Welcome thoughts

How national drug plan could work

Thomas Walkom

Everyone talks about the need for a universal pharmacare program. Now, a new study from the Institute for Research on Public Policy looks at how such a program might navigate the shoals of Canada's fraught political system.

Titled "Universal Pharmacare and Federalism," it reiterates what virtually every pharmacare study has said: Too many Canadians have no drug coverage at all; those who do have such coverage pay too much for what they get; existing government programs are a confusing and expensive hodgepodge that are too often taken to the cleaners by the big pharmaceutical companies.

The authors are scathingly critical of those, like federal Finance Minister Bill Morneau, who would use pharmacare to merely "fill in the gaps" left by existing private and public plans.

Such an approach, they write, is merely a euphemism for off-loading the drug costs of expensive, high-risk patients onto the public system, while leaving private insurers free to focus on those who are relatively healthy and thus more profitable.

The authors argue convincingly that to be at all useful, a national pharmacare system must be universal and, like medicare, funded progressively in a manner that does not disadvantage low and middle income earners.

Their main focus is on how to get such a plan operational in a world where the federal and provincial governments are so often at daggers drawn.

First, a national pharmacare plan has to be a joint federal-provincial exercise. Realistically, that means the provinces will have to bear the responsibility for delivering pharmacare. They could follow the medicare model and, in return for federal money, provide universal drug coverage themselves within broad parameters set by Ottawa.

In either case, Ottawa will have to pony up cash. A national universal pharmacare plan, they say, would save money for Canadians as a whole. But it would increase the share that governments pay.

The provinces know that Ottawa is not always a reliable partner in shared-cost arrangements. To make any deal palatable, Ottawa would probably have to agree to bear the full cost of at least a bare-bones system.

One of the study authors said in an interview it would cost Ottawa $6.5 billion a year to fund a universal pharmacare program that provides 117 of the most necessary drugs.

Provinces that wanted more could add to that. And, unlike medicare, a universal pharmacare plan need not be a monopoly. Governments could let private insurers offer competing products.

The other political problem facing any national pharmacare plan is Quebec. That province already has a universal system based on mandatory private insurance. The authors of this study say the Quebec scheme is far more costly than it need be and that it is funded in way that favours high income earners.

But they recognize that Quebec is notoriously jealous of its jurisdiction and while adamant about receiving its share of any federal money up for grabs is unlikely to agree to a pharmacare system that gives Ottawa a role in setting standards.

The authors note only that, as in other areas of social policy, Quebec might be coaxed into offering a plan that mirrors the national one.

It is not an entirely satisfactory solution. But like much in this interesting study, it is practical.

Thomas Walkom is a Toronto Star columnist.