

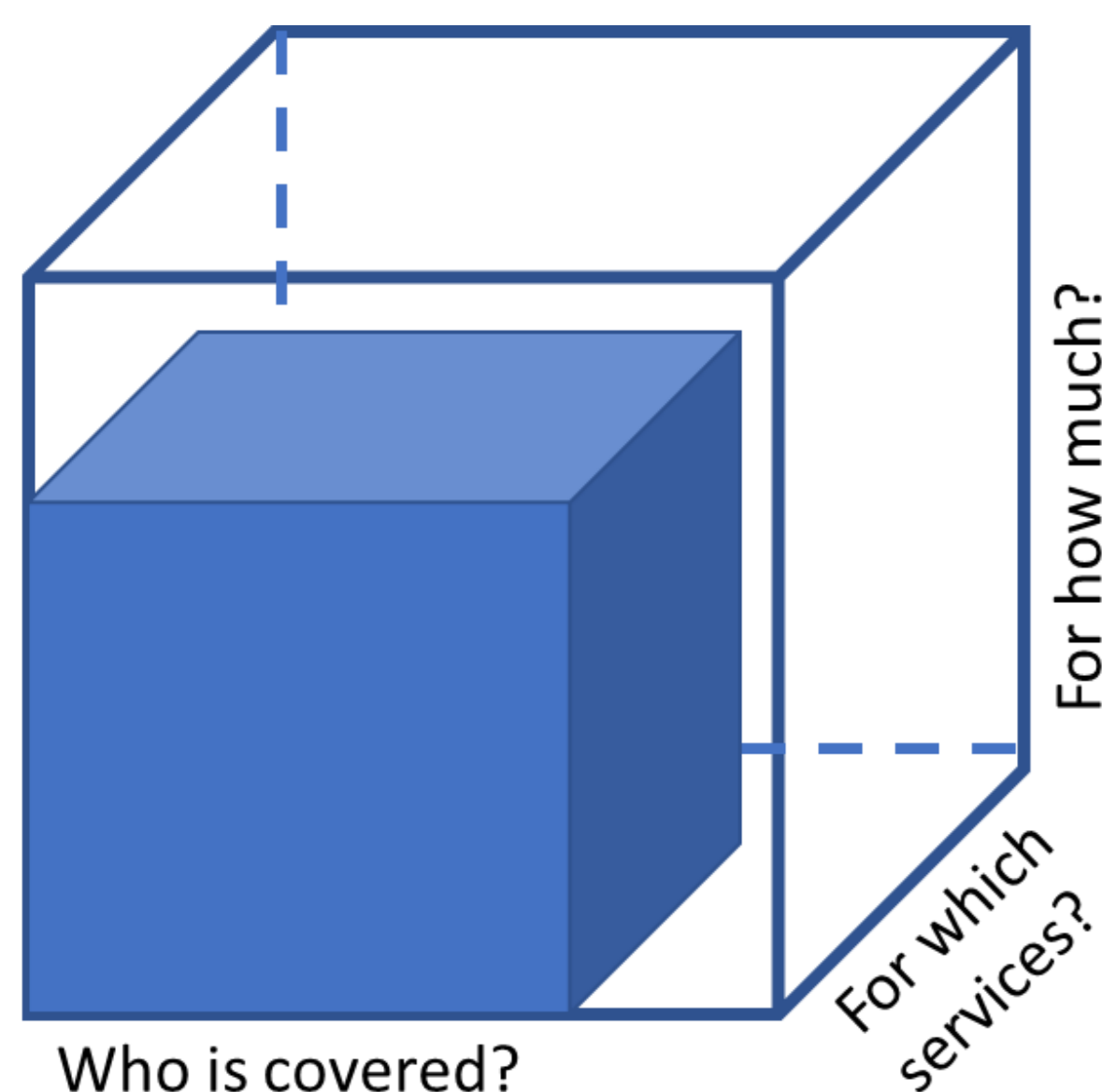
Expanding the Medicare Basket: All or Nothing?

A Policy Case Study

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Objective: To date, efforts to expand Medicare have been fragmented, with services such as prescription drugs and mental health vying for priority. According to the paradox of redistribution, this competitive approach has limited the political base of support for reform and left those least able to afford care most likely to face the highest costs. By comparing public coverage of two underinsured services – dental and vision – in four provinces, this study aims to lay the foundation for more comprehensive reform.





Method: Data regarding public insurance coverage for dental and vision services were identified from government websites for British Columbia, Alberta, Ontario and Newfoundland in addition to the Canadian Community Health Survey 2018.



Gaps in coverage

The Canada Health Act only requires universal coverage of medically-necessary physician and hospital services. With these gaps in the Medicare basket, **health spending in Canada is 30% private and only 70% public**. Up to two thirds of the population has some form of employment-based extended health insurance, leaving many Canadians underinsured.

Underinsured health services

- ✓ Dental 
- ✓ Vision 
- ✓ Mental Health 
- ✓ Pharmaceutical 
- ✓ ... and others!

Economic theory: Paradox of redistribution (Korpi & Palme, 1998). According to this theory, **health policies that target lower-income populations are less redistributive than universal policies**. Since everyone benefits from universal policies, they have a broader base of political support. More political support translates into a larger budget, which in turns means more lower income people are reached by the service.

	Public Support	Budget Allocation	Net Redistribution
Targeted	Lower	Smaller	Smaller
Universal	Higher	Larger	Larger

Dental Programs

	Who is covered?	For which services?	For how much?
ON	<17 (means-tested) 18+ (means-tested) Disabled (w. dental impact) Seniors (means-tested)	<17 (full preventative) 18+ (basic and extended) Disabled (every 5yrs basic) Seniors (full preventative)	First dollar coverage Partial for dentures Percentage of procedure Graduated percentage scaling
BC	<19 (means-tested) 18+ (means-tested) Disabled (on support)	<19 (2yrs basic + orthodontic) 18+ (2yrs basic + dentures 5yrs) Disabled (2yrs basic + dentures 5yrs)	Annual limitations Partial for dentures
AB	<19 (means-tested) 18+ (means-tested) Disabled (on support) Seniors (universal)	<19 (basic & preventative) 18+ (basic & preventative) Disabled (basic & preventative) Seniors (basic 5yrs)	First dollar coverage (senior) Co-payments (senior) First dollar coverage
NL	<12 (universal) 13 to 17 (means-tested) 18+ (means-tested)	<12 (full preventative) 13-17 (basic care) 18+ (basic care)	First dollar coverage Annual limitations

The tables on the left show us that within the 4 provinces:

- ✓ Most programs are **means-tested**, with some basic universal coverage for youth and seniors
- ✓ There is a confusing and **complex mix** to navigate
- ✓ Thresholds are **inconsistent** across provinces

Vision Programs

	Who is covered?	For which services?	For how much?
ON	<18 (universal) <19 (family disability) Disabled (on support) Seniors (universal)	<17 (basic & eyeglasses) <19 (basic) Disabled (every 2yrs basic, % of eyeglasses) Seniors (basic)	First dollar coverage Percentage of glasses
BC	<19 (means-tested) 18+ (means-tested) Disabled (on support)	<19 (basic & eyeglasses yrly) 18+ (basic & eyeglasses 3yrs) Disabled (basic & eyeglasses 3yrs)	Annual limitations Graduated percentage scaling
AB	<19 (universal or means tested) 18+ (means tested) Disabled (on support) Seniors (universal)	<19 uni (basic & eyeglasses yrly) <19 means (basic yrly) 18+ (basic & eyeglasses 2yrs) Disabled (basic & glasses 2yrs) Seniors (eyeglasses 3yrs)	Co-payments (universal) Annual limit (senior eyeglasses) First dollar coverage
NL	Children (means-tested) Adults (means-tested)	Children (annual basic) Adults (every 3yrs basic)	Annual limitations

CCHS 2018 Survey Data

	ON	BC	AB	NL
DENTAL				
Avoided dental professional due to costs (12 mos)	NA	NA	Yes 24% No 76%	Yes 20% No 80%
All/partial coverage	NA	NA	Yes 78% No 22%	Yes 61% No 39%
VISION				
all/partial coverage	NA	NA	NA	Yes 61% No 39%

- 20 – 40% underinsurance is a policy issue
- 1/3 don't have access to employment-based insurance

Despite having questions that could show us if Canada needs more financial support for underinsured services, there is a **lack of information** as only some provinces opt in to these variables.

Policy Implications: In the absence of significant expansion of the Medicare basket, provinces have introduced a **complex mix** of largely targeted reforms that appear (from limited data) to have **limited redistributive effects**. The disproportionate impact of COVID-19 among lower-income populations has shone a spotlight on the **inequitable impacts of Canadian Medicare**. According to the paradox of redistribution, more universal reforms may be able to garner public support for larger public investments. Could full expansion of the Canadian Medicare basket in the garner enough public support to achieve significant reforms where piecemeal approaches have failed?