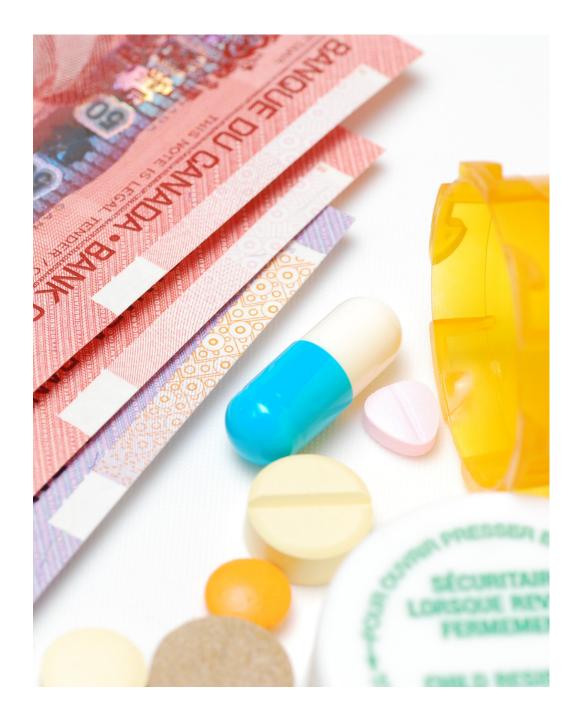


The Economic Benefits of Public Universal Pharmacare

In addition to providing health benefits, a universal public drug plan would provide Canada with many economic benefits.

- Prescription medication prices would be much lower. Instead of having over 100 000 different drug plans across the country, there would be one national drug plan. We could therefore bargain more effectively to lower medication costs. We would also save by eliminating the administration fees associated with having so many drug plans.
- Employers would save \$9 billion every year by not having to pay for work-based drug plans. This would enhance the competitiveness of Canadian companies. It would be an incentive for business growth and increased employment.
- Savings for families would total \$7.1 billion every year, which is how much Canadians are currently paying for their medication. People would have more money to invest in themselves, to improve their standard of living, start or expand a small business, or pay down their debts.



Overall spending by the federal government would increase only modestly (between 2 and 2.6 percent) to fund pharmacare. This would be an investment in the health of Canadians and in the country's economy. No new taxes would be required. Payroll taxes discourage job creation, and increases in the GST are unfair. There shouldn't be deductibles or co-pays since they prevent people from accessing the medications they need.

Leadership by the federal government is critical to induce the provinces to get on board and follow national standards. The federal government should fund at least fifty percent of pharmacare, with the provinces covering the rest. This is how hospitals and doctors are funded. The federal government has much greater financial capacity to spend on programs than the provinces do.

The insurance industry and its supporters have proposed a ''fill-in-the-gaps model''. This means leaving the thousands of different drug plans in place and just adding a public plan for those who lack coverage. But this would maintain all the disadvantages of the current system: high drug prices, uneven drug coverage, and unaffordable deductibles and co-pays.

To reap the economic benefits of pharmacare, we need a national public drug plan that is universal, accessible, comprehensive, and portable. There is no economic reason preventing Canada from joining all the other OECD countries that include prescription drugs in their universal public health care plans. Canada needs pharmacare now.





