

Prescription Drugs

Fact Sheets on Key Health Care Issues

Integrating prescription drugs into Canada's health care system

In its submission to the Romanow Commission, the Ecumenical Health Care Network recommended that prescription drugs be included as a fully funded component of medicare. The



Commission noted the wide disparities across Canada in coverage for the high cost of prescription drugs.

As an initial response to this problem, Mr. Romanow has recommended the creation of a

Catastrophic Drug Transfer (\$1B beginning in fiscal year 2004/5). Under this proposed new program, provinces and territories would receive additional funds to help cover the costs of prescription drug plans and protect Canadians against the potentially "catastrophic" impact of high drug costs.

A new prescription drug comes onto the market in Canada every four to five days. Retail drug sales has become the second largest category of total health spending (after hospitals). In light of these facts, the Commission recommends the creation of a new

National Drug Agency to control costs, evaluate new and existing drugs, and ensure quality, safety and cost-effectiveness of all prescription drugs.

The Commission also recommended the establishment of a national listing of prescription drugs to provide consistency across the country, ensure objective assessments of drugs, and contain costs.

The Romanow Report also recommended that aspects of Canadian patent law be reviewed. The extensive 20-year guarantee given to new prescription drugs, which provides exclusive access to the Canadian market, remains a matter of considerable debate in Canada. In releasing his report, Mr. Romanow said such a review of the drug patent legislation is needed to improve access to lower cost alternatives.

"The Commission's view is that we need to begin the process of integrating coverage for prescription drugs within medicare as part of a longer term strategy to ensure all Canadians benefit from comprehensive prescription drug coverage."

**Final Report
Commission on the Future of
Health Care in Canada**

First Ministers' Accord 2003

The February 2003 Health Accord identifies catastrophic drug coverage as one of three priority reform activities. In the Accord, First Ministers agree to take measures to ensure that Canadians, wherever they live, have "reasonable access to catastrophic drug coverage."

However, the wording of this section of the Accord is vague, and it is not clear what maximum amount Canadians would be expected to pay toward their prescription drug costs. In addition, the Accord does not say how this new program might be structured. The provinces have until 2005-06 to implement such coverage.

The Accord is silent when it comes to finding ways to contain drug costs. There is no indication that First Ministers are prepared to consider the establishment of a new National Drug Agency as a way of addressing this issue.

In light of the need to contain drug costs, a recent decision of the House of Commons Industry Committee is also significant. In late March 2003 the committee voted to shelve a review of the drug patents law that had been recommended by Mr. Romanow. Liberal committee members

defeated the motion to study the patent medicine regulations that allow brand-name companies to sue to keep lower-priced generic versions of drugs off the market.

However, as a result of intense public pressure, the committee reversed its decision and decided to review the patent laws that keep lower-priced drugs off the market. The review is slated to begin in early June 2003.

MEDICARE FACTS...

Increase in total health spending as a percentage of GDP for Canada from 1985 to 2000: 0.8%

Increase in prescription drug costs in Canada from 1985 to 2000 (unadjusted): 344%

**Canadian Institute
for Health Information**

This Information Fact Sheet is one in a set of information resources produced by the Ecumenical Health Care Network. The Ecumenical Health Care Network is a project of the Commission for Justice and Peace of the Canadian Council of Churches. The Network includes representatives from the Canadian Conference of Catholic Bishops, the Anglican Church of Canada, the Evangelical Lutheran Church in Canada, The Presbyterian Church in Canada, the United Church of Canada, the Catholic Health Association of Canada, and Kairos: Canadian Ecumenical Justice Initiatives.

The Network has organized educational events and has made representations to the Standing Senate Committee on Social Affairs, Science and Technology (<http://www.united-church.ca/jpc/healthcare/senate-brief.shtml>), the Royal Commission on the Future of Health Care (<http://www.ccc-cee.ca/english/jp/index.html>) and various Ministers of Health. For more information on the work of the Ecumenical Health Care Network, please contact:

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