

Fredericton Chamber of Commerce Concerned with Lack of Information on Drug Plan for Uninsured New Brunswickers

-For Immediate Release-
6 September 2013

(Fredericton, NB) – The Fredericton Chamber of Commerce supports providing drug coverage to all New Brunswickers. In addition to the social benefits of such a scheme, the plan could have additional economic benefits such as encouraging some individuals to join the labour market who are currently accessing a plan through the Department of Social Development and who feel they are not able to become employed under the current system as they would lose their prescription drug coverage. We also recognize the positive health outcomes associated with all New Brunswickers having access to the prescription drugs they require.

However, with details of New Brunswick’s Drug Plan for Uninsured New Brunswickers remaining largely undisclosed, businesses in the province are growing increasingly wary of the potential consequences on their operations. Exacerbating this issue is the fact that the business representatives on the drug plan’s implementation committee (along with other members of the committee) have been required to sign a strict confidentiality agreement, which does not allow any information to be provided to the business community that they have been engaged to represent. While we obviously appreciate their obligations to respect this agreement, it means that businesses are being kept in the dark about issues that will materially affect their bottom line.

Employers who do not currently offer an insurance plan are typically small- to medium-sized enterprises that will not absorb additional payroll tax without cutting costs in other areas. Unfortunately, this generally means cuts to staff and/or services to customers. One of the benefits that chambers of commerce and boards of trade offer to our members is access to a group insurance plan, which gives us first-hand knowledge that many businesses simply cannot afford this expense.

On behalf of our members, we feel that it is necessary to point out that many businesses and business owners do provide prescription drug coverage to their employees – in fact many are members of the Chamber of Commerce Group Insurance Plan. In many cases, these plans are cost shared between the employee and employer. These are representations that the Fredericton chamber previously made in May 2012 to the Advisory Committee on Health Benefits.

Health benefit plans, like many other incentives provided to employees by employers, are voluntary for employers to choose to provide or not to provide. These plans are considered a benefit of employment. We believe that most employers who provide these plans to their employees do so as an incentive and benefit of working in the business. The employer’s share of the cost of the plan can be a significant expense to a business.

One concern expressed in the Furlong Report is that businesses would drop their current plans if the prescription drug plan for uninsured New Brunswickers were to come into place. This should be a far smaller concern than businesses having to absorb another payroll tax, which will affect employment and business viability.

We concur with the Canadian Federation of Independent Businesses and the Canadian Restaurant and Foodservices Association assessment that on a yet-to-be determined scale, some businesses will be forced to terminate employment, reduce hours or close down in the worst-case scenarios. This would not only shift these insurance costs back to the government anyway, but will also create other financial and social burdens related to unemployment, effectively defeating the purpose of this recommendation. It is unclear to us if the committee has gathered enough information to appreciate the ripple effects that this recommendation could have on our fragile economy.

With more than 900 members, the Fredericton Chamber of Commerce is one of Atlantic Canada's largest chambers of commerce. A dynamic business organization, the Fredericton Chamber of Commerce is actively engaged in policy development that affects the competitiveness of our members and of the Canadian business environment.

Contact: Krista Ross, CEO, 458.8006.