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Finance
Prepared by the Canadian Pharmacists Association**

The Canadian Pharmacists Association (CPhA) is the national voice of Canadian pharmacists. Through its leadership, CPhA is helping to achieve the vision of pharmacy as a profession providing optimal drug therapy outcomes for Canadian through patient-centred care.

Pharmacists continue to undergo profound changes in their professional practice. A growing number of provinces have implemented regulatory and/or legislative changes that are increasing the scope of practice and patient care pharmacists can provide. Furthermore, the business model of pharmacy is changing. Several provinces have made changes to generic drug pricing and the rebate system paid to pharmacies by drug manufacturers – in Ontario, rebates have been eliminated. To compensate pharmacies, provincial governments have increased dispensing fees and extended payment for some services. These changes are dramatically altering the traditional business and service model that pharmacies have lived under for decades.

Although these changes are principally at the provincial / territorial level, there are additional changes to the health sector on the horizon whereby the federal government could potentially take a leading role. With the expiration of the 10 year Health Accord coming in 2014, and with the election of a majority government in the May 2011 election, the current federal government has an opportunity to demonstrate leadership in promoting a vision for health care beyond 2014. This brief will discuss ways in which the federal government can work with pharmacists now, and in the intervening years in the leadup to the expiration of the 2004 Health Accord, in order to promote better health outcomes for all Canadians.

The 2004 Health Accord – Unfinished Business and Health Care Renewal

In 2003, federal, provincial, and territorial First Ministers agreed to the “First Ministers’ Accord on Health Care Renewal” that committed jurisdictions to undertake investments and be held accountable for health care reform in a number of key areas. The federal government committed to a 6% escalator in the Canada Health Transfer and the creation of a Health Reform Fund, while provinces and territories agreed to a series of key measures in the following areas: reducing wait time and improving access, health human resources, home care, electronic health records, health care in the north, a National Pharmaceutical Strategy, prevention and health promotion, and research. As mentioned, this 10 year Accord is set to expire in 2014.

In 2008, the House of Commons Standing Committee on Health conducted a statutory review of the Health Accord. Its report identified those items in which progress had been made on the key themes from the Health Accord. Although the Committee identified those items where it felt progress had been made, a closer reading of the report reveals a number of key areas that have not be implemented. The Senate Social Affairs, Science, and Technology Committee had begun to undertake another review of the 2004 Accord in early 2011 – however, the federal election prevented those hearings from occurring. It has not been confirmed whether the Senate Committee or the House Standing Committee on Health will complete this review in 2011.

In 2009, the Health Council of Canada issued a report that looked specifically at the recommendations contained in the Accord regarding a National Pharmaceuticals Strategy. Entitled “The National Pharmaceuticals Strategy: A Prescription Unfilled”, the report concluded that progress on the pharmaceutical-related objectives contained in the 2004 Health Accord varied considerably among jurisdictions, that pharmaceutical policy was becoming increasingly fragmented across provincial and territorial boundaries, and that the federal government needed to provide greater leadership. It recommended that First Ministers recommit to a program of catastrophic drug coverage, more appropriate prescribing and e-prescribing, a program for expensive drugs for rare diseases, and a common national drug formulary.

CPhA is concerned that several of the commitments made by governments in 2004, and for which federal funding was provided, have been largely forgotten. Catastrophic drug coverage, more appropriate prescribing, e-prescribing, and a strategic approach to ensuring sustainable health human resources are areas that CPhA strongly believes have not been adequately addressed by governments as per the stated objectives in the 2004 Health Accord. Although there was some discussion on these topics during the 2011 federal election campaign, the current government has expressed little inclination to take action on these necessary health investments. The 2010 report of the Standing Committee on Health with respect to Health Human Resources should serve as a roadmap to a strong and effective response to addressing the health human resource challenges identified in the 2004 Accord.

- 1. CPhA recommends that the federal government reengage provincial and territorial governments on the objectives contained in the 2004 Health Accord, particularly those items relating to a National Pharmaceutical Strategy and sustainable health human resource planning, and develop an implementation plan to ensure those objectives are met.**

Future of Health Care in Canada Beyond 2014

Although it will be important to revisit the goals and objectives of the original 2004 Accord, the federal government must start to plan now for its vision of health care and the objectives it wants to see enacted upon the expiration of the Accord in 2014. This will involve both the right process and the right mix of health policies.

Engagement with Canadians Leading to 2014

As already stated, the First Ministers Accord on Health Care Renewal expires in 2014. With the federal election now over, the federal government has still not announced a renewal or consultation process, nor a vision for the federal role in health care beyond 2014. The Prime Minister did indicate during the election campaign that he would commit to retaining the 6% escalator in the Canada Health Transfer beyond 2014, but aside from that, there has been no discussion nor debate over the future of health care, nor what a potentially renewed Health Accord would contain.

CPhA continues to believe that it is imperative for the federal government to establish a process whereby health care representatives and professionals have an opportunity to discuss and debate the future of health care in Canada post-2014. Important questions regarding the post-2014 vision for health care in Canada should not be decided by Finance Canada officials alone. Such a process would provide governments, the health care field, and individual Canadians with the opportunity to thoroughly examine the key issues facing our health care system. Key questions surrounding national pharmaceutical policy – including catastrophic drug coverage, drug prices, expensive drugs for rare diseases, and the role of pharmacists in health care – would need to be included in such a consultation.

Ensuring Access to Pharmaceutical Care for All Canadians

Various reports that have been released over the past two years have illustrated that for many Canadians, access to necessary pharmaceuticals is compromised by financial barriers. These are typically Canadians who are either not covered by public or private drug plans, or for whom such plans are insufficient to pay for the full cost of their drugs. According to a Statistics Canada survey, 24% of Canadians have no drug coverage, and 8% admitted to not filling a prescription in the past year due to cost of drugs.

As part of the discussions surrounding a post-2014 vision for Canadian health care, federal and provincial governments must include a conversation on a program to meet the pharmaceutical care needs for Canadians. Means must be sought to ensure that all Canadians, regardless of income, have access to

affordable medication and the related pharmaceutical care required. In 2006, CPhA, in partnership with the Canadian Medical Association, Canadian Nurses Association, the Canadian Healthcare Association, and the Best Medicines Coalition issued a letter to provincial and territorial leaders underscoring the need for a national pharmaceutical strategy based on certain principles. These included:

- Canadians, no matter where they live, have equitable access to prescription drug coverage.
- Decisions are patient-centered, taking account of the unique needs and therapeutic outcomes of individual patients and respecting the relationship between patients and their health care providers.
- All policy decisions, including drug approvals and program coverage, are based on an impartial review of the best available scientific evidence and on the adoption of best practices nationally and internationally.
- All initiatives are carefully assessed in accordance with a comprehensive evaluation strategy.
- Pharmaceuticals are evaluated, not in isolation, but as an integral part of the health system. They are assessed in the context of the overall burden of illness, and of their impact on direct and indirect illness costs and health system sustainability.
- Health care providers and health organizations have access to the knowledge and information necessary to facilitate optimal and appropriate pharmacotherapy.
- Appropriate use is made of the knowledge and skills of physicians, nurses, pharmacists and other health care providers.
- The decision-making process is open, transparent and accountable, and incorporates the active, meaningful participation of health professionals, patients and other relevant stakeholders including public and private insurers.

2 A) CPhA recommends that the federal government establish a consultation process involving all key stakeholders to discuss the future of health care in Canada post-2014.

B) CPhA recommends that in discussions and negotiations leading to a renewed health transfer regime, the federal, provincial and territorial governments include a program to meet the pharmaceutical care needs of all Canadians as a priority area for action.

Improving Drug Safety, Value and Quality

There is no more important issue for Canadian pharmacists than ensuring that drugs in Canada are safe, effective, and represent value and quality for Canadian patients. Pharmacists are continually striving to ensure that patients are fully cognizant and knowledgeable about proper drug use. However, to achieve this, pharmacists need to better understand existing drug use. To this end, they require better evidence and data collecting techniques. There is some work occurring on drug quality and effectiveness. For instance, the Canadian Institute for Health Information (CIHI) has taken the lead on collecting and analyzing data on drug use in Canada, mainly through its National Prescription Drug Utilization Information System (NPDUIS). The NPDUIS collects prescription claims-level data to provide context on drug claim data in provincial drug plans and information on policies regarding public drug plans. The Canadian Institutes for Health Research (CIHR) has been allocated \$30 million in funding to develop a Drug Safety and Effectiveness Network, which will conduct research into the post-market safety and effectiveness of drugs.

Although these are welcome initiatives, the data collected by these programs, and the resources available to them are insufficient to properly determine overall drug quality and health outcomes. This was the conclusion of a July 2011 editorial in the Canadian Medical Association Journal, which stated that, "...so little is known about the safety of most novel drug compounds that the releases of new drugs are essentially

experiments – but without a protocol, controls, or clear outcomes to measure. The potential consequences include unanticipated deaths and life-threatening complications...”¹

Better analytical capability and use of a wider number of indicators to obtain a more thorough understanding of drug use effectiveness and value is required, as is better data collection infrastructure. The Healthcare Effectiveness Data and Information Set (HEDIS) system in the United States serves as a good model. The HEDIS system uses 71 different indicators to analyse a wide range of treatment options and determine effectiveness, which helps evaluate and more properly shape overall health policy.

An electronic health record that could be used to obtain better data would also be a welcome step in better understanding drug use, and how drug therapies could be changed to develop more effective and value added drug therapies and inform pharmaceutical policy. CPhA believes funding to support more advanced drug monitoring infrastructure and indicators of safety and quality, such as those in HEDIS, would provide necessary data and an evidence based approach that could serve to develop better pharmaceutical policy across Canada.

Despite the best efforts of pharmacists to provide safe and knowledgeable medication management, problems with less than optimal prescribing and usage behaviour remain. Also, adverse drug events remain a serious concern for pharmacists, the broader health community, governments, and ultimately patients. A 2004 study showed that of the 2.5 million annual hospital admissions in Canada, approximately 185,000 were associated with adverse events, and that 70,000 were potentially preventable². A 2006 study showed that 24% of patients were admitted to a hospital’s internal medicine service for medication-related causes, and over 70% of these admissions were deemed preventable³. The Romanow Commission in 2004 estimated the cost of misuse, underuse, and overuse of medications to range from \$2 billion to \$9 billion per year. If Canada is to properly curb the incidence of adverse drug events and improper usage, and its associated cost, a coordinated effort must be put in place.

Previously, CPhA has called for the creation of a National Medication Management Centre that would foster a broader, integrated approach to improving the safety and quality of drug therapy and reducing adverse drug events. Such a Centre would be a novel organization undertaking work not provided elsewhere in Canada. Its mandate would be as follows:

- To develop and disseminate best practices in prescribing and drug use.
- To assist prescribers in developing safe, rational, cost-effective prescribing behaviours in the selection, planning, implementation, monitoring and evaluation of drug therapy.
- To assist public and private payers of drug benefit plans to develop and manage comprehensive, cost-effective drug benefit plans.
- To assist consumers in using pharmaceutical products in safe, cost-effective ways, leading to optimal drug outcomes.
- To be a source of rational, informed, expert comment to the public and media on issues relating to drug safety and drug utilization.
- To facilitate and promote the reporting of adverse drug reactions, unwanted drug effects and medication incidents.

¹ “Can Health Canada protect Canadians from unsafe drugs”, by Paul Hebert, Matthew Stanbrook, Noni MacDonald, Ken Flegal, Jane Coutts, Stuart MacLeod, Canadian Medical Association Journal, July 2011, Vol. 183, no.10.

² Baker GR, Norton PG, Flintoft V, et al. The Canadian Adverse Events Study: the incidence of adverse events among hospital patients in Canada. Canadian Medical Association Journal 2004; 170: 1678-86.

³ Samoy LJ, Zed OH, Wilbur K, et al. Drug-related hospitalizations in a tertiary care internal medicine service of a Canadian hospital: a prospective study. Pharmacotherapy 2006; 6: 1578-86.

The benefits of a National Medication Management Centre to patient care and safety would be significant. The costs of establishing a Centre would be more than offset within the health care system if only a small proportion of current adverse drug event cases could be prevented.

3 A) CPhA recommends that the federal government provide greater support for drug data reporting infrastructure, including but not restricted to electronic health records, as a means to obtain better data and conduct more thorough research on quality of drug use and effectiveness with the aim of establishing routine indicators on the safety and quality of drug use.

B) CPhA recommends that the federal government provide funding to Health Canada to establish a National Medication Management Centre that would act as a key driver to reducing adverse drug events and enhance medication management for patients.

Conclusion

CPhA appreciates this opportunity to comment on the 2011 federal budget, and looks forward to engaging in a robust discussion with the Standing Committee on Finance and the Government of Canada on the ideas contained in this paper.

Summary of Recommendations

1. CPhA recommends that the federal government reengage provincial and territorial governments on the objectives contained in the 2004 Health Accord, particularly those items relating to a National Pharmaceutical Strategy and sustainable health human resource planning, and develop an implementation plan to ensure those objectives are met.

2. A) CPhA recommends that the federal government establish a consultation process involving all key stakeholders to discuss the future of health care in Canada post-2014.

B) CPhA recommends that in discussions and negotiations leading to a renewed health transfer regime, the federal, provincial and territorial governments include a program to meet the pharmaceutical care needs of all Canadians as a priority area for action.

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