



Health  
Canada

Santé  
Canada



# CANADA

Health Canada

## Pharmaceutical provision in hospitals

- Inpatient services are concentrated in publicly funded hospitals, most of which are administered by provincial/territorial jurisdictions (not the federal government).
- Pharmaceutical provision in hospitals is the responsibility of hospital administration, with funding originating mostly from provincial and federal government sources.
- Hospital pharmacies/hospital pharmacists play a prominent role in the medical supply management of hospital pharmaceuticals.

### Purchasing of medicines in the hospital sector

- Purchasing of pharmaceuticals fall under the authority of hospital administration.
- Hospital pharmacists play a prominent role in distribution and managing supply to ensure efficient use of the drug budget.
- Hospital formularies are determined by hospital physician experts, in consultation with pharmacy staff.
- Hospital prices are usually determined by negotiation, typically between hospital purchasing groups and drug manufacturers.
- Hospital budgets and volume of needed drugs (among other factors) play a role in the determination of hospital drug prices. Such prices are not published.
- In addition, patented drug prices (and their annual increases) at the manufacturing level must not exceed the federal Patented Medicine Prices Review Board guidelines.

### Financing of medicines in the hospital sector

- Hospital medicines are part of hospital services, which fall under the Canada Health Act (CHA), the cornerstone of Canada's publicly financed health care system. The CHA provides minimal standards that must be met if provinces/territories are to receive the full federal funding contribution towards their medically necessary hospital and medical (including some dental surgery) services.
- One requirement under the CHA is that medically necessary hospital services (including medicines used in hospitals) be provided without cost to the patient (unlike outpatient pharmaceuticals, which fall outside the CHA).
- Payment for medicines used in hospitals is shared between provinces/territories and the federal government.
- Hospital medicine lists are in the form of hospital formularies, specific to each hospital's population.

## Evaluation and Interface management

- Pharmaceutical consumption, prescriptions and prices of hospital pharmaceuticals are monitored primarily by hospital pharmacy staff, as part of their medical supply management responsibilities.
- In some cases, a need arises for interface management (i.e. mechanisms of cooperation between inpatient and outpatient sector). For example, a drug prescribed in hospital for outpatient use may not be available in outpatient pharmacies, in which case the hospital pharmacy supplies the medicine using inpatient resources.