

# How to pay for national pharmacare

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A new analysis in *CMAJ* (*Canadian Medical Association Journal*) [www.cmaj.ca/lookup/doi/10.1503/cmaj.180897](http://www.cmaj.ca/lookup/doi/10.1503/cmaj.180897) outlines the potential government cost of a national Canadian pharmacare program and sets out approaches to shifting the funding for drugs in Canada to realize billions in savings.

"We believe there is a compelling argument for the [federal government](#) to raise the incremental revenues needed to implement this long-recommended expansion of Canadian medicare," write Drs. Michael Wolfson, Faculties of Medicine and Law, University of Ottawa, and Steven Morgan, School of Population and Public Health, University of British Columbia.

Implementing a national pharmacare program in 2020 would require \$9.7 billion in public funding and result in \$13.5 billion in savings to the [private sector](#) because of lower costs of private insurance, according to estimates from the Parliamentary Budget Officer.

The authors suggest using a mix of federal revenue sources, including relatively small increases in personal income taxes (0.5 percentage points), corporate tax rates (1 percentage point) and GST (0.25 percentage points).

For policy-makers, advanced modelling tools can help inform the different approaches to funding a national pharmacare program.

"Without national pharmacare by 2020, Canadians could be paying \$4.2

billion more for medicines than they would need to under a universal, comprehensive public pharmacare plan," the authors write. "The question, therefore, isn't whether Canada can afford national pharmacare; rather, it is how government should raise the needed public revenues and, correspondingly, who should benefit from the billions of dollars in net savings as a result."

**More information:** *Canadian Medical Association Journal* (2018).  
[www.cmaj.ca/lookup/doi/10.1503/cmaj.180897](http://www.cmaj.ca/lookup/doi/10.1503/cmaj.180897)

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