CAMPAIGN 2000
END CHILD & FAMILY POVERTY

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METTONS FIN À LA PAUVRETÉ DES ENFANTS ET DES FAMILLES

National Universal Pharmacare:

Essential to Eradicating Poverty in Canada

National Pharmacare Consultation

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Contact:

Anita Khanna
National Coordinator, Campaign 2000
c/o Family Service Toronto
355 Church Street, Toronto ON M5B 0B2

416 595-9230, ext. 250
anitakh@familyservicetoronto.org
www.campaign2000.ca & www.familyservicetoronto.org

Introduction

Campaign 2000: End Child and Family Poverty in Canada appreciates the opportunity to provide input to the Advisory Council on the Implementation of National Pharmacare. Our responses to the consultation's discussion questions emphasize the need for a national universal pharmacare program to ensure equity, inclusion and improved health and social outcomes among low income children and their families.

Campaign 2000 is a non-partisan, cross-Canada public education movement to build Canadian awareness and support for the 1989 all-party House of Commons resolution to end child poverty in Canada by the year 2000. Our coalition formed in 1991 out of concern about the lack of federal government progress in addressing child poverty. We are a vibrant, diverse network of 120 partner organizations from coast to coast to coast.

We believe that the federal government has a responsibility to honour the 1989 all-party resolution to end child poverty and subsequent resolutions passed in 2009 and 2015. Our research, monitoring and advocacy have contributed to improving income support for low and modest income families through child benefits, the development of poverty reduction strategies in all provinces and territories and the recent release of Canada's first federal poverty reduction strategy.

Canada's current patchwork system of drug coverage relies on an uneven mix of contributions from the private and public sectors. This system is inconsistent, confusing for families to navigate and costly to administer. Canadians spend more on medication than residents of countries with universal, public pharmacare programs. In the current system, too many children and families fall through the cracks and cannot access required medication. It is estimated that nearly 2 million Canadians cannot afford their prescription medication.

For families who are among the working poor without private employer benefits, the cost of medication is often prohibitive in the short term. Provincial and territorial last resort social assistance systems vary in their coverage, with some requiring co-payments from recipients generally living below the poverty threshold[1]. Social assistance recipients often experience sharply increasing medication costs as they leave social assistance for low paying jobs with minimal benefits. The result is short term and long-term pain for the patient, but also for the health care system. Our health care system bears the strain and cost of managing preventable illnesses. In addition, physician and nurse practitioner care is less effective when patients cannot afford to fill their prescriptions, thus causing significant human and economic costs.

With an aging population, rapid innovation in drug development and significant potential for cost savings from a single-payer system, it is time for Canada to move away from the current two-tiered system of private coverage for the affluent versus contingent and partial state coverage for the poor. National universal pharmacare is both the equitable and fiscally responsible approach to improved access to medications in Canada.

Child and Family Poverty in Canada

Canada is one of the world's wealthiest countries, yet over 1.2. million children – 17.4% - live in poverty with their families (Low Income Measure-After Tax). Over 4.8 million Canadians suffer the indignity, hunger, insecurity, ill health, stress and social exclusion of poverty.

Shamefully, centuries of attempted cultural genocide and ongoing colonization mean 37.9% of First Nations children live in poverty. Census and taxfiler data show that children are especially vulnerable to poverty in their pivotal early years from birth to age 5 and are more likely than adults to live in poverty in every province and territory, except in Quebec. Deplorably, children in marginalized families – Indigenous, racialized, recent immigrant, mother-led single parent or affected by disability - live in poverty in greater numbers.[2]

Children's development is rapid and formative in their early years. Even short periods spent in poverty have lifelong, negative effects on individuals and families and long-term effects on communities. Long term health, education and employment outcomes are all diminished by child poverty. Poverty is multi-faceted, and so too are the solutions. Reducing and eradicating poverty require a comprehensive policy approach that includes good jobs with livable wages, adequate income supports and accessible public services. In this context, national universal pharmacare is a critical component of the mosaic of services and supports that will contribute to ending child poverty for good.

Response to Discussion Paper

National universal pharmacare is the unfinished business of Medicare. Canada is the only Organisation for Economic Co-operation and Development (OECD) country with a public health-care system that does not include coverage for pharmaceuticals.[3] A recent study shows that rational implementation, with first-dollar coverage of all prescription drugs, would make access to medication more equitable and improve health outcomes – saving Canadians up to $10.7 billion in spending on prescription drugs.[4] Critically, it would also provide children in low income families with access to necessary medications.

Campaign 2000 supports a national universal pharmacare system that aligns with the principles of the Canada Health Act. This means that no resident of Canada should be denied access to prescription medication they need. From a public health and equity perspective, we are all better off when every community member has access to the medication and healthcare they need. Therefore, drug coverage should be truly universal regardless of income, Indigeneity, race, gender, immigration status or any other factor unrelated to medical need.

Following the Canada Health Act's principles of comprehensiveness and appropriateness, national universal pharmacare should cover all medications that have been approved for use in Canada by Health Canada. We recommend a robust, evidence-based approval and review system to ensure that the medications covered are

safe and offer appropriate treatment. The program should provide universal, public coverage of the safest and most effective medicines based on the best independent evidence of positive health impacts and value for money.

To be truly national in scope, the program requires a common national list of drugs accessible to Canadians wherever they live in the country. This would ensure greater equity in coverage and provide more purchasing power across a wider range of drugs, including newer, high cost drugs and drugs for rare diseases. In addition, this would support portability of coverage, enabling individuals to move to a different province or territory without risking the loss of drug coverage.

Accessibility is another cornerstone of the Canada Health Act. To ensure prescription medication is truly accessible, the full cost of drugs on the formulary should be covered without co-payments or deductibles. This will avoid financial barriers that disproportionately hinder the health and wellbeing of low income people, including children. Parents routinely seek to shield their children from the effects of poverty – a parent may skip dinner in order to pack their child's lunch for the next day. In the context of drug benefits, this means parents may choose a birthday gift for their child over filling their own costly prescription. As a result, the parent's health may become seriously compromised and they may end up in costly emergency rooms for preventable illnesses, unable to work or limiting their employment.

Conclusion

Our history tells us that a targeted medication system for the poor will not maintain the public and political support to maintain its quality. The poor should not be isolated as easy targets of austerity when there is concern with cost containment.

Federal leadership, backed by sufficient investment, is essential to achieve national universal pharmacare in Canada. Canadians take great pride in our universal healthcare system and it has widespread support across the country. The time has come to implement a national universal pharmacare program that is equitable, inclusive and supports a healthier, more equal society for all.

Thank you for considering our submission. Representatives of Campaign 2000 would be pleased to meet with the Advisory Council to discuss our recommendations.

[1] Campbell DJ, Manns BJ, Soril L, et al. A comparison of Canadian public medication insurance plans and the impact on out-of-pocket costs. CMAJ Open. 2017;5:E808–13. [“People receiving social assistance do not pay out of pocket in 6 provinces: BC, Alberta, Manitoba, Quebec, Prince Edward Island, and Newfoundland and Labrador. In the remaining provinces, those receiving social assistance pay lower amounts for their prescription medications than do older and younger adults. For the scenario of low medication burden (annual medication cost $500), the out-of-pocket payments ranged from $32 to $80 annually across the provinces. For the scenario of high medication burden (annual medication cost $1800), the range of out-of-pocket expenses across the provinces was $64 to $160 annually.”

[2] Campaign 2000. (2017). A Poverty-Free Canada Requires Federal Leadership. Report card on child and family poverty in Canada. https://campaign2000.ca/wpcontent/uploads/2017/11/EnglishNationalC2000ReportNov212017.pdf

[3] Adams, O., Smith, J. (2017). National Pharmacare in Canada: 2019 or Bust?. SSRN Electronic Journal. 10. 10.2139/ssrn.2957892.

[4] Gagnon, M.A. (2010). The Economic Case for Universal Pharmacare. Canadian Centre for Policy Alternatives. Institut de recherche et d’informations socio-economiques. https://nursesunions.ca/wp-content/uploads/2017/07/universal-pharmacare-report-e.pdf