CLHIA OPENING REMARKS

TO THE

HOUSE OF COMMONS STANDING COMMITTEE ON HEALTH

APPEARANCE ON PHARMACARE

OCTOBER 19, 2017


On behalf of the life and health insurance industry, I’d like to thank you for giving us the opportunity to come back to speak with you as you finish your consultations on the important issue of pharmacare.

Notre association représente des sociétés détenant quatre-vingt-dix-neuf pour cent des assurances vie et maladie en vigueur au Canada. Vingt-quatre sociétés offrent dans tout le pays de l’assurance maladie complémentaire, à plus de vingt-huit millions de personnes. Notre industrie comprend des organismes sans but lucratif, comme les Croix Bleue, des sociétés de secours mutuel, et de plus grosses
entreprises. Nous travaillons de concert avec les employeurs pour offrir aux travailleurs canadiens une protection Maladie complémentaire couvrant une large gamme de médicaments sur ordonnance, des services paramédicaux – comme les traitements d’un psychologue, d’un physiothérapeute ou d’un chiropraticien – de même que les examens de la vue, les lentilles et verres correcteurs, et les soins dentaires, pour ne nommer que quelques-unes de nos garanties.

Canada’s life and health insurers believe all Canadians should be able to access affordable prescription drugs. Today, prescription drugs costs are too high and we know there are gaps in coverage. However, meaningful reductions in prices and improving access for all Canadians can be achieved today working within our current system. Canada’s insurers are keen to help and believe we have much to offer. Several initiatives set out by the both federal and provincial governments will make a difference.

Les modifications proposées au règlement du Conseil d'examen du prix des médicaments brevetés (CEPMB) sont importantes, car elles fourniront au CEPMB les outils nécessaires pour réduire les coûts. Nous appuyons sans réserves l’orientation prise par le Conseil, et nous continuerons à collaborer avec les autorités afin de les aider au mieux.
As well, negotiations through the pan-Canadian Pharmaceutical Alliance (pCPA) will also help bring down costs for public plans. We believe that federal and provincial governments are on the right track, but they need to go further. The current approach only leverages half the buying power of the Canadian market in any negotiation and leaves those Canadians with private insurance, or paying out of pocket, to fend for themselves. This results in prices that are higher than they need to be and also entrenches unequal prices for the same drug across Canada. The good news is that there is an easy way to address both these shortcomings. Private plans need to be included in the pCPA. This would allow governments to negotiate the best prices possible using the entire Canadian market volume while ensuring that all Canadians are treated fairly and pay the same price for the same drug.

Ultimately, Canada’s life and health insurers believe the best solution to ensuring sustainable prescription drug coverage is one that blends the strengths of both the public and private systems. We work together with employers to offer access to a wide variety of prescription drugs through employer sponsored benefit plans. Canadians value their benefit plans that provide them with rapid access to over 12,000 prescription drugs. The Sanofi Aventis Survey 2016 points to the importance employees place on their drug coverage with 94% indicating that drug plans are very or somewhat important. One of the
reasons employees value their drug plans so highly is that new drugs are approved much more quickly in private plans providing Canadians with faster access to new and innovative medicines with generally fewer restrictions.

However, there are gaps in Canada’s system – understanding the gaps is crucial if we are to develop appropriate and targeted solutions. There are Canadians who do not have access to a public or private plan or perhaps do not have adequate coverage. We need to focus and coordinate our efforts to understand where these gaps are and to work on achievable and targeted solutions.

The report by the Parliamentary Budget Officer tabled with this committee a few weeks ago highlighted the costs of moving to a universal single-payer system as well as savings that could be garnered from bulk-purchasing. Even with the most optimistic assumptions the costs would be nearly $20 Billion for the federal government. As for any estimated savings – the bulk of those are estimated to arise from negotiating better drug prices using the full buying power of the Canadian market. As I outlined above, there is nothing stopping us from moving in that direction now by including insurers in the scope of the pCPA. The bottom line is that the projected savings to the overall drug spend can be achieved today, with minimal disruption and
without taking away access to the wide variety of prescription drug plans that are so highly valued by Canadian employees.

**Closing**

Notre industrie tient à collaborer étroitement avec les gouvernements et ainsi contribuer à l’amélioration du système de santé canadien. Merci encore du temps que vous nous accordez aujourd’hui. Je serai heureux de répondre à toute question que vous pourriez avoir.