

# *Access to Prescription Drugs in New Brunswick*

Discussion Paper  
Department of Health  
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Department of Health

**Access to Prescription Drugs in New Brunswick**

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## Message from the Minister of Health

Thank you for taking the time to read this discussion paper on access to prescription drugs in New Brunswick.

In its platform, *Moving New Brunswick Forward*, the provincial government said it would review the New Brunswick Drug Plan to ensure costs are reasonable for individuals, coverage is sufficient, and small businesses do not have to contribute.

The government's number one priority is job creation. If individuals can get the prescription drugs they need at a cost they can afford, they are better able to contribute to New Brunswick's economy.

The government has already taken steps to address these goals. It amended the *Prescription and Catastrophic Drug Insurance Act*, removing the mandatory requirements that were supposed to begin April 1, 2015. This means that it will not be mandatory for New Brunswickers to have prescription drug insurance. It also means that private group drug plans will not be required to meet minimum coverage standards. In addition, government does not intend to introduce any mandatory contributions for employers.

For the time being, the New Brunswick Drug Plan continues to be a voluntary program. To help low-income earners enrol, two new premiums have been created, and the maximum copayment amount per prescription varies based on income. These changes will help ensure costs are fair and reasonable.

That was the government's first step. Now, the government wants your input to develop a better model for the government drug plan.

This discussion paper is part of our efforts to engage with New Brunswickers. It presents challenges that government faces in ensuring that New Brunswickers have access to drugs at a reasonable cost. This document provides general information about drug coverage in Canada, with more detailed information for New Brunswick. It concludes with a section that seeks your input.

I look forward to hearing your ideas.

Sincerely,

A handwritten signature in black ink that reads "V. Boudreau".

**Hon. Victor Boudreau**  
Minister of Health



# Introduction

Prescription drugs are often the best and most cost-effective treatment for many conditions. As the use of prescription drugs has grown, however, so has the cost on individual Canadians, employers, insurers and government.<sup>1,2</sup>

In 2012, individuals, private drug plans and government-sponsored drug plans spent \$709 million on prescription drugs in New Brunswick, more than double that spent in 2000. This translates to an average of \$937 for each New Brunswicker.

Public and private drug plans face a number of issues and challenges. The most significant are:

- Drug costs are consuming an increasing amount and proportion of health-care dollars. Costs are escalating much faster than the rate of inflation.
- The rising cost and use of prescription drugs are putting pressure on public and private drug plans and are causing Canadians to spend more, either through their taxes, their premiums or from their own pockets.
- More people are living with chronic diseases such as diabetes, high blood pressure and respiratory disorders, and need long-term treatment with prescription drugs to manage their condition.<sup>3,4,5</sup>
- Many conditions that used to be treated in hospital are now treated at home because of advances in technology and drug therapy.<sup>6</sup> This trend shifts drug costs to drug plans and individuals.

## Drug Coverage in Canada

The *Canada Health Act* ensures all residents receive public coverage of the medically necessary physician services and hospital care they receive. This means that only drugs used in hospital are covered by Medicare. Drugs used outside a hospital setting are not covered by Medicare.

Each province and territory is responsible for delivering and administering public drug programs. No national plan or laws exist. As a result, the structure and level of public drug coverage vary widely across the country.

1. Health Council of Canada. (2009). A Commentary on The National Pharmaceutical Strategy: A prescription Unfilled. Toronto: Health Council of Canada. [www.healthcouncilcanada.ca/tree/2.35.1-HCC\\_NPS\\_Commentary\\_WEB.pdf](http://www.healthcouncilcanada.ca/tree/2.35.1-HCC_NPS_Commentary_WEB.pdf).
2. Gagnon MA, Hebert G. (2010). The Economic Case for Universal Pharmacare. Ottawa: Canadian Centre for Policy Alternatives; Montréal: Institut de recherche et d'informations socio-économique.
3. New Brunswick Department of Health. (2010). Diabetes in New Brunswick: 1998-2007. Fredericton: Office of the Chief Medical Officer of Health. [www.gnb.ca/0051/pub/pdf/2010/diabetes\\_report\\_1998-2007-e.pdf](http://www.gnb.ca/0051/pub/pdf/2010/diabetes_report_1998-2007-e.pdf).
4. New Brunswick Health Council. (2011). Population Health Snapshot Technical Document 2011. Moncton: NBHC. [www.nbhc.ca/docs/Population\\_Health\\_Snapshot\\_2011\\_complete\\_EN.pdf](http://www.nbhc.ca/docs/Population_Health_Snapshot_2011_complete_EN.pdf).
5. New Brunswick Department of Health. (2010). A Chronic Disease Prevention and Management Framework for New Brunswick. Fredericton: Primary Health Care Division. [www.gnb.ca/0051/pub/pdf/2010/6960e-final.pdf](http://www.gnb.ca/0051/pub/pdf/2010/6960e-final.pdf).
6. Phillips K. (2009). Catastrophic Drug Coverage in Canada. Library of Parliament. Canada. [www.parl.gc.ca/Content/LOP/ResearchPublications/prb0906-e.htm](http://www.parl.gc.ca/Content/LOP/ResearchPublications/prb0906-e.htm).

In the 1970s, provincial governments recognized the burden of rising costs of prescription drugs on those with low or fixed incomes. Each province began offering drug coverage to those who are least able to afford the cost of drugs, mainly seniors and social assistance recipients.

Across the country, employers, unions and professional associations offer private drug insurance plans that differ in terms of who is eligible, how payments are made and what drugs are covered. The majority of Canadians are covered by a private drug plan.<sup>7</sup>

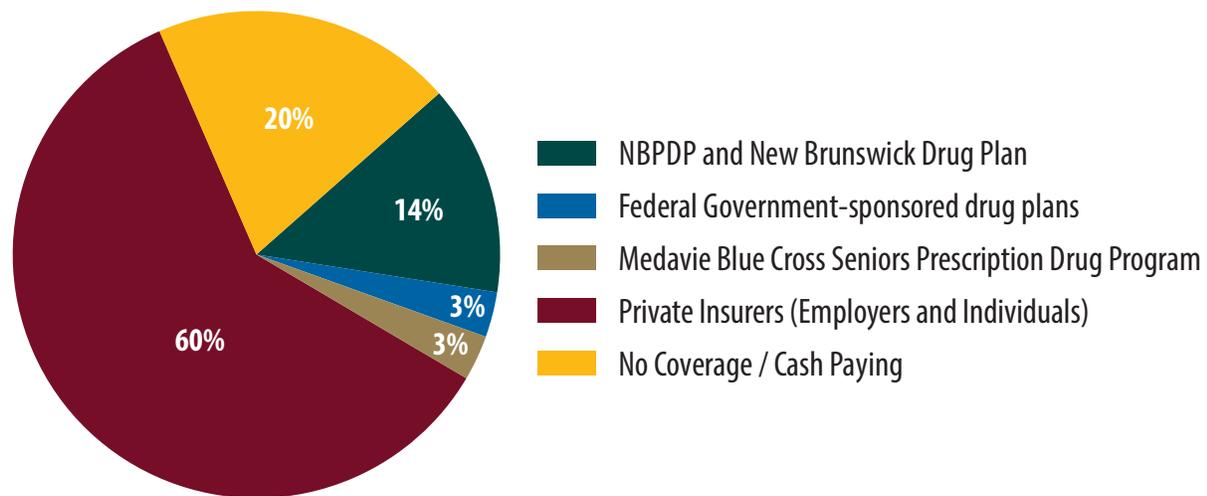
## Drug Coverage in New Brunswick

About 80 per cent of the 750,000 people in New Brunswick have drug coverage through private drug plans or through government-sponsored drug plans.

- About 60 per cent of New Brunswickers have private third-party insurance (e.g., Medavie Blue Cross, SunLife, Manulife, Great West Life, Desjardins, etc.).
- Government-sponsored drug plans such as the New Brunswick Drug Plan and the New Brunswick Prescription Drug Program (NBPDP) provide coverage to about 14 per cent of New Brunswickers. The NBPDP includes: low-income seniors who receive the Guaranteed Income Supplement (GIS) or who qualify for coverage based on their annual income; nursing home residents; clients of the Department of Social Development; and individuals with certain medical conditions.
- The federal government provides coverage for about three per cent of New Brunswickers. Its programs provide drug benefits to aboriginals, veterans, members of the Canadian Armed Forces and the RCMP, prisoners in federal correctional facilities and refugees.
- About three per cent are covered through the Medavie Blue Cross Seniors Prescription Drug Program, which is available for New Brunswick seniors who do not qualify for NBPDP coverage (i.e., they do not receive GIS or their annual income exceeds the qualifying threshold).

About 20 per cent of New Brunswickers do not have coverage. This represents about 70,000 families (150,000 individuals).

### Drug Coverage in New Brunswick



7. Health Council of Canada. (2009). The Status Report on The National Pharmaceutical Strategy: A Prescription Unfilled Toronto: Health Council of Canada. [http://www.healthcouncilcanada.ca/tree/2.35-HCC\\_NPS\\_StatusReport\\_web.pdf](http://www.healthcouncilcanada.ca/tree/2.35-HCC_NPS_StatusReport_web.pdf)

Uninsured New Brunswickers are in a difficult position. They do not have drug coverage for serious illnesses or medical conditions that require prescription drugs as part of their treatment.

In 2012, uninsured New Brunswickers spend \$120 million to \$150 million on prescription drugs each year. Many of these families face hardship associated with the cost of prescription drugs. In fact, because of the cost, many patients do not fill their prescription<sup>8</sup>, which can harm their health and impacts the health-care system.

Since the introduction of the New Brunswick Drug Plan in May 2014, these residents have had access to drug coverage regardless of their age or pre-existing conditions.

### **The New Brunswick Drug Plan**

This drug plan provides coverage to New Brunswickers who do not have drug insurance on a voluntary basis. New Brunswickers without coverage with a valid Medicare card may choose to enrol.

The premium<sup>9</sup> and copayments<sup>10</sup>, effective April 1, 2015, are outlined in the following table. Children younger than 19 do not pay premiums, but a parent must be enrolled.

Gross Income Levels		Premiums		Copayments
Individual	Single with children / Couple with or without children	Annual premium (per adult)	Monthly premium (per adult)	30% copayment to a maximum per prescription
\$17,884 or less	\$26,826 or less	\$200	\$16.67	\$5
\$17,885 to \$22,346	\$26,827 to \$33,519	\$400	\$33.33	\$10
\$22,347 to \$26,360	\$33,520 to \$49,389	\$800	\$66.67	\$15
\$26,361 to \$50,000	\$49,390 to \$75,000	\$1,400	\$116.67	\$20
\$50,001 to \$75,000	\$75,001 to \$100,000	\$1,600	\$133.33	\$25
More than \$75,000	More than \$100,000	\$2,000	\$166.67	\$30

Some New Brunswickers with drug coverage may join the plan if they reach their maximum for drug coverage under their existing drug plan; or, if they are prescribed a specific drug that is not covered under their existing drug plan but is covered under the New Brunswick Drug Plan.

The New Brunswick Drug Plan covers more than 5,000 drugs, including very expensive ones, which are listed on the New Brunswick Drug Plan Formulary. Vaccines, medical devices, supplies and equipment (e.g., diabetic supplies, ostomy supplies, oxygen, etc.) are not covered. Some private insurers offer extended health benefits that cover these products.

8. Health Council of Canada. (2012). How do Canadians Rate the Health Care System? Toronto: Health Council of Canada. [www.healthcouncilcanada.ca/tree/2.04-Commonwealth\\_FINAL\\_E\\_Nov2010.pdf](http://www.healthcouncilcanada.ca/tree/2.04-Commonwealth_FINAL_E_Nov2010.pdf).

9. The amount the member pays on a regular basis (monthly or annually) to be insured. This amount is payable whether or not the member uses the benefits under the plan.

10. The portion of the prescription cost the member must pay each time they fill a prescription at the pharmacy.

As is the case in some other provinces and territories, New Brunswick currently has other government-sponsored drug plans to address specific issues, conditions or groups. These are listed in Appendix 1. These drug plans are designed differently and have different levels of payments for individuals and government. Combining these plans may help government reach the goals of access to drugs, equity and efficiency.

## Conclusion

We hope this paper helps you understand the challenges facing the provincial government in its work to ensure that New Brunswickers who do not have private or public drug coverage can obtain prescription drugs at a reasonable cost.

The government wants your input to develop a better model for the government drug plan. The government hopes to continue to offer a plan that enables New Brunswickers to get prescription drugs at a reasonable cost, that has sufficient coverage, and that does not require small businesses to contribute. Also, the government wants to provide access to drug coverage for individuals and their families as they move from social assistance to the workforce.

The government must balance these goals with the necessity to find a solution that is affordable from the point of view of the province's finances.

We welcome your feedback on all aspects of government-sponsored drug plans, and have the following questions to start the discussion:

## Discussion Questions

1. As a New Brunswicker, do you face challenges when it comes to buying prescription drugs? If so, what are they?
2. What role does government have in helping individuals with the costs of prescription drugs?
3. If you feel the government has a role to help people with the cost of prescription drugs, should it be based on their ability to pay?
4. How does the government make sure the costs for a drug plan are affordable in light of the province's financial challenges?
5. Should governments in Atlantic Canada work together to create one government-sponsored drug plan?
6. Do you have any additional thoughts or comments with respect to government-sponsored drug plans?

Your answers can either be sent online, by e-mail or regular mail. Please do not include information about your personal health or that of others.

The deadline for feedback is July 24, 2015.

### How to contact us:

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Your privacy is important

Your answers will be considered by the Government of New Brunswick as part of the public consultation process. Please do not provide personal health information as part of this consultation. However, any personal health information or personal information provided is subject to the *Personal Health Information Privacy and Access Act* as well as the *Right to Information and Protection of Privacy Act*.

# Appendix 1

## New Brunswick Government-Sponsored Drug Plans

Plans and Eligible Beneficiaries	Annual Premium	Co-pay per Prescription	Annual Co-pay Ceiling
<b>New Brunswick Prescription Drug Program (NBPDP)</b>			
<b>Seniors (age 65 and over) who receive the Guaranteed Income Supplement (GIS)</b>	None	\$9.05	\$500 per person
<b>Seniors (age 65 and over) who qualify via Declaration of Income</b> <ul style="list-style-type: none"> <li>single person (65 years of age or older) with an annual income of \$17,198 or less</li> <li>couple with both persons 65 years of age or older, with a combined annual income of \$26,955 or less;</li> <li>couple with one person 65 years of age or older, and the other person under 65 years of age, with a combined annual income of \$32,390 or less</li> </ul>	None	\$15.00	None
<b>Social Development (SD) clients</b> <ul style="list-style-type: none"> <li>under age 18</li> <li>18 and older</li> </ul>	None	\$2.00 \$4.00	\$250 per family
<b>Adults in Licensed Residential Facilities (SD)</b>	None	\$4.00	\$250 per individual
<b>Children in Care of the Minister (SD) and Special Needs Children (SD)</b>	None	None	N/A
<b>Nursing Home Residents</b>	None	None	N/A
<b>Specific Medical Conditions</b> <ul style="list-style-type: none"> <li>Multiple Sclerosis</li> </ul>	\$50	Based on income	None
<ul style="list-style-type: none"> <li>Cystic Fibrosis, HIV/AIDS, organ transplant recipients, persons with growth hormone deficiency</li> </ul>	\$50	20% to a maximum of \$20.00	\$500 per family

<b>New Brunswick Drug Plan</b>				
<b>Uninsured New Brunswickers (based on gross income levels)</b>				
<i>Individual</i>	<i>Single with children / Couple with or without children</i>	<i>Premium per adult</i>	<i>30% to a maximum per prescription</i>	
\$17,884 or less	\$26,826 or less	\$ 200	\$5.00	None
\$17,885 to \$22,346	\$26,827 to \$33,519	\$ 400	\$10.00	
\$22,347 to \$26,360	\$33,520 to \$49,389	\$ 800	\$15.00	
\$26,361 to \$50,000	\$49,390 to \$75,000	\$1,400	\$20.00	
\$50,001 to \$75,000	\$75,001 to \$100,000	\$1,600	\$25.00	
More than \$75,000	More than \$100,000	\$2,000	\$30.00	

Plans and Eligible Beneficiaries	Annual Premium	Co-pay per Prescription	Annual Co-pay Ceiling
<b>Medavie Blue Cross Seniors' Prescription Drug Program (private sector drug plan)</b>			
<b>Uninsured Seniors</b>	\$1,260	\$15.00	None

<b>New Brunswick Drugs for Rare Diseases Plan</b>			
Residents who meet the clinical criteria for one of the six listed drugs for specific rare diseases.	None	None	N/A

<b>Extra-Mural Program (EMP)</b>			
Residents who meet the eligibility criteria for admission to EMP. Coverage of drugs that are directly related to the reason for admission may be considered if the patient does not have drug coverage and is unable to afford the drugs.	None	\$9.05	None