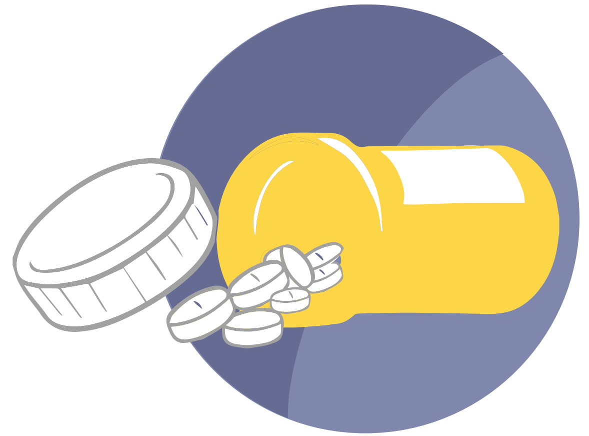
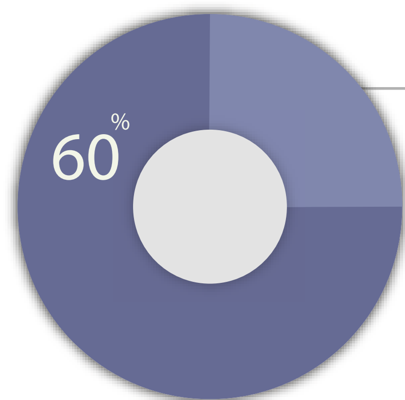
Improving Access to Medically Necessary and Appropriate Medications for Older Canadians

Setting the Context:

As we are more likely to encounter health issues as we age, our ability to access medically necessary and appropriate medications becomes increasingly important.



The majority of Canadians 65 years of age and older are currently living with at least one chronic disease, while a growing number are living with many. In fact, a recent report found that **65%** of older Canadians are taking medications belonging to **5 or more medication classes;** while **39%** of adults over the age of 85 are taking medications belonging to **10 or more medication classes.**[1]



Older Canadians are indeed fortunate to be provided with access to publically funded prescription medication coverage programs in every province and territory. While, older Canadians account for only 15% of our overall population, they currently account for **60% of the total spending within our provincial and territorial medication programs.**[2]

With the numbers of older Canadians set to double over the next two decades and those over the age of 85 set to quadruple, it is clear that significant funding pressures will also be placed on our publically funded prescription medication coverage programs.

What are the Issues?

1. Deductibles and Co-Payments Only Serve to Limit Access to Important Medication

Despite having access to publically funded prescription medication coverage programs, minimum income requirements, deductibles, co-payments, and prescription medications covered vary by province. In some regions, low-income older adults are still required to pay a co-payment or deductible for their prescription medications (see Table 1).

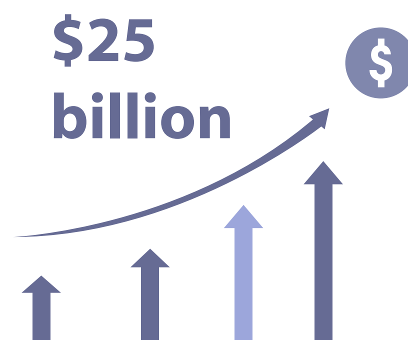
This matters as there is widespread consensus from the existing policy research evidence that an individual's access to prescription medications is directly influenced by factors related to their ability to pay, such as income and ability to pay out-of-pocket costs like co-pays and deductibles. **Specifically, the existence of co-payments in prescription medication coverage plans has consistently been found to lead to a decreased utilization of prescribed medications; whereas the reduction or elimination of co-pays and deductibles has consistently resulted in increased adherence.** [3,4,5,6,7]

It also well recognized that the inability to access essential prescription medications often has far more severe health implications for older adults than for other populations, and significantly contributes systemically to increased hospital admissions, re-admission as well as nursing home placements.[8]

The negative impact of co-pays and deductibles on prescription medication access has been recognized and addressed in other universal health care systems such as the National Health Service in the United Kingdom, where individuals over 60 years of age pay nothing out of pocket for medications. [9]

2. How Better Buying Practices Could Better Manage the Costs of Our Publically Funded Prescription Medication Coverage Programs

The Health Council of Canada calculated that prescription drug costs represent the second fastest growing health care cost in Canada at approximately $25 billion annually.[10] Currently, the vast majority of the prescription medications our publicly funded programs cover are purchased from pharmaceutical manufacturers at the provincial or territorial level. In negotiating for a smaller population, the current evidence shows that the prices our publically funded programs pay for the medications they cover are significantly higher than other jurisdictions around the world who negotiate at the national level.



While our provinces and territories are starting to purchase certain prescription medications at a national level, research evidence suggests that if we implement a more systematic way to buy all of our medications, we could collectively save our provinces and territories billions of dollars.[11]

3. There is an Additional Cost Related to the Inappropriate Prescribing of Medications to Older Canadians

Ensuring older Canadians who need to take medications are on the appropriate ones is not only important to ensuring their overall health and independence but represents an equally important way to control avoidable health care costs.[12] Indeed, the use of inappropriate prescription medications among older adults is a known correlate of avoidable hospitalization and hospital readmissions due to adverse drug events (ADE).[13]

Furthermore, while evidence-based lists of inappropriate medications for older adults, such as the Beers List, are widely accepted, published and accessible, nearly 40% of older Canadians are currently taking one inappropriate medication with an additional 12% taking multiple inappropriate medications.[14] Mounting evidence supported by the Canadian Geriatrics Society suggests that discontinuing certain potentially inappropriate medications among older Canadians will not lead to adverse health outcomes and will reduce costs associated with ADEs.15 In fact, older Canadians account for 57% of all hospitalizations due to ADEs; representing approximately $35.7 million (over 80% of costs related to hospitalization). [16]

Importantly, with proper oversight, it is estimated that 40% of ADEs are preventable.[17] To address this, many are now recognizing how training health professionals to ensure the proper prescription and monitoring of (in)appropriate medications for older adults will be vital to promoting their health as well as better addressing the avoidable related costs of ADRs.

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Evidence-Based Policy Options to Consider

1. Improving Access to to Medically Necessary Medications for Older Canadians:

Older Canadians should never have to make choices about taking medically necessary prescription medications based on their ability to pay. With the evidence clearly demonstrating a negative relationship between co-payments and deductibles to overall medication adherence, the federal government could and should provide leadership in partnership with its provincial and territorial counterparts to ensure that that older Canadians, or at least low-income older Canadians as a start, make no out of pocket payments for their necessary medications.

We believe that the savings that could be achieved through improved national prescription medication collective purchasing programs, and avoidable health care costs related to prescription medication non-adherence, could more than offset the costs related to eliminating current out-of–cost payments within provincial and territorial plans.

2. Ensuring Appropriate Prescribing of Necessary Medications for Older Canadians:

Older Canadians should not be prescribed medications that we know can be potentially harmful to their health, when safer alternatives exist. The federal government could and should provide leadership in partnership with its provincial and territorial counterparts to address this issue in two ways. First, the creation of standardized and evidence-based prescribing policies around common provincial and territorial formulary medications could better influence better overall prescribing practices.

Second, ensuring national curriculum guidelines for both entry-to-practice and currently practicing health care professionals such as doctors, nurses and pharmacists who prescribe and dispense prescription medications should be strengthened to include comprehensive training in medically appropriate and inappropriate prescribing for older adults.

We believe that with the availability of more evidence-based prescribing supports and training, health care professional across Canada will be able to contribute to better patient and system outcomes through avoiding consequences and costs attributable to the prescribing and use of inappropriate prescription medications amongst the growing ranks of older Canadians.

Table 1. Current Prescription Medication Coverage by Province for Older Canadians

Province	Coverage
British Columbia [18]	Individuals pay their full prescription costs until they reach a threshold level known as their deductible. Once their deductible level is reached, BC PharmaCare begins assisting them with their eligible prescription medication costs for the rest of the year. **N.B T**his program applies for all individuals in BC and not just older adults. To ensure annual drug costs do not exceed one's ability to pay, families are also assigned a **family maximum, based on a % of one's net income. I**f an individual reaches their maximum, BC PharmaCare covers 100% of their eligible drug costs for the rest of the year. For example, the maximum annual deductible for an individual making $40,000/year is $1200 for a single individual or $1600 for a family. For individuals born before 1939, their family deductible is waived if their net annual family income is less than $33,000. BC Pharmacre then covers 75% of eligible prescription medication costs beyond the level of the deductible. Despite the universal nature of the BC PharmaCare Program, mounting evidence is showing that it now routinely achieves the lowest adherence rates of older adults towards filling their prescriptions due to the associated out-of-pocket expenses related to required deductibles and co-payments.
Alberta [19,20]	Older Albertans and their dependents are automatically provided with premium-free drug coverage. Under this program, older adults pay only 30% of the cost of prescriptions up to a maximum of $25 per prescription. As of July 2010, older Albertans can apply to participate in an optional drug program which features a per prescription co-payment of 20% to a maximum of $15 and a monthly premium. For single individuals with a taxable income of $48,001 or more the premium is $63.50 and for families with a taxable income of $96,001 or more the premium is $118.00. Single individuals and families with smaller taxable incomes, premiums lessen while the co-payment remains 20% of each prescription to a maximum of $15. The lowest income Albertans do not have to pay the co-payment or premium. It is currently estimated that approximately seven per cent of low-income older Albertans receive free prescription medications - they will not pay a co-payment or a premium, while another 49 per cent will pay a co-payment, but not a premium.
Saskatchewan [21,22]	Under the Saskatchewan Seniors' Drug Plan, eligible adults 65 years and older pay up to $20 per prescription for medications listed on the Saskatchewan Formulary and those approved under Exception Drug Status claims. The cost of a prescription was increased from $15 to $20 in March 2012.

Manitoba [23]	Manitoba's pharmcare coverage is income based and is calculated using Canada Revenue agency information. The minimum deductible for the Manitoba Pharmacare program is $100, with no maximum deductible. Eligible applicants must reapply every year for pharmacare coverage.
Ontario [24, 25]	Ontario's Drug Benefit Program employs a co-payment system. Single older Ontarians with an income of more than $16,018 a year, or individuals who are part of a couple with a combined income of more than $24,175 a year, pay a $100 deductible every year for prescriptions filled per person. After that, older adults pay up to $6.11 towards the dispensing fee for each prescription depending on their income levels. Older Ontarians whose incomes fall below the above thresholds pay up to $2 for each prescription filled. As of 2012, high-income older adults (those making over $100,000/year) are required to contribute $100 plus 3% of their income toward their annual deductible.
Quebec [26]	In Quebec, the Public Prescription Drug Insurance Plan is administered by the Régie de l'assurance maladie du Québec and is intended for persons who are not eligible for a private group insurance plan covering prescription drugs, for persons age 65 or over, and for recipients of last-resort financial assistance and other holders of a claim slip (carnet de réclamation). Children of persons registered for the public plan are also covered by that plan. All persons covered by the public plan must pay an annual premium of between $0 and $611, based on net family income, whether or not they purchase prescription medications under the plan. Older individuals receiving 94% to 100 of the Guaranteed Income Supplement are exempt from paying the annual premium
New Brunswick [27]	Older beneficiaries receiving the Guaranteed Income Supplement are required to pay a co-payment of $9.05 for each prescription, up to a maximum of $500 in one calendar year. Older adults in New Brunswick are otherwise required to pay a co-payment of $15.00 per prescription with no yearly co-payment maximum.
Nova Scotia [28]	Older adults contribute to Nova Scotia's Seniors' Pharmacare Program through premiums and co-payments. Older adults must pay a premium each year to join the Seniors' Pharmacare Program which is calculated based on one's income and the number of months remaining in the program year. Currently, the maximum annual premium for an older adult is $424. Those with individual or joint incomes below $18,000 or $21,000 may be exempted from paying the premium. Older adults receiving the Guaranteed Income Supplement do not have to pay a premium, but still have to pay a co-payment which is 30% of the total cost of each prescription. Currently, the annual maximum co-payment an older adult would pay is capped at $382.

Newfoundland [29]	In Newfoundland, under the 65 Plus Plan, costs of prescription drugs are paid for by the province while the charge for dispensing fee is paid by the older adult. The maximum dispensing fee is $6. Individuals over 65 who receive Old Age Security and the Guaranteed Income Supplement are eligible for coverage.
Prince Edward Island [30]	In Prince Edward Island, at the age of 65, all older adults are automatically enrolled in the province's pharmacare program that only requires them to pay the first $8.25 of the cost of their prescription medication in addition to and the pharmacist's professional fee (dispensing fee).
Yukon [31]	Yukon residents at least 65 years of age or aged 60 and married to a Yukon resident who is at least 65 years of age, are eligible for Yukon Pharmacare benefits through the Yukon Health Care Insurance Plan (YHCIP). The Yukon Pharmacare program pays the total costs of the lowest priced generics of all prescription drugs listed in the Yukon Pharmacare Formulary, including the dispensing fee.
Northwest Territories [32]	Residents of the North West Territories (NWT), age 60 or over are provided pharmacare coverage through Alberta Blue Cross which administers benefits for older adults on behalf of the NWT government. This program provides older adults with 100 per cent coverage for eligible prescription drug products as defined in Health Canada's Non-Insured Health Benefit (NIHB) Drug Benefit List, when the drug is prescribed by a recognized health care professional and dispensed by a licensed pharmacist.
Nunavut [33]	All individuals over 65 are eligible to apply for the Nunavut Seniors Full Coverage Plan under the Extended Health Benefits Full Coverage Plan (EHB). The EHB pays the full costs of approved prescription drugs.

Supporting Documents

[1] https://secure.cihi.ca/free_products/Drug_Use_in_Seniors_on_Public_Drug_Programs_EN_web_Oct.pdf

[2] https://secure.cihi.ca/free_products/Drug_Use_in_Seniors_on_Public_Drug_Programs_EN_web_Oct.pdf

[3] Harris, Stergachis & Ried. (Oct. 1990) Medical Care Vol. 28, No. 10, pp. 907-917.

[4] Gibson et al. (2006) Impact of statin copayments on adherence and medical care utilization and expenditures. The American Journal of Managed Care, 12 Spec no.:SP11-9.

[5] Choudhry et al. (2010). At Pitney Bowes, value-based insurance design cut copayments and increased drug adherence. Health Affairs, 29(11), pp. 1995-2001.

[6] Chernew et al. (2008). Impact of decreasing copayments on medication adherence within a disease management environment. Health Affairs, 27(1), pp. 103-112.

[7] http://www.dhcs.ca.gov/services/ltc/Documents/Medication%20Noncompliance%20Research%20-%20Highlighted%20Studies%20B.pdf

[8] http://www.dhcs.ca.gov/services/ltc/Documents/Medication%20Noncompliance%20Research%20-%20Highlighted%20Studies%20B.pdf

[9] http://www.nhs.uk/nhsengland/healthcosts/pages/prescriptioncosts.aspx

[10] http://www.healthcouncilcanada.ca/rpt_det.php?id=154

[11] Morgan, Law, Daw, Abraham & Martin (2015). Estimated cost of universal public coverage of prescription drugs in Canada. CMAJ, doi: 10.1503/cmaj.141564.

[12] Sehgal et al. (2013). Polypharmacy and potentially inappropriate medication use as the precipitating factor in readmission to hospital. J Family Med Prim Care. 2(2) Apr-Jun: 194–199. Available at: http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3894035/

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[14] https://secure.cihi.ca/free_products/Drug_Use_in_Seniors_on_Public_Drug_Programs_EN_web_Oct.pdf

[15] Lemay & Dalziel. (2012). Better prescribing in the elderly. CGS Journal of the CME, 2(3), pp. 20-26. Available at: http://www.canadiangeriatrics.ca/default/index.cfm/linkservid/86F27E6A-B4AE-C03B-7BC1839EF84D70A1/showMeta/0/

[16] Tannenbaum, C. (2013). First do no harm: Reducing morbidity and mortality from polypharmacy in modern medicine. [Presentation] Available at: http://www.medicine.med.ualberta.ca/en/~/media/deptmed/Presentations/2013-05-31-MGR.pdf

[17] Tannenbaum, C. (2013). First do no harm: Reducing morbidity and mortality from polypharmacy in modern medicine. [Presentation] Available at: http://www.medicine.med.ualberta.ca/en/~/media/deptmed/Presentations/2013-05-31-MGR.pdf

[18] http://www.health.gov.bc.ca/pharmacare/plani/planiindex.html

[19] https://www.sunlife.ca/Canada/sponsor/Group+benefits/Plan+sponsor+communications/Focus+Update/Changes+to+Albertas+Prescription+Drug+Program+for+seniors+effective+July+1+2010?vgnLocale=en_CA

[20] https://www.sunlife.ca/Canada/sponsor/Group+benefits/Plan+sponsor+communications/Focus+Update/Changes+to+Albertas+Prescription+Drug+Program+for+seniors+effective+July+1+2010?vgnLocale=en_CA

[21] http://www.health.gov.sk.ca/drug-plan-cost-saving

[22] http://www.health.gov.sk.ca/seniors-drug-plan-q-a

[23] http://www.gov.mb.ca/health/pharmacare/general.html

[24] http://www.health.gov.on.ca/en/public/programs/drugs/programs/odb/opdp_pay.aspx

[25] http://www.fraserinstitute.org/uploadedFiles/fraser-ca/Content/research-news/research/articles/reforming-the-ontario-drug-benefit-plan-ff0712.pdf

[26] http://www.ramq.gouv.qc.ca/en/citizens/prescription-drug-insurance/Pages/annual-premium.aspx

[27] http://www2.gnb.ca/content/gnb/en/services/services_renderer.8875.Prescription_Drug_Program_-_Seniors_(Plan_A)_.html

[28] http://novascotia.ca/dhw/pharmacare/seniors-faq.asp

[29] http://www.health.gov.nl.ca/health/prescription/nlpdp_plan_overview.html

[30] http://healthpei.ca/index.php3?number=1026303&lang=E

[31] http://www.hss.gov.yk.ca/pharmacare.php

[32] http://www.hss.gov.nt.ca/health/nwt-health-care-plan/extended-health-benefits-seniors-program

[33] http://gov.nu.ca/health/information/seniors-full-coverage-plan