

BULLETIN

Federal advisory council releases interim report on national Pharmacare

March 29, 2019

ADVISORY COUNCIL RELEASES INTERIM REPORT ON NATIONAL PHARMACARE: CONCERNS RAISED OVER FINANCE MINISTER'S PERCEIVED CONFLICT OF INTEREST

The Advisory Council on the Implementation of National Pharmacare released its interim report on March 6.

The council was established with a funding commitment from the federal government's 2018 budget, and has been tasked with recommending measures for implementing affordable national Pharmacare for Canadians through an assessment of domestic and international models and consultation with experts and public stakeholders.

In the interim report, the council has recommended the creation of a national drug agency to oversee national Pharmacare, of which a key responsibility would be to create and maintain a "comprehensive, evidence-based" national drug formulary - a list of essential prescriptions.

The report, however, has not indicated which model it will recommend to implement a national Pharmacare program. And not all models are created equal. The model adopted by the federal government, should Pharmacare be implemented, will ultimately affect the cost of drugs, just who is covered by the program, and the role of private insurance companies in providing drug coverage.

HSA, the Canadian Labour Congress, and the federal NDP have advocated for a comprehensive, universal, single-payer (bulk purchasing) public model.

Public support for this model is noted in the interim report, but the council has also indicated that it has also received, through its engagement process, some support for a "fill in the gaps" approach that targets the uninsured, as well as support for a model focused on expensive drugs.

The Canadian Life and Health Insurance Association (CLHIA), which claims to represent 99 per cent of Canada's life and health insurance business, delivered a submission to the advisory council recommending that any Pharmacare program adopted protect and enhance existing benefit plans. According to an October 2018 press release by CLHIA, the association supports "reform that is affordable, achievable and protects the workplace benefit plans that Canadians value." These plans often include co-pays, deductibles, and expensive premiums, and administration costs are often offloaded onto employers, unions, and employees.

Significant data suggests that a universal Pharmacare plan, however, would deliver significant savings. A 2017 report produced by the Canadian Centre for Policy Alternatives (CCPA) and Canadian Doctors for Medicare estimates that a comprehensive, universal, single-payer prescription drug program would result in \$30 billion in gross savings. The savings would be achieved, in part, by eliminating spending by employers and employees on current prescription plans, eliminating current government programs that are administratively costly, and improving health system efficiencies through greater prescription access, which would result in improved health outcomes.

Private insurance companies are profit-driven, and generally prioritize shareholder interests over the interests of plan members. In order to deliver greater fiscal returns, private insurance companies may choose to reduce benefits or charge higher premiums to deliver greater profits.

While the advisory council has not yet released its final report, due this June, critics suspect the federal government plans to implement an industry-friendly, means-tested system. A means-tested system, instead of a public universal program, allows for a US-style patchwork program, and creates a role for for-profit drug insurance companies in the system of coverage.

Leaders from the Canadian Labour Congress, the Canadian Federation of Nurses Unions, and Canadian Doctors for Medicare have expressed concerns over a perceived conflict of interest facing federal Minister of Finance Bill Morneau, who is the former executive chair of his family-built business Morneau Shepell, a major industry player in private health and benefits administration and the largest benefits consultancy in Canada, according to Morneau. The minister has publicly stated that he supports a Pharmacare strategy that would maintain current drug insurance systems. Morneau is responsible for the government's Pharmacare file.

HSA members are encouraged to write to their MPs and call for a comprehensive, single-payer, universal public Pharmacare plan. Visit aplanforeveryone.ca for more information.

This article is featured in the March 2019 issue of *The Report*. [Click here](#) to view the full issue.

Type:

[The Report](#)

Topic:

[Issues, Campaigns and Government Relations](#)

- [Print](#)
- [PDF](#)

180 East Columbia
New Westminster, BC V3L 0G7

Website
www.hsabc.org

Telephone 604-517-0994
1-800-663-2017