

NDP pharmacare plan sets a new standard

[By Thomas Walkom, columnist, *Toronto Star*, Apr 8, 2019](#) (and see background material further below)

Jagmeet Singh's federal New Democrats have come up with a bold plan for national pharmacare [[news story here](#)]. It would start in 2020, cover everyone and — while costing the federal government an estimated \$10 billion a year — ultimately save Canadians money.

Politically, it's an attempt to outflank Justin Trudeau's Liberals from the left during the run-up to October's federal election. But it's also a model that any party serious about pharmacare would be wise to consider.

The shortcomings of Canada's current pharmaceutical insurance system are well-documented. It is costly, haphazard and — for many — grossly inadequate. About 20 per cent of Canadians have no drug coverage at all. Those with private insurance pay far more than they should. Those, such as seniors, who qualify for public coverage, face criteria that can vary wildly from province to province.

The Liberal government has promised some kind of national pharmacare scheme and has appointed an advisory panel to make recommendations. But it's not clear that the Liberals are willing to do what is necessary. Indeed, comments made last year by Finance Minister Bill Morneau suggest that he'd prefer a limited system designed to complement rather than replace the current hodgepodge.

Ironically, the last NDP pharmacare plan, released by then party leader Thomas Mulcair during the 2015 election campaign, was equally vague. In that iteration, the NDP talked of phasing in a much cheaper version of pharmacare over four years. It would have varied from province to province. Out-of-pocket copayments would have been permitted.

It wasn't entirely clear in the NDP's 2015 version whether the party was proposing a universal system or one aimed at just filling in the gaps. The 2019 version is much clearer. Pharmacare would operate like medicare. It would cover, for Canadian citizens and permanent residents, the full cost of approved drugs. That list of approved drugs would be determined by an independent federal-provincial body of experts.

This body would also be responsible for negotiating prices charged by the big pharmaceutical firms. User fees and copayments would be banned unless the patient insisted on a more expensive brand-name version of the drug. In that case a \$5 co-payment would be charged.

Private insurers would be allowed to cover these co-payments as well as drugs not listed on the national formulary.

As long as provinces agreed to these conditions, Ottawa would pay roughly 40 per cent of the cost, which works out to \$10 billion a year.

The NDP doesn't say where this \$10 billion would come from, referring only to "budgetary reallocations" and "new revenues." But citing a report from the Parliamentary Budget Office, it does argue convincingly that, in total, Canadians would pay less under a universal, single-pay drug plan than they do now. That's because the sheer size of a nation-wide, universal pharmacare scheme would allow it to bargain down drug prices significantly.

According to University of British Columbia health expert Steve Morgan, families now enjoying private drug insurance would save \$550 a year on average under a universal public scheme. Employers that offer drug coverage to their workers would pay on average \$600 less per employee. In short, Canadians would pay more in taxes for pharmaceuticals but less overall.

The NDP is sketchy on the politics of its plan, particularly on how to get the provinces to agree.

It does propose to let Quebec receive its share of federal largesse even if that province refuses to join the national scheme. But it is silent on what it would do if other provinces, citing the principle of provincial equality, demanded the same treatment.

It's uncertain whether Ontario Premier Doug Ford, for instance, is a pharmacare fan. He too might prefer the cash.

Still, the NDP has provided a useful service. It has laid out a simple, workable plan for universal national pharmacare. In doing so, it has set the standard against which all other pharmacare plans, including whatever the Liberals come up with, will be measured.

* * *

Background:

*Excerpt from: **An austerity and militaristic government budget in Canada**, [by Roger Annis, published in A Socialist In Canada, Mar 18, 2018](#)*

... Concerning pharmacare, the budget committed to 'do something' about it. The government has appointed an Advisory Council on the Implementation of National Pharmacare, the operative word being 'implementation'. But Finance Minister Bill Morneau [told a business crowd](#) in Ottawa one day after his budget speech that he opposes universal prescription drug coverage. "We need a strategy to deal with the fact not everyone has access, and we need to do it in a way that's responsible, that deals with the gaps, but doesn't throw out the system that we currently have," he said.

Morneau is playing with words, saying he favours a "national pharmacare strategy" but not a "national pharmacare plan".

The cost of medications while in hospital is covered by Canada's public hospital system. But once an individual leaves the hospital, he or she becomes responsible. The [patchwork of provincial medical services](#) covers most costs for poor people and for retirees, though not for many catastrophic drug treatments. Drug costs are escalating fast in Canada's mixed for-

profit-for-salaries health care system. In 2016, they accounted for [16.5 per cent of all medical expenses](#) (hospitals ate up 28 per cent).

Work-based medical plans only cover some 36 per cent of drug costs, according to the Canadian Medical Association. The CMA [reports on February 26](#) that a national pharmacare plan would significantly reduce overall spending on prescription drugs.

[According to](#) the *Globe and Mail*'s health reporter André Picard:

Drug coverage in Canada is a patchwork of private and public insurance programs. About 26 million Canadians have private drug benefits, largely through employers. There are 102 public drug insurance programs, but that still leaves 700,000 people with no drug coverage, and an estimated 3.6 million with inadequate coverage, [according to](#) the Parliamentary Budget Officer. [An analysis](#) by the Conference Board of Canada found far fewer people lacked coverage.

Way back in 2002, former NDP premier of Saskatchewan Roy Romanow [issued a landmark study](#) on health care in Canada. The report was commissioned by the Liberal Party government of Prime Minister Jean Chretien. Romanow's report also declined to recommend a full pharmacare program. It made suggestions similar to Morneau's musings 17 years later.

The Canadian Federation of Nurses, Canadian Doctors for Medicare and the Canadian Labour Congress have [issued an open letter](#) to Prime Minister Justin Trudeau calling for Morneau to be kept away from the deliberations of the pharmacare advisory council....