



**Neighbourhood  
Pharmacy**  
Association of Canada

Association canadienne  
**des pharmacies  
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**Senate of Canada**

**Submission Brief  
Bill C-64: An Act respecting pharmacare**

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**Neighbourhood Pharmacy Association of Canada**

**Submitted to  
Standing Committee on Social Affairs, Science and Technology  
(SOCI)**

The Neighbourhood Pharmacy Association of Canada (Neighbourhood Pharmacies) represents leading pharmacy organizations across the country, including chain, banner, grocery chains, specialty pharmacies, and mass merchandisers with pharmacies. We advance the delivery of care through over 12,000 pharmacies and their teams, that serve as integral community health hubs in urban, suburban, rural, remote and First Nations neighbourhoods.<sup>1</sup>

Canada's pharmacies directly generate \$9.5 billion in Gross Domestic Product for the Canadian economy and employ almost 189,000 Canadians.<sup>2</sup> As the association representing pharmacy operators across the country, we act at a pan-Canadian level to support policy makers with the development of innovative solutions that allow pharmacies to support primary care while advocating for fair and sustainable funding for community pharmacies.

Pharmacies typically have extended hours, offering primary care with convenience and accessibility. Pharmacies are the first and often most frequent point of contact Canadians have with the healthcare system. Designated by government as an essential service, pharmacies and pharmacy teams are critical links in the healthcare system, providing uninterrupted care and coordination with other healthcare providers.

Since the beginning of the pandemic and beyond, our members have offered accessible, critical support to patients and communities and continue to be a partner to public health, primary care providers and governments. Pharmacies in all jurisdictions have adapted their practices to serve as community health hubs, bringing necessary health services to Canadians in their own neighbourhoods. Canada's pharmacies have responded to healthcare system challenges common across the country by adding capacity to the primary care system through expanded authority for disease screening, assessment services, prescribing and point of care testing; including administering almost a quarter of all COVID-19 vaccines in the country while dispensing over 820 million prescriptions valued at \$33.9 billion dollars annually.<sup>3</sup> Pharmacies have also been instrumental in protecting Canada's medication supply by mitigating medication shortages directly at the pharmacy counter while maintaining patient access to essential medications.

Neighbourhood Pharmacies is providing this submission to the Standing Committee on Social Affairs, Science and Technology (SOCA) as part of its study of Bill C-64: An Act respecting pharmacare, on behalf of our member pharmacies across the country.

Neighbourhood Pharmacies shares the view of all policy makers that all Canadians must have access to the prescription drugs they need when they are needed. As stated in our initial reaction to the tabling of Bill C-64, "As an organization representing health hubs in communities across the country, we are supportive of every woman's right to reproductive health and, for those Canadians living with diabetes, ensuring they have the access to the medication they need without financial barrier."<sup>4</sup> However, in achieving this goal, it is essential that patients seen at community pharmacies across the country are not placed at risk of losing the critical services they depend on from their pharmacists. It is imperative that, as Parliament studies this legislation, attention be given to ensuring any potential negative impacts of such a bill are addressed.

## Neighbourhood Pharmacies' Position on National Pharmacare

As Canadians remain concerned about being able to meet their cost-of-living expenses, ensuring that all Canadians have access to medications without undue out-of-pocket hardship should continue to be a priority for the federal government. All Canadians deserve access to the medications they need, regardless of where they live, if they are employed, or how much money they make. Neighbourhood Pharmacies believes that any national pharmacare program must account for the following five principles:

- *Takes an equitable approach to removing barriers to drug access in Canada*, ensuring that those who need support the most are given it. Canada has a resilient drug coverage system that has proven to be effective, even during the pandemic. The critical issue facing the government is supporting Canadians without coverage and those who lack sufficient coverage.
- *Prioritizes those without coverage*: The Conference Board of Canada estimates that more than 97 per cent of Canadians have or are eligible for some form of prescription drug coverage.<sup>5</sup> As the federal government continues to look at ways to address increasing pressures on the healthcare system, government policy should prioritize access for vulnerable Canadians without coverage who cannot afford their medications. Focusing on solutions to either raise coverage for those without access, or remove the financial barriers to access, would more efficiently solve issues of equitable access without disrupting the coverage that the vast majority of Canadians currently possess.
- *Builds on a robust minimum national formulary that meets or exceeds existing provincial public coverage*. Provincial formularies have been designed to balance pharmacoeconomics and public good, resulting in a diverse ecosystem. A restrictive formulary runs the risk of reducing therapeutic choices and creating shortages in the pharmaceutical supply chain. Moreover, private plans should be required to meet the minimum national formulary to ensure that existing private coverage is not offloaded to the public purse.
- *Protects access to critical health care services*. Pharmacies play a critical role in ensuring access to care across Canada – and specifically in rural and remote regions, with Canadians seeing their pharmacists up to ten times more frequently than any other healthcare provider. It is essential pharmacare delivery be designed in collaboration with pharmacies to ensure there are no disruptions in access to care or services for Canadians. A national comprehensive pharmacare program that covers those currently uninsured as well as those with existing coverage is estimated to have an up to \$1 billion annual impact to Canada's pharmacy sector – equal to cutting approximately 20 million pharmacist hours annually and risking care disruption for Canadians.<sup>6</sup>
- *Collaborates with the provinces and territories to enhance and build on public and private drug plans already in place*. As the federal government assesses the role that it can play, collaboration with the provinces and territories is essential to ensure alignment

and equity and to minimize any disruption to any public or private drug coverage that might exist today. It is critical to work with provinces and territories to enhance the various programs already in place to help ensure Canadians get access to the medications they need.

The priority of governments at federal, provincial and territorial levels should be supporting those who do not have coverage and those with insufficient coverage, without disrupting the coverage the majority of Canadians enjoy. By taking this approach, we can minimize unnecessary costs to government and the taxpayer and responsibly allocate money to other critical healthcare priorities.

### **Implications of Bill C-64: An Act respecting pharmacare**

Bill C-64, if passed, would provide authority to the Government of Canada to negotiate a means with provinces and territories to provide universal access to contraceptives and diabetes medications free of charge. Currently, contraceptives and diabetes medications represent seven per cent of all prescriptions and 13 per cent of all drug spending in Canada.

#### *Observations from the British Columbia Free Contraceptives Program*

Officially launched on April 1, 2023, data is now available that indicates the performance of the British Columbia Free Contraceptives program. This program provides universal public coverage of contraceptives for all British Columbians, inclusive of both those who were previously uninsured and those who had existing coverage. Early findings from the program demonstrate that there has been an increase in utilization for all types of contraception with the most dramatic increase being realized on emergency contraceptives where there has been a 3000 per cent increase in utilization within the province (despite this increase, emergency contraceptives remain a small share of the government's total spend on contraceptives). In addition, there has been a shift from oral contraceptives to long-acting contraceptives, including depo injections, implants and IUDs.

Financially, since the launch of the program, annual public spending on contraceptives in British Columbia has increased by \$21 million, a 479% increase, to account for 1,600 new patients. Had the Government of British Columbia launched a similar program targeting only those British Columbians without existing coverage, all British Columbians would continue to be guaranteed access to free contraceptives; however, public spending on contraceptives would only increase by approximately \$10 million or 233 per cent. It is expected the number of patients who benefit from the program would remain at 1,600.

#### *Expected Trends in Universal Access to Contraceptives and Diabetes Medications*

To provide an understanding of the financial impact of Bill C-64 both on public spending and on community pharmacies, Neighbourhood Pharmacies has assumed that the adoption of a program as described in Bill C-64 will have a similar utilization as the British Columbia program. This includes increased utilization of contraceptives and changes in demand for particular contraceptives, such as oral contraceptives and IUDs. Further, the same findings from the British Columbia contraceptives program have been extended to diabetes medications to provide an estimated impact on public spending for a program as outlined in Bill C-64.

Given the above implications, Neighbourhood Pharmacies expects a pharmacare program that provides contraceptives and diabetes medications coverage for those currently uninsured and those with existing coverage will have an annual impact of \$836 million, or a 65 per cent increase, in government spending nationwide (See Figure 1). When considering a program that provides coverage for only those currently uninsured and applying the same assumptions as listed above, the federal program could support all Canadians currently without prescription drug coverage for \$334 million, or a 26 per cent increase in annual spending. **While all Canadians are guaranteed access to contraceptives and diabetes medications under both models**, Neighbourhood Pharmacies' data makes clear that a program that only focuses on those currently uninsured is significantly more fiscally prudent at a time where limited government and health system resources are in high demand.

Figure 1:

|               | Impact on Government Cost (millions) |            |  |            |
|---------------|--------------------------------------|------------|--|------------|
|               | Currently Uninsured                  | % Increase | Currently Uninsured + Those with Existing Coverage | % Increase |
| BC            | \$110                                | 102%       | \$55   | 51%        |
| AB            | \$94                                 | 82%        | \$29   | 26%        |
| SK            | \$26                                 | 71%        | \$11   | 30%        |
| MB            | \$43                                 | 180%       | \$23   | 97%        |
| ON            | \$298                                | 46%        | \$124  | 19%        |
| QC            | \$180                                | 58%        | \$66   | 21%        |
| NB            | \$30                                 | 178%       | \$8  | 49%        |
| NS            | \$32                                 | 160%       | \$9  | 46%        |
| PE            | \$4                                  | 175%       | \$1  | 43%        |
| NL            | \$20                                 | 170%       | \$7  | 56%        |
| <b>Canada</b> | <b>\$836</b>                         | <b>65%</b> | <b>\$334</b>                                       | <b>26%</b> |

Source: Neighbourhood Pharmacy Association of Canada. Pharmacare Impact Analysis (April 2024)

Pharmacies depend almost entirely on the funding generated through dispensing fees and markups tied to drug prices to support all the clinical and patient care services they provide. Pharmacies use these funds to pay their staff, maintain their inventories, and other operational costs. While such fees are provincially negotiated, any programs brought upon by the federal government, such as those outlined in Bill C-64, have profound consequences on a pharmacy’s ability to sustain the delivery of medications, care and services.

Neighbourhood Pharmacies’ analysis indicates a national pharmacare program that provides coverage for contraceptives and diabetes medications to those currently uninsured and those with existing coverage will result in a \$43 million annual hit on community pharmacies; equivalent to 860,000 hours of pharmacist care. (See Figure 2). Particularly at time when so many Canadians depend on their community pharmacists for necessary primary care services, this expected impact will jeopardize the essential health services Canadians rely on at their community pharmacy resulting in negative implications not only on an individual’s health but on the health system at large.

Figure 2:

|               | <b>Pharmacy Impact of Coverage of Contraceptives and Diabetes Medications for Both Uninsured and Currently Insured (thousands \$)</b> |                   |                  |                  |
|---------------|---|-------------------|------------------|------------------|
|               | Cash \$   | Private \$        | Public \$        | Total \$         |
| BC            | -\$11,295   | -\$16,247         | \$22,466         | -\$5,075         |
| AB            | -\$4,107  | -\$16,356         | \$20,291         | -\$172           |
| SK            | -\$3,078  | -\$4,767          | \$7,541          | -\$303           |
| MB            | -\$6,860  | -\$5,670          | \$12,547         | \$17             |
| ON            | -\$14,642   | -\$58,790         | \$57,512         | -\$15,920        |
| QC            | -\$20,381   | -\$54,532         | \$54,481         | -\$20,432        |
| NB            | -\$1,604  | -\$5,320          | \$6,461          | -\$463           |
| NS            | -\$1,434  | -\$6,104          | \$7,392          | -\$146           |
| PE            | -\$128  | -\$909            | \$996            | -\$41            |
| NL            | -\$1,393  | -\$3,716          | \$4,735          | -\$374           |
| <b>Canada</b> | <b>-\$64,922</b>  | <b>-\$172,412</b> | <b>\$194,424</b> | <b>-\$42,910</b> |

Source: Neighbourhood Pharmacy Association of Canada. Pharmacare Impact Analysis (April 2024)

*Recommendation: Include Pharmacists on the Committee of Experts*

Section 11 of Bill C-64 outlines that, no later than 30 days following Bill C-64 receiving royal assent, the Minister of Health is tasked with establishing a committee of experts (Committee) to make recommendations on the operation and financing of a national, universal, single-payer pharmacare system. Our understanding is the Committee would study the contraceptives and diabetes medications program outlined in Bill C-64 as well as the federal government's pilot project currently underway in Prince Edward Island to develop recommendations for the federal government's consideration on next steps relating to national pharmacare.

Community pharmacists are the face of healthcare for the majority of Canadians. Located within five kilometres of 95 per cent of Canadians, community pharmacies are on the frontlines each and every day and are often the entry into the health system for those seeking medical care, especially those Canadians who lack access to a primary care provider. **Given the significance of the Committee's mandate and the possible impact its work could have on the future of Canadians accessing medications as well as on community pharmacies themselves, we strongly recommend that consideration be given to ensuring community pharmacists are represented on the Committee as members.** Community pharmacists will bring a unique perspective that incorporates not only the distribution of medications to patients but also the opinion of an essential primary care provider relied upon by Canadians when in need in communities across the country.

As the federal government explores individuals to form this Committee of Experts, Neighbourhood Pharmacies encourages the government to consider including members of the Senior Leadership Team at Neighbourhood Pharmacies:

- Sandra Hanna, RPh., LLM, ICD.D, Chief Executive Officer at Neighbourhood Pharmacies, is a practicing pharmacist as well as a local pharmacy owner in Guelph, Ontario with vast experience in community, hospital, long-term care and specialty pharmacy settings.
- Shelita Dattani, Pharm.D., RPh, Senior Vice President of Pharmacy Affairs & Strategic Engagement at Neighbourhood Pharmacies, is a practicing pharmacist in a community pharmacy and primary care team-based practice, with extensive experience in multiple areas of healthcare including acute care as well and specialty pharmacy.

In addition to their experience as pharmacists, Ms. Hanna and Dr. Dattani would be able to contribute valuable insights from community pharmacies across the country representing different pharmacy business models, including pharmacies who operate in rural, remote and Indigenous communities.



## Questions for Consideration

As the Committee undertakes a study on Bill C-64, Neighbourhood Pharmacies urges committee members to seek clarity from the government on the following questions relating to the legislation:

1. *Many Canadians have existing coverage through public or private plans that cover up to 80% of costs for prescription drugs. Will the proposed federal program outlined in Bill C-64 cover the remaining 20% or will Canadians wanting 100% coverage need to switch to the federal program?*

Currently, it remains unclear whether the federal pharmacare program outlined in Bill C-64 would cover the portion of costs currently not covered by those Canadians with existing private or public plans or, if to receive full coverage, a Canadian will need to switch to the federal program in its entirety. It is critical for there to be clarity relating to this element of the program so that Canadians have an understanding of their options for coverage as well as the financial realities of this federal program.

2. *How will the program outlined in Bill C-64 be administered?*

Various federal programs have different practices in place to administer payments. For example, the federal dental care benefit is administered by a third-party provider following a request for proposals from the government; the various childcare agreements entered into by the federal government with provinces and territories are administered by the provinces and territories based on mutually agreed upon terms; and the Canadian child benefit is administered based on an individual's income reported to the Canada Revenue Agency. Community pharmacists have considerable experience dealing with multiple medication coverage programs, both public and private, and would be pleased to offer our support and advice as the federal government considers these critical details.

3. *Neighbourhood Pharmacies appreciates the federal government's willingness to expand the medications eligible under this program however, how will this be possible without increasing the budget for the program outlined in Budget 2024?*

The federal program outlined in Bill C-64 outlines a limited number of medications that would be covered under this program. Should this list be expanded following negotiations with provinces and territories, as suggested by Health Minister Mark Holland, it is expected that the costs for this program will also increase. Budget 2024 included \$1.5 billion over five years for the federal national pharmacare program (The Parliamentary Budget Officer estimated \$1.9 billion over five years for the program). It is important to understand the impact on the budget for this program should more medications be added following discussions with provinces and territories.

## Conclusion

In summary, Neighbourhood Pharmacies commends the federal government for their commitment to ensuring all Canadians have access to contraceptives and diabetes medications. This is an important step that will improve the health of Canadians.

Neighbourhood Pharmacies encourages the federal government to move forward with a national pharmacare program that protects access to critical health services relied upon by Canadians at their community pharmacies. The Conference Board of Canada estimates that more than 97 per cent of Canadians have or are currently eligible for some form of prescription drug coverage, whether it be through an employer benefit or one of many public plans. These



existing plans also tend to provide additional support that allow community pharmacists to deliver necessary care within their pharmacies. By eliminating \$43 million from community pharmacies, should public coverage be provided to those with existing benefits in addition to those currently uninsured, many of these critical services will likely be at risk.

Neighbourhood Pharmacies urges the federal government to consider a pharmacare model that ensures all Canadians have access to critical medications while also protecting the services Canadians with existing plans rely on today. In addition, Neighbourhood Pharmacies strongly recommends working directly with community pharmacists via the Committee of Experts to ensure the voice of pharmacists and their patients is present as this important dialogue progresses.

## References

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