The National Pharmaceutical Strategy

A CFMS position paper
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Introduction

In 1946, the Saskatchewan government under the leadership of Tommy Douglas took the first steps towards free health care for Canadians.[1] This first step, the *Saskatchewan Hospitalization Act*, guaranteed free hospital care for most of Saskatchewan's citizens. Over the following four decades the rest of Canada began to follow in Saskatchewan's lead, and in 1984, with the assistance of Lester B. Pearson's federal government, the Canada Health Act was passed. From that time onwards, all Canadians would be guaranteed full coverage for all medically necessary hospital and physician services. Tommy Douglas' vision had become, in large part, a reality.

In 1946, the greatest barriers to health care were the costs of hospital and physician services. Today, with the increasing prevalence of drugs as primary treatment modalities, there exists a new barrier faced by Canadians: the costs of pharmaceuticals.[2] In 2004, the First Ministers' recognized this barrier and commissioned the National Pharmaceutical Strategy[3] with the goal of overcoming this new barrier, and thereby returning Canada to a nation where appropriate and suitable medical care was accessible to all citizens.

The First Ministers directed the federal, provincial and territorial Health Ministers to establish a Ministerial Task Force to develop and implement the National Pharmaceutical Strategy[4]. The strategy was intended to include the following nine components:

1) Develop, assess and cost options for catastrophic pharmaceutical coverage [catastrophic refers to the effect on the patient's finances not the nature of the nature of the patient's condition];
2) Establish a common National Drug Formulary for participating jurisdictions based on safety and cost effectiveness;
3) Accelerate access to breakthrough drugs for unmet health needs through improvements to the drug approval process;
4) Strengthen evaluation of real-world drug safety and effectiveness;
5) Pursue purchasing strategies to obtain best prices for Canadians for drugs and vaccines;
6) Enhance action to influence the prescribing behavior of health care professionals so that drugs are used only when needed and the right drug is used for the right problems;

[1] Need ref
[2] Need ref
[3] Need ref
[4] It was understood that Quebec would maintain its own pharmacare plan

7) Broaden the practice of e-prescribing through accelerated development and deployment of the Electronic Health Record;
8) Accelerate access to non-patented drugs and achieve international parity on prices of non-patented drugs; and
9) Enhance analysis of cost drivers and cost-effectiveness, including best practices in drug plan policies

[It should be noted that item (1) is the primary action item towards guaranteeing access to necessary pharmaceuticals. Items (2) through (9) are subservient to the task laid out in item (1). This will be discussed at length later in this document.]

The 2006 progress report on the implementation of the NPS[5], the Ministerial Task Force (MTF) stated the current short-to-medium focus regarding the NPS would be on the following five priorities

i) Catastrophic drug coverage;
ii) Expensive drugs for rare diseases;
iii) Common national formulary;
iv) Pricing and purchasing strategies; and
v) Real world drug safety and effectiveness

A summary of the progress made in each of these priorities, as outlined by the MTF in their 2006 report, are provided in appendix 1.

At the moment the NPS appears to be at an impasse, and the question of cost seems the primary concern.

Principles

The CFMS feels it necessary to highlight the necessity of the NPS through the principle benefits outlined below:

Principle 1: the NPS is an essential component to a long-term, sustainable medical system in which patients are assured the highest standards of care

In the 2006 NPS Progress Report, First Ministers underlined three important principles where more effective pharmaceutical management could improve the health of Canadians:

1. Access to pharmaceuticals
2. Safety, Effectiveness and Appropriate use of pharmaceuticals
3. Health System sustainability in regard to pharmaceutical management

Access to Pharmaceuticals

In its current state, the Canada Health Act only covers pharmaceuticals that are provided in hospital. Therefore access to pharmaceuticals outside of hospital is primarily determined by two factors: 1) the pharmaceutical coverage of the province or territory in which the patient resides and 2) the personal coverage that the patient has through

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private insurance (often through the employer). Need is not considered with regard to access to pharmaceuticals. Canadians with severe illness or disability requiring pharmaceutical support often generate substantial medical costs. For Canadians whose pharmaceuticals are not covered by provincial or territorial governments and who cannot have the costs reimbursed through private insurance, the burden is personally borne often leading to catastrophic financial consequences.

The NPS was also engineered to provide a discussion platform to allow jurisdictions to collectively decide which drugs should be included in their respective regional pharma plans and under which conditions. This will be done with the help of the Common Drug Review (CDR).

Expensive Drugs for Rare Diseases (EDRDs) are an additional class of pharmaceuticals included in the NPS. The goal is to include pharmaceuticals which could be beneficial to a small number of patients who suffer from rare disorders who would otherwise be required to purchase pharmaceuticals which are often prohibitively expensive.

Safety, Effectiveness and Appropriate Use of pharmaceuticals

The NPS is to develop strategies for the better use of pharmaceuticals in the Canadian medical system. These include strategies to better inform the process of drug selection and dosages, to predict and avoid adverse drug events, and to develop better tools to limit therapeutic duplication and encourage patient compliance.

System sustainability

Drugs are the second largest expenditure under Canada's health care portfolio and are increasing at a rate of 12% per annum. Public drugs programs will soon be threatened by the magnitude of this expenditure. This section focuses on bulk purchasing of pharmaceuticals for better prices, encouraging competition and transparency as well as reducing market fragmentation.

Principle 2: In current economic times, the NPS is more important than ever in regards to its potential financial benefits for all jurisdictions involved

- Though the NPS does represent a potentially large financial committment, savings from increased pharmaceutical treatments to avoid or offset more expensive hospital care for complications (from patients who would not otherwise have access) could mitigate most of or all of the costs of such a program. Additionally, bulk purchasing for the national program as well as an increased impetus on non-patented drugs may well provide significant savings for the purchasing jurisdictions resulting in more affordable and accessible medications. Proper analysis on the cost implications of the NPS has yet to be conducted and therefore financial savings vs costs statistics are not available.
- It has been estimated that the NPS could have saved $1.47 billion in 2005 alone on health care expenditures[6]. In this time of economic hardship, it is critical that ways in which to reduce spending be examined thoroughly. This will not only improve accessibility of pharmaceutical care, but also reduce tertiary expenditures due to hospitalization resulting from the inability of patients to afford drug therapies critical to their health.

[6] Federal/Provincial/Territorial Ministerial Task Force on the National Pharmaceuticals Strategy. (2006). National Pharmaceuticals Strategy Progress Report. Ottawa: Health Canada. *www.hc-sc.gc.ca.*

Principle 3: Considering the present investment that has been made into the NPS portfolio, it represents the most formulated and developed strategy to most efficiently administer pharmaceuticals in Canada

- The NPS team, in its initial conception, was chaired by national Minister of Health, The Honorable Tony Clement, and provincial Minister of Health for BC, the Honorable George Abbott along with 11 other jurisdictional Ministers of Health. Work was conducted for over 2 years in this portfolio and a significant amount time and work was devoted to the development of the NPS as it stands. Not only is the current NPS the most developed plan at proper pharmaceutical management in Canada, it represents the consensus of all jurisdictions in our country (with exception of Quebec) on the necessary and essential components of a comprehensive national pharmaceutical program. From all available evidence, the current stagnation of the NPS portfolio does not lie in the program's design, but rather in the financial barriers between jurisdictions and themselves as well as the federal government.

Principle 4: The NPS makes the Canadian medical system safer for practicing professionals and learners as well as patients

- The NPS represents a national and jurisdictional step towards limiting errors in the prescribing system at many levels and is a globally beneficial step to increasing the health of Canadians, reducing malpractice and making our hospitals and care facilities safer for practitioners as well as patients. Implementation of EMRs and EHRs is an essential component of the NPS

Principle 5: The NPS represents a broad program whereby inter-professional practice can be harnessed and utilized for a better result

- In order to reduce pharmaceutical prescription mishaps, many precautionary steps will need to be taken along the prescription line. This begins with the installation of EMR and EHRs as well as proper training. The implementation of the NPS will be a primer for the interaction between the medical professions as well as the pharmaceutical industry and the pharmacy industry. The NPS can be used as a vehicle to bring professions together to make the Canadian prescription system safer and more effective.

Principle 6: Medical Students represent those who will aid in developing, implementing and practicing under the NPS

- The CFMS has a particular interest in the implementation of the NPS as we will be those operating under its premises in the future and more importantly those who aid in the development and implementation of the system.

Concerns

The 2006 NPS progress report focused on five (5) of the nine (9) elements of the NPS that had received specific attention in the working months leading to the progress report.[7] Since 2006, little to no advancement has been made by this coordinating body to ensure the proper steering of the collective of ideas that represent the NPS. Though some of the activities mentioned in NPS documents are still in an operational phase, the marked lack of information originating from

[7] See Appendix 1 for more information

the federal government and the First Ministers can only lead the observer to believe that these activities are moving along independently and without federal enablement.
Therefore, the CFMS states the following concerns regarding implementation of the NPS.

Concern 1. Without NPS, health care accessibility and patient safety are being compromised.

With recent advances in pharmaceutical technology, doctors are more commonly using medical, rather than procedural, interventions to control disease processes. Therefore, the accessibility of medication has now become critical to achieving positive health outcomes. Since the Canada Health Act does not include drug costs outside the hospital, and provincial governments only cover a portion of it, a greater burden is being placed on the individual and their private insurance. Inevitably, especially in the case of more expensive drug therapy, some individuals will be unable fund the cost of their medical therapy. Indeed, this was evidenced when a recent survey of Canadians revealed that 8% of Canadians who receive prescriptions either will not fill them or skip doses for financial reasons.[8] This is not only fundamentally unfair, but the individual's compromise of their medical therapy will cost our healthcare system more in long term care obligations.[9]

Concern 2. The unified ideas and principles behind NPS are being lost, as its delay in implementation has resulted in provinces being forced to find their own solutions to deal with rising pharmaceutical costs.

Given that healthcare is primarily regulated by the provincial governments, the rising costs of pharmaceuticals are impacting provincial budgets. In 2004, it was realized that an NPS strategy would be the best way to deal with these costs in an efficient, equitable and safe manner that also promoted accessibility. However, 5 years later, little significant progress has been made on this issue, and provinces are moving to develop their own solutions. For example, in December 2008, Alberta announced its intention to fund expensive medications for certain rare genetic conditions if the individual has lived in Alberta for at least 5 years.[10] Ontario is also developing similar strategies.[11]

While it is admirable for provinces to be developing solutions, it is very concerning that the lack of momentum on a national unified approach is being replaced by more varied individual provincial level pharmaceutical strategies. After all, one of the principles of the NPS is to advocate for appropriate medical care regardless of the where the individual may live.

Concern 3. Funding disputes between provincial and federal governments are delaying implementation of the NPS.

In September 2008, the provincial Ministers of Health laboured, in their annual symposium, over the funding breakdown concerning EDRDs and catastrophic drug coverage.[12] Their suggestion of a 50/50 split in the cost with the federal government was not met with any response, and has

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8 The Commonwealth Fund. (2007). *The Commonwealth Fund 2007 International Health Policy Survey in Seven Countries.*

9 A commentary on The National Pharmaceuticals Strategy: A Prescription Unfilled

10 Alberta Health and Wellness. (2008). Alberta Pharmaceutical Strategy. Edmonton: Alberta Health and Wellness. *www.health.alberta.ca*

11 Ministry of Health and Long-term Care. (2007). *Improving Ontario's Publicly Funded Drug System. Result for Ontarians: 2007 Annual Report of the Executive Officer, Ontario Public Drug Programs.* Toronto: MOHLTC. *www.gov.on.ca*

12 *Ibid.* Ministry of Health and Long-term Care. (2007). *Improving Ontario's Publicly Funded Drug System. Result for Ontarians: 2007 Annual Report of the Executive Officer, Ontario Public Drug Programs.* Toronto: MOHLTC. *www.gov.on.ca*

led to a political stalemate. It is extremely concerning that all jurisdictions cannot come to the table and negotiate an agreeable settlement, given the enormous benefit of NPS implementation to Canadian citizens.

Recommendations

As medical students, our ask to the federal government is simple: renew commitment to the NPS.

The CFMS is concerned about the sustainability of our healthcare system and our future ability to treat people in the most appropriate and effective setting. It is no secret that healthcare expenditures continue to rise, are consuming greater proportions of provincial and federal budgets, and have grown faster than GDP since 2000. Yet, by not investing in this strategy, we are adding costs in both dollars and lives.

The significant work that has gone into the NPS should not be discounted. The components of the NPS address the principle benefits and concerns outlined in this paper. The CFMS is asking for both provincial and federal governments to build on this and commit to continuing their work on a National Pharmaceutical Strategy.

A renewed commitment to the NPS will ensure that all Canadians have equal access to medically necessary treatments regardless of geography or socio-economic status,

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