

Original Research

Achieving universal pharmacare in Canada: A 2022 perspective

¹Shivam Ratti, ²Ardhala V Thomas Raja, ³Rohit Vadlamani, ⁴Manreet Kaur, ⁵Rahul Tiwari, ⁶Heena Dixit Tiwari

¹Direct Support Professional and Residential Counselor, Community Living Kingston & District, Kingston, Canada;

²Assistant Professor, Department of Dental & Oral Surgery, Alluri Sitarama Raju Academy of Medical Sciences, Andhra Pradesh, India;

³BDS, MS, DDS, University of Louisville School of Dentistry, Louisville, Kentucky, USA;

⁴Dentist, AG Dental Clinic and Implant Centre, Teja Singh Market, Nada Road, Nayagaon, Mohali, Punjab, India;

⁵PhD Research Scholar, Department of Oral and Maxillofacial Surgery, Narsinhbhai Patel Dental College and Hospital, Sankalchand Patel University, Visnagar, Gujarat, India;

⁶BDS, PGDHHM, MPH, Parul Univeristy, Vadodara, Gujarat, India

ABSTRACT:

Canada's universal healthcare system is widely praised for its principles of equity and accessibility, yet it notably excludes prescription drug coverage, leaving millions of Canadians without access to essential medications. As of 2022, the country operates within a fragmented system of over 100 public and 100,000 private drug plans, resulting in significant disparities in access, particularly among low-income individuals and marginalized populations. This article explores the current state of pharmacare in Canada, emphasizing the challenges of affordability, accessibility, and sustainability within the existing framework. It reviews proposed solutions, including universal single-payer pharmacare and incremental "fill-the-gaps" approaches, drawing comparisons to successful international systems such as those in Australia and the United Kingdom. Universal pharmacare is projected to yield significant benefits, including reduced drug expenditures, administrative efficiencies, and improved population health outcomes. Policy recommendations emphasize the establishment of a national formulary, centralized drug price negotiation, and robust federal-provincial collaboration to ensure consistent and equitable access. While implementation requires substantial investment and coordination, universal pharmacare is essential to achieving health equity and fulfilling Canada's commitment to comprehensive healthcare. The findings underscore the urgent need for reform to bridge gaps in medication access and create a more sustainable healthcare system for all Canadians.

Keywords: Universal Pharmacare, Prescription Drug Coverage, Health Equity, Canadian Healthcare, Pharmacare Policy

Received: 25 January, 2022

Accepted: 27 February, 2022

Corresponding author: Heena Dixit Tiwari, BDS, PGDHHM, MPH, Parul Univeristy, Vadodara, Gujarat, India

Email: drheenatiwari@gmail.com

This article may be cited as: Ratti S, Raja AVT, Vadlamani R, Kaur M, Tiwari R, Tiwari HD. Achieving universal pharmacare in Canada: A 2022 perspective. *Int J Res Health Allied Sci* 2022; 8(2):178-181.

INTRODUCTION

Universal healthcare in Canada is often celebrated globally for its principles of equity and accessibility. However, one glaring omission in this system is universal prescription drug coverage, commonly referred to as pharmacare. Unlike physician and hospital services, medications prescribed outside hospitals are not universally covered, resulting in a fragmented system of public and private drug plans [1, 2].

This omission leaves many Canadians without access to the medications they need. Studies in the early

2020s found that nearly one in five Canadians either lacked adequate prescription drug coverage or faced significant financial barriers to accessing essential medications [3, 4]. These gaps undermine the foundational principles of Canada's healthcare system, contributing to health inequities and adverse outcomes.

Implementing universal pharmacare would address these challenges, ensuring equitable access to medications and improving overall health outcomes. This article examines the state of pharmacare in 2022, evaluates existing proposals, and outlines the

economic, social, and health benefits of adopting a national pharmacare program.

CURRENT STATE OF PHARMACARE IN 2022

Canada's healthcare system, often regarded as a global benchmark for universal healthcare, notably excludes universal prescription drug coverage. This exclusion has led to a fragmented and inequitable framework where access to essential medications depends on a complex mix of public and private insurance plans. By 2022, over 100 public drug insurance plans and approximately 100,000 private plans were operating in Canada, creating inconsistencies and leaving significant portions of the population underserved [1, 2].

Public Drug Plans: Provincial Variations

Each province and territory in Canada administers its own public drug plan, with eligibility criteria and coverage levels varying significantly across regions. For example, some provinces offer comprehensive drug plans for seniors or those receiving social assistance, while others have limited coverage for certain populations. The lack of standardization means that the availability of a specific medication may differ depending on where an individual resides. This regional disparity particularly impacts low-income families, Indigenous communities, and individuals with chronic health conditions, as they often have fewer options to fill coverage gaps [3, 4].

Private Insurance and Coverage Gaps

For Canadians not covered by public programs, private insurance often serves as a fallback. Typically offered through employment benefits, private plans are only accessible to those in stable, well-paying jobs. This creates a significant divide between those with access to employer-sponsored benefits and those without, such as self-employed individuals, gig workers, and retirees. Private plans also vary widely in the scope of coverage, leaving many people underinsured and vulnerable to high out-of-pocket expenses [5]. A 2021 Statistics Canada report revealed that nearly one in five Canadians lacked adequate prescription drug coverage, with some foregoing essential medications due to financial constraints [6].

Economic and Social Impacts

The absence of universal pharmacare has far-reaching consequences. Canadians spent over \$34 billion on prescription drugs in 2021, with out-of-pocket costs accounting for a substantial share [7]. These financial barriers force many individuals to choose between medication and other basic needs, such as food or housing. Moreover, untreated conditions due to unaffordable medications often progress to more severe health issues, resulting in higher hospital admissions and long-term healthcare costs.

This lack of access also exacerbates broader health inequities. Marginalized populations—such as Indigenous peoples, recent immigrants, and low-income families—are disproportionately affected by the high costs and fragmented coverage. For these groups, the financial burden of prescription drugs often perpetuates cycles of poverty and poor health outcomes [4, 8].

Administrative Inefficiencies

The complexity of Canada's fragmented system imposes significant administrative burdens. Managing multiple public and private plans leads to inefficiencies, including duplicate processes, higher administrative costs, and inconsistent formularies. Unlike countries with universal pharmacare systems, Canada cannot leverage its full bargaining power to negotiate lower drug prices with pharmaceutical companies. This lack of centralized negotiation results in higher drug prices compared to nations like Australia and the United Kingdom, which employ single-payer pharmacare models [9].

The Call for Reform

The inefficiencies and inequities in Canada's pharmacare system have prompted widespread calls for reform. Advocacy groups, healthcare professionals, and researchers have long argued that the current system is unsustainable and fails to meet the needs of all Canadians. Numerous reports, including those from the Advisory Council on the Implementation of National Pharmacare, emphasize that a unified, single-payer system would provide significant cost savings, reduce disparities, and improve overall population health [10].

CHALLENGES IN THE CURRENT SYSTEM

Affordability

Prescription drugs in Canada are among the most expensive globally. In 2020, Canadians spent over \$34 billion on prescription medications, with out-of-pocket costs accounting for a significant share [7]. High drug prices result from the country's fragmented purchasing system, which lacks the negotiating power of a unified, single-payer system.

Accessibility

Disparities in access persist across provinces and income levels. While some Canadians benefit from robust public or private plans, others face significant barriers. These gaps exacerbate health inequities, as individuals unable to afford medications are more likely to experience worsening health outcomes [4, 8].

Sustainability

The current system's reliance on multiple public and private plans creates administrative inefficiencies and increases costs. Canada spends more on pharmaceutical administration than countries with universal pharmacare, such as the United Kingdom

and Australia [9]. Rising drug prices further threaten the system's sustainability.

PROPOSED MODELS FOR PHARMACARE

Universal Single-Payer Pharmacare

A universal single-payer model would provide comprehensive coverage for all Canadians, financed through public funds. This approach aligns with the principles of the Canada Health Act: universality, accessibility, and public administration [10]. Under this model, a national formulary would be established to ensure equitable access to essential medications.

Fill-the-Gaps Approach

An alternative proposal involves expanding existing public programs to cover uninsured or underinsured populations. While this approach addresses immediate gaps, it does not resolve systemic issues like high drug prices and administrative inefficiencies [11].

International Comparisons

Countries with universal pharmacare, such as Australia and the UK, demonstrate the feasibility of comprehensive drug coverage. These systems use cost-effectiveness analyses to manage formularies and negotiate drug prices, ensuring both affordability and accessibility [9, 12].

ECONOMIC IMPLICATIONS

Cost Savings

Implementing universal pharmacare is projected to reduce overall drug expenditures significantly. A 2020 Parliamentary Budget Officer report estimated that a single-payer pharmacare system could save Canadians \$4 billion annually through bulk purchasing and reduced administrative costs [13].

Implementation Costs

Transitioning to a universal system requires upfront investment, including the establishment of a national formulary and funding mechanisms. However, these costs are offset by long-term savings and improved health outcomes [13].

Impact on Employers

Employers currently providing private drug benefits would see reduced costs under a public system, enhancing their competitiveness. This shift could also alleviate financial pressure on small businesses [14].

SOCIAL IMPACT AND EQUITY

Universal pharmacare has the potential to significantly reduce health disparities in Canada. Marginalized populations, who are disproportionately affected by the current system's gaps, would benefit most from comprehensive coverage [6].

Timely access to medications prevents the progression of chronic diseases, reduces hospitalizations, and improves quality of life. These health improvements translate into broader social and economic benefits,

including reduced strain on the healthcare system and increased workforce productivity [8].

POLICY RECOMMENDATIONS

1. Establish a National Drug Agency

A centralized agency is essential to manage a national pharmacare program. This body would oversee formulary development, price negotiations, and program administration [10].

2. Develop a National Formulary

A standardized formulary ensures consistent access to essential medications nationwide. It should be evidence-based and regularly updated to reflect advancements in medicine [13].

3. Implement Sustainable Financing

Funding should come from a mix of federal and provincial contributions, supplemented by progressive taxation to ensure equity [10, 15].

4. Enhance Federal-Provincial Collaboration

Effective implementation requires alignment between federal and provincial governments to harmonize drug coverage and address regional needs [11].

5. Engage Stakeholders

Inclusive consultation with patients, healthcare professionals, and policymakers is crucial to designing a program that meets diverse needs [10].

CONCLUSION

The lack of universal pharmacare in 2022 highlights a critical gap in Canada's healthcare system. By addressing affordability, accessibility, and sustainability, a national pharmacare program can improve health outcomes, reduce disparities, and align with the principles of universal healthcare. While challenges remain, the evidence strongly supports the feasibility and necessity of pharmacare. Implementing this transformative reform would ensure that every Canadian has equitable access to essential medications, fulfilling the promise of universal healthcare.

REFERENCES

1. Canadian Institute for Health Information. Prescribed Drug Spending in Canada. Available from: <https://www.cihi.ca>
2. Health Canada. National Pharmacare Proposal. Available from: <https://www.canada.ca>
3. Statistics Canada. Prescription Drug Access in Canada. Available from: <https://www.statcan.gc.ca>
4. Canadian Health Coalition. The Case for Pharmacare. Available from: <https://www.healthcoalition.ca>
5. Parliamentary Budget Officer. Cost Estimates for Universal Pharmacare. Available from: <https://www.pbo-dpb.gc.ca>
6. Global News. Drug Coverage Inequities in Canada. Available from: <https://globalnews.ca>
7. Canadian Centre for Policy Alternatives. Reducing Drug Costs. Available from: <https://policyalternatives.ca>

8. Canadian Medical Association. Addressing Drug Access Disparities. Available from: <https://www.cma.ca>
9. Organisation for Economic Co-operation and Development. Pharmaceutical Spending. Available from: <https://www.oecd.org>
10. Advisory Council on the Implementation of National Pharmacare. Final Report. Available from: <https://www.canada.ca>
11. The Council of Canadians. Pharmacare Solutions. Available from: <https://www.canadians.org>
12. World Health Organization. Universal Access to Medicines. Available from: <https://www.who.int>
13. Canadian Health Coalition. Bulk Purchasing Benefits. Available from: <https://www.healthcoalition.ca>
14. Canadian Federation of Independent Business. Employer Perspectives on Pharmacare. Available from: <https://www.cfib.ca>
15. Canadian Pharmacists Association. National Formulary Benefits. Available from: <https://www.pharmacists.ca>