

Office of the Prime Minister
80 Wellington Street
Ottawa, ON K1A 0A2
via email: justin.trudeau@parl.gc.ca

RE: National Pharmacare

Dear Right Honourable Justin Trudeau,

On behalf of Benefits Alliance, a not-for-profit organization representing employee benefit plan advisors and employer benefit plan sponsors nationally, we are writing to provide recommendations to help inform the design of Federal Guidelines regarding Pharmacare.

Benefits Alliance's focus is in the areas of education, collaboration and advocacy. Our member advisory firms work with more than 10,000 organizations who collectively support more than half a million Canadians.

The member advisory firms we work with, along with many others, have helped employer benefit plan sponsors to set up, fund and manage a comprehensive benefits plan for their employees, at considerable cost.

Nearly 4 out of 5 adult Canadians have access to public or private coverage for prescriptions.¹ In 2021, public drug program spending accounted for 44% of all prescribed drug spending in Canada, reaching \$16.2 billion, a 7.4% increase over 2020. Coverage through employer benefit plans represent a significant portion of the \$20.6 billion paid for by private plans.² Our member advisory firms, and the employer benefit plan sponsors they work with, are key stakeholders in discussing strategies to expand coverage to Canadians without access.

Canadian businesses and organizations have chosen to have benefit plans that offer competitive pharmaceutical coverage to help fuel the success of their organization. In 2021, private sector expenditure on drugs in Canada was in excess of \$20 Billion. This figure grew by 7.4% over 2020, most recently due to the skyrocketing cost of rare disease or specialized therapies and is anticipated to grow rapidly year over year. Despite this trend, employers have continued to shoulder a large portion of this country's healthcare cost to make sure their employees and their families are healthy, focused and at work contributing to the economic engine of Canada. While most medical conditions are easily treated by the extensive coverage offered by employer-sponsored plans, specialty drugs for specific medical conditions – that can cost anywhere from \$10,000 up to over \$1 Million per annum – are the most important challenge faced by private plans.³

Currently, each province sets their own provincial drug formulary for those entitled to coverage. In some provinces, private plans complement and interact with these provincial plans. Most notably, Quebec ensures standard universal coverage levels by requiring private plan sponsors to meet or exceed its drug formulary, while also requiring employees to either join these employer programs, if available, or take public coverage. This works well to ensure an individual is covered at work or through the public program.

Many private employer-sponsored benefit plans have generally covered more than double the number of drugs when compared to provincial drug plan formularies.

Our employer benefit plan sponsors enjoy the freedom of choice between insurers and third party vendors to allow them to tailor the most appropriate coverage and service experience for their employees and their families.



Benefits Alliances supports universal access to affordable drug coverage AND a modernized approach to the Canada Health Act as it relates to recognizing certain pharma therapies as a standardized category of funded care for all Canadians.

We believe the prudent step forward for protecting Canadians today, and in the future, is that the Federal Government sets guidelines for provinces to ensure there is a drug plan safety net for everyone who does not have private insurance and is not currently afforded coverage via provincial programs.

Amending the Canada Health Act to recognize drug therapies, regardless of location of therapy administration, makes coverage more inclusive. This should apply to:

- High-cost drugs (expected treatment cost = over \$25k per year) administered orally or outside a hospital setting, regardless of whether the person is covered by a private employer-sponsored benefit plan. These are often referred to as “rare disease” drugs
- Oncology drug therapies administered orally or outside a hospital setting
- ‘Curative’ drug therapies administered orally or outside hospital setting (ie. Drug therapies that directly replace/offset hospital situs procedures)
- Fast track reviews of new high-cost drugs for a more ‘dynamic’ formulary that falls under Canada Health Act for consistency across provinces. There shouldn’t be Canadians resorting to moving to a new province for drug coverage.

Benefits Alliance supports a hybrid model of coverage delivery where the private and provincial public sector each play a role (as they do today) with a national framework provided by Federal guidelines for universal access and the Canada Health Act for scope of eligible drug therapies. We believe this combination (with much of the framework already in place) is the fastest and most economical path to our shared goals of sustainable, universal access to affordable drug coverage for all Canadians.

We hope our input and recommendations are helpful and would be pleased to discuss further with your officials. Please contact advocacy@benefitsalliance.ca for any questions you may have.

Benefits Alliance looks forward to adding credible, on the ground insights to how we, as a country, can best proceed for improving lives of Canadians to be healthy and productive.

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1 - <https://www150.statcan.gc.ca/n1/daily-quotidien/221102/dq221102a-eng.htm>

2 - <https://www.cihi.ca/en/trends-in-public-drug-program-spending-in-canada>

3 - <https://plus.telushealth.co/blogs/health-benefits/en/what-you-need-to-know-about-drug-data-trends-in-2022/>



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