

# Pharmacare and bargained drug benefits: what CUPE locals need to know



## BARGAINING EXTENDED HEALTH AND DENTAL BENEFITS KIT

Some provinces have signed onto the federal pharmacare program. CUPE locals in these provinces have questions about how this program may interact with their current group benefits.

### HISTORY OF THE PROGRAM

CUPE has been advocating for a universal pharmacare program for decades. We believe that publicly provided prescription drugs are a fundamental aspect of a universal health care system. In 2024, organized labour and allies secured an important victory on the road to universal pharmacare: the federal *Pharmacare Act* became law.

The law fell short of what we were asking for. The government chose to provide universal access to only two categories of prescription drugs: contraceptives (e.g.: oral contraceptives, rings, copper and hormonal IUDs, etc.) and diabetes medications and supplies.

To have access to this program, provinces/territories must sign an agreement with the federal government. Because national pharmacare depends on the provinces/territories to administer and operate the coverage, the program will look slightly different depending on where you live.

So far, only three provinces and one territory have signed deals granting access to these two categories of drugs for free for their residents:

Province	Date Signed On	Date Coverage Began
Manitoba	February 27, 2025	June 2025
British Columbia	March 6, 2025	March 2026
Prince Edward Island	March 7, 2025	May 2025
Yukon	March 20, 2025	January 2026



## BARGAINING EXTENDED HEALTH AND DENTAL BENEFITS KIT

---

### **BIG PICTURE CONSIDERATIONS**

Eligibility for this program is universal. This means that everyone with or without private group benefits will be eligible for coverage. The costs for the two categories of drugs will flow directly through the national pharmacare program instead of the private programs once the agreement is in effect.

Unfortunately, it is unclear at this time how the national pharmacare program will be funded on an ongoing basis once federal funding expires. The federal government is not prioritizing this program, and outstanding provinces/territories have not been able to sign on since Mark Carney came into power. All options are on the table for the future of the plan, including its elimination.

### **LOCAL CONSIDERATIONS**

Currently, only members in Manitoba, BC, PEI and the Yukon have access to the national pharmacare plan.

#### **1. Do not negotiate away drug categories from your local's group insurance plan**

Employers may try to remove contraceptives and diabetic medications and supplies from your plan as a cost-saving measure, with the rationale that the national pharmacare plan now exists.

In many cases, our union-employer negotiated plans may provide a superior benefit to what your province/territory was able to negotiate with the federal government. For example, there are multiple ways to access diabetic supply care. The federal pharmacare plan could cover them, and if not, that probably means it is part of the provincial pharmacare plan. However, these provincial plans may require certain eligibility criteria to be met before the diabetic supplies can be accessed. That's why it's important to keep our private plans intact – to protect members' access to care when the public plans are not universal.

It's also important to keep the contraceptive and diabetic drug categories in your union-employer negotiated plan because the national pharmacare program could end. Our collective agreements often outlast government policy.

#### **2. There may be administrative challenges with the coordination of benefits**

There are situations where the national pharmacare plan and our union-employer negotiated plans must communicate and that could create frustration for members. For example, administrators of the private plans may have to know if a member has tried and failed first-line diabetes drugs



## BARGAINING EXTENDED HEALTH AND DENTAL BENEFITS KIT

---

(covered by the national program) before granting access to more expensive drug therapies (covered and administered by private plans). This is most common for plans with drugs that belong on prior authorization lists.

### **3. Employers could be saving up to 3 to 5% of costs on drug plans**

Analysis suggests that based on the current scope of the national pharmacare program, private medical plans could see a reduction in drug costs between 3 to 5 %. Some union-employer negotiated plans may not have the pharmacare covered drugs on their list, so there would be no cost saving there, but the member will be able to access these drugs with no out-of-pocket expenses.

However, private group benefit plans are still responsible for the cost of more specialized drugs such as biologics (ex: *Humira*, the brand name drug for Adalimumab, used to treat arthritis). These drugs are high-cost, and their prices change frequently, whereas the categories of drugs that the national pharmacare program covers are low cost and predictable. So, that initial saving of 3 to 5 % may be re-absorbed.

Depending on the governance structure managing your benefits plan, your local may or may not have access to the plan's financial information. It is important for locals that don't have access to ask their employer how much they anticipate in drug cost savings. If there are any, that money should be re-invested into the plan.

### **4. Demand a universal and comprehensive pharmacare plan for all**

All members deserve access to pharmacare. The federal government should feel the pressure to continue this important program. They must maintain pharmacare funding in provinces/territories that have it and they must fund pharmacare plans in places that are still waiting. Take action! Connect with your regional and national CUPE resources for support to organize political action.