

Parliamentary Budget Officer Sets High Cost for Pharmacare



In late September, the Parliamentary Budget Officer (PBO) released a report that showed the federal government could save \$4 billion by implementing a long-awaited national pharmacare program.

While many public health care advocates feel the PBO has estimated the cost for pharmacare too high at \$19 billion and the savings too low, a pharmacare program would still result in substantial financial benefits and would improve the health of Canadians.

The PBO was mandated to use the Quebec drug formulary to price out the cost of offering every resident of Canada access to medicines. Quebec uses a mixed model of public and private insurance to cover the cost of drugs for its residents, which has kept the price of medicine in Quebec fairly high. Quebec does not take advantage of the economies of scale of having the government purchase medicine on behalf of its whole population. There would be even greater savings with national economies of scale. The good news is that the cost of any plan using the

Quebec model will be a worst-case scenario and Canadians can expect much lower prices from a national public drug plan.

In 2015, Canada spent \$28.5-billion on prescription drugs, including \$13.1-billion (46 per cent) paid by public drug plans, \$10.7-billion by private drug plans (37 per cent) and \$4.7-billion (17 per cent) paid out of pocket by individuals.

According to the PBO's report, approximately 700,000 Canadians do not have coverage for prescription medications while 3.6 million have inadequate coverage. This means there are many people who can't afford their medications.

The Council of Canadians has joined with groups and organizations across the country to call for a national pharmacare program. Canada is the only country in the world with a public health care system that does not include public coverage for drugs.

Maude Barlow, Honorary Chairperson of the Council of Canadians spoke with labour representatives at a recent

Uniform convention about the personal impacts the high cost of medications can have on people.

"Several years ago the Canadian Health Coalition held cross country hearings and asked Canadians to share their experiences. Some spoke of losing their jobs due to serious illness, but being too young for pension benefits that would have included the high cost of their drugs," she said. "Some people with disabilities had to choose between staying on income assistance or going to work and losing coverage. One woman said she was thinking about divorcing her husband so she could go on welfare and have her drugs covered."

As drug costs continue to rise and more people struggle to pay for their medications, pharmacare will become an even more pressing issue. The Council of Canadians is committed to seeing Tommy Douglas' full dream of medicare – a truly universal and public health care system that also covers the cost of medications – become a reality.

Have you or a family member ever had difficulty paying for your medications?

Tell us your story! Cut out this section and send it back to us using the enclosed envelope – no postage needed. Can you also chip in to help us make pharmacare a reality? Use the form below to donate. Thank you!

YES – I agree, we need a national pharmacare plan now.

Here's my contribution to help:

\$45 \$65 \$125 \$265 My choice \$ _____

Enclosed is my cheque made out to The Council of Canadians

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