



CPRN RCRPP

*National Approaches to
Pharmacare*

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Opening Address by Judith Maxwell

National Approaches to Pharmacare

- *Canada's social contract was implemented step by step*
- *Health insurance is part of our mythology*
- *Sustained by the political will of Canadians*
- *Has the time come for Pharmacare?*



Outline

- *Why is Canada interested in Pharmacare now?*
- *What do we mean by Pharmacare?*
- *How important are the inequities?*
- *Why is Pharmacare so difficult?*
- *Where do we go from here?*

What do we mean by Pharmacare?

■ *Fill the gaps?*

- *90 percent of Canadians have some coverage*
- *several provinces already have universal coverage*

■ *Start all over?*

- *the system is full of holes/inefficiencies*
- *we need to start from scratch*



Why now?

- *Substitution of drugs for insured interventions has increased*
- *Integration of health services is in full swing*
- *Several provinces are already there*
- *Growing concern about inequities*



How big are the inequities?

- *People with high incomes and no earned income are covered*
- *Unemployed and those in non-standard jobs have little or no coverage*
- *Full-time workers in small businesses may not be covered*
- *But many will have access via a spouse*

How important is the inequity?

- *No measures of the burden have been done -- more research needed*
- *Equity is a major concern, but*
- *So is efficiency:*
 - *People without access are at higher risk, and heavier users of health care*
 - *Poverty trap for those on welfare*

Are there alternatives to Pharmacare?

- *Some provinces extending health benefits for one year after leaving welfare, but drugs are not yet included*
- *Others requiring employers to provide insurance for non-standard workers.*
- *Are these options effective?*
- *Are they complements or substitutes to Pharmacare?*

Why is Pharmacare so difficult?

- *There are four solitudes in health care. Each has its own philosophy/incentives.*
 - *Political*
 - *Regulatory*
 - *Curing*
 - *Caring*
- *Each requires analysis*

Political Solitude

- *Debate about public vs private boundary*
- *Federal-provincial competition*
- *Mistrust of the private players*

Regulatory Solitude

- *Focus on cost containment*
- *Weak federal-provincial harmonization - no national market*
- *Limited commitment to drug utilization management*
- *Competition between physicians and pharmacists*

Curing Solitude

- *Risk of distortions in health care decisions*
 - *Insurance in hospital creates incentive to keep patient in*
 - *Universal insurance would encourage shifting the patient and keeping the money*
 - *Need to adapt hospital funding formulas*

Caring Solitude

- *How will insurance affect prescribing patterns?*
- *Will there be incentives to overuse if cost to patient declines?*
- *How will insurance impact commitment to drug utilization management?*

Where Do We Go From Here?

- *Naming the problems is just the beginning*
- *Health care systems are open, dynamic, not clockwork machines*
- *Need to agree on*
 - *what we want to achieve*
 - *what we have in common*

Objectives of the Conference

- *Understand the strengths/weaknesses of current practice*
- *Identify gaps in knowledge*
- *Explore system, research and planning issues*
- *Examine the tools needed to implement national approaches to Pharmacare*