Can **public** and **private** payers do more, together?

At the TELUS Health 2017 annual conference in March, **Karen Voin, Vice-President of Group Benefits and Anti-Fraud at Canadian Life and Health Insurance Association**, shared the association's views and efforts around collaboration between public and private payers. Recently, TELUS Health caught up with her to gather any updates. We've captured her responses here.

Why does **collaboration need to improve** between the payers of public and private drug plans?

Canada's healthcare system is a blend of private and public coverage. For example, prescription drug coverage is shared between public and private plans, with the intent that private plans supplement any coverage available through a public program (where allowed by legislation). For the most part the system today works well, but there are some gaps. We need to focus and coordinate our efforts with governments to understand where these gaps are and work on achievable, targeted solutions. There are things we could be doing pretty quickly together, such as combining our joint buying power to reduce the cost of prescription drugs for Canadians through the pan-Canadian Pharmaceutical Alliance (pCPA). At the end of the day this is really about working together to meet the needs of all Canadians, and making sure they have access to affordable prescription drugs.

Where do things stand with **joint buying power**?

CLHIA continues to advocate for private payer involvement in pCPA to leverage the full buying power of the Canadian market as a means to reduce costs and increase access and affordability for Canadians with private as well as public drug coverage. Savings to the overall drug spend can be achieved today by including insurers in pCPA. We remain hopeful.

What about the federal government's intent to reform the **Patented Medicine Prices Review Board** (PMPRB)?

In June CLHIA participated in the second round of consultations[1] on proposed changes to the PMPRB. We are supportive of the direction PMPRB is taking. For example, we agree that pharmacoeconomic analysis needs to be brought in as a factor when determining if a drug is excessively priced, and further recommend that manufacturers' submissions include data that is more relevant to private payers, such as a drug's impact on productivity, absenteeism, disability claims and return to work.

We also agree that the market size in Canada and other countries has to be considered, and in our submission we recommend expanding that to include periodic reviews based on current market realities. For example, new indications or off-label use will result in larger markets than when the drug's price ceiling was initially set. This type of review can also be triggered when volumes increase by a specific percentage threshold, or when a drug has a new indication or a new dose. We also recommend a new factor for PMPRB to consider, which is the average annual salary for an employee in Canada in comparison to the pricing of higher-cost drugs.

Where does a **minimal national drug formulary** fit in?

In CLHIA's prescription drug policy paper released in 2013, we recommend that government and the private sector collaborate to develop a common national formulary to provide all Canadians with a base of equitable access to commonly used, necessary medications while allowing plans to continue to offer options for coverage beyond this. In May of this year, then Minister of Health Jane Philpott spoke of the importance of a common formulary. We are supportive and want to work closely with government on solutions to help make Canada's system better.

What is CLHIA's reaction to the recent federal report on a **national Pharmacare system**?

The September report from the Parliamentary Budget Officer indicates that at least $19 billion in new federal spending would be needed for a single payer national Pharmacare system. Furthermore, it would not cover thousands of drugs that Canadians can currently access through private plans. Rather than go that route, CLHIA strongly believes that the best system is one that continues to blend the strengths of public and private systems. We need to work together to find solutions to close gaps and fundamentally improve affordability and access.

Growing the biosimilars market

In March 2017, Health Canada brought together more than 60 stakeholders representing public and private payers, physicians, pharmacists and patients to discuss access to biosimilars in Canada. "It was a very open, engaging day, and it was a positive step to see Health Canada take the initiative on this important issue," noted Karen Voin, Vice-President of Group Benefits and Anti-Fraud at Canadian Life and Health Insurance Association, at the TELUS Health annual conference in Toronto in March.

In August, Health Canada produced a summary report[2] of the workshop's findings, including the need for:

- unbiased education to help increase confidence in the prescribing and use of biosimilars; and
- policies regarding switching from a biologic to a biosimilar that consider cost savings as well as patient and physician choice.

[1] https://www.clhia.ca/domino/html/clhia/CLHIA_LP4W_LND_Webstation.nsf/a463e05a398e92368525782200611c61/3aac596c51a5d6818525816b0056a4e8!OpenDocument

[2] https://www.canada.ca/en/health-canada/services/drugs-health-products/biologics-radiopharmaceuticals-genetic-therapies/applications-submissions/guidance-documents/biosimilars-workshop.html

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