Canadian Doctors for Medicare
340 Harbord Street | Toronto, Ontario M6G IH4

Carlo Berardi, CPhA Chair
Canadian Pharmacists Association
1785 Alta Vista Drive | Ottawa, Ontario K1G 3Y6

RE: PDCI Paper on Pharmacare Costing in Canada March 2, 2016

Dear Carlo Berardi and CPhA Board,

As fellow regulated health care professionals and supporters of a safe and accessible Canadian health care system, we are writing to address the paper you released today, "Pharmacare Costing in Canada: Estimated Costs of Proposed National Pharmacare Programs," which calls into question the medical and financial benefits of pharmacare plans that are national in scope.

In our role as professionals and colleagues in the larger health care sector, and as strong believers in the importance of evidence in health care debates, we must respectfully question the objectivity of the paper, its methods, and its findings.

The Canadian Pharmacists Association represents the interests of not only individual pharmacists, regulated professionals bound by an imperative for ethical conduct, but also provincial pharmacy groups that operate in an industry potentially affected by a national pharmacare program. Furthermore, CPhA commissioned PDCI, a pricing and reimbursement consultancy that caters to the pharmaceutical industry, to research and write the paper. The study was not submitted to a peer-reviewed journal, where a baseline for research standards can be met.

Canadian Doctors for Medicare asks that you and your members consider the overlap between your developing anti-pharmacare stance and your vested interest in the market price of certain pharmaceutical products. We believe that your position has been less than transparent with Canadians in terms of the financial conflict of interest your members find themselves in. As recipients of support from the generic pharmaceutical industry, for example, Canadian pharmacies could see their profit margins affected, particularly if pharmacare were to lead to lower prices for generic medications in Canada, prices more in line with those paid in other OECD countries. Had your paper been submitted to a peer-reviewed journal, such financial conflicts of interest would have needed to be disclosed.

Canadian Doctors for Medicare is concerned about claims in the report that are misleading, and believe these claims could lead to widespread and unproductive confusion:

1. The writers insist that the $1 billion cost for a pharmacare program estimated by a 2015 CMAJ paper is too low, instead claiming an increase of at minimum $6.6 billion. This claim rests on their assumption, provided in a January report, that the $1 billion cost is understated because it relies on UK exchange rate data from 2013, when the British Pound was extremely low. While the study does use the UK numbers as a general benchmark, the data was subjected to a sensitivity analysis that tested a range of assumptions to provide best, baseline, and worst case scenarios. The assumption of UK drug pricing from 2013 is only one part of a much broader data analysis, as made clear in the article. Further, more recent pricing data from the PMPRB suggest a majority of comparable OECD countries have prices within or below the range of prices used in the CMAJ study's sensitivity analysis.

2. The report draws a correlation between national pharmacare and a reduction in available medicines. This is despite the fact that your members, professionals trained in pharmacology, know that evidence-based formularies are good for patient health and that more is not always better when it comes to drugs. Private plans often cover more expensive drug options despite no evidence of greater effectiveness. The development of pharmacare and a national formulary would actually weed out a number of costly and ineffective drugs, providing Canadians with the most medically appropriate and cost-effective options. This kind of evidence-based coverage is safer than the existing state of affairs, where drug availability and selection is subjected to the whims of the market.

3. The report claims that the overall cost of a "public only" pharmacare program would be between $8 billion and $16 billion, depending on the model. However, this is only possible if the public plans pay for every drug on the market, including all drugs not on provincial formularies today, and it assumes there are no price savings to be had through bulk purchasing and other means. At the same time, it is claimed that a public plan would limit the number of available medicines, as described in the point above. It is impossible to have it both ways: pharmacare cannot simultaneously pay for every drug on the market *and* restrict the number of those drugs. Either the public plan costs a lot to give unfettered choice, or it saves a lot of money through evidence-based coverage.

As you have recognized in the past, pharmacare is indeed the "unfinished business" of Canadian health care. Canada is the only country with universal health care that does not include public coverage for prescription drugs. The lack of comprehensive public coverage for medically necessary drugs represents the largest gap in our system, one that affects millions of us every year. It is about time that we addressed it directly and for the benefit of all.

We recognize that a national pharmacare plan represents a shift for the pharmacy industry, that it brings with it new demands for collaboration and may require Canadian pharmacies to rethink some of their profit sources. But the incredible benefits offered by a truly national and universal pharmacare program for Canadian patients should outweigh any such challenges. Such a program would replace our existing patchwork of social and employer plans that currently leaves so many Canadians making impossible choices between, for example, healthy food and life-saving drugs.

As health care providers at the front lines, your members see the impact of high costs, lack of coverage, complex systems to navigate, inappropriate prescribing, overprescribing, and cost-related non-adherence on Canadians every day. Yet your paper sidesteps these issues.

We ask that you consider working with Canadian Doctors for Medicare and the groundswell of organizations and individuals who are calling for a national pharmacare program. If we join our efforts we can more effectively contribute to the evolving policy landscape, and ensure that it unfolds in the best interest of those who need it most – patients.

Sincerely,

Canadian Doctors for Medicare

Cc: Office of the Prime Minister, the Honourable Dr. Jane Philpott, Canadian Medical Association, Canadian Health Coalition, Canadian Union of Public Employees, Canadian Federation of Nurses Unions, National Union of Public and General Employees, United Steelworkers, Canadian Association of Community Health Centres

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