

CAPDM Policy Position on National Pharmacare

Pharmaceutical distributors recognize firsthand that access to a stable, reliable supply of medicines irrespective of financial, geographic, or health circumstances is critical to the functioning of Canada's healthcare system and to a thriving society.

Affordability is a significant issue for Canadians and Bill C-64 attempts to alleviate this through the funding of coverage for all, for two conditions to start. CAPDM supports efforts to increase access to medications for people without access to any coverage plans. A new plan should build on the existing mixed payer coverage system and consider pharmacare programs already in place in several Canadian provinces.

As it is currently presented, the framework looks to be a costly, one-size-fits-all regime that could reduce existing coverage for some and have broad unintended consequences for many, including exacerbating already serious cases of drug shortages and reducing patient access. Of note, the legislation has also not considered how medicines are delivered to communities across the country and the growing costs for Canada's distributors to ensure all communities have access to these medications. Any changes must be about improving patient access and outcomes and ensuring a stable and reliable supply.

While the intent of Bill-64 has merit, CAPDM believes the government should take more time to meaningfully engage provinces and stakeholders in the design of the program to ensure that coverage plans, and pharmaceutical policy are aligned to serve Canadians in a sustainable and effective manner. The distribution and supply components need to be more thoroughly considered.

As a trusted, collaborative partner to government, CAPDM recommends that the federal government:

- A. Meaningfully engage distributors and other supply chain players, including Provinces and Territories.
 - To ensure a 360-degree view upstream and downstream the chain, engage the healthcare supply chain with the aim to understand potential unintended consequences, opportunities, and scenarios.
 - For example, while a national formulary and bulk purchasing strategy may reduce pharmaceutical expenditures, these approaches increase the risk of drug shortages due to a market dominated by a very limited number of suppliers of any one drug.
- B. Analyze the trickledown effect of cost-containment measures in the system.

- Drug distribution is an expensive undertaking and continuously lowering drug prices erodes the already razor-thin margins of distributors, thereby impacting the sustainability of the industry and the ability of distributors to deliver medicines in a timely, equitable manner. This has a negative impact on a key tenet of a national pharmacare program: access, felt most acutely in remote and rural communities.
- National pharmacare policy needs to ensure the sustainability of drug distribution to safeguard equity of access, and maintain quality, safety, and efficiency standards within a compliant supply chain from manufacturers through to pharmacies and patients.
- Conduct a comprehensive cost-benefit analysis (over time) that considers the cost to taxpayers and pharmaceutical supply chain partners, those most invested in the program's success.

Ultimately, CAPDM advises that Canada approach any policy change with caution, especially one that puts patients at risk. We support a national pharmacare program that:

- Ensures that no Canadian is worse off by the implementation of any national pharmacare plan.
- Is financially responsible and sustainable, without burdening the existing system.
- Augments existing policy by building on and enhancing the existing system of drug coverage, rather than displacing it.
- Empowers healthcare distributors to deliver on their mandates in serving Canadians now and into the future through a sustainable funding model.

ABOUT CAPDM

CAPDM is the national trade association for the pharmaceutical distributors that supply pharmacies and hospitals with over 90% of medicines consumed in Canada.

Pharmaceutical distributors ensure the safe, secure, and timely access of prescription and over-the-counter medications to more than 12,000 hospitals and pharmacies, allowing vital medications to reach the great majority of our nation's communities on a next-day basis. With their trading partners, pharmaceutical distributors form the efficient, accurate, and reliable supply chain that ensures physical access to medicines for all Canadians.

RESOURCES

- [Bill C-64 \(An Act respecting pharmacare\)](#)
- [Government of Canada News Release \(Feb 2024\)](#)
- [Report of the Advisory Council on the Implementation of National Pharmacare](#)