



CPhA PRE-BUDGET CONSULTATION BRIEF 2019

Prescriptions for a healthy and productive Canada



CANADIAN
PHARMACISTS
ASSOCIATION

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PHARMACIENS
DU CANADA

CPhA Recommendations

1 Pharmacare

That the government earmark \$1.4B to harmonize catastrophic drug coverage (capped at 3% of household income) across Canada and build on existing drug coverage by implementing a close-the-gap approach to pharmacare.



2 Cannabis excise tax

That the government build on the 2018 budget commitment to establish a different taxation system for medical and recreational cannabis, by regulating the price of medical cannabis as it does other prescription drugs, which are not taxed.



3 Opioids

That Budget 2019 include an investment of \$1M/year for 5 years to support an awareness raising campaign for pharmacist-led medication return programs (MRPs).



Introduction

On behalf of the Canadian Pharmacists Association (CPhA) and Canada's 42,000 pharmacists, we are pleased to provide the Committee with our recommendations for Budget 2019.

Canada is home to over 10,000 pharmacies, the vast majority of which are owned and operated by pharmacists, and located in almost every community throughout the country. Pharmacies are usually open late, on weekends and during holidays, providing Canadians with convenient and timely access to health care services in a way that allows them to reduce their time away from work and be productive in their workplace.



In addition to being essential health care centers with a wide range of services options for their patients, community-based pharmacies are also important contributors to our economy. The total economic footprint of the pharmacy sector (direct, indirect, and induced/spillover effects) is estimated at \$16.1 billion in GDP and 247,100 jobs. Furthermore, the pharmacy sector is estimated to have generated a combined \$1.68 billion in fiscal benefits to all levels of government in 2016.¹

Pharmacists are on the frontlines of health care and are therefore directly impacted by federal health policy and budget decisions. Our recommendations for Budget 2019 are therefore focussed on key health policy areas being debated across the country; those with significant implications for both patients and the profession of pharmacy.

These recommendations focus on three specific areas:

- Pharmacare
- Medical cannabis excise duty
- Opioids and prescription drop off programs

¹ The Conference Board of Canada. (2018). *The pharmacist in your neighbourhood: Economic footprint of Canada's community pharmacy sector*. Retrieved from: <https://www.conferenceboard.ca/e-library/abstract.aspx?did=9673>

Pharmacare

Pharmacists care deeply about improving drug access for the many Canadians who do not have adequate coverage. They understand firsthand the challenges patients face in accessing their medications and spend countless hours helping patients navigate drug plans.

The health of Canadians depends on quality pharmaceutical care. When taken appropriately, prescription medicines are often the best and most cost-effective treatment to prevent and manage disease, reduce hospital stays, replace surgical treatment, and enable patients to function productively in their communities. Despite the important role that pharmaceuticals play in health care, estimates suggest that one in ten Canadians cannot afford their prescriptions.²

CPhA is pleased that pharmacare is, once again, on the national policy agenda. While CPhA will be participating in the Council's consultations over the coming months with a view of providing recommendations that aim to improve Canadians' access to medication, we believe there is an opportunity for immediate federal action in this area. Specifically, we recommend that the federal government provide long-term, sustainable and dedicated funding to the provinces and territories to advance a PharmAccord: a federal, provincial and territorial agreement that would establish national standards in exchange for federal funding. Our vision for such a PharmAccord includes the following:

Improve and harmonize catastrophic drug coverage across the country

CPhA recommends that a core component of any pharmacare plan include harmonized catastrophic drug coverage across Canada. Catastrophic drug coverage protects individuals from undue financial hardship due to medication expenses by imposing a maximum on out-of-pocket spending for prescription drugs. Once this income-tested maximum is reached, public plans pay for the remainder of drug or cost-sharing expenses until the coverage year resets.

To ensure universality, a federal catastrophic drug transfer could be implemented with the requirement that all provinces limit annual out-of-pocket costs to 3% of household income. It is estimated that such a transfer would cost the federal government approximately \$1.4B a year and would improve access and alleviate drug cost burdens for over 5% of Canadians who currently face high out-of-pocket costs (i.e. beyond 3% of their income).

Supporting Canada's most vulnerable Canadians

While the vast majority of Canadians currently have access to some form of coverage, either public or private, some Canadians are falling through the cracks. These Canadians are often part-time employees, self-employed and, in many cases, single-parent households.

² Office of the Parliamentary Budget Officer. (2017). *Federal cost of a national pharmacare program*. Retrieved from: http://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2017/Pharmacare/Pharmacare_EN_2017_11_07.pdf

As health care providers who regularly serve these vulnerable patients, we believe that the government's immediate focus should be on finding solutions that address these gaps in drug coverage. We also believe that a targeted drug coverage solution would allow governments to invest in other areas of the health care system that require much needed attention.

Extending existing drug coverage to those Canadians without coverage would offer the greatest feasibility and affordability to government. It would allow Canadians to continue to benefit from comprehensive private drug plan formularies, which include new and innovative medicines, while supporting long-term sustainability of full population drug coverage.

Medication services to promote appropriate drug utilization

In addition, our vision for a PharmAccord includes coverage of essential medication services, which support optimal drug therapy outcomes through safe and appropriate drug utilization. By providing patient counseling, chronic disease management and deprescribing services, pharmacists can improve drug safety, adherence, wastage and issues associated with medication overprescribing and misuse.

There is a critical need for the medication services provided by pharmacists, given that 40% of Canadians have difficulty contacting a nurse or physician for health information or advice and 48% have difficulty making an appointment for on-going care.³ When pharmacists are empowered to practice to the full extent of their scope, with the appropriate resources for service delivery, they can improve health outcomes, reduce drug spending and help to save money across the health care system.

RECOMMENDATION: CPhA recommends that the government earmark \$1.4B to harmonize catastrophic drug coverage (capped at 3% of household income) across Canada and build on existing drug coverage by implementing a close-the-gap approach to pharmacare.

³ Statistics Canada. (2016). *Difficulty accessing health care services in Canada*. Retrieved from: <http://www.statcan.gc.ca/pub/82-624-x/2016001/article/14683-eng.htm>

Medical cannabis excise tax

Pharmacists have a unique perspective on the legalization of cannabis, with a particular focus on how the non-medical cannabis stream will impact the medical cannabis regime and how regulations could provide greater support for patients who use cannabis for medical purposes.

Medical cannabis patients have unique needs that differ from those of recreational cannabis users. The cannabis supplied in the medical stream can differ chemically from recreational cannabis and they should not be treated as interchangeable products. Patients may require strains and forms to alleviate symptoms and minimize intoxication, like those available through cannabidiol, or CBD, whereas recreational users might be seeking euphoric effects in strains with higher THC levels.

We share the concerns of medical cannabis patients over the excise duty that will be imposed once cannabis becomes legal on October 17, 2018 and we believe this tax on medical cannabis represents the government's failing in its responsibility to the health and safety of medical cannabis patients.

The government's proposed excise duty framework would subject any cannabis products sold under the proposed Cannabis Act for medical purposes to the same duty rates and conditions as recreational cannabis. This would add an excise tax of \$1 per gram of cannabis or 10 per cent of the final retail price, whichever is higher.

The government has suggested that the equal taxation of medical and recreational cannabis is required in order to prevent an incentive for recreational users to take advantage of the medical stream. This explanation not only questions the judgment and ethics of health care providers who issue medical documents for medical cannabis treatment but it also demonstrates a lack of understanding and consideration for medical cannabis patients who, upon taxation, may be unable to afford their medication or have little incentive to remain in the medical cannabis stream.

Patients have a fundamental right to affordable medicine. While some insurance providers have started to provide coverage for medical cannabis, most insurance providers do not, leaving patients to pay for their therapy out-of-pocket. Medical cannabis users are vulnerable patients, often with chronic illnesses, and the out-of-pocket cost may lead to financial hardship. The added levy to medical cannabis will only exacerbate this problem by establishing further financial barriers for patients in accessing medication therapy.

RECOMMENDATION: CPhA recommends that the government demonstrate its support of the use of cannabis as medication therapy by regulating the price of medical cannabis as it does other prescription drugs, which are not taxed.

Opioids and prescription drop off programs

Pharmacists are on the frontlines of the opioid crisis. Every day, pharmacists provide counseling to patients on the appropriate use of prescription opioids at the time of dispensing. They further monitor long-term opioid use through medication review services, support addiction management therapy for Canadians, dispense naloxone and counsel on harm reduction strategies, and they promote and participate in medication return programs (MRPs).

Pharmacy-led MRPs are important initiatives that benefit communities across Canada by preventing drug diversion, accidental ingestion, environmental pollution and other consequences related to improper medication disposal. MRPs also provide pharmacists with the opportunity to talk to patients to determine the cause of medication waste, thus enabling the identification and resolution of medication-related problems and, in particular, a chance to address factors contributing to nonadherence.

MRPs take on even more importance within the context of the opioid crisis. Unused opioids in the home could be accidentally ingested by children, stolen by family members for their own use or diverted to the black market. According to the 2017 Ontario Student Drug Use and Health Survey, 11% of Canadian teenagers have admitted to taking opioids to get high, and 55% of these teenagers say they obtained the pills from their home.⁴

To ensure that unused and expired medications are properly disposed of across Canada, CPhA recommends that the federal government invest in a nationwide awareness campaign for pharmacy-led MRPs. This support would increase uptake of these programs, which are particularly important as tools in securing and destroying unused controlled substances and narcotics.

RECOMMENDATION: CPhA recommends that Budget 2019 include an investment of \$1M/year for 5 years to support an awareness raising campaign for pharmacist-led medication return programs (MRPs).

⁴ Centre for Addiction and Mental Health. (2017). Drug use among Ontario students: Detailed findings from the Ontario Student Drug Use and Health Survey. Retrieved from: <https://www.camh.ca/-/media/files/pdf---osduhs/drug-use-among-ontario-students-1977-2017---detailed-findings-from-the-osduhs.pdf?la=en&hash=2B434CDAAD485834497E3B43F2264BDEB255F29F>

About CPhA

The Canadian Pharmacists Association (CPhA) is the uniting national voice of pharmacy and the pharmacist profession in Canada. As pharmacists undertake an enhanced role in the delivery of health care services, CPhA ensures that the profession is recognized as a national leader in health care, influencing the policies, programs, budgets and initiatives affecting the profession and the health of Canadians.

More information is available at www.pharmacists.ca.

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