-payer, public pharmacare by 2027 will put money back in the pockets of:⁵

- Families worth \$350 for each family per year; and
- Businesses worth \$750 for each employee per year.

It is estimated that a fully implemented universal, single-payer, public pharmacare by 2027 will reduce the annual cost of prescription drugs for:

- Employers and businesses by \$16.6 billion;
- Families by \$6.4 billion; and
- The system-wide spending on prescription drugs by \$5 billion.⁶

Universal public pharmacare will give authority to the government as a single large, powerful purchaser to negotiate the best, lowest prices for prescription medications for Canadians. It will also reduce the economic inefficiencies of 113,000 private plans that cost three times more to administer than public plans. These efficiencies will be achieved while coverage is expanded to cover everyone in Canada.

The full universal single-payer pharmacare plan will cost the federal government \$15.3 billion dollars, and at the same time create system-wide savings in billions of dollars. Universal public pharmacare can start with the launch of universal coverage of essential medicines that covers half of all prescriptions at a cost of \$3.5 billion.⁷ The essential medicines list will be an “evergreen” list, with additions of drugs with each year until full universal public pharmacare is achieved in 2027.

● 4. [Government of Canada, Advisory Council on the Implementation of National Pharmacare, A Prescription for Canada: Achieving Pharmacare for All, \(2019\).](#)
5. Ibid.
6. Ibid.
7. Ibid.



Demand for universal public pharmacare

Just before the pandemic, when the cost of living was lower, people were already struggling to pay for their prescription medication:

- Nearly 3 million Canadians said they were not able to afford one or more of their prescription drugs;
- Almost 1 million Canadians cut back on food or home heating to pay for their medication; and
- Almost 1 million Canadians borrowed money to pay for prescription drugs.

Now, with much higher inflation, half of Canadians are living paycheck to paycheck. More people face impossible choices between paying for their basic needs or their needed prescription drugs to be healthy or to manage their illness.

In 2021, 1 in 5 (21%) of Canadians reported not having prescription insurance to cover medication costs—with a higher percentage of immigrants (29%) compared to non-immigrants (17%).⁸ Racialized persons (29%) reported not having insurance to cover medication costs compared to non-racialized and non-Indigenous groups (17%).⁹

For people who took or were prescribed medications, about 1 in 5 spent \$500 or more out-of-pocket on their needed medications, and close to 1 in 10 did not take their medication (e.g., delayed filling, skipped doses) because of cost.¹⁰

A higher share of racialized people (12%) reported not taking their prescription medications because of cost compared to non-racialized and non-Indigenous people (8%).¹¹

Even people with insurance struggle to afford their prescriptions because of co-payments, co-insurance, and deductibles—38% had private insurance coverage and 21% had public coverage but not enough to cover all their costs.

8. [Cortes, Cassandra and Leah Smith. \(November 2, 2022\). Pharmaceutical access and use during the pandemic.](#)

9. Ibid.

10. Ibid.

11. Ibid.



A future that works with universal public pharmacare

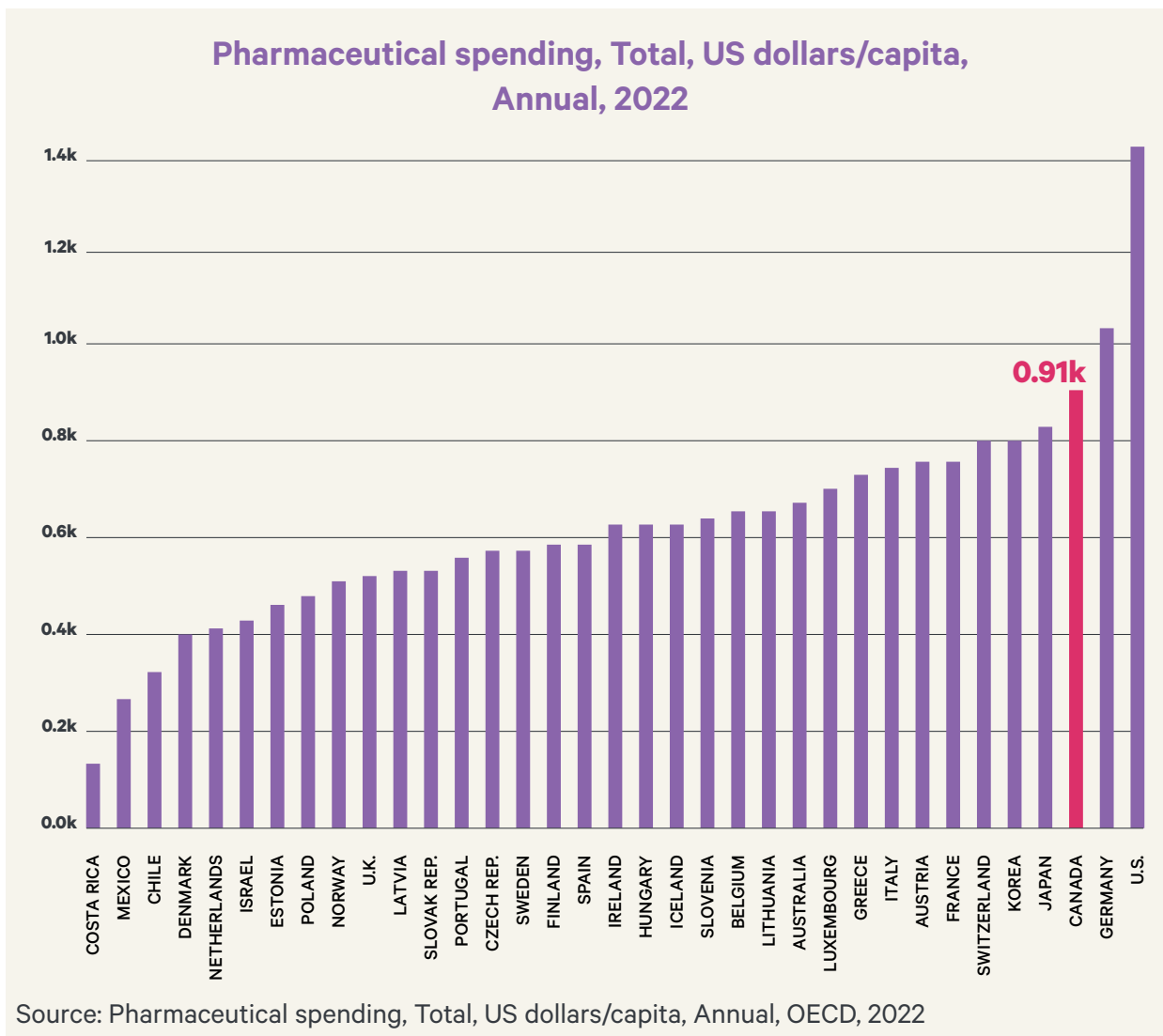
Universal public pharmacare is good for Canadians and it is good economic policy. It will tackle the changes and disruptions head on, and lead to a sustainable and prosperous tomorrow.

Working people are the engine that powers Canada's economy. We need to ensure Canada has a healthy workforce that is ready to meet the certainty of challenges by providing workers with a universal public pharmacare plan.

Canada continues to disadvantage itself economically by not putting working people as the central priority. The current private-public prescription drug system is already very expensive and inequitable. Canada is still the only high-income country in the world with universal health care that does not include universal prescription drugs.

In 2022, Canada spent as much on prescription drugs as on doctors.¹² Canada's prescription drug prices were third highest among the Organization for Economic Co-operation and Development (OECD) countries—only the USA and Germany were higher.¹³

FIGURE 2



12. [Canadian Institute for Health Information. November 3, 2022. National health expenditure trends](#)
 13. [OECD Chart: Pharmaceutical spending, Total, US dollars/capita, Annual, 2022.](#)



Canadians are done waiting for universal public pharmacare

We are asking the government to introduce and implement a Canada Pharmacare Act that is for the people and not for profits. The plan must be patient-centered, integrated with our Medicare or universal health care system and sustainable.

Canadians spent almost \$39 billion on prescription drugs in 2022: 37% (\$14.3 billion) from private insurance plans and 19% (\$7.6 billion) out-of-pocket from people.

The current patchwork of private-public prescription drug system is very expensive, unfair to patients and lacks accountability and transparency. This is a formula to make excessive profits for private pharmacies, big pharmaceutical and big insurance companies. These industries are fighting to block universal public pharmacare, and even worse, are proposing even more expensive and profitable models to the federal government like a “fill-in-the-gaps” approach of drug coverage for a small group of people. And there is clear evidence that the proposal of increased coverage like the Quebec model is more expensive per person compared to the rest of Canada.

Expensive prescription drug prices are putting the burden on people and putting more profits in the pockets of private pharmacies, pharmaceutical and insurance companies.

There is clear urgency for the federal government to make life more affordable and keep millions of people in Canada safe and healthy by implementing universal public pharmacare. The government can immediately help people access affordable prescription medication by implementing the essential medicines now, as outlined in the Advisory Council on the Implementation of National Pharmacare report, as the first phase of universal public pharmacare.

Both the report of the Advisory Council on the Implementation of National Pharmacare (2019)¹⁴ and the report of the Standing Committee on Health—Pharmacare Now: Prescription Medicine Coverage for All Canadians (2018)¹⁵ recommended a universal single-payer public pharmacare plan. Two reports by the Parliamentary Budget Office in 2017¹⁶ and 2023¹⁷ on universal single-payer pharmacare concluded that it is affordable and at the same time return billions of dollars in savings.

Only a publicly funded, publicly delivered pharmacare as a single payer plan will give the government the consolidated bargaining power to negotiate better drug prices, reduce administrative costs while making it fairer and safer for everyone through appropriate prescribing.

● 14. [Government of Canada, Advisory Council on the Implementation of National Pharmacare, A Prescription for Canada: Achieving Pharmacare for All, \(2019\).](#)

15. [Pharmacare Now: Prescription Medicine Coverage For All Canadians. Report of the Standing Committee on Health, April 2018.](#)

