



Pre-Budget Submission

CHP Canada Budget 2020
Submitted to the House of Commons
Standing Committee on Finance
February 14, 2020



Self-care is a logical complement to any National Pharmacare plan

Recommendations

Recommendation #1:

That the Government of Canada defray the cost of dental health care by exempting essential dental hygiene self-care products such as toothbrushes, toothpaste, and dental floss from the Harmonized Sales Tax (HST).

Recommendation #2:

That the Government of Canada implement a National Self-Care Strategy and, as a first step, that the House of Commons Health Committee immediately undertake an in-depth study into the public health benefits of a National Self-Care Strategy, how it would fit within the context of a National Pharmacare plan, the savings such a strategy would bring to all levels of government, and how best to support Canadians practicing self-care in a modern age.

Recommendation #3:

That the Government of Canada re-examine plain language labelling regulations for over-the-counter medicines (OTCs) and natural health products (NHPs) to evaluate opportunities for improved environmental sustainability through reduced product packaging and use of digital tools to convey information to consumers.

Executive Summary

- Taking good care of ourselves is essential to reducing the burden of chronic disease in Canada and ensuring our health care system remains sustainable. In a world of open information and a self-serve culture of convenience and automation, supporting evidence-based self-care has become critical to positive health outcomes.

Dental Self-Care

- Consumer Health Products Canada recommends that essential dental hygiene self-care products such as toothbrushes, toothpaste, and dental floss be exempted from the HST, following the precedent set by the 2015 feminine hygiene products exemption. Removing the HST from these essential products would leave more money in the pockets of Canadians, including Canadians with low income, families, and seniors; and serve as a step toward more affordable dental care for all Canadians.

Self-Care and Pharmacare

- As we consider the implementation of Pharmacare in Canada, we must also consider that the essential products covered by that program may someday be available without prescription. The timing is right to study how a National Self-Care Strategy will complement Pharmacare by freeing up health professional resources and combating chronic disease.



- Many non-prescription medicines were once prescription, and more are eligible now to make this transition. Innovations in diagnostics, artificial intelligence, and information management are making it increasingly possible for Canadians to treat themselves at home. As medicine becomes more personalized, the most frequently used prescriptions become candidates for innovation, driven by sustainability towards non-prescription status.
- The appropriate use of self-care and professional care are necessary to the long-term sustainability of our healthcare system. Policy leaders, foreign and domestic health authorities, associations as well as patient groups are all recognizing the value of self-care to improving overall citizen health.

Environmentally Sustainable Self-Care

- While supporting self-care can help make the healthcare system more sustainable, it must also be done in an environmentally sustainable way that keeps pace with how Canadians are consuming information. We need to find ways to decrease packaging waste while adopting digital solutions to provide important product information to Canadians.

The Importance of Self-Care

Consumer Health Products Canada (CHP Canada) is the trade association representing manufacturers of evidence-based OTC medicines and NHPs. The industry generates approximately \$5.8 billion in GDP and supports nearly 57,000 jobs in Canada. The products our members make contribute significantly to Canada's productivity and reduce demand on, and costs to, Canada's healthcare system.

On behalf of CHP Canada's members, I am writing to highlight the importance of self-care, the choices it offers to Canadians to care for themselves and their families, and our recommendations for the 2020 budget. **Self-care is a cost-effective and necessary complement to any proposed Pharmacare plan. We believe that now is the time to discuss its merits.**

While the benefits of empowering individuals to take good care of themselves may be obvious, individual factors create challenges. These include personal experiences, costs, health literacy as well as health professional and product availability. This matters to governments, Canadian families and voters. Self-care practices decrease healthcare costs, reduce chronic disease, improve workforce productivity, and free health professionals and healthcare dollars to focus on those most in need.

1) Maximizing the Value of Self-Care to Canadians and their Dental Health: HST Exemption for Essential Dental Hygiene Products

The Canadian Dental Association affirms that maintaining good dental health is based on visiting a dentist *and* practicing good personal dental care. This has proved challenging for many Canadians because of the costs of dental care, leading to calls for a national dental care program and a recent priority to conduct a Parliamentary study of the topic.

In 2018, 22.4% of Canadians (about 6.8 million people) avoided visiting a dental professional due to cost. Those without insurance were about three times as likely as those with insurance to avoid seeing a dental professional because of cost (39.1% versus 13.7%)ⁱ.



For 2019, private out-of-pocket spending in Canada on dental professional services alone was projected to be \$180 per capitaⁱⁱ. Visiting a dentist, however, is not the only cost of maintaining good dental care. Canadians purchase dental hygiene products such as toothbrushes, toothpastes, and floss. These essential goods, which must be bought multiple times per year for a lifetime, continue to be subject to the HST.

We recommend that the Government of Canada exempt qualifying dental hygiene products from the HST, as was done for feminine hygiene products in 2015. We believe that this will send a message to Canadians about the importance of self-care in maintaining good dental and overall health, and it will help to defray their dental health care costs.

2) Taking Action: It's Time for a National Self-Care Strategy

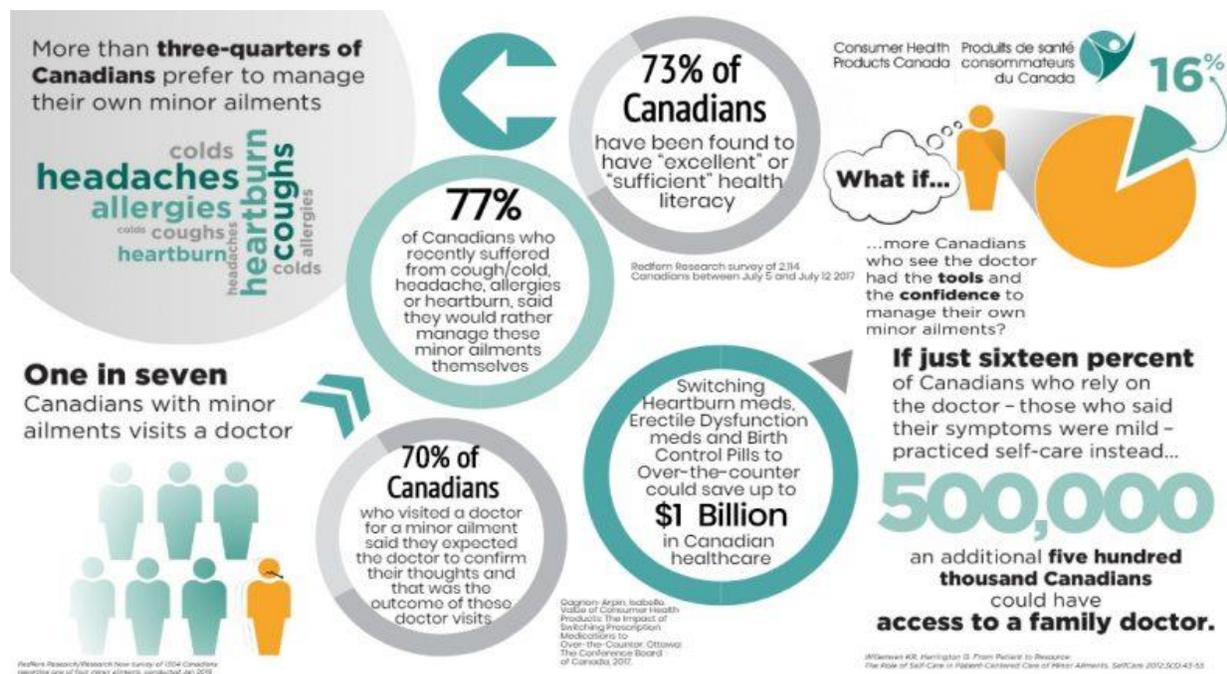
We believe that Canadians face a daily challenge in taking the best care of themselves and their families, and this is having an impact on the well-being of our population and sustainability of our healthcare system. **We are asking for your support in helping to address these challenges by making the promotion and support of self-care a priority for Canadians and their families through a National Self-Care Strategy.**

With the impending implementation of a National Pharmacare program, the time is right for Parliament to study and investigate how a National Self-Care Strategy can be implemented, complementary to Pharmacare and to help ensure the best outcomes for Canadians. **Therefore, we are recommending that as a first step towards a National Self-Care Strategy, the House of Commons Standing Committee on Health undertake an in-depth study on the benefits of self-care, making recommendations on how to make Canada an incubator of self-care innovation to support Canadian needs.** We would also recommend that this study include a close examination of the best available approaches to meeting the self-care product and information needs of Canadians.

The practice of self-care is an important contribution to the health of Canadians and to the sustainability of our healthcare system, but it faces significant obstacles in the Canadian policy environment. This is inherent in a healthcare system that provides first-dollar insurance coverage for formal services such as doctor and hospital care and at least partial coverage for many prescription drugs, while leaving Canadians to pay all self-care (such as former prescription drug) costs out-of-pocket.

A further financial disincentive to responsible self-care is the differential tax treatment applied to prescription versus non-prescription (OTC and NHP) medicines. Prescription drugs enjoy zero-rated status under the GST and are eligible expenses under the METC. Meanwhile, many OTCs started out as prescription drugs delivering significant clinical benefits; these benefits did not end when the products were switched to OTC status.

Currently, our system can reward a visit to a doctor to seek a new prescription, instead of making a trip to a pharmacy to treat oneself through self-care. As a result, many Canadians—particularly those with drug plans—are visiting the doctor to obtain prescriptions or renewals to avoid out-of-pocket expenses, when their symptoms could be treated effectively with an OTC. This means higher costs in the healthcare system, and fewer slots available for patients who lack self-care options.



Evidence demonstrates that there are significant advantages when policies are put in place that encourage self-care practices:

- The United Kingdom saw improved health and quality of life, greater patient satisfaction and significant reductions in the use of health services, after it identified self-care as one of the four pillars of their National Health Service and instituted supportive policiesⁱⁱⁱ.
- In the United States, it is estimated that for every dollar spent on consumer health products, \$6 - \$7 are saved elsewhere in the healthcare system, through reduced doctor visits, pharmacist dispensing fees and prescription drug costs^{iv}.
- In Australia if a few select prescription medicines were reclassified to non-prescription status, over 1 billion AUD could be saved.^v
- In Europe, moving 5% of prescribed medications for conditions suitable for self-care to non-prescription status would result in total annual savings of more than 16 billion EUR.^{vi}

3) Supporting Self-care in an Environmentally Sustainable Manner: Less Packaging Waste and More Digital Communication

The *Pan-Canadian Framework on Clean Growth and Climate Change* recognizes that growing the economy and achieving Canada's greenhouse gas emissions targets will require an integrated, economy-wide approach that includes all sectors. However, in the health sector, the environmental and economic analysis of health product policies and interventions is limited. These overlooked environmental impacts can harm not only our climate but also our health, as the two are inextricably linked.

A recent example is the plain language labelling regulations for OTCs, which are intended to improve consumers' safe and effective use of the products but have been interpreted and applied



in such a way that there is more information on labels (though more does not mean better) and more product packaging. Experts are concerned that a large amount of product information can be challenging for consumers to absorb and recommend the use of digital information and decision-making tools to help consumers access the information they need.

NHPs are next—proposed plain language regulations for these products are expected to be published for consultation this spring.

CHP Canada’s goal is to embrace the intent of the government’s plain language labelling regulations by **calling on the Government of Canada to re-examine the regulations, in the context of their original intent, with a view to maximizing environmental and clinical benefits.** This could also yield opportunities to contribute to regulatory reform efforts to improve transparency, reduce administrative burden and improve the competitiveness of businesses, while maintaining the high product safety standards for which Canada is known.

Conclusion: Self-Care and Pharmacare go hand-in-hand

CHP Canada believes a well-designed Pharmacare system should not drive more Canadians to seek out prescription medicines when they might not otherwise do so. At the same time, we support Pharmacare and we are not advocating for new barriers to physician care or prescription medicine access. We are asking you to take measures that would help lower the barriers to self-care for Canadians and increase their Canadian options so that they can meet their product needs within our borders. Even small shifts in behaviour can bring big, positive economic changes to our healthcare system. We believe it’s time to respond to Canadians’ desire to take control of their care.

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ⁱⁱ Canadian Institute for Health Information, Health Expenditures in the Private Sector, 2019: Private Sector Chart Book, October 2019

ⁱⁱⁱ Department of Health, Self-Care – A Real Choice: Self-Care Support – A Practical Option, London 2005

^{iv} Booz & Co., The Value of OTC Medicine to the United States, Washington 2012

^v J. Noone & C. Blanchette, Journal of Medical Economics 2017

^{vi} *ibid*