

# Access to new medicines in Canada 2016-2021: Federal-provincial v private drug plans

## Description

[vc\_row][vc\_column][vc\_column\_text]**Access to new medicines in Canada 2016-2021: Federal-provincial public drug programs and private sector drug plans**

### CONTRIBUTORS

Mark Rovere, PhD candidate, Canadian Health Policy Institute (CHPI)

Brett Skinner, PhD, Canadian Health Policy Institute (CHPI)

### ATTRIBUTION

This paper is corporately authored and edited based on proprietary template models and methods that are intended to facilitate regular updates. The design and content are a cumulative reflection of the diverse contributions collectively attributable to the CHPI affiliated researchers who may have variously participated in updating each edition. Data sources, methods and editorial presentation may evolve from previous editions.

### CITATION

Canadian Health Policy Institute (CHPI) (2022). Access to new medicines in Canada 2016-2021 Federal-provincial public drug programs and private sector drug plans. *Canadian Health Policy*, APR 2022. ISSN 2562-9492 <https://doi.org/10.54194/GCAP7754> canadianhealthpolicy.com.

## Introduction

*What good is your drug plan if it doesn't cover new medicines?*

Good drug insurance should provide financial protection from unexpected and unaffordable costs of accessing necessary medicines when you or your family experience serious health challenges. Most prescription drugs are priced low enough (relative to other household expenses) to be affordable as an out-of-pocket expense which does not require insurance. Older versions of widely used drug products tend to be the most affordably priced. Newer products – often the latest treatment advances, first-in-class therapies, or targeted therapies for rare diseases – can be expensive and unaffordable without insurance. Therefore, it is important to measure the quality of benefits provided under your drug insurance plan according to how good the coverage is for new medicines.

Since 2013, CHPI has regularly compared the quality of the benefits in private versus public drug plans, according to the scope of coverage for new medicines. Our analysis raises awareness about differences in the insurance benefits provided to patients and informs policy discussions about how best to achieve socio-economically optimal drug insurance systems in Canada.

The research is important because the federal government has proposed replacing Canada's private-public prescription drug insurance system with a single-payer national pharmacare program that would be modeled on existing public formularies. Public plans cover far fewer new drugs compared to private

plans in Canada. Public plans also take much longer to cover new drugs compared to private plans. The limited scope of coverage in existing public drug plans is indicative of what Canadians can expect from national pharmacare. The results of this study forewarn that national pharmacare will reduce access to new medicines for Canadians currently covered under private plans.

### **Objective**

The study compares the percentage of available new medicines listed on the formularies of public sector and private sector drug plans; estimates how long Canadians waited for insured access to the available new medicines; identifies causes of limited availability and excessive waits, and recommends practical policy options.

[link="url:https%3A%2F%2Fwww.canadianhealthpolicy.com%2Fproduct%2Faccess-to-new-medicines-in-canada-2016-2021-public-private%2F"](https://www.canadianhealthpolicy.com/product/access-to-new-medicines-in-canada-2016-2021-public-private)