



Canadian Union of Public Employees - Alberta Division Presentation Summary

Prepared for the Standing Committee on Health - Study on Prescription
Drugs, Edmonton, Alta.
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Speaker's Notes

My name is Bruce McLeod, and I am the president of CUPE Alberta.

I would like to begin by expressing my thanks for the opportunity to make this presentation on behalf of CUPE Alberta to the Standing Committee on Health as part of the study on prescription drugs. I speak today representing CUPE members in Alberta in an effort to address not only our workplace concerns as they are related to prescription drugs, but also our concerns about the directions of public policy.

In Alberta, the Canadian Union of Public Employees represents 32,000 workers in health care, municipalities, schools and a variety of other services. CUPE is Canada's largest union with over half a million women and men across the country. Access to essential, appropriate public health care has been a long standing priority for CUPE and for our members in Alberta. Issues related to prescription drugs are a critical part of meeting health care needs.

The mandate of your Committee includes a range of very important topics. In our presentation we will focus on access to medically necessary prescription drugs - specifically the barriers created by drug costs and the requirements for drug benefit coverage.

Even a quick review of the literature on access to necessary prescription drugs in Canada reveals a common theme - the phrases that come up include: "wide disparities in drug coverage between provinces", "a hodge podge mixture of public and private coverage, with a substantial number of Canadians left without any coverage at all" and in one review, prescription drug coverage is described as a "dog's breakfast".

Access to necessary prescription drugs has been an issue for a long time in Canada. Research evidence clearly shows that drug costs are escalating. Access to less costly generic alternatives is threatened by existing and extended patent protections, and bargaining to protect negotiated benefits and improvements is becoming more difficult. Albertans without employer benefits or access to government programs must pay for individual insurance coverage and required co-payments, or

face often very formidable costs in their efforts to pay for prescribed drugs directly.

It is our position that access to medically necessary prescription drugs is an essential part of health care for all Canadians. Unfortunately the present situation falls far short. Studies, show that:

- While access to some form of drug coverage has increased in recent years, many Canadians have no coverage and must pay the full cost of medically necessary prescription drugs.
- Full time workers are more likely to have drug coverage than casual or part-time workers.
- Couples are more likely to have coverage than single people or lone-parent families.
- Younger age groups are less likely to have drug coverage.
- Higher income earners are very much more likely to have better drug benefit coverage.
- Students, people on education leave, and individuals who are laid off or retired have lower rates of coverage.
- Premium payments may pose financial obstacles to voluntary access to benefit plans. In addition, where coverage exists, required co-payments may restrict access or compel selective use of medically necessary drugs. Some new drugs may not be covered by benefits plans.

Prescription drug plans provided by the Alberta Government support access to a specific number of drugs identified in the Drug Benefit List for certain defined groups of seniors, people on social assistance, children, and special drugs for people with certain diseases. In addition, individuals may participate in a provincial program on a voluntary basis.

Despite these provisions the gaps that exist are clearly acknowledged in the information provided on the Alberta government website. The Alberta government information includes a recommendation that "all Albertans obtain and maintain insurance coverage for prescription drugs" and further acknowledges that "a significant number of Albertans have no insurance coverage and pay for prescription drugs themselves" .

The general pattern of gaps and limitations in drug coverage in Canada holds true for Alberta in our experience. This is supported by conversations with sources in the benefits industry and community services.

Please consider the following Alberta examples:

- Alberta seniors have access to drug benefits but are required to make co-payments up to \$25 per prescription. This can add up to significant personal expenditure where multiple and changing prescriptions are required to meet health care needs.
- While residents in licensed and publicly regulated continuing care facilities such as nursing homes and auxiliary hospitals have their drug benefits covered, many seniors with increasing health care needs live at home or in new types of unregulated residential care facilities and have to make the required contribution to drug costs. As more support and care requirements are downloaded to individuals and families, the cost of health care, including often very high drug costs, becomes the responsibility of people with often very limited income.
- Most CUPE members working in support staff positions in Alberta hospitals have access to workplace drug benefits plans if they are employed in full-time or part-time positions (in a minimum .4 FTE position). Many part-time and all casual workers do not have coverage. This is very significant as hospital support staff are generally divided into positions of 1/3 full-time, 1/3 part-time and 1/3 casual. Substantially more than 1/3 of hospital support staff **do not have access to workplace drug benefits.**

I would like to make reference to one specific example that illustrates the cost issues associated with accessing necessary prescription drugs. Effective treatment of asthma is a priority health care concern. According to the Alberta Lung Association, asthma affects an estimated 13 per cent of Alberta's children and five per cent of adults. Advair is the trade name of a fairly new prescription combination drug that is taken on a daily basis and is designed to reduce the occurrence of asthma attacks. Users of this drug also have to keep Ventolin inhalers on hand in the case of acute attacks. The cost of Advair at Calgary Co-op pharmacies is \$108.83 per month for adults and \$93.32 for children.

This example was provided by a CUPE member who requires this drug, and has access to an extended health care plan that pays the first 80%. In spite of the drug coverage, our member must pay \$250.00 per year for this essential drug. In the same workplace plan, a CUPE member may choose to pay a further additional premium and be covered for 100% of the cost or may participate in the basic workplace plan and only have 50% of the cost covered.

This raises a very important question. Asthma does not discriminate between high and low income people, or people with or without workplace benefits. For someone without employer benefits or other coverage, the cost of more than \$1200 per year for basic treatment for a common chronic illness is very significant. Preventing asthma attacks is no less important to Albertans no matter what employment or income circumstances are considered.

Negotiating extended health care benefits that cover drug costs in collective agreements is an important part of the work that we do. As drug costs increase, this task becomes an every greater challenge for CUPE. Employers resist proposals to include new benefits. It becomes increasingly difficult to negotiate coverage for part-time workers, and increasing plan costs create pressure to reduce existing benefits. We face pressure from employers to consider inferior flexible benefits plans. This then compels employees to make their “best guess” at where their benefits costs should be allocated and they face the risk of unforeseen high costs for prescription drugs.

CUPE experience in negotiating benefits to cover prescription drug costs is very important in revealing the cracks that exist in drug benefit coverage. For full time workers with benefits coverage, co-payment costs may be high where expensive drugs are required. Part-time and casual workers may have no coverage and face all of the challenges of low income workers. People who retire before age 65 may not be able to be eligible for any drug benefit cost protection. Casualization of work, contracting out, and privatization can result in the loss of benefits and downloading of drug costs to individuals who may well have significantly reduced income.

Nothing could make the point about drug costs more clearly than the pervasive Alberta Blue Cross advertisements to individuals without coverage that drug costs may be “a hard pill to swallow”.

It is CUPE’s position that the recommendations of the Romanow Report including a national formulary and a catastrophic drug fund are important steps. Another important step would be to conduct a progressive review of patent legislation to reduce overall drug costs. These recommendations will be addressed fully in the presentation to this Committee by CUPE National in October.

Thank you for this opportunity to present information for the study on prescription drugs undertaken by the Standing Committee on Health.

Respectfully submitted,

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CUPE Alberta

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