



June 27, 2019

Bruce McLennan
Chair, Independent Expert Panel

By email: brucemclennan2019@gmail.com

Dear Mr. McLennan,

Re: Consultation on *Comprehensive Review of Health & Social Services*

On behalf of the Canadian life and health insurance industry (CLHIA), we are pleased to have the opportunity to provide our comments on the six areas of focus for the *Comprehensive Review of Health + Social Services*.

The CLHIA is a voluntary trade association with member companies that account for 99 per cent of Canada's life and health insurance business. The CLHIA is a voluntary trade association with member companies that account for 99 per cent of Canada's life and health insurance business. In Yukon, the life and health insurance industry provides some 20,000 Yukon residents with supplementary health benefit coverage. In 2017, the industry reimbursed roughly \$30 million for healthcare goods and services, including prescription drugs, dental, ancillary health services, nursing, hospital and vision care.

Background

We commend the Yukon government for undertaking this review, keeping in mind the five values of access, quality, sustainability, coordination of care and reconciliation established at the start of the process. You have been through the data gathering phase and have now established the Independent Expert Panel (IEP) to review six areas of focus and two support elements. As part of this review, you are seeking input from stakeholders such as CLHIA.

Recommendations

Under the area of focus “Coordination of Care within, and out of territory”, we’d like to provide you with an understanding of initiatives that private health plans have put in place in order to deliver care more efficiently and effectively, as well as to plan members in underserved areas.

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Technology has developed to the point where a number of treatments and services can be delivered on-line, including cognitive behavioural therapy (CBT) and other mental health treatment, access to apps hosting virtual healthcare visits for treating minor ailments, as well as the development of custom physiotherapy programs monitored virtually. These are among a few of the virtual programs that many private insurers have put in place to increase access to care across Canada.

The area of focus “Pharmacare and Pharmaceutical Benefits” is of keen interest to private plans today. CLHIA has long recommended that the purchasing power of private plans be added to that of public plans by having the pCPA negotiate pricing on behalf of both. This is one way to achieve cost savings for recipients or plan members under either program. Your paper notes that, even with Yukon, there are a number of public drug buying groups. The largest outside the public plan might be hospitals and there is likely merit in investigating whether hospital drug purchasing should also be brought into a national buying group.

The paper also mentions that, in Yukon, there are those “individuals falling through the gaps”, meaning that they have neither public nor private coverage. It is important to identify these individuals along with those who are underinsured and have to pay excessive out-of-pocket costs. As actions are put in place to achieve sustainability of the public drug plan, savings may be directed at providing coverage to the uninsured and underinsured.

Lastly in the drug benefit plan area, it is mentioned that adjudication systems are “cumbersome and often paper-based”. We would ask that, as you review to enhance adjudication technology, including claim and prior authorization, that Yukon keep in mind the ability to coordinate or integrate payments with private payers seamlessly. There are some provincial models that work well today, such as in BC.

We would also like to provide some comment on the federal government’s discussions around Pharmacare and the importance of these issues to Yukon.

SUPPORTING ACCESS TO AFFORDABLE PRESCRIPTION DRUGS

All Canadians should have access to affordable prescription medicines regardless of where they live. Canada’s life and health insurers play an important role in providing prescription drug coverage to Canadians. Life and health insurers provide more than 25 million Canadians with access to a wide range of prescription drugs and other health supports through extended health care plans.

However, the industry recognizes that real problems exist in our prescription drug system today and that the time has come to take meaningful steps to make improvements for the benefit of all Canadians.

Improving the system requires more than simply “filling the gaps”. Rather, improvements must address access issues as well as the cost and financial sustainability of the system. In order to achieve this, it is important that federal, provincial, and territorial governments

work collaboratively with private insurers to meet the objectives of ensuring everyone has access to their needed medications and to address the relatively high costs faced by Canadians.

The industry believes that there are three key elements that any reform of the prescription drug system must embody. These include:

Protecting and enhancing existing benefit plans

Today, life and health insurers work together with employers to offer access to a wide variety of prescription drugs through employer sponsored benefit plans. Yukoners value their benefit plans that provide them with access to a wide variety of health services, including prescription medicines, vision care, dental care, and mental health supports. These services both help prevent illness and contribute to overall wellness for the residents of Yukon.

Providing drug coverage for everyone

Governments should ensure that all Canadians can access and afford the medicines they need so that no one is excluded from coverage and all are able to take their needed medications as prescribed. To achieve this, governments should establish a shared list of the medicines that everyone should be covered for through workplace plans for those who have one, individual plans for those who choose them, and by government for those who don't. This list of drugs would be based on scientific evidence and include expensive drugs when needed and drugs for rare disorders. Current government "formularies" differ between jurisdictions, and exclude many medically appropriate drugs.

Ensuring affordability for consumers and taxpayers

Meaningful reductions in prescription drug prices and improving access for all Yukoners can be achieved today by working within our current system. For instance, negotiations through the pan-Canadian Pharmaceutical Alliance (pCPA) have helped to bring down costs for public plans. However, 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. We therefore recommend that private plans be included in the pCPA. This would allow governments and insurers 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.

In addition, the initiatives being led through the federal government on the Patented Medicine Prices Review Board (PMPRB) reform will assist in reducing the cost of prescription drugs in Canada and improving affordability and access for patients. It is the view of our industry that the proposed changes to the PMPRB guidelines, published in 2018, are essential for ensuring the affordability of prescription drugs in Canada. We believe that the proposed framework strikes an appropriate balance that can contribute to an environment

conducive to innovation in the pharmaceutical industry, while controlling the costs of prescription drugs. We would encourage your government to support the advancement of the PMPRB modernization framework.

Thank you for inviting CLHIA to provide comments on behalf of the insurance industry. We would be pleased to discuss this with the expert Panel at their convenience or provide any other information as needed. Please feel free to contact me at jweir@clhia.ca or 416-359-2003.

Sincerely,

Joan Weir
Director, Health and Disability Policy