

Universal Insurance for Pharmaceuticals in Switzerland and the Netherlands

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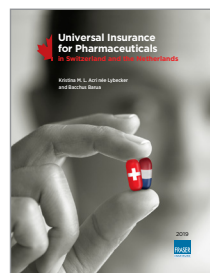
Calls for government-operated universal drug insurance programs, commonly referred to as Pharmacare, can regularly be found in the nation's media. These demands are often based on concerns about the affordability of prescription drugs, and typically call for limited or no patient payments. What is missing in the discussion around these proposals is perspective on the merits of such expansion, and whether government-run insurance with limited patient payments is the best approach to providing drug insurance coverage to all Canadians.

This essay examines how Switzerland and the Netherlands, two nations with high-performing, universal access health care systems, provide drug insurance coverage to their populations. Both nations have been found to provide more timely access to higher-quality health care services at a cost similar to or lower than Canada. Neither nation has opted to pursue a government-run insurance scheme. Both the Swiss and Dutch systems are highly regulated and involve a significant amount of government subsidies. Both provide universal pharmaceutical coverage as a fundamental component of universal health insurance coverage, which is provided through regulated, competing, private insurance companies. Further, the universal schemes in both nations require cost sharing (including for prescription drugs) through both per-service charges and insurance deductibles.

Access to care for individuals and families regardless of health or income is ensured in these nations through a range of policies including community-rated premium regulations, taxpayer-funded premium assistance, programs that equalize risk among insurers, annual caps on cost-sharing, and public safety nets for vulnerable people. There is a mandatory requirement to purchase health insurance, with meaningful penalties for not doing so. Importantly, rather

than become an insurance provider, the government generally supports consumer choice for lower-income individuals by allowing them to choose their insurer and remain active players in the insurance market.

Modern medicines are essential for improving health outcomes, alleviating pain and suffering, increasing longevity, and reducing expenditures on other medical services. 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 the single-payer system propose.



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