Canadian Health Coalition

Submission to the
House of Commons Standing Committee on Health

Briefing on the Canadian Response to the Coronavirus

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Canadian Health Coalition / Coalition canadienne de la santé

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Introduction

The Canadian Health Coalition has been working for over forty years to protect and improve public health care in Canada. We are a national, non-partisan organization made up of health care workers, unions, community organizations, seniors and academics, as well as affiliated coalitions in the provinces and one territory.

Canadians are very grateful to have a universal public health care system that provides care based on people's needs, and not on their ability to pay. This system has been put to the test over the past few months in responding to the COVID-19 pandemic. The COVID crisis has highlighted the incredible strengths in our health care system, as well as some persistent gaps and challenges. As we slowly begin recovering from this pandemic, we have an opportunity to rebuild our health care system to be even stronger and more responsive to the evolving needs of Canada's population.

Our testimony will focus on three areas that should be addressed in the federal government's response to the COVID pandemic: pharmacare, funding, and seniors' care.

Pharmacare

Canada is the only country in the world with a universal public health care system that doesn't cover prescription medication. As a result, millions of Canadians have been falling through the cracks.

Before the COVID-19 pandemic, 20% of Canadian households were struggling to pay for their medication, either because they did not have a drug plan or because their drug plans were inadequate.[1] One million Canadians were having to choose between putting food on the table and buying the medication they needed.[2]

These numbers have increased exponentially due to the COVID pandemic. The mass layoffs triggered by the pandemic have left millions more Canadians struggling to afford their medication without work-based drug plans. The need for universal, public pharmacare has never been more urgent.

Two years ago, this committee studied this issue in detail. After holding 23 hearings with nearly 100 witnesses, the committee recommended that Canada adopt a universal, single-

[1] Angus Reid Institute (2015). *Prescription Drug Access and Affordability an Issue for Nearly a Quarter of All Canadian Households*.

[2] Law, M et al. (2018). "The Consequences of Patient Charges for Prescription Drugs in Canada: A Cross-Sectional Survey", *CMAJ Open*, 6(1): 63-70.

payer public pharmacare program that would cover prescription medication in the same way as doctors and hospitals.[3]

Over the past fifty years, countless government and academic reports have all made the same recommendation, most recently the government's Advisory Council on the Implementation of National Pharmacare led by Dr. Eric Hoskins.[4] The Hoskins Report from 2019 provides a blueprint for how to build this essential new program. The government must implement its recommendations immediately.

Universal, public pharmacare would save money while saving lives.

When people skip their medication because they can't afford it (this is referred to in the literature as "cost-related non-adherence"), they end up getting sicker and visiting the doctor and the hospital more often. That is something we want to avoid in normal times, but during this pandemic it is absolutely critical.

Research has shown that removing out-of-pocket costs for the medications used to treat just three health conditions (diabetes, cardiovascular disease, and chronic respiratory conditions) would result in up to 220,000 fewer emergency room visits and 90,000 fewer hospital stays annually. This could save the health care system up to $1.2 billion per year, just for those three conditions.[5]

Canada's current patchwork of drug coverage is inadequate and inefficient. There are over 100 000 public and private drug plans across this country that each offer different types of coverage. Many plans limit the amount that people can claim per month or per year, and many include expensive deductibles and co-payments that make medications unaffordable.

The current system is also unsustainable. Canada pays the third highest prices among OECD countries for prescription medications, and spending on medication continues to rise. The number of drugs on the market that cost more than $10,000 per year has more than tripled since 2006.[6] Canada currently spends more on medication than it does on doctors.[7]

Universal pharmacare would allow us to limit this spending by negotiating lower drug prices through bulk purchasing. This new program would allow us to save $5 billion every year.

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[3] House of Commons Standing Committee on Health (2018). *Pharmacare Now: Prescription Medicine Coverage for All Canadians*.

[4] Government of Canada, Advisory Council on the Implementation of National Pharmacare, *A Prescription for Canada: Achieving Pharmacare for All* (June 2019).

[5] Tamblyn, R. et al. (2019). Burden and Health Care System Costs Associated with Cost-Related Non-Adherence to Medications for Selected Chronic Conditions in Canada. (Report prepared for the Advisory Council on the Implementation of National Pharmacare).

[6] Patented Medicine Prices Review Board (2018). *Annual Report 2017*, p.30.

[7] Canadian Institute for Health Information. *National Health Expenditure Database - 2019*.

Families will save on average $350 per year and businesses will save an average of $750 per employee per year.[8]

Last fall, nearly 200 national and provincial organizations signed a joint statement calling on all parties to work together to implement universal, public pharmacare within this government's mandate.

We simply can't wait any longer to implement this program. Canadians are suffering and dying prematurely because they can't access their medication. The government must implement pharmacare immediately as part of its response to the COVID crisis.

Funding for Public Health Care

Now is also the time for the federal government to reaffirm its commitment to public health care. Public health care is our best defense against the COVID pandemic and other health crises. Regrettably, our health care system has been eroded over decades through systematic funding cuts and privatization. Even in normal times, the system is functioning at capacity.

The federal government must increase health transfer payments to the provinces to expand the capacity of public health care across the country, both in normal times and in times of crisis.

The ten-year Health Accord from 2004 guaranteed the provinces an annual 6% increase to Canada Health Transfer payments. When that Accord expired, the federal government reduced the annual increases to nominal GDP or 3%. We have known for years that this is not sufficient to keep the system running effectively. At least a 5.2% escalator is needed just to maintain existing services.[9]

In addition to long-term increases to the CHT, extra funding will be needed to handle the backlog of surgeries and services that have been put on hold during the pandemic. Instead of turning to the private sector to address this backlog, the federal government should support the provinces to implement inexpensive public innovations to reduce wait times, such as centralized waitlists and team-based care.[10]

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[8] Government of Canada, Advisory Council on the Implementation of National Pharmacare (2019), pp.14-15.

[9] Office of the Parliamentary Budget Officer (2012), *Fiscal Sustainability Report 2012*; Beckman, K., Fileds, D. and Stewart, M. (2014), *A Difficult Road Ahead: Canada's economic and fiscal prospects*, Conference Board of Canada; Financial Accountability Office of Ontario (2016), *Economic and Fiscal Outlook: Assessing Ontario's Medium-term Prospects*, p.39.

[10] Longhurst, A., Cohen M. and McGregor, M. (2016), *Reducing Surgical Wait times: The Case for Public Innovation and Provincial Leadership*. Canadian Centre for Policy Alternative - BC Office.

The government must also protect our public health care system by actively enforcing the *Canada Health Act*. Many private, for-profit health care companies have taken advantage of this crisis to expand their markets, particularly in the area of virtual health care. Many of these companies are violating the *Canada Health Act* by charging patients out-of-pocket or billing private insurance companies for virtual doctors' visits.[11]

In addition to raising concerns about the privacy and security of patients' medical information, these private virtual health care companies are draining resources from our public health care system.[12] They are also threatening the foundational principle of equity that underlies this system. The government must take action to prevent further erosion of our public health care system and ensure that patients always come before profits.

Seniors' Care

One of the greatest tragedies of the COVID pandemic has been the widespread devastation in Canada's long-term care homes. The suffering of residents, staff and their family members in recent weeks is unfathomable. According to recent estimates, approximately 80% of all COVID-related deaths in Canada have been in long-term care facilities.[13]

Our deepest sympathy goes out to all those who have lost loved ones during this crisis, and our ongoing gratitude goes out to all front-line workers who are putting their lives at risk every day to help care for patients in need.

Although we may not have been able to prevent the COVID pandemic, we could have limited its devastating impact in our long-term care homes if we had implemented fundamental changes to this sector sooner.

To ensure equitable access to safe, high-quality seniors' care, we must bring long-term care and home care into our public health care system. Over the past several decades, we've seen widespread privatization in this sector, in part because these services aren't currently covered under the *Canada Health Act*. We need new dedicated federal funding for long-term care that is tied to national standards of care. These standards must include minimum staffing levels.

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[11] For example, Maple charges patients $49 for weekday appointments, $79 for evening and weekend appointments and $99 for overnight appointments: www.getmaple.ca/for-you-family/pricing/.

[12] McCracken, R. et al. (2019), *Virtual walk-in clinics undermine primary care*, Canadian Centre for Policy Alternatives; Burgess, M. and Kobie, N., "The messy, cautionary tale of how Babylon disrupted the NHS", *Wired* (18 March 2019).

[13] MacCharles, T. "82% of Canada's COVID-19 deaths have been in long-term care, new data reveals", *Toronto Star* (7 May 2020).

The federal government must support the development of more public long-term care facilities and home care services since abundant research shows that public, not-for-profit facilities provide higher-quality care than private, for-profit facilities.[14] All public funding should go towards patient care, not corporate profits.

We also need a national health human resource strategy to help recruit, train and retain high-quality care workers. These workers must be paid decent wages and guaranteed stable, full-time employment. We can significantly improve patient care by improving the working conditions for staff.[15]

The seniors and people with disabilities living in long-term facilities and relying on home care are counting on us to rapidly make these changes. We must not let them down.

Conclusion

We cannot undo the harm that has been caused by the COVID pandemic. However, if we implement these changes to our health care system, we can help prevent similar harm from occurring in the future. Let us learn from this experience to rebuild a public health care system that we can all continue to be proud of, a system that provides the high-quality care that everyone in Canada deserves.

[14] For example, a report by the BC Seniors Advocate released in February 2020 revealed that not-for-profit long-term care facilities in BC spent 59% of their revenue on direct care, compared to 49% spent by for-profit facilities. This means the not-for-profit sector spent almost $10,000 (or 24%) more per resident per year than the for-profit sector. The report also found that the for-profit sector failed to deliver 207,000 hours of funded care, whereas the not-for-profit sector provided 80,000 more hours of direct care than they were funded to deliver: Office of the BC Seniors Advocate (2020), *A Billion Reasons to Care: A Funding Review of Contracted Long-term Care in B.C.* Similarly, a study of long-term care facilities in Ontario found that for-profit facilities (especially those owned by a chain) provided significantly fewer hours of care to residents than not-for-profit facilities: Hsu, A. et al (2016), "Staffing in Ontario's Long-Term Care Homes: Differences by Profit Status and Chain Ownership", *Canadian Journal on Aging*, 35(2): 175-189. See also: Ronald, L. et al. (2016), "Observational Evidence of For-Profit Delivery and Inferior Nursing Home Care: When Is There Enough Evidence for Policy Change?" *PLoS Med*, 13(4): e1001995.

[15] Canadian Health Coalition (2018), *Policy Brief: Ensuring Quality Care for All Seniors*.