

Written Submission for the
Study of Bill C-64, *An Act Respecting
Pharmacare*



Canadian
Chamber of
Commerce Chambre de
Commerce
du Canada

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June 3, 2024

Standing Committee on Social Affairs, Science and Technology
Senate of Canada
Ottawa ON K1A 0A4

Via email: soci@sen.parl.gc.ca

Re: Written Submission in Response to Bill C-64, *An Act Respecting Pharmacare*

The Canadian Chamber of Commerce welcomes the opportunity to provide written feedback to the Senate Standing Committee on Social Affairs, Science and Technology as part of their study of Bill C-64, *An Act Respecting Pharmacare*.

All Canadians, regardless of age, income, or geographic location should have equitable access to prescription drug coverage. This will elevate public health in Canada, reduce strain on our overburdened healthcare system and support a healthy and productive workforce. The government's goal to achieve universal coverage is laudable, but a single payer system is not only a complicated and costly proposition, it is unnecessary.

A [report](#)¹ from the Parliamentary Budget Officer (PBO) estimated that total drug expenditures under a comprehensive, single-payer plan would be \$33.2 billion in its first full fiscal year of implementation, rising to \$38.9 billion within three years. The same report estimated the incremental cost to the public sector at \$13.4 billion after three years.

The PBO's latest [report](#)² on Bill C-64 specifically, recognizes the critical role of employer-sponsored benefit plans in providing drug coverage. The report indicates the true cost of Bill C-64: \$5.7 billion over 5 years. The report assumes that workplace benefit plan coverage would not be impacted by Bill C-64. While that is not what the Bill states, if that were to be the case, the cost of Bill C-64 would be offset dramatically, by \$2.5 billion over 5 years.

Despite the hefty cost, single-payer universal pharmacare would actually leave most Canadians worse off. The current reality is that the majority of Canadians are covered by employer-sponsored drug insurance plans that allow them to benefit from faster access to more medicines. Canadians on public plans wait more than two years, on average, to access Health Canada approved new medicines. This was twice as long as the average wait times experienced by privately insured Canadians. For the period 2018-2022, Canadians on private plans had access to 64 percent of new drugs approved by Health Canada, which is three and a half times the 18 percent that are available on public plans.³

The first phase of the government's pharmacare plan, included in C-64, seeks to provide universal coverage for select diabetes medications and contraceptives. However, the list of

¹ "Cost Estimate of a Single-payer Universal Drug Plan", Office of the Parliamentary Budget Officer, October 12, 2023

² Legislative Costing Note - An Act respecting pharmacare, Office of the Parliamentary Budget Officer, May 15, 2024

³ "National Pharmacare will Reduce Access to New Medicines for 27 million Privately Insured Canadians", Canadian Health Policy Institute April 18, 2024



medications the government is proposing is not evidence-based and covers far fewer medications than what are available to Canadians with private insurance.

According to 2024 IQVIA data⁴, 1.9 million Canadians with private insurance will have to switch to the public plan for the contraceptives and diabetes medications they currently access through employer-sponsored plans. This increases costs to government while failing to increase access to medications for 1.9 million Canadians.

Analysis⁵ by the Conference Board of Canada found that 36.8 million Canadians (or 97.2 per cent of the population) are eligible for some form of prescription drug coverage across the country. This coverage includes insurance offered through public prescription drug plans, private group plans, and private individual plans. The uninsured gap in coverage—defined as the number of people not eligible for a public plan and not enrolled in a private plan—is under 1.1 million people, or 2.8 per cent of the Canadian population.

Further, 3.8 million Canadians are eligible but not enrolled in a public or private plan. This number represents 10 per cent of the total population. Several factors can drive non-enrolment in a public plan, including lack of awareness of public programs or eligibility criteria, lack of need (from a health status or financial perspective) or unaffordable out-of-pocket costs.

These are the Canadians that the government should be targeting to ensure equitable access to medications. There is no need to completely undo a system that provides a majority of Canadians with the coverage they need and appreciate.

In Budget 2023, Ottawa announced the Canadian Dental Care Plan to help up to nine million uninsured Canadians get access to dental care, declaring it was “not intended to be a replacement for existing dental benefits offered through employer/pension-sponsored or private plans” but rather a program to “fill existing gaps in coverage and complement existing provincial and territorial dental programs.”

Ensuring access to prescription drugs for all Canadians could easily be achieved at a fraction of the cost, by adopting a similar approach as that for dental care and working with provincial governments to extend drug coverage to the small minority of Canadians without it. A targeted model would be more pragmatic, financially sustainable and would also ensure that the 27 million Canadians with employer-provided insurance can continue to use the benefits they enjoy.

The Canadian Chamber of Commerce urges the government to reconsider its plans for a single-payer universal system and instead work collaboratively with provincial and territorial governments on a targeted approach that expands, rather than diminishes, access to prescription drugs across Canada.

⁴ Refer to the Annex

⁵ “Understanding the Gap”, The Conference Board of Canada, May 6, 2022



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Annex – IQVIA Analysis of Bill C-64, *An Act Respecting Pharmacare*

April 2024

Summary:

For all contraceptive medications, diabetes medications and devices:

- 2 million Canadians are currently claiming for medications not on the Federal program and therefore are at risk of losing access to what they currently have
- Private and public plans spend \$2.6 billion for medications not on the Federal program

Details:

- Contraceptive medications (oral contraceptives, copper and hormonal IUDs, injections, implants, rings, and morning-after pills) at a national level:
 - Private plans spent \$213M of which \$168M (79%) is on the HC targeted list
 - Provincial plans (excl PEI) spent \$56M of which \$53M (95%) is on the HC targeted list
 - Number of existing claimants with private coverage that would not be covered = 205K Canadians
- Diabetes medication = (insulin, insulin secretagogues, metformin, thiazolidinediones, SGLT-2 inhibitors, DPP-4 inhibitors, GLP-1 agonists and combination products)
 - Private plans spent \$1.6B of which \$247M (15%) is on the HC targeted list
 - Provincial plans (excl PEI) spent \$1,107M of which \$322M (29%) is on the HC targeted list
 - Number of existing claimants with private coverage that would not be covered = 952K Canadians
- Diabetes devices and supplies = used to manage diabetes or control blood sugar including test strips, CGM/FGM glucose monitoring, syringes, insulin pens, insulin pumps, blood glucose meters, and lancets (sensors/receivers)
 - Private plans spent \$405M on diabetes devices and supplies, none of which are on the HC targeted list. ▪ Number of existing claimants with private coverage that would not be covered = 843K Canadians

Find out more about [IQVIA](#).



About the Canadian Chamber of Commerce

We are Canada's largest and most activated business network — representing 400 chambers of commerce and boards of trade and more than 200,000 businesses of all sizes, from all sectors of the economy and from every part of the country — to create the conditions for our collective success. We use deep local connections to create a powerful national vantage point no other network can equal. And, from working with government on economy-friendly policy to providing services that inform commerce and enable trade, we give each of our members more of what they need to succeed: insight into markets, competitors and trends, influence over the decisions and policies that drive business success and impact on business and economic performance.