



**Neighbourhood
Pharmacy**
Association of Canada

Association canadienne
**des pharmacies
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**Written Submission for the Pre-Budget Consultations in Advance of the Upcoming
Federal Budget 2025**

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August 1st, 2025

List of Recommendations

- **Recommendation 1:** That the government leverage the pharmacy sector to ensure Canadians have access to primary care and public health resources
- **Recommendation 2:** That the government protect the security of Canada's medication supply chain from trade instability
- **Recommendation 3:** That the government catalyze economic growth by investing in the viability of Canada's pharmacies

Introduction

The Neighbourhood Pharmacy Association of Canada (Neighbourhood Pharmacies) represents leading pharmacy operators across the country, including chain, banner, long-term care, grocery chains, specialty pharmacies, and mass merchandisers with pharmacies. We act at a pan-Canadian level to support policy makers with the development of innovative solutions that allow pharmacies to support primary care and public health via a sustainable, thriving pharmacy sector.

Over the past several years, pharmacies have demonstrated their ability to adapt, innovate, and expand care delivery. Pharmacists now provide millions of clinical assessments, prescribing services, immunizations, and chronic disease interventions each year—helping to offset pressures on primary care providers and emergency departments. Pharmacies also play a vital role in medication supply management, supporting patients directly at the counter during drug shortages and working closely with governments to maintain access to essential therapies.

The Pre-Budget 2025 Consultations are an opportunity to ensure Canada's pharmacy sector is fully leveraged to contribute to Federal Priorities relating to supporting a strong One Canadian Economy, strengthening our international trading relationships, removing cross-provincial barriers and regulatory red tape preventing effective service delivery, and attracting top healthcare talent. This submission outlines three key recommendations to help Canada build a more resilient system and a stronger economy through the contributions of pharmacy.

1. Leverage the Pharmacy Sector to Ensure Canadians Have Access to Primary Care and Public Health Resources

Canada's growing primary care crisis has left over 6.5 million people without access to a regular family doctor.¹ Canada's more than 12,000 community pharmacies have stepped in as critical health access points supporting efforts to fill that gap.² In fact, 95% of Canadians live within five kilometres of a pharmacy, and patients visit pharmacists more frequently than any other provider. This convenient access to healthcare in their communities helps keep Canadians healthy, productive, and at work—key to economic growth.

Pharmacies are already delivering measurable results: in 2024, they provided over 3 million clinical services and 12 million immunizations.³ Their expanding role—managing minor ailments, supporting chronic disease, and delivering preventive care—has reduced strain on emergency departments and improved care access in communities across the country.⁴ Yet, pharmacy funding and integration into primary care initiatives remains uneven, while regulatory fragmentation between provinces and workforce mobility barriers prevent pharmacies from delivering the full breadth of primary care and public health the country needs —especially in underserved communities.

¹ MAP Centre for Urban Health. OurCare National Survey Findings. May 2023

² IQVIA Canada. Rx Premium. MAT March 2025

³ Provincial Services Report. Canadian Foundation for Pharmacy. February 2025

⁴ Community Pharmacy Primary Care Clinics: Final Learning and Evaluation Report. Prepared for Pharmacy Association of Nova Scotia by Research Power Inc. March 2025

To improve service delivery, support healthy communities, and build a more efficient economy, we recommend the Federal Government:

- Expand federal investments to formally fund pharmacy services as part of primary care models or community health hubs —particularly in rural and high-need areas,
- Modernize labour mobility rules as part of the “One Canadian Economy” plan by accelerating recognition of pharmacist credentials across provinces, and between countries with similar pharmacist education systems, to attract the best talent in the world,
- Champion the removal of regulatory barriers that prevent pharmacy professionals from practising to their full scope, enabling pharmacies to support the overburdened healthcare workforce more effectively.

Without a healthy and productive population, Canada’s economy will not grow. Healthcare must be a priority. Investment in community pharmacy will enhance patient access, reduce reliance on overburdened emergency departments and hospitals, and generate long-term system efficiencies. Pharmacy’s reach and readiness position it as a critical partner in strengthening equitable care delivery and improving outcomes for Canadians.

2. Protect the Security of Canada’s Medication Supply Chain From Trade Instability

Canadians must be able to access medications and pharmacy-based care without disruption. With close to 70% of finished medications and nearly 90% of pharmaceutical ingredients imported, Canada’s medication supply chain is highly vulnerable to global trade instability.⁵

Escalating trade tensions with the United States has destabilized the entire medication supply chain. The resulting anticipated drug shortages, increased drug prices and overall increased supply chain costs will place an unsustainable financial burden on all players in the supply chain. Pharmacies, as the final step in the medication access pathway, cannot pass these costs on to patients. Instead, they must absorb them—threatening the viability of pharmacy operations. The sector supports over 185,000 jobs, and any closures – especially in remote or rural communities - could create “pharmacy deserts” that leave patients without essential medications or healthcare services.

Even before the recent trade disputes, pharmacy professionals were spending an estimated 20% of their time managing drug shortages on the front lines, and things will only get worse.⁶ Pharmacists coordinate with prescribers, source alternative medications or compound therapies – adding additional pressure to their frontline care. Empowering pharmacists with the scope of authority to independently make therapeutic substitutions during shortages would reduce delays, improve patient outcomes and decrease the administrative burden across the system.

To protect Canadian sovereignty, strengthen emergency preparedness, and support economic resilience we recommend the Federal Government:

- Strengthen our pharmaceutical trading relationship with the United States and with reliable trading partners and allies around the world,
- Ensure pharmaceutical products are exempt from any current or future tariff measures, and

⁵ Norton Rose Fulbright. “Made in Canada”: The challenges of increasing domestic production of pharmaceuticals. November 2020

⁶ Canadian Pharmacists Association, 2018

- Modernize federal regulations to authorize pharmacist-led therapeutic substitution during drug shortages.

Pharmaceutical supply chain strength is critical to both health system reliability and national security. Access to medications is essential to the health and safety of Canadians. Yet our heavy reliance on foreign pharmaceutical imports leaves the supply chain vulnerable to trade disruptions. To protect against these growing security threats, Canada must equip pharmacies with the tools and authority they need to help stabilize the drug supply and safeguard access to care – upholding Canada emergency preparedness and public safety strategy.

3. Catalyze Economic Growth by Investing in the Viability of Canada's Pharmacies

Pharmacies are both essential healthcare providers and key economic contributors. Canada's 12,000+ pharmacies serve as trusted community health hubs across urban, rural, remote, and First Nations communities.⁷ They collectively employ more than 185,000 Canadians—including 38,000 licensed pharmacy professionals—and dispense over 847 million prescriptions annually, with a market value of \$36 billion.^{8,9,10} The sector contributes approximately \$9.5 billion to GDP, with a total economic footprint exceeding \$18.7 billion.¹¹

This dual role of delivering publicly funded care while operating as community-based businesses means pharmacies are uniquely vulnerable to both healthcare policy and economic pressures. To maintain the essential services and economic contributions, pharmacies need sustainable funding aligned with the full scope of care that Canadians rely on. The traditional pharmacy funding model remains tied almost exclusively to dispensing fees and drug markups dictated by pharmaceutical prices. Pharmacies use this funding to maintain their inventory, pay their staff, maintain their facilities and cover their overhead. Policy measures aimed at reducing drug costs—especially national pharmacare, pharmaceutical pricing reforms, and even biosimilar switching programs—can unintentionally undermine the financial viability of pharmacies. Service reductions or even pharmacy closures could have serious consequences for healthcare access and local economies, particularly in rural, remote, or underserved communities.

The impact is already visible. Over 60% of pharmacies are small, medium, or independently owned businesses.¹² Many are reducing hours, staffing, and services in order to stay afloat. In smaller communities, these reductions—or full closures—could eliminate the only local provider of medications, immunizations, and frontline health advice, putting access to care and economic resilience at risk.

To ensure pharmacy sustainability and protect economic growth, we recommend the Federal Government

- Provide federal leadership on modern, sustainable pharmacy funding models that reflect the full scope of services pharmacies can deliver to ensure continued access to care,

⁷ IQVIA Canada. Rx Premium. MAT March 2025

⁸ Adapted from Economic Footprint of Canada's Community Pharmacy Sector. Conference Board of Canada. 2017

⁹ National Association of Pharmacy Regulators. National Statistics. January 2025

¹⁰ IQVIA Canada. Rx Premium. MAT March 2025

¹¹ Adapted from Economic Footprint of Canada's Community Pharmacy Sector. Conference Board of Canada. 2017

¹² IQVIA Canada. Rx Premium. MAT March 2025

- Work with pharmacies and pharmacist owners and operators to design national health policies that do not jeopardize the viability of pharmacy operations, including an immediate revised approach to pharmacare that builds on, rather than disrupts, Canadian's existing coverage, and
- Streamline regulations to support innovation and centralized pharmacy services, enabling more efficient operations, interprovincial service delivery, and better use of limited human and financial resources.

Canadians' access to community-level care and medications is not just a health care issue — it's an economic one. Ensuring Canada's pharmacies remain financially viable is a direct investment in local economies, community infrastructure, and equitable health care access across the country.

Summary:

Pharmacies are critical to Canada's health and economic infrastructure. They contribute billions to our GDP, support over 185,000 jobs, and provide essential care in communities from our major cities to rural and remote towns, often as the most accessible and trusted local health resource. At a time when Canada faces mounting health system pressures, trade uncertainty, and economic strain, pharmacies are ready to do more. By investing in pharmacy, the federal government can protect medication access, strengthen our health workforce, and drive local economic growth—while building a smarter, more resilient health care system that is there for every Canadian. We urge the federal government to recognize pharmacy's strategic role and act on these recommendations in Budget 2025 to build a healthier, more prosperous Canada.