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Ability to Pay

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Background

When Pharmacare was first introduced by the B.C. government in 1974, it was initially targeted to assist groups that generally had trouble affording drugs. Seniors and social assistance recipients were viewed at the time as those in society with the least ability to pay.

By now, the original intent of Pharmacare coverage no longer applies. Seniors are no longer the poorest segment of society, and many lower income British Columbians cannot afford prescription drugs. Studies have shown that a substantial majority of B.C. seniors have incomes over \$20,000 and nearly a quarter have annual incomes of more than \$40,000.

By excluding ability-to-pay from Pharmacare coverage, there are now serious areas of inequity. The 1993 Report of the Pharmacare Review Panel stated, "Low income working individuals and families are currently receiving little benefit from the program, while some well-off seniors are receiving more assistance than they need." For example, a senior with \$25,000 annual family income receives the same coverage as a senior with \$100,000 annual family income.

An ability-to-pay approach will give seniors on low incomes and other low income British Columbians enhanced help with the cost of prescription drugs. At the same time, an ability-to-pay model would help control the escalating costs of Pharmacare.

BCPhA Position

- In ability-to-pay model reflecting the clinical need of an individual, balanced against the ability of that individual to meet their own needs, should be taken into account in structuring benefit plans available under the Pharmacare Program.
- Any potential Pharmacare beneficiary, or a parent or care-giver of a potential beneficiary, should be required to make application for benefits that, if approved, will be time limited and dependent upon the continuation of circumstances that caused the initial application.

position statement