Introduction to the Pharmacare Act: A New Era for Pharmacare in Canada

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Introduction to the Pharmacare Act:

On Feb. 29, 2024, the Honourable Mark Holland, Minister of Health, introduced Bill C-64, An Act respecting pharmacare (the Pharmacare Act). On Oct. 10, 2024, the Pharmacare Act received Royal Assent and became law, representing the federal government's first step in the establishment of a universal, single-payer, pharmacare program in Canada.

Key Objectives of the Pharmacare Act

The stated purpose of the Pharmacare Act is to improve the accessibility and affordability of prescription drugs and related products and to support their appropriate use, in collaboration with the provinces, territories, Indigenous peoples, and other partners and stakeholders. The Pharmacare Act also aims to support the development of a national formulary of essential prescription drugs and related products and a national bulk purchasing strategy.

The Pharmacare Act empowers the federal Minister of Health to enter agreements with provincial and territorial governments to increase prescription drug coverage in respect of certain prescription contraception and diabetes drugs and related products. While federal government has already signed a Memorandum of Understanding with British Colombia, announcing the parties' intention to work together to implement universal, single-payer, first-dollar coverage for select contraception and diabetes medications, the governments of Alberta and Ontario have expressed that they require further details about implementation before committing to participating in the national pharmacare program.

Scope of coverage

The list of contraceptives and diabetes medication proposed to be covered under the Pharmacare Act have been published since the Bill C-42 was introduced on Feb. 29, 2024. In addition to providing funding for these contraception and diabetes medications, the Pharmacare Act will also establish a fund for diabetes devices and supplies to help

Canadians manage and monitor their diabetes and administer their medication. Absent from the Pharmacare Act is authority for the government to extend coverage beyond contraceptives and diabetes medications. As such, the final scope of Canada's national pharmacare program is still to be determined by future legislation or amendments following consultation with stakeholders.

Implementation

The Pharmacare Act requires the Minister of Health to establish a committee of experts to make recommendations on the operation and financing of national, universal, single-pay pharmacare in Canada no later than Nov. 9, 2024. The committee will have one year to finalize and report its recommendations. No later than the first anniversary on which the Pharmacare Act received Royal Assent (i.e., Oct. 10, 2025), the Pharmacare Act requires the Minister of Health to:

1. request that the Canadian Drug Agency prepare a list of "essential" prescription drugs and related products to inform scope of prescription drugs and related products that may be covered by the national pharmacare plan;
2. request that the Canadian Drug Agency develop in collaboration with "partners and stakeholders", a national bulk purchasing strategy for prescription drugs and related products; and
3. publish on the Department of Health website a pan-Canadian strategy regarding the appropriate use of prescription drugs and related products.

Next Steps

While the Pharmacare Act begins to form the basis for Canada's national pharmacare program, many of the finer details will be determined over the coming year through consultation with stakeholders and the federal government's negotiations with the provinces and territories. A national pharmacare program has the potential to significantly impact Canada's health care and life sciences sectors, as well as available treatment options for patients. It will be important for those with an interest in the supply of prescription drugs and diabetes related devices in Canada to closely monitor any opportunities to provide feedback through stakeholder engagement.

For more information on the Pharmacare Act, please reach out to any of the key contacts listed below.

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