

CANNABIS FOR MEDICAL PURPOSES

- The health and well-being of Veterans and their families is at the core of Veterans Affairs' programs and services.
- In 2016, Veterans Affairs Canada introduced its Reimbursement Policy for Cannabis for Medical Purposes for dried cannabis or its equivalent in other forms.
- The policy balances available scientific evidence and clinical practice, with what Veterans Affairs Canada has heard from Veterans and their advocates concerning how cannabis helps with their health problems.
- Recognizing that the use of cannabis for medical purposes continues to be an emerging practice, Veterans Affairs Canada is continuing to monitor developments in research.
- In October 2019, the Policy was amended to include three new classes of cannabis products: cannabis edibles, cannabis extracts and cannabis topicals to reflect the changes made in the *Cannabis Act*.
- An internal audit of the cannabis for medical purposes program was released on September 8, 2022.

WHEN PRESSED:

Q1 – How many Veterans are approved for reimbursement of an exceptional amount of cannabis for medical purposes (i.e., over three grams per day)?

As of September 30, 2024, 6,115 Veterans were authorized for reimbursement of more than three grams per day, which accounts for approximately 25.2% of all Veterans authorized for reimbursement of cannabis for medical purposes. Veterans may be authorized for reimbursement of an exceptional amount provided that they meet the requirements outlined in the Reimbursement Policy for Cannabis for Medical Purposes. This includes supporting documentation from a medical specialist with expertise in the condition for which cannabis is authorized.

Q2 – Why are program expenditures so high?

Program expenditures for cannabis for medical purposes have been increasing annually. This is primarily due to the increased number of Veterans seeking reimbursement once authorized by their health care practitioner and an increase in the number of grams reimbursed per Veteran. In fiscal year 2023/24, program expenditures were \$191.7M.

Q3 – Has Health Canada approved cannabis for medical purposes as a therapeutic product?

No, Health Canada has not yet approved cannabis for medical purposes as a therapeutic product. In March 2021, the College of Family Physicians of Canada published revised guidelines for health care practitioners to use when authorizing cannabis for medical purposes in primary care.

VAC's policies and programs are evidence-informed. As new scientific evidence becomes available about cannabis for medical purposes, we will review and revise our related policies.

Q4 – Does VAC review health care practitioners who prescribe cannabis for medical purposes?

Health care practitioners authorizing the use of cannabis for medical purposes could include both physicians and nurse practitioners in provinces, where permitted.

Health care practitioners must complete a medical document authorizing the use of cannabis for medical purposes. Per the *Cannabis Act and Regulations*, the medical document must include the health care practitioner's:

- given name and surname,
- profession,

- business address and telephone number, and -if applicable- their facsimile and email address,
- province where authorized to practice, and
- the registration number assigned by the province.

As part of regular quality assurance activities, Veterans Affairs Canada may review a health care practitioner's registration with the regulatory body in their province (e.g., the College of Physicians and Surgeons, the College of Nursing).

Q5 – What steps has VAC taken in response to the Cannabis for Medical Purposes Audit?

The audit resulted in 6 recommendations. VAC has consulted with medical experts and has extensively reviewed relevant research and other information (e.g., cannabis reimbursement in the private sector and within Veterans Affairs departments in the Five Eyes Countries). VAC is currently reviewing its Reimbursement Policy for Cannabis for Medical Purposes and associated operational practices, considering the audit recommendations any potential legislative changes as a result of Health Canada's review of the Cannabis Act and Regulations (which is currently underway).

BACKGROUND - CANNABIS FOR MEDICAL PURPOSES

Veterans Affairs Canada implemented the Cannabis for Medical Purposes Reimbursement Policy in November 2016. The reimbursement policy established a limit of three grams per day for dried cannabis or its equivalent in other forms up to a maximum reimbursement rate which is currently set at \$8.50 per gram.

An exceptional approval process was developed as part of the reimbursement policy to assist Veterans who may require more than three grams per day. To add more rigour to this approach, these reimbursement requests may only be approved when supporting documentation is provided from a medical specialist with expertise in the Veteran's diagnosed condition(s).

The policy further explains the information to be included in the supporting documentation from the medical specialist. The following are the four requirements:

- a) the medical rationale for the use of cannabis for medical purposes for the Veteran's condition(s);
- b) the specific quantity over three grams per day being recommended;
- c) a list of contraindications that were considered and confirmed absent; and
- d) a list of alternative treatments that were tried and why they were ineffective or contraindicated.

Each request is reviewed on a case-by-case basis.

In October 2018, Health Canada's *Cannabis Act* and *Cannabis Regulations* came into effect, providing legal access to recreational cannabis for Canadians. Provincial and territorial retail outlets were opened for the purchase of recreational cannabis. Veterans Affairs Canada does not reimburse purchases from these retail outlets.

In October 2019, Schedule 4 of the *Cannabis Act* was amended to legalize three new classes of cannabis – edible cannabis, cannabis extracts and cannabis topicals. These new classes of cannabis products can be used for medical purposes and were added to the reimbursement policy, along with the previous classes of fresh and dried cannabis. All cannabis products used for medical purposes must be purchased from federal licensed sellers authorized by Health Canada.

For the fiscal year 2023/2024 (April 1 2023 – March 31 2024), Veterans Affairs Canada expenditures for cannabis for medical purposes were \$191,708,163 for 24,146 Veterans.

Health Canada is reviewing the *Cannabis Act and Regulations*. Veterans Affairs Canada is collaborating with Health Canada for this review, and will modify the Reimbursement Policy for Cannabis for Medical Purposes as appropriate.

On September 8, 2022, the Audit and Evaluation Division of Veterans Affairs Canada released an audit of the cannabis for medical purposes program. The Executive Summary provided in the audit is as follows:

Executive Summary

Why we did this audit

Since 2008, Veterans Affairs Canada (VAC) has reimbursed Veterans for the cost of Cannabis for Medical Purposes (CMP) when obtained following federal regulations. More and more Veterans are now seeking reimbursement for CMP either because conventional treatments fail to relieve their pain or cause negative side effects.

While it is legal to access CMP, Health Canada has yet to approve cannabis as a therapeutic product in Canada. There is a need for more research on CMP's effectiveness and safety. Ultimately, health care practitioners must weigh all of the risks with the potential benefits before authorizing the use of CMP as a treatment for a specific condition.

While VAC waits for research to better guide how cannabis might be used as a therapeutic treatment, this audit assessed what the department is doing right now to address the potential health concerns and financial impacts of this treatment benefit.

Key facts, figures and findings (from September 2022 Audit)

- Through its policy, the Department reimburses Veterans up to three grams of CMP per day at a fixed rate of up to \$8.50 per gram. However, it can reimburse up to 10 grams/day if a Veteran meets exceptional criteria. As of 31 December 2020:
 - 19% are being reimbursed less than 3 grams/day
 - 61% are being reimbursed the maximum 3 grams/day
 - 20% are being reimbursed more than 3 grams/day per exceptional criteria
 - Those that meet exceptional criteria are reimbursed on average 7.1 grams/day, which is extremely high compared to the Health Canada-reported average of 2 grams/day for Canadians accessing CMP
 - The vast majority have mental health conditions, in particular Post Traumatic Stress Disorder (PTSD), which are considered a contraindication by health organizations such as the College of Family Physicians of Canada and Health Canada
- An extremely small number of health professionals (11) are responsible for authorizing a disproportionately large percentage (more than 6,000 or roughly 40%) of the Veterans being reimbursed for CMP.
- Between 2015-16 and 2019-20, Veterans authorized for CMP increased by 660%. Currently, more than 13,000 clients are being reimbursed for CMP.
- In 2020, CMP spending was at \$85.2 million. By 2026, VAC anticipates spending of more than \$300 million, with an additional \$12 million in transactional costs.

- VAC continues to assess current research and support areas of needed research into CMP as a treatment for Veterans. However, VAC can do more to identify trends in the CMP program that may be problematic and adjust policy to safeguard the health and well-being of Veterans.
- As demand for the CMP program continues to grow exponentially, VAC will need to properly manage resources and examine policy and program effectiveness.

Highlights of our recommendations

As Health Canada has not approved CMP as a therapeutic treatment, VAC must take considerate and cautious measures to improve oversight when supporting Veterans in this treatment through the reimbursement of costs.

VAC has an opportunity to consult stakeholders and engage with health experts in developing a stronger policy and monitoring framework that will support the health needs of Veterans and their families.

What Veterans Affairs Canada will do

VAC will continue to update the Reimbursement Policy for Cannabis for Medical Purposes based on the evolving environment and consultation with health experts and stakeholders. This update will include guidance on which conditions are eligible to have CMP reimbursed, daily gram limits, and the nature of products.

Under the revised policy, program updates will include a new CMP authorization form for health care providers to complete, indicating specific details on conditions being treated, CBD/THC composition, and plan for follow-up care. Veterans accessing reimbursement for larger amounts of CMP will also need to complete a new follow-up assessment tool with their health care provider.

VAC will strategically analyze information gathered through its CMP program to inform future policy adjustments and help identify Veterans who may be at high risk for negative health effects.