

October 1, 2024

The Honourable Ratna Omidvar, Senator
Chair of the Standing Senate Committee on Social Affairs, Science and Technology
The Senate of Canada
Ottawa, Ontario K1A 0A4

Sent via email: soci@sen.parl.gc.ca

Dear Senator Omidvar,

My thanks to you and to the members of the Committee for inviting me to testify on behalf of the Canadian Association for Pharmacy Distribution Management (CAPDM) as part of your study of Bill C-64, An Act Respecting Pharmacare, on September 26, 2024.

As time was insufficient to fully respond to questions, I respectfully follow up with our proposed amendment and its rationale for the Committee's consideration.

CAPDM members form the supply chain that equips Canada's healthcare system with over 90% of all medicines consumed in Canada, enabling physical access to all Canadians regardless of where they live. Contraceptives and medications for diabetes, and their related devices, flow through distributors, who make it possible for patients to physically access them at their local point of dispensing, critical to Bill C-64's implementation.

As representatives of the pharmaceutical supply chain, CAPDM and our members call on this Committee to carefully consider Bill C-64 and **introduce an amendment to the legislation to include a principle that clearly protects timely physical access of pharmaceutical products for Canadians by ensuring the sustainability of the pharmaceutical distribution supply chain, particularly for those in rural and remote regions of the country.**

During the Committee's questioning, Senator Judith Seidman asked me what "guardrails" could ensure the supply chain is equipped to deliver on the promise of Bill C-64 in delivering greater health equity, affordability, and outcomes – a notion we fully support. **Short of an amendment, we strongly recommend that direction be provided to those leading the Bill's implementation to ensure the protection of the supply chain infrastructure that supplies Canada's healthcare system and pharmacies with medications for Canadians, and that it be protected from funding erosion which will occur with lower drug pricing.**

The rationale for this request, as explained in my comments, is that rather than based on the services delivered, funding for distribution is based on a provincially determined upcharge on the price of a drug. As an illustration, funding for the distribution of a drug is the same amount, regardless of if it is delivered to downtown Ottawa or to Attawapiskat Ontario, or to downtown Winnipeg or Tadoule Lake, Manitoba. Further, costly services that protect the product's integrity against heat or cold in storage and transport, and thus protect patient safety, are not considered in the price of the drug and the provincially controlled upcharge. The lower the price of medicines, the less funding that is available for the medicine's distribution.

A national pharmacare program must recognize the importance of physical access to medications for Canadians, regardless of where they live. This presently is not guaranteed in the legislation, which focuses on affordability. Lower drug prices, without protection of the infrastructure that enables physical access puts immense strain on the supply chain's ability to maintain service levels, particularly for those to rural regions.

It is for this reason that we ask the Committee to consider an amendment that would enshrine the physical access of medications as a principle in the legislation and protect the equitable distribution of medicines in a national pharmacare program. We believe Bill C-64 must consider the critical supply chain infrastructure that ensures the safe, secure, and reliable access to medications in our country.

As a partner to governments, our goal is to act as a resource and collaborator to you, to ensure the health and well-being of Canadians through their safe, secure, and timely access to medicines.

Please do not hesitate to contact me if you have any questions or would like additional information. We would welcome opportunity to meet with the Committee in the future.

Sincerely,



Angelique Berg

President & Chief Executive Officer

Canadian Association for Pharmacy Distribution Management (CAPDM)