Budget 2019 Summary

The 2019 Budget reaffirms the government’s commitment to make prescriptions more affordable and accessible to Canadians. In the government’s words “all Canadians will be healthier and better off with the steps Budget 2019 takes toward implementing national pharmacare.”

The government is focused on two key challenges—lowering the cost of drugs for all Canadians and expanding coverage so all Canadians have access to affordable medicine.

Top Actions

Budget 2019 announces the Government’s intention to work with its partners (including the provinces and territories) to move forward on three foundational elements of national pharmacare:

1. **Creating of the Canadian Drug Agency** — a new national drug agency that will build on existing provincial and territorial successes and take a coordinated approach to assessing effectiveness and negotiating prescription drug prices on behalf of Canadians.
2. **Establishing a national formulary** — a comprehensive, evidence-based list of prescribed drugs. This would provide the basis for a consistent approach to formulary listing and patient access across the country.
3. **Establishing a strategy for high-cost drugs for rare diseases** — to help Canadians get better access to the effective treatments they need.

What You Need to Know

For the most part, today’s budget reiterates what we saw in the interim report from the Advisory Council on the Implementation of National Pharmacare. Specifically, the creation of a Canadian Drug Agency and the establishment of a National Formulary.

The government is still silent on the preferred model for national pharmacare (single vs. mixed payer).

Notably, the government has identified that discussions on the agency and on the formulary will occur over the next few months and their plan include $35 million over four years, starting in 2019–20, to establish a Canadian Drug Agency Transition Office to support the development of this vision.

Funding is also dedicated specifically towards high-cost drugs and rare diseases – reiterating this segment of prescriptions medications as being critical to the government. With the 2019 budget, the government is investing up to $1 billion over two years, starting in 2022–23, with up to $500 million per year ongoing on high-cost drugs and drugs for rare diseases.
The Numbers

Chapter 1 - Investing in the Middle Class

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Analysis

The government has confirmed their commitment to National Pharmacare without revealing their proposed/preferred pharmacare model.

It is likely that pharmacare will be a central pillar in the upcoming election based on its prominence in today’s budget. We can anticipate the model to be revealed during the election cycle.

With focused investments on the agency and rare diseases, it is likely that—even if the government wants to proceed with single-payer national pharmacare—it would be a longer term plan. With investments tied to infrastructure elements (i.e. the agency) and rare diseases specifically there isn’t much left to spend to buy into single-payer national pharmacare.

Following the conversations with provinces over the next few months as these elements evolve will be critical in advocating for a pharmacare plan that works best for Canada.