



union
des consommateurs

La force d'un réseau

National Public Drug Plan — The Quebec model is expensive and unsustainable

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Description of Quebec's plan

Since 1997, we have a provincial drug plan:

- mixed (public-private)
- Mandatory (every Quebecker must participate)

Consequently, in 2015-2016:

- **44%** of the population is covered by public drug insurance
- **56%**, the **majority** of the population, is covered by private work-based group plans, which are managed by insurance companies

Description of Quebec's plan

Breakdown of people covered by Quebec's plan:

- 4.6 million people covered by private plans
- 3.6 million people covered by the public plan:
 - Income assistance recipients = 14%
 - Senior citizens = 44%
 - Plan participants = 42%

Proportion of people covered by the public plan who do not pay any premiums, deductibles and co-pays: 23%

Description of Quebec's plan

Total cost of Quebec's public plan in 2015-2016:

\$4,414 million

Of that amount, 18.6% comes from the participants' contributions (deductibles + co-pays).

The rest (81.4%) comes from public funds.

Therefore, people covered by private plans also pay, through their income tax, a part of the cost of the public plan.

Description of Quebec's plan

Public plan: deductible + co-pays

At the pharmacy, the person will pay a monthly deductible of \$18.85 + a co-pay of 34.5%. However, if the monthly amount is in excess of \$87.16, the other expenses for the month are free.

That means that a person will pay a maximum of:
 $\$87.16 \times 12 = \mathbf{\$1,046}$ a year for his/her medications.

Description of Quebec's plan

Public plan: annual premium

In the income tax report, an annual premium, ranging from \$0 to \$660 (2016), will be added to the deductible and co-pay

The amount of the premium is determined according to the person's income. A person will pay the maximum premium of \$660 a year if their income reaches:

-\$23,660 for a single person

-\$39,679 for a couple

The maximum is quickly reached. Hence, it is not very progressive!

Free for: seniors (94% or more of GIS) + income assistance recipients
+ children + full-time students

Description of Quebec's plan

Private plans:

The premium, co-pay and deductible vary from one insurance company to another, even from a work-based plan to another within the same insurance company.

The premium is not determined according to the income but is rather based on the history of expenses, that is on the health status of the employees in the same office. The premium is deducted from the employee's pay cheque.

As in the public plan, the maximum amount a person will pay for his/her medications is \$1,046 a year.

Why we want a plan that is 100% public:

Because people who come to see us tell us they have to make the following choices:

- Cut into their current expenses (e.g.: groceries) in order to pay for their medications
- Stop taking them
- Cut their pills in two so they will last longer
- Get into debt with people close to them or even at the pharmacy
- Having to decide, with their colleagues, to forgo their group plans... or get fired because they are expensive!!

Why we want a plan that is 100% public:

The problems generated by the mixed plan (public-private):

1) Equity issues, and:

2) Major issue in regard to controlling the cost of medications.

1) Equity issues regarding access to medications

Because we have very different coverage from one plan to another. For example, in private plans:

- 9% tax on premiums
- not free for children
- same premium amount as the boss (premium determined according to the employees' health status in an office)
- the pharmacist can charge fees ranging from \$8 to \$30 (maximum of \$9 for those covered by the public plan)
- **THEREFORE:** different prices for the same medications (a differential ranging from 9% to 80% !!!), etc.

1) Equity issues regarding access to medications

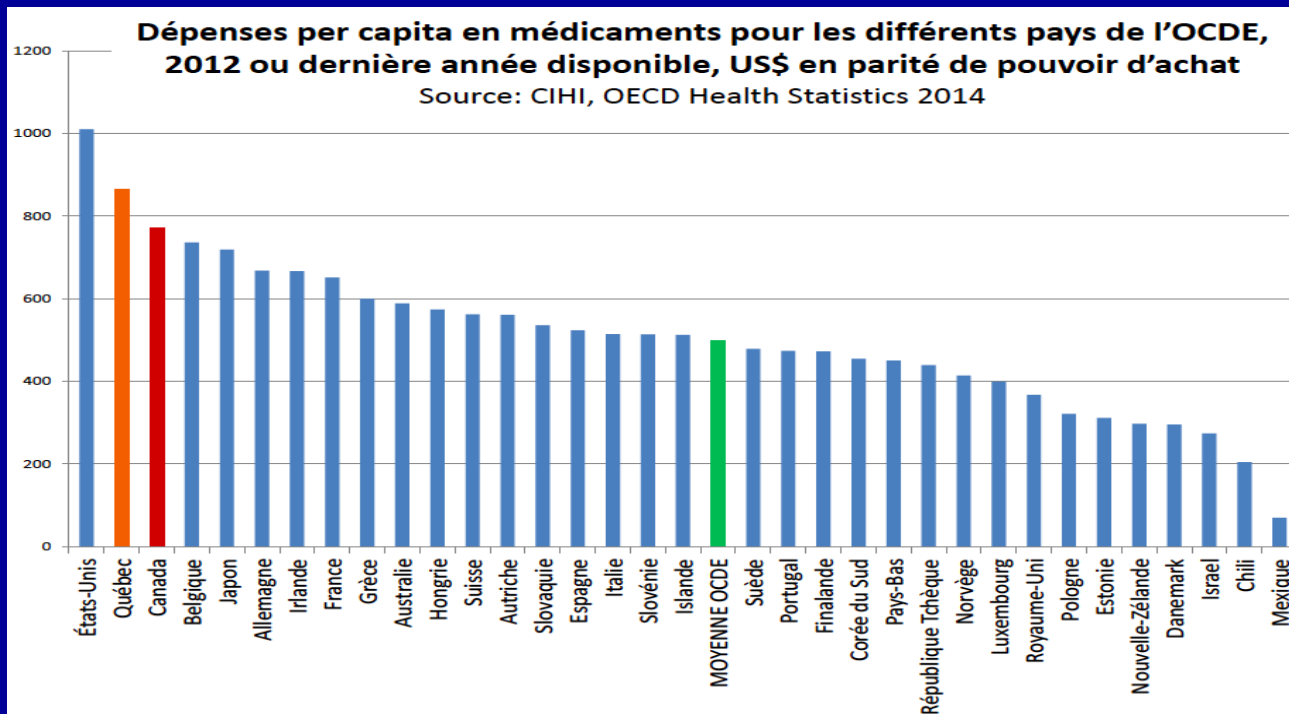
Because we have very different coverage from one plan to another. For example, in private plans:

- Suspension of coverage and having to pay the deductible again when the person changes jobs frequently.
- Higher invoices because of little use of generic drugs. In fact, in 2013, private plans in Quebec showed the lowest rate of utilisation of generics in Canada (53%). The rate is 71% for the public plan.

1) Equity issues regarding access to medications

In his report on medications (March 2015), the Health Commissioner mentions that “12% of the population had not taken a medication because they could not pay for it.” (Léger poll, 2012).

2) Explosion of drug expenses: the urgency to act



Source : presentation by Marc-André Gagnon, study session UC, November 6, 2014

Explosion of drug expenses: the urgency to act

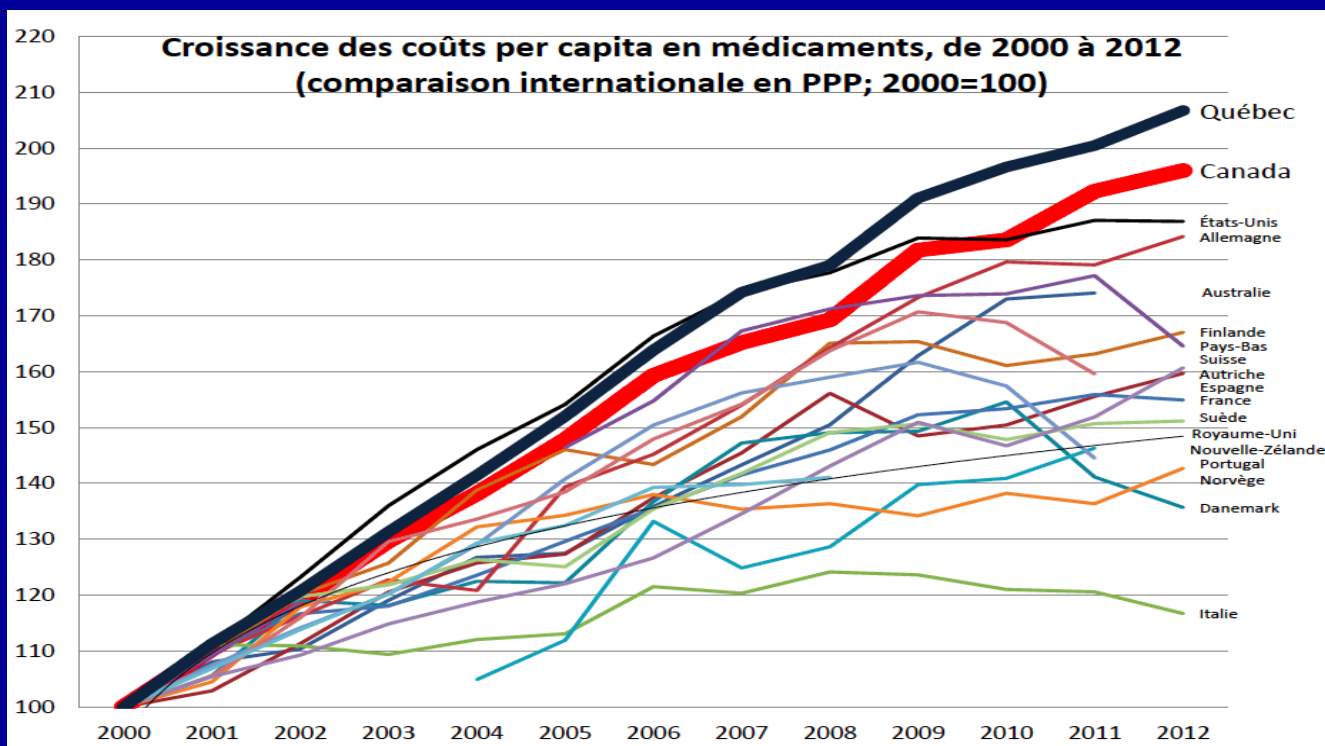
Quebec

**Drug expenses, per capita, 2012
(prescribed and not prescribed)**

Canada	\$947
Québec	\$1,063
British Columbia	\$736
New Zealand	\$340

Source : Canadian Institute for Health Information, 2013

Explosion of drug expenses: the urgency to act



Explosion of drug expenses: the urgency to act

Outrageous prescribing fees!!

Figure 6.4 Total du coût d'ordonnance pour un million de comprimés de 20 mg du produit générique de l'atorvastatine calcique, régimes privés par rapport aux régimes publics, par province, 2013
Cliquez sur l'image pour l'agrandir



Source: Patented medicine prices review board (PMPRB), 2015

Changing our plan: is it possible in the current context? YES!

A study from the firm Daméco (2014) shows that it would be possible to implement a totally public drug insurance plan at NO cost for the Quebec government, while, at the same time, putting more than \$300 million in the pockets of Quebecers.

Source: Régime d'assurance médicaments du Québec : les impacts économiques de l'instauration d'un régime public et universel, Daméco, 2014.

The *Union des consommateurs*' campaign

Launched in 2009



Objective: bring the debate back into the public sphere

• 412 supporters, among which **Mr. Rochon**, Health Minister who implemented the current plan and who is now actively recommending a reform

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The *Coalition solidarité santé*'s campaign

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LE
REMÈDE AUX
COUPURES

ÇA EXISTE!

Thank you!

For more information, see the UC campaign page at:

www.uniondesconsommateurs.ca/

(articles, videos, list of supporters, speakers' presentations,...)

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