

National Pharmacare Discussion

Most Canadians are eligible for prescription drug coverage

97.2%

are eligible for prescription drug coverage through public or private plans

https://www.conferenceboard.ca/wp-content/uploads/2022/10/understanding-the-gap-2.0_2022.pdf

27M or 74%

of Canadians insured for health benefits

- Plan sponsors (employers) are the true “private payers”
- Health benefit plan costs are influenced by the claims experience of individual group plans – annual premium increases vary from plan to plan
- Plans with higher cost claims can expect a larger increase in premiums

[https://www.clhia.ca/web/CLHIA_LP4W_LND_Webstation.nsf/resources/Factbook_2/\\$file/FACT+BOOK+2023+ENGLISH.pdf](https://www.clhia.ca/web/CLHIA_LP4W_LND_Webstation.nsf/resources/Factbook_2/$file/FACT+BOOK+2023+ENGLISH.pdf)

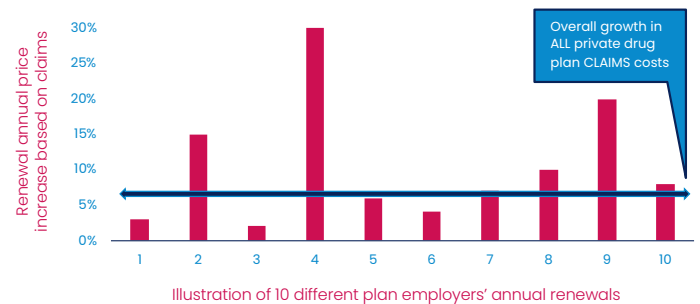


Specialty drugs¹ represented 27% of private drug plan claims costs in 2022

Private drug plans paid

\$650 Million

on drugs for rare disease in 2020²



Although the average total private drug plan claims cost has remained steady (5.9% annually³) each group plans' cost is dependent on their specific claims experience and can be quite volatile.

Our recommendation for National Pharmacare

We support a hybrid model of coverage delivery where the private and public sector each play a role.

1. Continue to allow private drug plans to be primary payer for medications not funded by medicare.
2. Create a publicly funded drug coverage safety net for all Canadians via a standard minimum formulary of essential medicines.
3. Consistent catastrophic drug program across the country, based on a core drug formulary and standard out of pocket costs.
4. Modernized the Canada Health Act so that government funded programs reimburse high-cost drugs for all Canadians regardless of the type of patient coverage.
5. Ensure 'one price' for drugs regardless of jurisdiction or payer type. A single payer universal pharmacare would eliminate private plans entirely. Private drug plans cover more drugs (40%-50%) more quickly (~500 days faster) compared to public plans:

A reduction in the number of drugs covered will dramatically impact the cost, standard and quality of care for Canadians who have private coverage and would impact downstream public healthcare costs.



Benefits Alliance is a not-for-profit organization representing employee benefit plan advisors and plan sponsors nationally.

Our member advisory firms work with more than 10,000 organizations who collectively employ over 0.5M Canadians. Together with their families, we represent well over 1M Canadians.

[BenefitsAlliance.com](https://www.BenefitsAlliance.com)

1- Specialty drugs = drugs with annual drug spend > \$10K per patient per year used to treat chronic, complex conditions

<https://www.express-scripts.ca/sites/default/files/2023-04/ESC%20DTR%20EN%20April%205%202023%20final.pdf>

[https://www.clhia.ca/web/clhia_lp4w_lnd_webstation.nsf/page/1B599A06863E0C45852586A70051CA69/\\$file/Submission%20to%20the%20National%20Strategy%20for%20High%20Cost%20Drugs%20for%20Rare%20Diseases.pdf](https://www.clhia.ca/web/clhia_lp4w_lnd_webstation.nsf/page/1B599A06863E0C45852586A70051CA69/$file/Submission%20to%20the%20National%20Strategy%20for%20High%20Cost%20Drugs%20for%20Rare%20Diseases.pdf)

2- [https://www.clhia.ca/web/clhia_lp4w_lnd_webstation.nsf/page/1B599A06863E0C45852586A70051CA69/\\$file/Submission%20to%20the%20National%20Strategy%20for%20High%20Cost%20Drugs%20for%20Rare%20Diseases.pdf](https://www.clhia.ca/web/clhia_lp4w_lnd_webstation.nsf/page/1B599A06863E0C45852586A70051CA69/$file/Submission%20to%20the%20National%20Strategy%20for%20High%20Cost%20Drugs%20for%20Rare%20Diseases.pdf)

3- <https://innovativemedicines.ca/resources/all-resources/cost-drivers-report-2023/>