



December 7, 2018

Hon. Sarah Hoffman
Deputy Premier, Minister of Health;

Hon. Joe Ceci
Minister of Finance and President of the Treasury Board

423 Legislature Building
10800 - 97 Avenue
Edmonton, AB
Canada T5K 2B6

Dear Deputy Premier Hoffman and Minister Ceci:

The Alberta Chambers of Commerce, a federation of 124 community-based chambers of commerce representing more than 25,000 employers across the country, supports an approach to national pharmacare in which the public and private sectors collaborate to ensure that no Canadian lacks access to the medicines they need.

Ensuring all Canadians have pharmacare access is an important goal. However, A national program must be designed in a way that is fiscally sustainable, ensures continued access to innovative medicines, and does not crowd out the comprehensive coverage options offered by private/group plans. If the federal government is to move forward with a national pharmacare program, that program must give Canadians an advantage over what the system currently offers.

Employers want a national pharmacare program that focuses on filling in the gaps in the existing system to raise the bar for Canadians and improve health outcomes. National pharmacare should not reduce the coverage enjoyed by most Canadians under the existing system or result in coverage falling to the lowest common denominator.

Research shows that most Canadians are covered under an existing private/group plan and are satisfied with the coverage and affordability provided. 86% of Canadians are satisfied that their private/group insurance is making medicine affordable and 82% are satisfied with the range of medicines covered.¹ Overall, 77% of Canadians say that the medicines they need are affordable or "affordable enough."² Among those Canadians who received a prescription in the preceding six months, fewer than 1% indicated that they did not take their medication as prescribed because of cost.³

¹ Canadian Perspectives on Pharmacare, Abacus Data, September 13, 2018.

² *ibid*

³ Understanding the Gap: A Pan-Canadian Analysis of Prescription Drug Insurance Coverage, Conference Board of Canada, December 2017.

A full 90% of Canadians believe that a national pharmacare policy should in no way put group benefits at risk of cancellation.⁴ 75% of Canadians believe it is quite or very important that “government shouldn’t spend on those who already have prescription drug coverage.”⁵

Approximately 10% of Canadians are uninsured or underinsured.⁶ Only 1.8% of Canadians do not have access to private or provincial drug coverage.⁷ Those who do not have private or group health insurance coverage are about three times more likely to say the medicines they need are unaffordable.

Clearly, most Canadians find the system is working and they are satisfied with their existing coverage. Canadian employers agree that it is not fiscally prudent to increase public sector debt to pay for a costly single-payer system when the existing system is working for most Canadians. A publicly financed single-payer national pharmacare plan does not represent a competitive advantage for the employer community. The idea that a single-payer system will relieve employers of an important cost pressure is simply not true. A single-payer plan will likely result in increased deficits and taxes, neither of which is in the interests of employers or taxpayers.

Our members believe that a national pharmacare program will provide the greatest value to Canadians by focusing on those who do not have coverage and those who are under-insured. National pharmacare should leverage the existing public-private coverage system to provide for patient choice, harness the efficiency of private sector administration, and ensure the fiscal sustainability of a pharmacare plan. We ask you to adopt an approach to national pharmacare that fills in the gaps in the existing system by considering the following:

- Canadian employers are grappling with rising coverage costs because of high-cost medications, chronic diseases, and an aging workforce. In 2017, 2% of health insurance claims comprised 31% of costs.⁸ To ensure continued access to these life-saving medicines for all Canadians, a national pharmacare plan should leverage the private-public system to provide a pooling mechanism for high-cost drugs and build on the strengths of the current model.
- A national pharmacare program should ensure Canada continues to attract the best talent and employees. The quality of benefits packages helps Canadian businesses compete for top talent in Canada and from around the world. Private/group plans ensure that employees can access the medications they need in a timely, affordable, and personalized fashion. Employers should continue to provide benefits packages to ensure their employees and families are healthy and productive.
- A national pharmacare program should ensure that Canadians have access to the best and most innovative medicines and health technologies. Doing so involves fostering an investment and regulatory environment that encourages clinical trials in Canada, applying our competitive advantages in artificial intelligence and big data to health innovation, ensuring our businesses have continued access to health data to improve health outcomes, and providing government funding that goes beyond early science for both medications and devices. A common, harmonized national formulary should be developed that is adaptive and reviewed as new medicines become available.

⁴ Canadian Perspectives on Pharmacare, Abacus Data, September 13, 2018.

⁵ *ibid*

⁶ Universal Prescription Drug Coverage in Canada: Long Promised Yet Undelivered, S.G. Morgan and K. Boothe, November 2016.

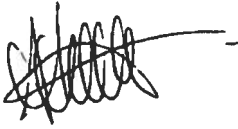
⁷ Understanding the Gap: A Pan-Canadian Analysis of Prescription Drug Insurance Coverage, Conference Board of Canada, December 2017.

⁸ Canadian Life and Health Insurance Facts, Canadian Life and Health Insurance Association, 2018.

A national pharmacare plan can identify ways to improve today's patchwork of prescription drug coverage and implement effective and pragmatic solutions to address the needs of employees and patients. A national pharmacare program will have unique impacts in each respective province/territory, with significant implications for health transfers and provincial tax bases. The federal government should collaborate with the provinces and territories to ensure the plan is effective across diverse health care systems and delivers equitable access for all Canadians who require it.

Canadian employers believe that national pharmacare should provide the most appropriate coverage to those who need it by filling in the gaps in the existing system. We urge you to put this issue on the agenda at the next Finance Ministers meeting and consider its impact on all Albertans.

Sincerely,



Shauna Feth
Chair



Ken Kobly
President & CEO