Medical Xpress

Little progress on reducing pharmacare coverage disparities over past decade: research

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Changes to provincial drug plans over the past decade did little to address the wide disparities among provinces in prescription drug coverage, according to an analysis by University of British Columbia researchers.

In an article published today in Health Policy, researchers from UBC's Centre for Health Services and Policy Research (CHSPR) assessed changes in provincial drug coverage policies over the past decade. They found that "catastrophic" drug coverage programs – which require households to spend certain proportions of their income on prescription drugs before qualifying for coverage – are emerging across Canada with very different levels of coverage.

Under catastrophic drug plans, a two-adult household earning the median income in Canada ($75,880) would be required to spend $1,704 in B.C. before benefits kicked in; a similar couple in Manitoba would have to spend $3,564; and one in Nova Scotia would spend $8,746.

Several official panels, most notably the 2002 Romanow Commission on the Future of Health Care in Canada, have criticized the interprovincial variability of drug benefits. The First Ministers' Meeting on the Future of Health Care in 2004 said "no Canadians should suffer undue financial hardship in accessing needed drug therapies" and decreed that "affordable access to drugs is fundamental to equitable health outcomes

for all our citizens."

Catastrophic drug plans are now offered in six provinces and appear to have become an implicit national standard for pharmacare. In addition to their widely varying out-of-pocket requirements, such plans – as opposed to complete, "first-dollar coverage" – limit the government's financial obligations at the expense of people with chronic illnesses, says co-author Steve Morgan, an associate director at CHSPR and an associate professor in the School of Population and Public Health.

"Even the most generous of catastrophic drug program may represent a step backward in pharmacare policy because many households face high out-of-pocket costs year after year," says Morgan, a pharmaceutical policy expert. He adds, "The limited public role in paying for drugs also restricts our ability to control rising drug costs."

"Our findings reflect what appears to be a paradigm shift in drug benefit design that is not necessarily based on principles articulated by Canadians," says co-author Jamie Daw, a policy analyst at CHSPR.

The researchers found more national consistency in the area of drug coverage for people receiving social assistance: four provinces provide first-dollar coverage and five others required only a small co-payment for such recipients. Drug coverage for seniors was more varied: Alberta and Prince Edward Island offer universal, premium-free, no-deductible plans for seniors, while all of the others use some kind of income-testing.

Given the high financial stakes involved (Canadians spent $30 billion on drugs in 2010) and persistence of wide provincial variations in coverage, the authors recommend greater cooperation between the federal government and the provinces in setting national standards for public drug benefits – something that could be taken up in the 2014 renewal of

the 10-Year Plan to Strengthen Health Care.

Provided by University of British Columbia