

# A lesson for Canada: Quebec pharmacare system creates winners and losers

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Quebec spends \$200 more per person than the rest of Canada to provide prescription drug coverage to everyone in the province, finds new research that could inform plans for a nationwide universal drug plan.

Quebec introduced a private-public [drug coverage system](#) in 1997. In contrast to a universal public drug plan, the Quebec system requires all employers that provide any health benefits to also provide private drug coverage for their employees. Seniors, people on social assistance and anyone else who does not get private coverage through their employers are required to contribute to an insurance-style drug plan from the provincial government.

"Quebec introduced an insurance-based drug coverage system 20 years ago that was supposed to save taxpayers money," said Steve Morgan, a professor in the school of population and public health at UBC and lead author of the study. "We found that it came at an astounding cost to Quebecers."

Researchers at UBC, Carleton University, Concordia University and the University of Montreal examined the benefits and costs of Quebec's system, 20 years after it was implemented, and compared the results to the rest of Canada and similar countries around the world.

The researchers found that Quebec's private-public system has increased access to medicines for the working population but it has come at a cost of approximately \$200 more per person than the rest of Canada.

Canada as a whole spends \$200 more per person than comparable countries that include prescription [drug coverage](#) within their universal healthcare systems.

"Private and public spending for medications is 75 per cent more per person in Quebec compared to countries with universal pharmacare," said Marc-André Gagnon, a professor at the school of public policy and administration at Carleton University. "However, as compared to these countries, we are far behind in terms of access to medications: more than twice as many Quebecers cannot fill their prescriptions for financial reasons."

The researchers also found that the increased [coverage](#) in Quebec is disproportionately expensive for low-income individuals and families compared to households with higher incomes. The premiums under Quebec's partially-subsidized public drug plan can amount to more than three per cent of a \$40,000 household income, but only 1.6 per cent for households with an \$80,000 income.

Workers with private insurance offered through their employers can end up paying even more as insurers are able to raise premiums annually. Researchers found that the private plans can cost 10 per cent of a person's income if they are a part-time worker.

"The biggest winners in the Quebec system have been the industry stakeholders that have made billions more than they would have made if Quebec had implemented a universal public plan 20 years ago," said Morgan.

A recent report from the parliamentary budget officer estimates that a universal, public pharmacare system would save Canadians more than \$4 billion per year while this study suggests that applying Quebec's private-public model in all provinces would cost Canadians over \$5-billion more

per year than they currently pay.

The researchers say these findings should be considered as the federal government contemplates different models for providing universal pharmacare to all Canadians.

**More information:** Steven G. Morgan et al, Evaluating the effects of Quebec's private–public drug insurance system, *Canadian Medical Association Journal* (2017). [DOI: 10.1503/cmaj.170726](https://doi.org/10.1503/cmaj.170726)

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