House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(•) **an organization** **Organization name:** Consumer Health Products Canada

or

( ) **an individual** **Name:** _____

Topic: Personal taxation

*Recommendation 1: Please provide a short summary of your recommendation.

The Medical Expense Tax Credit (METC) provides tax relief for Canadians with qualifying out-of-pocket medical expenses. Drugs only qualify for this credit if they require a prescription. Over-the-counter medicines (OTCs) are often the appropriate first-line therapy for ailments that are also treated with prescription drugs. Health Canada sometimes removes the prescription requirement from medicines with strong safety profiles in order to increase access. Qualifying OTCs under the METC would be consistent with this goal and could help reduce health care costs.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$10 million-$99.9 million

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

The costs associated with this measure would be partially self-mitigating, by removing some of the incentive for Federal health beneficiaries to seek more expensive - and insured - prescription drugs for ailments that can be treated more cost-effectively with OTCs. Any increase in OTC sales resulting from this measure would also yield GST revenues. Reduced time away from work due to doctor visits would yield productivity improvements and consequent tax revenues.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

All Canadians (individuals, provincial government, federal government and employers) will benefit from the recognition of self care as a key component of health care. Recognizing that OTC products can and should be the primary step in self care will result in improved cost effectiveness of health care delivery. More self care eases the pressure on Federal and Provincial government funding of prescription drugs and doctor visits.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Recognition of self care through tax-related measures provides Canadians with a government-approved means of improving their own health. Less time off work, preventative care leading to healthier lives and longevity are all impacts that improve the standard of living. Recognizing the HST taxable products (OTC) along side the tax exempt products (Rx) allows for the generation of further tax revenues through increased productivity in the workplace and the sale of safe and effective consumer health products.

Topic: Please select from the pull-down menu

Recommendation 2: Please provide a short summary of your recommendation.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

Please select from the drop down menu

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Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Topic: Please select from the pull-down menu

Recommendation 3: Please provide a short summary of your recommendation.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

Please select from the drop down menu

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General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Please use this page if you wish to provide more explanation about your recommendation(s).

*Please note that at least one recommendation must be provided