

Campaign for a National Drug Plan

More *for* Less

PUBLIC, ACCESSIBLE, AFFORDABLE, SAFE AND APPROPRIATE



Your drug plan at work ... and why we need Pharmacare

Half of the Canadian population - 16 million people - are covered by drug plans through the work place.

Most drug plans at work are negotiated by unions for their members. Unions have stepped in to fill the gap left by our Medicare system, because doctors and hospital care are covered, but prescription drugs are not.

How good is this drug coverage? It varies.

In the best plans, the insurance premiums are paid by the employer and drugs are fully covered by the insurance plan. But these plans are rare. More than half of all workers contribute to the cost of the insurance premiums through deductions from their wages. And there are the payments at the pharmacy counter, since most plans pay only part of the cost of prescriptions. There are deductibles, which means that each worker usually pays about \$50 or \$75 a year before the insurance kicks in. Then, if your drug plan only covers 80% of the cost, for example, you pay the other 20% of every prescription.

Drug coverage is based on where you work, not medical need.

The benefits provided in negotiated collective agreements reflect a whole range of factors, like the strength of the union, the state of the industry and the finances of the employer. None of this has anything to do with people's need for prescription drugs.

Drug coverage through the work place is not secure, because it lasts only as long as you have the job.

If you move away, find a different job or get laid off, you lose your drug plan. In most cases retirees are not covered, so if you retire, you also lose your drug plan. And when a worker loses drug coverage, so do their family members. Of the 16 million covered by work place plans, 7.6 million are workers, 4 million are their adult family members and another 4.4 million are their children.

Not everyone has a drug plan at work.

In fact, a very large proportion of workers are not covered (42% in 2000). Part-time workers and young people are less often covered. At smaller work places it may be too expensive to get a drug plan because insurance companies charge a much higher administrative fee for to cover only a small number of workers. Some workers who don't have their own drug plan are covered by their spouse's plan, while others have no drug insurance.

Work based drug plans are under threat.

Drug costs are rising rapidly, so insurance premiums are getting more expensive. Employers are looking for ways to cut their costs by increasing the amount paid by workers or reducing the coverage. Workers find themselves paying more for their premiums and more at the pharmacy counter. This is leading to conflict at the bargaining table and strikes, as workers struggle to protect their benefits.

Canada is one of the richest countries in the world - we can do better than this.

Drug insurance based in the work place covers some people, some of the time. But it is limited, arbitrary, and insecure. It is a patchwork system – not based on need, but on where you work or where your spouse works. Nearly every other industrialized country covers prescription drugs under their public health care plan, and that is what we need.

We need Pharmacare, a national drug plan.

Drugs are an integral part of health care and should be part of our Medicare system. A universal public plan would provide equal drug coverage no matter where you live or work. It would be far less expensive to administer than the thousands of different work based plans and would have the negotiating strength to bargain for cheaper prices with the drug companies. It makes medical and financial sense to provide drugs to people who need them through a public system, not haphazardly through the work place.

For more information, read the full report:

More for Less: A National Pharmacare Strategy (www.healthcoalition.ca/moreforless.pdf)

About the Campaign for a National Drug Plan

Pharmacare means a national drug plan that would be publicly funded and administered, control costs, provide universal access and ensure the safe and appropriate use of drugs. It would cover medically necessary drug costs in the same way that Medicare now covers hospitals and physicians. The Canadian Health Coalition is a public advocacy organization dedicated to the preservation and improvement of Medicare. For more information visit: www.medicare.ca