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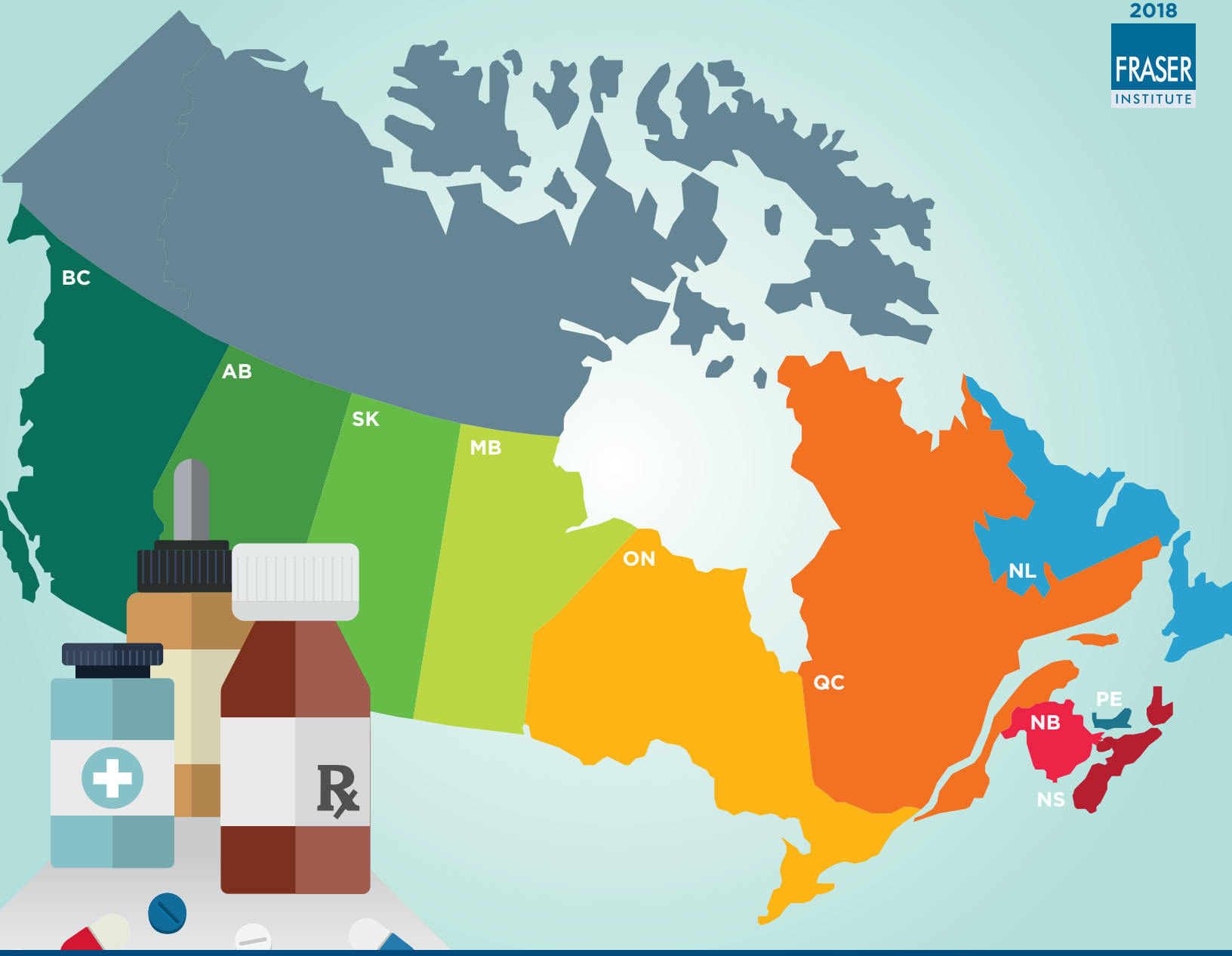

Provincial Drug Coverage for Vulnerable Canadians

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Executive summary

Access to pharmaceuticals is a critical component of a properly functioning health care system. The reality that some Canadians have difficulty paying for their medications, combined with unqualified claims regarding Canada's approach towards drug coverage compared to its international peers has led to a perception that governments in Canada do not currently help Canadians—particularly vulnerable populations—pay for their prescription medications. Given the increasing importance and prominence of this public policy issue, an accurate understanding of existing provincial programs is critical.

First and perhaps most critically, a review of provincial drug plans finds extensive coverage for lower-income Canadians. Provinces, of course, differ with regards to their approach towards both general coverage and shared costs as well as how to support vulnerable groups like lower-income Canadians.

For example, British Columbia's Fair PharmaCare plan, the province's main drug coverage program, covers 70 percent of the cost of eligible prescription drugs for families with a net income less than $15,000. Once a family has spent approximately 2 percent of their net income on drugs or related costs, the province pays for 100 percent of any subsequent costs for the rest of the year. The province offers coverage to families with higher incomes but requires them to first pay out-of-pocket for their drug costs (up to 2–3 percent of their income) before any provincial coverage kicks-in.

In Alberta, families (with children) earning less than $39,250 can access the province's Non-Group coverage plan by paying a monthly premium of $82.60. Prescription drugs covered under the program are subject to a 30 percent co-payment up to a maximum of $25 per prescription. Higher-income families in Alberta can also access this program but with higher premiums. Lower-income Alberta families as well as a number of additional covered circumstances such as pregnancy, high ongoing prescription needs, and disability are exempted from premiums and any co-payments for many prescription drugs as well as some over-the-counter products. For example, a single parent with one child in Alberta with income less than approximately $26,000 would be exempt from the premium and co-pays under the Adult Health Benefit.

Quebec broadly has one of the more unique approaches to pharmaceutical coverage in Canada. It requires residents not covered by private group insurance to enroll in the government's drug insurance plan (RAMQ). Participating individuals are required to pay premiums that range from $0 to $616 per year, depending on family income. Individuals must pay the first $19.90 of their drug costs out of pocket, after which they only pay 34.9 percent of the cost of eligible drugs up to a monthly maximum of $90.58 (after which all costs are covered). However, the premiums along with the deductibles and co-pays are waived for a host of different groups including Quebecers on social assistance, children under 18, full-time students, and persons with a functional impairment.

Ontario has three main programs to support its residents and their access to pharmaceuticals. The Ontario Drug Benefit Plan covers residents over the age of 65 plus those living in long-term care or special care homes, Ontarians on social assistance, and those with disabilities. Depending on income levels and circumstances, this program requires Ontarians to pay very low amounts upfront (ranging from $0–$100) before coverage begins, after which only small copayments (ranging from $2.00–$6.11) are required. This program was recently extended through the introduction of OHIP+ Children and Youth Pharmacare to cover youths under the age of 24—at no charge—who are not currently covered by private plans. Ontario also maintains the Trillium Drug Plan, which covers non-senior adults and those not generally covered by the other two programs. The costs of the program vary by household type and income.

More generally, lower-income Canadians have access to at least some form of provincial insurance that helps limit out-of-pocket costs for prescription drugs to a small percentage of income, if not more extensive coverage, in every Canadian province.

It's worthwhile also noting that recipients of social assistance have coverage at very low or even zero cost in every province. Provincial governments across Canada also provide drug coverage to select populations who may face considerable hardships as a result of either their medical care costs or other factors including the severely disabled and those diagnosed with conditions like multiple sclerosis and cystic fibrosis.

The review also finds that every province maintains a drug coverage program for seniors. While there are differences in the income thresholds for accessing public coverage, coverage for seniors tends to be relatively more generous than for non-senior adults without children.

The importance of prescription medicines paired with concerns about their affordability for those stricken with illness form the basis of many calls for a national pharmacare. Lacking in the debate is a clear understanding of the coverage that is already available to those subsets of the Canadian population who may be at higher risk of foregoing their prescriptions due to cost—i.e., those with lower incomes (including seniors), the disabled, and patients with chronic medical conditions.

Introduction

Calls for the implementation of a national pharmacare program have intensified dramatically in recent years (see Campbell, 2018; Powell, 2018; and Morgan, 2015). For example, the federal New Democratic Party has expressed its support for a single-payer universal pharmacare plan (New Democratic Party, 2018), the most recent report from the House of Commons health committee recommended (among other things) that "the best way to move forward in establishing a universal single payer public prescription drug coverage program is by expanding the Canada Health Act to include prescription drugs dispensed outside of hospitals as an insured service under the Act" (Canada, Standing Committee on Health, 2018),[1] and the governing Liberals have created a new advisory council to explore the implementation of a national pharmacare plan (Adhopia, 2018).

There is little question that access to pharmaceuticals is a critical component of a properly functioning and modern health care system. Modern medicines have the potential to improve both health outcomes and quality of life for those stricken with illness, and newer medicines (in particular) are linked to superior health outcomes in comparison with older medicines.[2] Studies have also indicated that increased use of new medicines can lead to net cost savings for a health care system because their use can reduce non-drug healthcare costs (e.g., Lichtenberg, 1996; Lichtenberg and Virabhak, 2002; Hermus et al., 2013).

Given the importance of prescription pharmaceuticals, calls to implement a national pharmacare program are typically predicated on concerns regarding patient access, affordability, and insurance coverage for prescription drugs outside the hospital setting. Indeed, there is evidence to suggest that some Canadians may be struggling to cover the costs of their prescription medicines. For example, Law et al. (2018) estimate that roughly one out

1. At present, the Canada Health Act only requires that the insurance plan of a province cover prescription drugs administered to patients (without copayments or user fees) within a hospital setting.
2. See "The Importance of Pharmaceutical Consumption and Vintage" in Barua and Esmail (2013) for more on this.

of every 12 Canadians (8.2 per cent) who required a prescription in 2016 had difficulty paying for it.[3] If these estimates are accurate, there's certainly a case for identifying and supporting these patients. We should be particularly concerned for those subsets of the Canadian population who may be at higher risk of foregoing their prescriptions due to cost—i.e., those with lower-incomes, seniors, the disabled, and patients with chronic medical conditions.[4]

However, the reality that some Canadians have difficulty paying for their medications, combined with unqualified claims regarding Canada's approach towards drug coverage compared to its international peers, has led to a perception that governments in Canada do not help patients (particularly vulnerable populations) pay for their prescription medications.[5]

This is problematic because such characterizations of Canada's current approach to drug coverage (or lack thereof) run the risk of misinforming Canadians about the availability and extent of existing publicly funded drug plans targeted towards helping vulnerable populations with the costs of their prescription medications—performing a disservice to those who are eligible for such plans, as well as to the completeness of this critical discussion. Further, without an accurate understanding of how such populations are already covered by publicly funded drug plans, Canadian families, patients,

3. They also estimate that one million Canadians reduced spending on food and heat due to drug costs. The Commonwealth Fund estimates that about 10 percent of Canadians did not fill a prescription due to cost in 2016. Higher estimates are suggested by a recent poll by Angus Reid which reported that "[m]ore than one-in-five (23%) Canadians report that, in the past 12 months, they or someone in their household did not take their medicines as prescribed, if at all, because of cost" (Angus Reid, 2015). Although this number is hard to pin down, estimates on how many Canadians have no coverage range from 1.8 to 10 percent (Canada, Standing Committee on Health, 2018; Conference Board of Canada, 2017).

4. For example, a report requested by the House of Commons standing committee on health indicated that "individuals who have relatively low incomes or who are in part-time or precarious work arrangements are least likely to have access to drug coverage through their employers" and "individuals with chronic conditions or illnesses are more likely to be underinsured" (Canada, Standing Committee on Health, 2018: 39–40). While costs are of course important to those at higher incomes as well, the trade-off for the purchase of prescription drugs is considerably different. For example, a person in lower income may be trading off food, shelter, or other necessities of life for medical treatment, while those at higher incomes may be less likely to face the same decisions and may instead be trading off less essential goods and services. Further, those at higher incomes are more likely to have effective private insurance through employment or direct purchase and thus may have lesser need for governmental assistance.

5. For example, a common claim is that every country in the world with a universal health care system also has universal drug coverage, except Canada (Canadian Broadcasting Corporation, 2017). However, many of these countries—like Switzerland and the Netherlands—provide universal access for all health-care services (including pharmaceuticals) through private insurers (Esmail and Barua, 2013).

and taxpayers may not be able to accurately assess whether proposed solutions (for example, a larger national plan paid for and administered by the federal government) will be capable of alleviating current concerns surrounding accessibility—especially for those populations who face the largest barriers to access due to cost. Finally, by ignoring the issue at the heart of the problem (i.e., access for vulnerable populations) such characterizations risk advantaging solutions that may use scarce health care dollars to subsidize the majority of Canadians who likely don't need help while potentially reducing resources available for those who do.

This study seeks to provide an overview of drug insurance coverage for low-income Canadians across Canada. It does not explore other important aspects of drug insurance coverage such as timely access to new medicines or the impacts of cost-control policies that may harm individuals by restricting access to particular therapies for a given condition (see for example Skinner et al., 2009; Rawson, 2013; Lybecker, 2013). The goal is simply to provide Canadians with a clearer view of what drug coverage is already available to those with lower incomes, among others (including seniors and middle-income earners). The first section provides an overview of provincial programs intended to assist vulnerable populations with the costs of their pharmaceutical prescriptions. The second section compares provincial plans available for vulnerable populations. A discussion and conclusion follow.

Overview of drug coverage offered by provincial governments, by province

While in-hospital drugs are financed by governments in accordance with the Canada Health Act, most Canadians also have some form of insurance coverage for the cost of prescription pharmaceuticals consumed outside of hospitals. The Office of Parliamentary Budget Officer (2017), citing figures from the Canadian Life and Health Insurance Association, reported that approximately 70.5 percent of Canadians have private drug insurance.

However, the rest of the population is not without coverage for prescription pharmaceuticals.[6] For example, the report requested by the House of Commons standing committee on health indicated that "approximately 21% of Canadians obtain public drug coverage through provincial and territorial plans, which target specific groups such as seniors, social assistance recipients, individuals with certain diseases or conditions and more general plans for individuals with no other form of coverage" (Canada, Standing Committee on Health, 2018: 19). Clearly, there already exists a vast network of provincial plans to help Canadians with the costs of their prescription medications. An overview of provincial programs intended to assist vulnerable populations with the costs of their pharmaceutical prescriptions is provided below.

British Columbia

British Columbia's PharmaCare program helps cover the cost of prescription drugs, medical supplies, and pharmacy services for residents through a number of different drug plans. Depending on a person's medical condition, financial situation, and living arrangements they will qualify for one and sometimes several of the plans offered by the province (British Columbia, n.d., a).

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6. Estimates of how many Canadians have no coverage range from 1.8 percent to 10 percent (Canada, Standing Committee on Health, 2018; Conference Board of Canada, 2017). It is also estimated that about 1 in 10 have coverage but "lack the financial means to pay for their prescriptions" (PBO, 2017).

Fair PharmaCare

The province's largest plan, Fair PharmaCare, is an income-based plan that is intended to provide drug coverage to all British Columbians (British Columbia, n.d., b). Individuals and families are subject to an income-based deductible, copayments (once the deductible has been met), and annual out-of-pocket maximums.[7] Deductibles range from $0 (when income is $15,000 or less), all the way up to $10,000 when income is over $316,667.[8] As a proportion of income, deductibles range from 0 to 3 percent of income (**table 1a**).

Table 1a: British Columbia's Fair PharmaCare plan for those born after 1939

Net annual family income	Family deductible (% of net income*)	Share of costs covered after deductible met	Maximum beyond which 100% coverage (% of net income*)
< $15,000.00	No deductible	70%	2%
$15,000.01–$30,000.00	2%	70%	3%
$30,000.01–$316,667.00	3%	70%	4%
$316,667.01–$999,999,999.00	2%	100%	2%

* The plan's deductibles and maximums are based on several income bands. The figures here are the average value for the income bands included in the ranges presented in the table.

Source: British Columbia, 2009a; calculations by authors.

Once the deductible has been met the province pays 70 percent of eligible costs (100 percent for those earning over $316,667). There is also a maximum amount of cost per year after which a user or family will not have to pay for drugs or medical supplies (i.e., the province pays for 100 percent of eligible costs). Like the deductibles, the maximum amounts are based on income and range from $25 to $10,000. The out-of-pocket limits range from 2 to 4 percent of income.

7. Typically at the beginning of the year an individual or family will pay the full cost of their medication. Each purchase counts towards their deductible. Once the deductible amount has been reached, for each subsequent purchase the province will pay 70 percent of the cost and the plan member 30 percent. This continues until the plan member's total payments for medications reach the family maximum, at which point they do not pay for their prescriptions and the PharmaCare program covers 100 percent of the cost for the rest of the year (British Columbia, 2018a).

8. On January 1, 2019 the highest income that qualifies for $0 deductible is set to change from $15,000 to $30,000 (British Columbia, 2018b).

To be eligible for Fair PharmaCare British Columbians must register with Health Insurance BC, have filed an income tax return for the relevant year of assessment, and have valid Medical Services Plan (MSP) coverage.[9] If an individual or family is not enrolled in the program, or if their income cannot be verified, they will still be covered under Fair PharmaCare after paying a $10,000 deductible. Once the deductible has been met the province will pay 100 percent of eligible costs (British Columbia, 2009a).

If a family includes someone born in 1939 or earlier they get somewhat more generous coverage from the province (**table 1b**).

Table 1b: British Columbia's Fair PharmaCare plan for those born before 1939

Net annual family income	Family deductible (% of net income*)	Share of costs covered after deductible met	Maximum beyond which 100% coverage (% of net income*)
< $33,000.00	No deductible	75%	1%
$33,000.01–$50,000.00	1%	75%	2%
$50,000.01–$475,000.00	2%	75%	3%
$475,000.01–$999,999,999.00	1%	100%	1%

* The plan's deductibles and maximums are based on several income bands. The figures here are the average value for the income bands included in the ranges presented in the table.

Source: British Columbia, 2009a; calculations by authors.

In addition to the coverage offered under the Fair PharmaCare plan, British Columbians with certain medical conditions qualify for additional coverage of medications and medical devices specific to their situation. These plans cover 100 percent of eligible drugs and dispensing fees for British Columbians with cystic fibrosis (Plan D), human immunodeficiency virus (HIV)/acquired immune deficiency syndrome (AIDS) (Plan X), certain psychiatric conditions (Plan G), and those receiving palliative care (Plan P). Plan S covers the cost of medications (including dispensing fees) that can help with smoking cessation. The province also pays for the cost of medication review services and of some vaccinations through Plan M (British Columbia, n.d., c).

9. British Columbians are required to pay monthly MSP premiums based on their adjusted net income. Families with an adjusted net income of $42,000 or less may qualify for financial assistance for paying their monthly premiums. MSP premium payment for all families is expected to be eliminated in BC on Jan 1, 2020 (James, 2018).

Permanent residents of licensed residential care facilities have 100 percent of eligible prescription drugs and designated medical supplies covered by the province under Plan B. Residents are automatically covered if they live in a facility that is included on the list of PharmaCare Plan B facilities (British Columbia, n.d., c: 4).

Severely handicapped children who would become reliant on institutional care can receive community-based, family-style care under the At Home Program (Plan F). Through this program children receive full coverage for eligible prescription drugs, medical supplies and equipment (British Columbia, n.d., c: 14).

Under Plan C, British Columbians receiving income assistance get 100 percent coverage of eligible prescription costs and dispensing fees up to the limits recognized by PharmaCare (British Columbia, n.d., c: 8).[10] Plan W provides coverage for First Nations who are not eligible for comprehensive drug coverage provided by existing treaty and land claims, or written contribution arrangements between First Nations organizations and a government or province of Canada. Plan W is funded by the First Nations Health Authority, and pays for 100 percent of the cost for eligible prescription drugs, some devices and certain over-the-counter medications (British Columbia, n.d., d: 28).[11]

Alberta

The Alberta government offers a number of programs designed to provide coverage for supplementary health benefits, including prescription drugs, to all Albertans.

Albertans under 65 years old (and their dependants) have access to the Non-Group coverage plan sponsored by the provincial government and administered by Alberta Blue Cross. Individuals and families are charged monthly premiums based on income and family arrangements (**table 2a**). Families with lower incomes may be eligible for premium subsidies (Alberta, n.d., a). Prescription drugs[12] covered under the program are subject to a 30 percent copayment to a maximum of $25 per prescription. There is no deductible for coverage, nor is there an out-of-pocket maximum.

10. To be enrolled, participants must provide their pharmacist with a form that is given to them by the Ministry of Social Development and Poverty Reduction.
11. Eligible purchases can be made outside British Columbia but within Canada.
12. The plan offers coverage beyond drugs, including diabetic supplies, ambulance services, psychological services, and home nursing care. For these benefits, there are yearly maximums and other restrictions.

Table 2a: Premiums for non-group coverage, Alberta

Family type	Income	Monthly premium
Single	< $20,970	$44.45
	> $20,970	$63.50
Family without children	< $33,240	$82.60
	> $33,240	$118.00
Family with children	< $39,250	$82.60
	> $39,250	$118.00

Source: Alberta, n.d., a.

Albertans aged 65 and over[13] are eligible for the Coverage for Seniors Benefit[14] which offers the same drug coverage as the Non-Group plan described above. However, seniors do not have to pay a monthly premium (Alberta, n.d., b).

The province also offers a number of programs specially designed for low-income individuals and families, as well as other vulnerable populations. The Alberta Adult Health Benefit program is available to low income Albertan's who are pregnant, have high ongoing prescription needs, are refugees or refugee claimants, or are leaving the Income Support program or the Assured Income for the Severely Handicapped program (Alberta, n.d., c). Children living in low income families are eligible for the Child Health Benefit (Alberta, n.d., d). These two programs cover, among other things, the full cost[15] of many prescription drugs and some over-the-counter products with no premiums or cost sharing requirements. Eligibility is determined by family arrangement and income (**table 2b**).

Albertans who are severely handicapped and those on social assistance receive full coverage for drugs with no premiums or cost sharing (Alberta, 2017). There is also a program offered for those receiving palliative care at home, which has a 30 percent copayment to a maximum of $25, with a $1,000 lifetime maximum (Alberta, n.d., e). Finally, there are programs that provide high-cost drugs to treat a subset of conditions including HIV, cancer, cystic fibrosis, organ transplants, intraocular disease, and others (Alberta, n.d., f, g; Alberta Health Services, n.d.).

13. And their spouses/interdependent partners and dependants registered on the same account.

14. Alberta Blue Cross administers the program coverage and claims, while Alberta Health manages eligibility and registration.

15. If a child, adult, or member of the household already has coverage through another plan, these programs may help cover the remaining costs.

Table 2b: Coverage for Albertans in low income (including children for families with children)

Family Type	Maximum qualifying income
Single adult	$16,580
1 adult + 1 child	$26,023
1 adult + 2 children	$31,010
1 adult + 3 children	$36,325
1 adult + 4 children*	$41,957
Couple, no children	$23,212
Couple + 1 child	$31,237
Couple + 2 children	$36,634
Couple + 3 children	$41,594
Couple + 4 children*	$46,932

* Add $4,973 to qualifying income for each additional child.

Source: Alberta, n.d., d.

Saskatchewan

Saskatchewan maintains several drug schemes that are available to residents based on age, family type, and income.

A universal catastrophic scheme known as the Special Support Program is in place for all residents who are at risk of having drug costs exceed 3.4 percent of total family income (adjusted for number of dependents) (Canadian Institute for Health Information, 2016: 27). Copayments are calculated based on drug costs in relation to adjusted family income.

Children 14 and under are automatically enrolled in the Children's Drug Plan and pay no more than $25 per prescription (Saskatchewan, n.d., a). Seniors eligible for the provincial age credit[16] will pay no more than $25[17] per prescription under the Seniors' Drug Plan (Saskatchewan, n.d., b). Seniors with a Guaranteed Income Supplement or Seniors Income Plan receive coverage with 35 percent copayment and semi-annual deductibles of either $100 (residing in special care home) or $200 (living in the community) (Saskatchewan, n.d., c).

16. Seniors with a reported income of $66,226 or less for 2015 were eligible for coverage in the 2017 calendar year (Saskatchewan Cancer Agency n.d.).

17. Seniors also eligible for special support pay the lesser of the Special Support copayment or $25.

Lower-income families may be covered by the Family Health Benefits scheme, which in addition to covering other medical expenses provides children with 100 percent coverage for prescription drugs and adults with 65 percent coverage (35 percent copayment) after a $100 semi-annual deductible (Saskatchewan, n.d., d). To be eligible, family income must be below $29,291 for families with 1 to 3 children, with $1,392 added for each additional child to a limit of $51,313 for families with 11 to 15 children (Canadian Institute for Health Information, 2016: 25).

Children in families receiving social assistance receive 100% coverage for prescription drugs. Adults pay no more than $2 per prescription (Saskatchewan, n.d., e). Those receiving palliative care or those with long term disabilities receive 100% coverage (Saskatchewan, n.d., f). Saskatchewanians with some chronic conditions can receive additional drug coverage tailored specifically to their medical condition (Saskatchewan, 2018) Registered cancer patients can receive approved cancer drugs free of charge from the Saskatchewan Cancer Agency (Saskatchewan Cancer Agency n.d.). Lastly, residents can make use of the Emergency Assistance program for prescription drugs. This can only be used once and will cover the cost of a prescription according to beneficiary's ability to pay (Saskatchewan, n.d., g).

Manitoba

Manitoba's Pharmacare program is a universal scheme that provides full coverage for prescription drugs (100 percent coverage, no copayment) after a yearly deductible based on adjusted family income (family income less $3,000 per dependent) has been met. The program's deductibles are shown in **table 3**; the minimum deductible is $100 (Manitoba, n.d., b). The Pharmacare program also covers dispensing fees up to $30 (or $60 for sterile compounds). Dispensing fees above these amounts are paid by the patient.

Those on social assistance receive full coverage for pharmaceuticals without premium, deductible, or copayment (Manitoba, n.d., a). Under the Palliative Care Drug Access program, the cost of all eligible drugs is covered for Manitobans at the end stages of their illness (Manitoba, n.d., c). Patients receiving treatment for cancer as outpatients can fill their prescriptions for eligible oral cancer and some supporting drugs at any Manitoba pharmacy at no cost (CancerCare Manitoba, n.d.). Residents under 18 with type 1 diabetes may qualify to have the cost of an insulin pump paid for by the province (Canadian Institute for Health Information, 2016: 33).

Table 3: Manitoba's Pharmacare deductibles

Adjusted total family income	Deductible (% of income)
< $15,000	3.09 %
$15,001 to $21,000	4.38 %
$21,001 to $22,000	4.42 %
$22,001 to $23,000	4.50 %
$23,001 to $24,000	4.56 %
$24,001 to $25,000	4.60 %
$25,001 to $26,000	4.67 %
$26,001 to $27,000	4.72 %
$27,001 to $28,000	4.78 %
$28,001 to $29,000	4.82 %
$29,001 to $40,000	4.85 %
$40,001 to $42,500	5.26 %
$42,501 to $45,000	5.39 %
$45,001 to $47,500	5.50 %
$47,501 to $75,000	5.57 %
> $75,001	6.98 %

Source: Manitoba, n.d., b.

Ontario

Ontario operates three principal drug programs: the Ontario Drug Benefit Plan, the Trillium Drug Program and OHIP+.

The Ontario Drug Benefit program provides drug coverage for those over age 65. Deductibles and copayments for seniors vary under the plan according to the income-based rules listed in **table 4**.

The Ontario Drug Benefit Plan also provides drug coverage for those living in long-term care homes or special care homes, those receiving home care, or those on social assistance, including those with disabilities, with no deductible and no more than a $2 copayment per prescription (Ontario, 2018a).

A new plan, OHIP+: Children and Youth Pharmacare, was launched on January 1, 2018. This plan covered the cost of the same drugs as the Ontario Drug Benefit, but is offered to babies, children, and youth aged 24 years and under (who are covered by the province's health insurance plan). Coverage was automatic, and there were no deductibles or copayments (Ontario, 2018c). On June 30, 2018, Ontario's government announced that the program would be amended to cater only to children and youth not already covered by private plans. For those who are, the government would cover any remaining eligible prescription costs not covered by their private plans (which would be billed first) (Ontario, 2018e).

Table 4: Coverage for Ontarians under the Ontario Drug Benefit Plan

Member	Deductible	Co-payment
Single senior with after-tax income below $19,300	$0	$2.00
Senior couple with after-tax income below $32,300	$0	$2.00
Single senior with after-tax income of $19,300 or more	$100	$6.11
Senior couple with after-tax income of $32,300 or more	$100	$6.11

Source: Ontario, 2018a.

The Trillium Drug Plan is available to all non-senior adults in Ontario with high prescription drug costs (approximately 3 to 4 percent or more of their after-tax household income) (Canadian Institute for Health Information, 2016: 36; Ontario, 2018b). Those registering for the plan must declare either a lack of private health insurance or declare less than 100 percent coverage of prescription drug costs under private insurance. The plan's deductibles range from 1.5 to 5.4 percent of net income depending on the number of people in a household and household net income. Prescriptions are subject to a $2 copayment after the deductible has been met (Ontario, 2013).

Besides these three major programs the province also has programs that cover the cost of some medications for people with specific medical conditions like cystic fibrosis, HIV infection, anemia, age-related macular degeneration, and inherited metabolic disease (Ontario, 2018d). There is also a program that covers the cost of medication that helps prevent respiratory syncytial virus in babies who are born prematurely. The New Drug Funding Program will pay for newer and often expensive injectable cancer drugs that are administered in hospitals and cancer centres (Cancer Care Ontario, n.d.).

Quebec

Quebec requires residents not covered by private group insurance to enroll in the government drug insurance plan (RAMQ).[18] Those receiving public assistance (including the unemployed), newborn children whose parents already have coverage, and seniors (65 and over) are automatically covered by the government scheme. RAMQ requires insured individuals to pay premiums subject to a scaled subsidy. Monthly deductibles and copayments apply for adults to a monthly maximum, while prescriptions for those under 18 are not subject to copayment (Quebec, n.d., a, b). Premium costs, deductibles, copayments, and out of pocket maximums are presented in **table 5**.

18. Private group insurance in Quebec is also subject to regulations regarding what medicines are covered and financial participation of insured individuals.

Table 5: Quebec's statutory plan for those without private insurance

Member	Annual premium (with income-based subsidy)	Monthly deductible	Co-insurance after deductible	Monthly out-of-pocket maximum	Annual out-of-pocket maximum
Those receiving social assistance	$0	$0	$0	$0	$0
Children (under 18)	$0	$0	$0	$0	$0
Full-time students aged 18 to 25, not married and living with parents	$0	$0	$0	$0	$0
Persons with a functional impairment	$0	$0	$0	$0	$0
Persons aged 18 to 64	$0 - $616	$19.90	34.9%	$90.58	$1,087
Seniors with no GIS*	$0 - $616	$19.90	34.9%	$90.58	$1,087
Seniors with 1% to 93% of GIS*	$0 - $616	$19.90	34.9%	$53.16	$638
Seniors with 94% to 100% of GIS* and people with a claim slip from the Ministaire du Travail, de l'Emploi et la Solidarité Social	$0	$0	$0	$0	$0

* Guaranteed Income Supplement.

Sources: Quebec, n.d., a, b.

New Brunswick

The New Brunswick Prescription Drug Program primarily provides coverage for seniors receiving the federal Guaranteed Income Supplement and lower-income seniors. The program also provides coverage for those with cystic fibrosis, multiple sclerosis, or a growth hormone deficiency, or who are HIV positive, are special needs children, are living in a residential care facility, have had an organ transplant, or are covered by or in care of the Department of Social Development (New Brunswick, n.d., a). **Table 6a** lists registration fees, copayments and annual out-of-pocket maximums for New Brunswick's Prescription Drug Program.

Seniors who are not eligible for the Prescription Drug Program and do not have other drug insurance can take part in the Medavie Blue Cross Seniors' Prescription Drug Program.[19] Program members pay a $115 monthly premium and $15 copayment per prescription. The program also offers additional benefits if a member chooses to pay for them (Anstey and Shand, 2015; New Brunswick, 2018).

19. The program is designed to be fully funded by the premiums received from plan members. Its parameters are set by the province, but it is administered by Medavie Bleu Cross. Any shortfalls in funding are covered by the province (Kevin Pothier, Director Business Management, Pharmaceutical Services Government of New Brunswick, personal communication August 3, 2018).

Table 6a: New Brunswick's Prescription Drug Program

Member	Registration Fee	Co-payment	Annual out-of-pocket maximum
Senior receiving GIS*[a]	$0	$9.05	$500
Single senior with income of $17,198 or less[b]	$0	$15.00	No maximum
Senior couple with income of $26,955 or less[b]	$0	$15.00	No maximum
Couple with one senior and income of $32,390 or less[b]	$0	$15.00	No maximum
Cystic fibrosis[c]	$50	20% to max of $20	$500 (family)
Adult in licenced residential facility[d]	$0	$4.00	$250.00
Department of Social Development client (adult)[e]	$0	$4.00	$250 (family)
Department of Social Development client (child)[e]	$0	$2.00	$250 (family)
Children in care of Social Development/ Special needs children[f]	$0	$0	$0
Multiple Sclerosis	$50g	Based on income[h]	No maximum[b]
Organ transplant recipients[j]	$50	20% to max of $20	$500 (family)
Growth hormone deficiency[k]	$50	20% to max of $20	$500 (family)
HIV/AIDS[l]	$50	20% to max of $20	$500 (family)
Nursing home residents[c]	$0	$0	$0

* Guaranteed Income Supplement.

Sources: a New Brunswick, 2018; b Canadian Institute for Health Information, 2016: 43-44; Canada, 2018: 95; c New Brunswick, n.d., b; d New Brunswick, n.d., c; e New Brunswick, n.d., d; f New Brunswick, n.d., e; g New Brunswick, n.d., f; h New Brunswick, n.d., g; j New Brunswick, n.d., h; k New Brunswick, n.d., i; l New Brunswick, n.d., j.

New Brunswick also operates the New Brunswick Drug Plan that provides drug coverage to residents who are enrolled in Medicare and do not have existing drug coverage (including no coverage for a specific drug and those who have reached annual or lifetime maximums under current drug coverage). Eligible New Brunswickers must enroll themselves into the program (New Brunswick, n.d., k). Adults in the program pay a premium based on their income, while children 18 and younger are covered under a parent's policy without a premium. There is a 30 percent copayment per prescription with a cap based on income ranging from $5 to $30 per prescription (**table 6b**).

In addition, the province has a plan that helps New Brunswickers pay for medications used to treat some rare diseases as well as a plan for patients with active or latent tuberculosis (New Brunswick, n.d., m; Canadian Institute for Health Information, 2016: 42).

Table 6b: Premiums for the New Brunswick Drug Plan

Gross income levels		Premiums (per adult)		Copayments
Individual	*Single with children/Couple with or without children*	*Annual premium*	*Monthly premium*	*30% copay to a maximum per prescription*
$17,884	$26,826	$200	$16.67	$5
$17,885 to $22,346	$26,827 to $33,519	$400	$33.33	$10
$22,347 to $26,360	$33,520 to $49,389	$800	$66.67	$15
$26,361 to $50,000	$49,390 to $75,000	$1,400	$116.67	$20
$50,001 to $75,000	$75,001 to $100,000	$1,600	$133.33	$25
> 75,000	> 100,000	$2,000	$166.67	$30

Source: New Brunswick, n.d., l.

Nova Scotia

Nova Scotia operates two principal drug insurance programs: Seniors' Pharmacare and the Family Pharmacare Program.

Seniors' Pharmacare provides drug insurance coverage to those 65 and over who do not have private coverage or coverage under any other program. Seniors are required to pay an annual premium of $424. However, those receiving the Guaranteed Income Supplement, single seniors with incomes below $22,986, and married seniors with joint income below $26,817 are exempt. Single seniors with incomes between $22,986 and $35,000 and married seniors with joint income between $26,817 and $40,000 pay a lower premium. Regardless of income, plan members pay a 30 percent copayment to an annual maximum of $382 (Nova Scotia, 2018).

The Family Pharmacare Program is a plan with income-based deductibles and out-of-pocket maximums available to all residents who are without drug coverage or facing high drug costs. Both the deductibles and copayment maximums vary depending on income and family size (**tables 7a, 7b**), with income adjusted downwards by $3,000 for a spouse and each person under 18. The copayment is 20 percent of the prescription price. When Nova Scotians first begin purchasing pharmaceuticals in a year, the first 20 percent of every prescription cost is applied towards the copayment maximum and the remaining 80 percent of the cost is applied towards the deductible. After the yearly deductible is met, only the 20 percent copayment is required per prescription. 100 percent coverage (zero copayment) applies after the copayment maximum is met (Nova Scotia, n.d., a).

Table 7a: Nova Scotia's Family Pharmacare deductibles

Adjusted* family income	Deductible (% of income)
<$10,000	1.00%
$10,000 to <15,000	1.00%
$15,000 to <$17,000	1.50%
$17,000 to <$20,000	2.00%
$20,000 to <$25,000	2.50%
$25,000 to <$30,000	3.00%
$30,000 to <$35,000	3.50%
$35,000 to <$40,000	4.00%
$40,000 to <$45,000	4.50%
$45,000 to <$50,000	5.00%
$50,000 to <$52,000	5.50%
$52,000 to <$54,000	6.00%
$54,000 to <$55,000	6.50%
$55,000 to <$57,000	7.00%
$57,000 to <$58,000	7.50%
$58,000 to <$60,000	8.00%
$60,000 to <$61,000	8.50%
$61,000 to <$63,000	9.00%
$63,000 to <$65,000	9.50%
$65,000 to <$67,000	10.00%
$67,000 to <$68,000	10.50%
$68,000 to <$70,000	11.00%
$70,000 to <$71,000	11.50%
$71,000 to <$73,000	12.00%
$73,000 to <$75,000	12.50%
$75,000 to <$77,000	13.00%
$77,000 to <$78,000	13.50%
$78,000 to <$80,000	14.00%
$80,000 to <$81,000	14.50%
$81,000 to <$83,000	15.00%
$83,000 to <$85,000	15.50%
$85,000 to <$87,000	16.00%
$87,000 to <$88,000	16.50%
$88,000 to <$90,000	17.00%
$90,000 to <$91,000	17.50%
$91,000 to <$93,000	18.00%
$93,000 to <$95,000	18.50%
$95,000 to <$97,000	19.00%
$97,000 to <$98,000	19.50%
$98,000 and over	20.00%

*Calculated by subtracting total income by $3,000 for a spouse and each person under 18

Source: Nova Scotia, n.d., a.

Table 7b: Nova Scotia's Family Pharmacare co-payment maximums

Adjusted* family income	Co-payment maximum (% of income)
< $10,000	4.00%
$10,000 to < $20,000	5.00%
$20,000 to < $30,000	6.00%
$30,000 to < $40,000	8.00%
$40,000 to < $50,000	9.50%
$50,000 to < $60,000	11.00%
$60,000 to < $70,000	12.00%
$70,000 to < $80,000	13.00%
$80,000 to < $90,000	14.00%
$90,000 and over	15.00%

*Calculated by subtracting total income by $3,000 for a spouse and each person under 18

Source: Nova Scotia, n.d., a.

Nova Scotia also provides drug coverage to those receiving social assistance under the Department of Community Services including those on income assistance, children in low income, and those with disabilities. Drug coverage is also provided to those who do not have other coverage and are receiving palliative home care. The province also offers a drug insurance plan for cancer patients in Nova Scotia who have an income less than $25,500. Under the program the full cost of medications used to treat cancer is paid for by the province (Nova Scotia, n.d., b).

Prince Edward Island

Prince Edward Island operates a number of drug programs to assist residents with the costs of approved medications and supplies. Three of these programs are intended to provide coverage to lower income Islanders: The Seniors' Drug Cost Assistance Program, the Family Health Benefit Drug Program, and the Catastrophic Drug Program.

The Seniors Drug Cost Assistance Program provides coverage to Islanders 65 years and older. They are automatically enrolled in the program on their 65th birthday and pay an $8.25 copayment for prescriptions plus $7.69 of the pharmacy's professional fee. There is no premium or out-of-pocket maximum (Prince Edward Island, 2018).

The Family Health Benefit Drug Program (**table 8a**) provides coverage to low-income families with children (under 19) or full-time students (under 25). Those eligible for the program pay only the pharmacy fee for prescriptions, with no premium or deductible.

Table 8a: Eligibility for PEI Family Health Benefit

Number of children	Maximum family income
1	$24,800
2	$27,800
3	$30,800
4	$33,800
More than 4	$3,000 per additional child

Source: Prince Edward Island, 2016.

The Catastrophic Drug Program is an income-based plan designed to help ensure that out-of-pocket drug costs for all permanent residents of Prince Edward Island do not exceed an annual maximum amount. Once a household has spent more than a specified percentage of their family income on medication (**table 8b**), the program will then cover the cost of drugs on the province's formulary. It does not cover over-the-counter medication or medications that are eligible for coverage under another program (Prince Edward Island, 2015a).

The Generic Drug Program is available to anyone under the age of 65 who does not have private insurance. It limits the cost of eligible generic prescriptions to a maximum of $19.95 per prescription (Prince Edward Island, n.d.).

In addition to these programs, Prince Edward Island offers coverage for children in the custody of Child Welfare, those living in nursing homes, residents of government manors, and those receiving social assistance. A number of disease-specific programs are also available, including for those with meningitis, tuberculosis, growth hormone deficiency, HIV/ AIDS, sexually transmitted diseases, or cystic fibrosis, or those who are on kidney dialysis, needing anti-psychotic medications, suffering chronic renal failure, who have received an organ transplant, have been diagnosed with hepatitis, or have a history of rheumatic fever or rheumatic heart disease. A high cost drug program for select medicines is also available where income-dependent copayments and the pharmacy professional fee are paid by the program member (Prince Edward Island, 2017).

Table 8b: Deductible for PEI Catastrophic Drug Program

Household income	Deductible (share of income)
< $20,000	3%
$20,000 to $50,000	5%
$50,000 to $100,000	8%
> $100,000	12%

Source: Prince Edward Island, October 20, 2015, a.

The province also provides financial assistance to purchase devices, medications, or supplements for diabetics, some women who are pregnant, people who want to quit smoking, and people who are prescribed oxygen to use at home (Prince Edward Island, 2015b).

Newfoundland and Labrador

Newfoundland and Labrador's Prescription Drug Program has three programs that provide coverage to lower income Canadians: the 65Plus plan, the Access plan, and the Assurance plan.

The 65Plus plan provides drug insurance coverage to seniors who receive Old Age Security Benefits and the Guaranteed Income Supplement. The plan covers the cost of drugs with a copayment of up to $6.[20] No deductible or premium is required (Newfoundland and Labrador, Department of Health and Community Services, July 4, 2018).

The Access plan provides prescription drug coverage to families and individuals. Copayments for the plan range from 20 percent to 70 percent depending on income (**table 9a**). The 20 percent copayment at the lower end of the range is available to single individuals with incomes less than $18,577 and to families with incomes less than $30,009. The 70 percent copayment at the upper end of the range applies to single individuals with incomes of $27,151 and to families with incomes of $42,870. Individuals and families with incomes higher than this are ineligible for the program. Couples without children whose income is less than $30,009 are also eligible for the program and their copayments also vary based on income (Newfoundland and Labrador, Department of Health and Community Services, July 4, 2018, November 15, 2010).

The Assurance plan provides drug coverage for those whose drug costs exceed a percentage of net family income. The program limits annual out-of-pocket drug costs to this percentage (**table 9b**), with a copayment based on the previous year's total expenditure relative to the limit applied during the current year.[21]

In addition to these insurance plans, the province provides full coverage for those receiving income support benefits, children in the care of Child, Youth and Family Services, individuals in supervised care under the Foundation plan, and for disease-specific prescriptions for those diagnosed with cystic fibrosis or growth hormone deficiency under the Select Needs plan (Newfoundland and Labrador, Department of Health and Community Services, July 4, 2018).

20. Those who qualify for this plan also qualify for the ostomy subsidy program which reimburses 75 percent of the retail price of ostomy items.

21. For example, if a family earned $35,000 (giving an out of pocket maximum of $1,750) and had actual expenses of $2,500 in the previous year, the copayment in the current year would be 70 percent ($1,750/$2,500).

Table 9a: Co-payments for Access Plan

	Eligible incomes	Co-payments
Single individuals	0—$27,151	20%—70%
Couple without children	0—$30,009	20%—70%
Families with children (including single parents)	0—$42,870	20%—70%

Source: Newfoundland and Labrador, 2010.

Table 9b: Drug cost limits for the Assurance Plan

Household income	Cost limit (% of income)
< $40,000	5%
$40,000 to $75,000	7.5%
$75,000 to <$150,000	10%
$150,000 or more	No coverage

Source: Newfoundland and Labrador, 2018.

Comparison of provincial plans for vulnerable populations

The overview of provincial drug plans provided above finds extensive coverage for lower income Canadians across Canada. Coverage is however not uniform among the provinces, with some provinces offering notably more generous coverage than others. There are also important differences in what coverage is available to different family types and age groups within each province.

Every province provides drug insurance for recipients of social assistance. Provincial governments across Canada also provide drug coverage to select populations who may face considerable hardships as a result of either their medical care costs or other factors, including the severely disabled and those diagnosed with multiple sclerosis or cystic fibrosis.

There are substantial differences in coverage between provinces for those with incomes above the lowest income levels. There are also substantial differences within most provinces, where those with children or those over age 65 have more generous coverage than their younger and childless counterparts.

Comparison of most generous coverage for families and individuals, not on social assistance

One way to highlight provincial differences is to examine the most generous level of public drug coverage available to families, individuals and seniors—excluding plans for those on social assistance, or targeted towards patients with specific medical conditions. "Most generous" is broadly defined here as requiring the lowest premiums, deductibles, and/or copayments paid by families and individuals for the same (or higher) level of drug coverage.

Among the provinces, the highest income level that can qualify for the most generous level of public drug coverage for a family of 4 varies from

$15,000 in British Columbia to nearly $40,000 in Alberta.[22] For the most part, each of these programs requires either premiums to be paid (Alberta and New Brunswick), a deductible to be met (Saskatchewan, Manitoba, Ontario, Quebec, and Nova Scotia), or patients to pay at least some proportion of their prescription costs (British Columbia, Alberta, Saskatchewan, Ontario, Quebec, New Brunswick, Nova Scotia, and Newfoundland and Labrador). Only the program in Prince Edward Island (up to an income of $27,800) does without premiums, deductibles, or copayments (other than pharmacy fees). Total out-of-pocket expenditures on drugs are limited in all provinces except Alberta and New Brunswick, while Ontario's zero-premium scheme with small copayments ($2) uses an income-based deductible.

For a single individual, the highest income level for the most generous level of public drug coverage varies from $10,000 in Nova Scotia to nearly $21,000 in Alberta. While Saskatchewan and Prince Edward Island do not have drug coverage programs for single non-senior individuals, both have programs that seek to limit total out-of-pocket expenditures (subject to an income requirement in Prince Edward Island). As was the case for families, each of the programs (in the eight provinces that have them) for single individuals requires either premiums to be paid (New Brunswick and Alberta), a deductible to be met (Manitoba, Ontario, Quebec, and Nova Scotia), or patients to pay at least some proportion of their prescription costs (British Columbia, Alberta, Ontario, Quebec, New Brunswick, Nova Scotia, and Newfoundland and Labrador). Total out-of-pocket expenditures on drugs are limited in all provinces except Alberta and New Brunswick, while Ontario's zero-premium scheme with small copayments ($2) uses an income-based deductible.

Most provinces have considerably higher income limits for access to the most generous level of provincial coverage for families in comparison with limits for individuals. Other than the difference in income thresholds, there are few differences in insured contributions, with the exception of Alberta and New Brunswick where premiums are higher for families than for single individuals. Single individuals in Ontario are generally also required to pay slightly higher deductibles than families as a proportion of their income.

22. In many provinces, less generous coverage (i.e., requiring higher premiums, deductibles and/or copayments) may also be available to individuals and families with higher incomes. On the other hand, more generous coverage may also be available to individuals and families with specific medical conditions. In some cases, like Ontario's means-tested deductible-based program, the concept of qualifying income for the most generous level of coverage is not relevant.

Comparison of most generous coverage for seniors, not on social assistance

As was the case for families, every province maintains a drug coverage program for seniors (**table 10**). In most provinces, these programs provide more generous coverage to lower-income seniors, with the income limits for the most generous coverage ranging from caps based on federal income supports to $33,000 for British Columbians born before 1939.[23] Both Alberta and Prince Edward Island maintain non-means-tested drug coverage programs for seniors. Most provincial programs require copayments; however, every province (with the exception of Manitoba) offers coverage without deductibles or premiums.

While there are differences in the income thresholds for accessing public coverage, coverage for seniors tends to be much more generous than that for single non-seniors if the income limits have been satisfied. In Alberta and Prince Edward Island, coverage is more generous for seniors regardless of income: both provinces maintain zero-premium and zero-deductible schemes for all seniors. This contrasts with a program for non-seniors that is subject to a premium payment in Alberta and no program for single non-seniors in Prince Edward Island (although the province seeks to limit out-of-pocket expenditures subject to an income requirement).

Table 10: Maximum income level for most generous coverage, single senior not on Social Assistance

	BC*	AB	SK	MB	ON	QC	NB	NS	PE	NL
Income limit	15000 ($33,000)	No limit	Eligible for provincial age credit	$15,000	$19,300	94% - 100% GIS**	Senior receiving GIS**	$22,986	No limit	Receiving GIS and OAS**
Premium	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Deductible (annual unless otherwise specified)	$0	$0	$0	3.09% of income with $100 minimum	$0	$0	$0	$0	$0	$0
Co-pay	30% (25%)	30% with $25 max	$25	0%	$2	$0	$9.05	30%	$8.25 +$7.69 pharmacy fee	$6
Out-of-pocket limit (annual unless otherwise specified)	2% (1.21%) of net income	None	Special program for those whose drug costs exceed 3.4% of adjusted family income	3.09% of income	None	$0	$500	$382	None	None

* Seniors born after 1939 (Seniors born before 1939); ** GIS = Federal Guaranteed Income Supplement; OAS = Federal Old Age Security.
Sources: Various provincial websites, see text for exact sources; calculations by author.

23. The province offers less generous coverage (i.e., with deductibles) to seniors with higher incomes.

Comparison of drug insurance coverage for families and individuals at Statistics Canada's Low Income Cut-Off

Another way of comparing differences in provincial programs, and to reveal the extent of provincial coverage for lower-income Canadians, is to examine coverage for a given level of income in each province. One option for assigning a value of lower income is Statistics Canada's Low Income Cut-Off (LICO). To determine the LICO, Statistics Canada uses information from the Family Expenditure Survey and the Survey of Household Spending. They calculate the average amount of after-tax income spent on food, shelter, and clothing, and 20 percent is added to this amount. Thus, if average expenditure on these items consumed 40 percent of after-tax income, families spending more than 60 percent of their after-tax income on food, shelter, and closing would be considered to be below the cut-off.

The use of LICO as a measure of poverty has been thoroughly criticized (see, for example, Sarlo, 1992, 2001, 2013). The bulk of this criticism correctly centres on the notion that LICO is a relative rather than absolute measure of poverty. As a relative measure, LICO remains "unrelated to the actual cost of acquiring necessities" (Sarlo, 2001: 14). Further criticism stems from the fact that the 20 percent additional expenditure above the average is entirely arbitrary and could be a result of political choices rather than a natural measure of some significance (Sarlo, 1992). Clearly, LICO has weaknesses in measuring deprivation or absolute poverty.

However, the purpose of this essay is not to use LICO as a measure of poverty, or even low income, but rather to examine the relative generosity of existing provincial drug insurance coverage. For this reason, the highest income values ($46,362 for families and $24,949 for individuals) for LICO are used for the provincial comparisons below. For provinces that base coverage on net or adjusted income, we use the lower, after-tax LICO values, of $39,092 for families and $20,675 for individuals as a proxy.[24] No specific income adjusting factors used by provincial programs to increase eligibility were applied. Also, as noted above, those in states of very low income and those receiving social assistance have access to extensive drug insurance benefits across Canada.

Most provinces offer coverage for families with incomes at Statistics Canada's LICO, subject to either a premium or deductible (**table 11**). Coverage is provided to families earning the equivalent of LICO subject to premiums in Alberta, Quebec, and New Brunswick. These premiums range from $553

24. There is no simple relationship between before- and after-tax values of LICO, nor is there any relationship between the after-tax value of LICO and net/adjusted income. The two values of LICO are simply used here as representative levels of income for the purposes of comparison.

Table 11: Drug insurance coverage for family of 4 (2 non-senior non-dependent adults, 2 dependent children) at Statistics Canada's Low Income Cut-Off*

	BC	AB	SK**	MB	ON	QC***	NB	NS	PE	NL
Premium	$0	$118 per month	$0	$0	$0	$553 per year****	$133.3 per month	$0	$0	$0
Deductible (annual unless otherwise specified)	$1,200	$0	$1,329	$1,812.06	$1,166	$19.90 ($0) monthly	$0	$1,495	$2,318	$0
Co-pay	30%	30% (max of $25)	Variable based on monthly drug cost	0% (pharmacy fee only)	$2	34.9% (0%)	30% (max of $15)	20%	0% (pharmacy fee only)	55.0%
Out-of-pocket limit (annual unless otherwise specified)	$1,600	None	Special program for those whose drug costs exceed 3.4% of adjusted family income	None	None	$1,087	None	$4,483	None	$1,955

* The 2016 Low Income Cut-Off (LICO) for Census Metropolitan Areas with populations of 500,000 or more (the highest LICO value) was used. Because the provinces have different measures of income, we used the before tax value of $46,362 for AB, MB, NB, NS, and PE. We used the after-tax value of $39,092 for BC, SK, ON, QC and NL. No accounting was made for other income adjusting factors employed in provincial calculations like the Universal Child Care Benefit.

** Children are assumed to be over age 14. Children under age 14 are covered by the Children's Drug Plan and pay $20 per prescription. *** Adults (children).

**** Calculated using most current form for Premium Payable Under the Quebec Prescription Drug Insurance Plan available from Revenue Quebec (Quebec, n.d., c). Premium will change when an updated form is made available that reflects current program parameters.

Sources: Statistics Canada, 2018; calculations by author.

per year in Quebec to $1,599.60 (133.30 per month) in New Brunswick. Deductibles are charged in British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, and Prince Edward Island. These deductibles range from just under $239 in Quebec ($19.90 monthly) to $2,318 in Prince Edward Island. Quebec is the only province where coverage is offered to these families subject to both a premium and monthly deductible ($0 for children). Newfoundland and Labrador offers coverage to families at this income level without requiring premium payments or deductibles. After the deductible and/or premium are paid, most provinces require copayments, though Manitoba and Prince Edward Island do not, while Quebec's program only requires copayments for adults.

Most provinces also maintain drug coverage programs for single individuals at Statistics Canada's LICO, subject to either a deductible or a premium (**table 12**). Premiums are charged in Alberta, Quebec, and New Brunswick. They range from $336 per year in Quebec to $804 ($67 per month) in New Brunswick. Deductibles are charged in British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, and Prince Edward Island. These

Table 12: Drug insurance coverage for single individuals (non-senior) at Statistics Canada's Low Income Cut-Off*

	BC	AB	SK	MB	ON	QC	NB	NS	PE	NL
Premium	$0	$63.50 per month	$0	$0	$0	$336 per year**	$67 per month	$0	$0	$0
Deductible (annual unless otherwise specified)	$400	$0	$703	$1,148.00	$534	$19.90 per month	$0	$623	$1,247	$0
Co-pay	30%	30% (max of $25)	Variable based on monthly drug cost	0% (pharmacy fee only)	$2	34.9%	30% (max of $15)	20%	0% (pharmacy fee only)	34.1%
Out-of-pocket limit (annual unless otherwise specified)	$600	None	Special program for those whose drug costs exceed 3.4% of adjusted family income	None	None	$1,087	None	$2,120	None	$1,034

* The 2016 Low Income Cut-Off (LICO) for Census Metropolitan Areas with populations of 500,000 or more (the highest LICO value) was used. Because the provinces have different measures of income, we used the before tax value of $24,949 for AB, MB, NB, NS and PE. We used the after-tax value of $20,675 for BC, SK, ON, QC, and NL.

** Calculated using most current form for Premium Payable Under the Quebec Prescription Drug Insurance Plan available from Revenue Quebec (Quebec, n.d., c). Premium will change when an updated form is made available that reflects current program parameters.

Sources: Statistics Canada, 2018; calculations by author.

deductibles range from just under $239 ($19.90 monthly) in Quebec to $1,247 in Prince Edward Island. As was the case for families, Quebec is the only province that requires both a premium and deductible (although an annual out-of-pocket limit applies). Again, coverage in Newfoundland and Labrador for single individuals at this income level is subject to neither a premium nor a deductible. After the deductible and/or premium are paid, most provinces require copayments, though Manitoba and Prince Edward Island do not.

Examining provincial coverage for an income level that is above the qualifying income for the most generous level of coverage in most provinces provides a different perspective on the relative generosity of provincial schemes. For example, while British Columbia's income limits for most generous coverage fall at the lower end of the spectrum, particularly for families, at higher income levels coverage in British Columbia is seemingly equally generous to, if not more generous than, that in other provinces. Similarly, Saskatchewan's lack of coverage for lower income single individuals other than a catastrophic scheme works out to be similarly generous to that in other provinces when the qualifying expenditure of 3.4 percent of income is compared with deductibles/premiums charged in other provinces.

Tables 11 and 12 also show provincial schemes are similarly if not more generous to single individuals relative to families defined as living below the low-income cut-off. Importantly, this result is driven by considerably different before-tax LICO income levels of $24,949 for individuals and $46,362 for families, which themselves reflect differences in the costs of food, clothing, and shelter among the family types.

Discussion

Numerous commentators, academics, and political parties have called for a national pharmacare program over the last few years (e.g., Macleans, 2018; Powell, 2018; Morgan, 2015). These calls typically recommend a single-payer approach (New Democratic Party, 2018) with limited or no copayments (Morgan et al., 2013) modelled on Canada's existing approach to health care more generally. In fact, the most recent report from the House of Commons health committee recommended (among other things) that "the best way to move forward in establishing a universal single payer public prescription drug coverage program is by expanding the Canada Health Act to include prescription drugs dispensed outside of hospitals as an insured service under the Act" (Canada, Standing Committee on Health, 2018).

These recommendations must be considered in light of the already extensive coverage available to lower-income Canadians and coverage that is not far from these recommendations for those at the lowest income levels. As shown above, while the income levels at which coverage applies do vary, lower-income Canadians have access to at least some form of provincial insurance for prescription drugs that helps limit out-of-pocket costs to a small percentage of income, if not more extensive coverage, in every province across Canada. Recipients of social assistance have coverage at very low or zero patient/insured cost in every province. As might be expected, coverage for lower-income children and seniors tends to be relatively more generous than for non-senior adults, particularly those without children.

Current provincial coverage for lower-income Canadians does vary across Canada in terms of levels of income below which the most generous level of coverage is provided, required premiums, deductibles, and cost sharing. It might be argued that a national scheme or federal guidelines would provide a solution to concerns about these differences. However, harmonizing coverage under a national scheme (or provincial schemes under national guidelines) would not necessarily be an improvement over the present situation.

A national scheme is likely to be ignorant of important provincial and regional characteristics such as differences in population age, senior migration, and international immigration. Specific population needs may also differ

as a result of differences in income and economic growth, and differences in health promoting behaviours. Imposing a uniform approach to drug insurance across the provinces will reduce provincial flexibility in tailoring drug coverage to the specific needs of their populations.

A national scheme or federally imposed policy structure may also reduce policy innovation among the provinces, similar to what has been seen with Medicare. There, federal guidelines and interpretations have limited provincial policy freedom and resulted in relatively costly but poor-performing health care systems across Canada's provinces (Clemens and Esmail, 2012). Allowing provincial flexibility in setting health care policy, including the ability to experiment and emulate other successful approaches, even in this one area of health care, would be superior to forcing all provinces into a uniform construct.[25]

Current provincial drug coverage for many lower-income Canadians also does not meet the recommendations that governmental drug schemes should be without direct cost to consumers (no premiums, copayments, or deductibles).[26] Again, this should not be considered a failure of current provincial coverage. Vitally, coverage for those with the lowest incomes typically does come without direct cost to the individual or family. Further, the requirement that lower (but not lowest) income Canadians must pay some direct cost for prescription drugs and prescription drug coverage is very much in line with the drug coverage provided through universal health insurance schemes in other developed nations.[27]

25. It might be argued that a national program, with a national formulary or list of covered medicines, would reduce disparities in health coverage (particularly coverage of different and often newer medicines) across Canada as well. It is not at all certain however that a national formulary would result in an improvement in access for everyone. Indeed, it is also possible a national formulary would reduce access to medicines for many.

26. In a study on barriers to health reform created by the Canada Health Act (CHA), Clemens and Esmail (2012) note that the CHA's limitations on cost sharing discourage the inclusion of pharmaceuticals under the taxpayer-funded universal health insurance scheme. Clemens and Esmail argue that the "free" phys¬ician and hospital care required by the CHA encourages patients to forego pharmaceut¬ical care unless the province sets deductibles/copayments to zero and bears the full cost. This either harms the health of patients and decreases cost-effectiveness, or forces prov¬incial policy decisions regarding pharmaceutical coverage. Clemens and Esmail further note that this distortion under the CHA relates to many areas of health care in addition to pharmaceuticals, including home care and long-term care.

27. Esmail and Barua (2015) explore drug coverage offered in two high-performing universal access health care systems (Switzerland and the Netherlands) in far greater detail. The discussion below provides only a broad overview of cost sharing in select nations to illustrate that Canadian coverage for lower-income individuals and families is not out of line with the health policy approaches of other developed nations that also maintain universal health insurance schemes.

Universal-access health care systems across the developed world require patients to share in the cost of services consumed, including prescription medicines. The effect of cost sharing generally is to encourage more informed decision making about the use of health care services, leading to a reduction in the use of health care services overall without harming health as long as low income populations are exempt (Esmail and Walker, 2008). In many developed nations, the costs paid by those covered by and accessing the universal health care system can be several percentage points of family income, even for those with lower incomes (though typically not the lowest income groups). This is especially true when social insurance premiums for universal access health care coverage in countries like Germany, the Netherlands, or Switzerland are included. Countries with tax-funded universal access health care systems (a funding approach more similar to that employed by Canada's provinces) such as Sweden and Australia also require patients to share in the cost of universally insured prescription drugs (Esmail and Barua, 2015).

It should be noted that the health care systems of all of these countries (Germany, the Netherlands, Switzerland, Sweden, and Australia) have been found to provide superior access to health care if not also superior outcomes from the health care process at lower cost than Canada's health care system (see e.g, Esmail, 2014, 2013; Esmail and Walker, 2008). Clearly, a higher level of consumer cost sharing overall and throughout the health care system has not reduced the relative performance of these health care systems.

This is not to say that current provincial approaches have necessarily struck the right balance between financial responsibility and access to medicines, nor to say that current low-income exemptions provide sufficient protection and are applied appropriately. International experience does show however that low or zero cost sharing for prescription medicines is not a prerequisite to a high performing health care system.

Conclusion

Access to prescription drugs is important for both the health and well-being of individuals and for enhancing the cost-effectiveness of medical care. The reality that some Canadians have difficulty paying for their medications, combined with unqualified claims regarding Canada's approach towards drug coverage compared to its international peers,[28] has led to a perception that governments in Canada do not help Canadians (particularly vulnerable populations) pay for their prescription medications.

A review of provincial drug insurance coverage reveals that lower-income Canadians have access to at least some form of provincial insurance for prescription drugs that helps limit out-of-pocket costs to a small percentage of income, if not more extensive coverage, in every province across Canada. Coverage for lower-income children and seniors tends to be relatively more generous than for non-senior adults, particularly those without children. Recipients of social assistance have coverage at very low or zero patient/insured cost in every province.

While there is merit to pursuing a policy that expands access to those in need, it should be recognized that several avenues exist between the current decentralized approach in Canada, and the sort of government-run, universal program that proponents of a single-payer system propose.

Expansions in government insurance coverage are not costless, and must be judged against coverage already provided by government to lower-income Canadians.

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28. For example, a common claim is that every country in the world with a universal health care system also has universal drug coverage, except Canada (Canadian Broadcasting Corporation, 2017). However, many of these countries, like Switzerland and the Netherlands, provide universal access for all health-care services (including pharmaceuticals) through private insurers (Esmail and Barua, 2013).

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