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Canadian Healthcare Association  
Association canadienne des soins de santé  
75 years of service / 75 années de service

## Policy Positions Regarding Issues addressed by the National Pharmaceuticals Strategy

### NATIONAL DRUG FORMULARY

(Approved by Board of Directors, February 2006)

In September 2004, Canada's First Ministers agreed to establish a ministerial task force to develop and implement a National Pharmaceuticals Strategy (NPS) and to report on their progress by June 30, 2006. The second action of the National Pharmaceuticals Strategy is to establish a common national drug formulary for participating jurisdictions based on safety and cost effectiveness. CHA defines a national drug formulary as a *list of pharmaceuticals that are eligible or ineligible for reimbursement under federal, provincial, and territorial drug benefit plans.*

#### Policy Positions

- CHA supports the decision of federal, provincial, and territorial governments to expand the Common Drug Review process to include the review of existing drugs.
- Hospitals and health organizations should take into account the CDR review and recommendations when making decisions on their drug formularies.
- In order to reduce the duplication of efforts, provincial and territorial governments should consider the CDR assessments when reviewing recommendations to approve a drug listing rather than conduct their own assessments.
- Federal, provincial, and territorial governments should establish a process to compare the lists of drugs on current federal, provincial, and territorial formularies to identify and explain inconsistencies in coverage and to identify means to reduce inequities among jurisdictions. CHA recognizes that such a comparison of drug formularies may be a precursor to the development of a national drug formulary.
- CHA believes that a national drug formulary should support timely and equitable access to pharmaceuticals. The process of listing drugs on a formulary should be transparent and administratively efficient and should be based on a rigorous review of evidence showing therapeutic effectiveness.
- Federal, provincial, and territorial governments should ensure the development of guidelines in association with listing recommendations to encourage the appropriate and cost-effective use of all pharmaceuticals.

- CHA supports the commitment of federal, provincial, and territorial health ministers to work towards a common national drug formulary.

## Background

- The decision to list or not list a drug in a formulary may take into account a variety of factors, for example, therapeutic effectiveness, costs, government priorities, and patient advocacy (Canadian Pharmacists Association, 2005b). A national formulary would promote consistency and equity across jurisdictions.
- Currently, the Canadian Agency for Drugs and Technologies in Health (CADTH, formerly known as the Canadian Coordinating Office for Health Technology Assessment) conducts the Common Drug Review (CDR), which is a process for assessing and recommending new drugs for reimbursement by participating federal, provincial, and territorial drug benefit plans (Laupacis, 2006). While the Canadian Expert Drug Advisory Committee recommends the approval of formulary listings, each jurisdiction retains the right to make their own decision on listing the drug in their formulary. In October 2005, federal/provincial/territorial health ministers expanded CDR's mandate to review all drugs (both existing and new) and to work towards a common national formulary.
- As a cost containment strategy, many provinces and territories delay listing new drugs on their formularies or restrict the use of listed drugs (Canadian Pharmacists Association, draft 2005).
- CHA advocated for a national drug formulary in our 'Art of the Possible' plan (2002), as did the Romanow Commission and the Kirby Report.

## References

- *A Responsive, Sustainable, Publicly Funded Health System in Canada: The Art of the Possible*. Canadian Healthcare Association, February 2002.
- *Drugs: From research lab to pharmacy shelf*. Canadian Pharmacists Association, January 2005b.
- Laupacis, A. On bias and transparency in the development of influential recommendations. *CMAJ*, 174 (3), pp. 335-336, 2006.
- Restricted Drug Selection, *Pharmaceutical Cost-Containment Strategies, Volume 4*, Canadian Pharmacists Association, Draft copy received August 2005.

The Canadian Healthcare Association is a leader in developing, and advocating for, health policy solutions that meet the needs of Canadians.

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