

Questions and Answers
New Brunswick Drug Plan
December 10, 2013

1) What is the New Brunswick Drug Plan?

The New Brunswick Drug Plan is a prescription drug insurance plan that provides drug coverage for New Brunswickers. It will help New Brunswickers afford the drugs they need based on their ability to pay. The plan includes catastrophic drugs.

2) The government's platform committed to a catastrophic drug plan. Is this the same thing?

This plan meets government's commitment of implementing a catastrophic drug plan. The New Brunswick Drug Plan will cover New Brunswickers who find themselves in one of the following catastrophic situations:

- uninsured and have incomes that make any drug costs catastrophic;
- need one very expensive drug that they can't afford;
- are taking a number of lower cost drugs, often to manage a chronic disease, that add up to an amount that they can't pay.

3) When will the plan be implemented?

The New Brunswick Drug Plan will be implemented in two phases. Phase 1 begins on May 1, 2014 when New Brunswickers with a valid Medicare card may choose to enrol in the plan. Phase 2 begins April 1, 2015 when all New Brunswickers will be required to have prescription drug insurance and those not insured by a private plan will join the New Brunswick Drug Plan.

4) Why will the plan be mandatory?

For the period between May 1, 2014 and March 31, 2015, the plan is voluntary. Phase 2 comes into effect on April 1, 2015 at which time it will become mandatory for all New Brunswickers to have prescription drug insurance. All New Brunswickers will need to provide proof of coverage (through a qualifying private plan or a workplace plan, for example) or will be required to enrol with the New Brunswick Drug Plan.

A mandatory plan will make drug insurance affordable and sustainable for all New Brunswickers. All insurance plans are based on the principle of shared cost and shared risk to ensure the sustainability of the plan. In the same way that you cannot buy fire insurance when your house is on fire or car insurance after you've had an accident, you can't wait to pay premiums on drug insurance until the day you plan to use it.

5) Who is eligible for the plan?

Phase 1 begins on May 1, 2014 when uninsured New Brunswickers with a valid Medicare card are eligible for the plan. Some insured New Brunswickers will also be able to join the plan at this time.

However, once prescription drug insurance becomes mandatory and minimum coverage standards come into effect those who have group drug coverage available to them will not be eligible for the New Brunswick Drug Plan.

6) What are minimum coverage standards?

Effective April 1, 2015, insurers offering private group plans must ensure that their plan is at least as good as the New Brunswick Drug Plan. This means that:

- all private group drug plans will cover every drug that is covered under the New Brunswick Prescription Drug formulary;
- private group plans cannot have annual or lifetime caps on coverage;
- costs at the pharmacy must be managed in one of two ways depending on plan design:
 1. co-payments paid at the pharmacy may not exceed \$30 per prescription; **or**
 2. co-payments and/or deductibles paid at the pharmacy for each plan member may not exceed \$2,000 per year.

The payment at the pharmacy maximums apply only to the drugs covered under the New Brunswick Drug Plan.

Because of these provisions, after April 1, 2015 those who have group drug coverage available to them will not be eligible for the New Brunswick Drug Plan.

7) Will there be additional obligations for private group plans?

Participation in private group plans must not be limited to the employee. Coverage must also be extended to his or her spouse and dependants. Private group plans may not deny coverage based on gender, age or pre-existing conditions.

8) How and when can I enrol?

Phase 1 enrolment will begin on April 1, 2014. More information on the enrolment process will be available in the coming weeks. In the meantime information on the drug plan is available at www.gnb.ca/health.

9) Who is administering the plan and why were they chosen?

Medavie Blue Cross will be administering the plan on government's behalf. Medavie Blue Cross was chosen because it has proven experience and expertise in drug plan design, implementation and administration.

Medavie also has a proven track record of providing bilingual service to New Brunswickers as it currently administers the New Brunswick Prescription Drug Program and the Medavie Blue Cross Seniors Prescription Drug Program.

10) What is the cost of the plan to participants?

During Phase 1 (May 1, 2014- March 31, 2015) the premiums are as follows:

- For individuals earning a gross income of \$26,360 or less and families earning \$49,389 or less the premium will be approximately \$67 per month per adult (\$800 per year).
- For individuals earning a gross income between \$26,361 and \$50,000 and families earning between \$49,390 and \$75,000, the premium will be approximately \$117 per month per adult (\$1,400 per year).
- For individuals earning a gross income between \$50,001 and \$75,000 and families earning between \$75,001 and \$100,000, the premium will be \$133 per month per adult (\$1,600 per year).
- For individuals earning a gross income of more than \$75,001 and families earning more than \$100,001, the premium will be \$167 per month per adult (\$2,000 per year).

Children 18 and under will not pay premiums but a parent must be enrolled in the plan. All plan members will be required to pay a 30 per cent co-pay at the pharmacy up to a maximum of \$30 per prescription. Starting April 1, 2015 all New Brunswickers will be required to have prescription drug insurance and those not insured by a private plan will join the New Brunswick Drug Plan. Premiums and co-pays will be subsidized based on income and are expected to be lower than the premiums paid in Phase 1 due to broader participation in the plan. Exact premiums will be determined in the coming months. Some lower income New Brunswickers will be subsidized at 100 per cent on premiums.

11) Will low-income New Brunswickers not receiving social assistance be required to pay?

The plan will be voluntary until April 2015 and premiums will be based on income. In Phase 2, lower income individuals and families will be eligible for subsidies on premiums and co-pays. Some will be subsidized at 100 per cent on their premium.

12) Is this just another tax?

No. As a result of these premiums, New Brunswickers will have a comprehensive drug insurance plan that will ensure that they have protection from high drug costs now and in the future.

13) Will this plan cover every drug on the market?

No plan in Canada covers every drug on the market. The plan will cover approved drugs that are currently on the New Brunswick Prescription Drug Program formulary which adheres to a national evidenced-based drug review process currently used by public drug plans across Canada.

14) Will this drug plan cover very expensive drugs?

Yes. The plan will cover thousands of drugs that have undergone a standard national, evidence-based review and have been recommended to be added to the formulary, some of which are very expensive such as Soliris and Remicade.

15) How many drugs will be covered by the new plan?

The New Brunswick Drug Plan covers drugs listed on the New Brunswick Prescription Drug Program formulary which covers more than 5,000 drug products including many high cost drugs.

16) Where can I get a list of drugs covered under the new plan?

The New Brunswick Prescription Drug Program formulary is available at www.gnb.ca/0212/NBPDPFormulary-e.asp.

17) How will this plan benefit New Brunswickers?

Individuals and families will have the peace of mind of knowing that they have access to prescription drugs now and in the future.

The plan will benefit New Brunswickers who:

- **Can't afford one very expensive drug**-The new drug plan will cover some very expensive drugs such as Remicade and in Phase 2 will also require private group plans to cover all drugs covered under the New Brunswick Drug Plan.
- **Can't afford a number of lower cost drugs, often to manage a chronic disease**- The new drug plan will offer coverage for thousands of drugs with no maximum limits on coverage.
- **Are self-employed or retired and don't have insurance**- The plan will offer coverage to every uninsured New Brunswicker, regardless of income or their employment situation.

- **Are on social assistance because they can't otherwise afford their prescription drugs -** Some individuals would like to get off social assistance but aren't able to because of drug costs. Taking a job that doesn't offer drug coverage and losing the drug coverage provided by social assistance is simply not an option. This drug insurance plan will enable these individuals to transition to the workforce with an insurance plan that is subsidized based on ability to pay.
- **Have difficulty getting private drug coverage because of pre-existing medical conditions-** The new plan will offer coverage regardless of pre-existing conditions.
- **Have private drug coverage but their plan provides limited coverage or benefits-** From May 1, 2014 to March 31, 2015 some New Brunswickers who have private drug plans but still have high drug costs or need to access a drug that is covered under the new plan but not through their private plan, may join the New Brunswick Drug Plan. In Phase 2 when minimum standards of coverage come into effect, all private group drug plans will need to be at least as good as the public plan which will ensure a standard level of coverage for all.
- **Have private drug coverage but their plan does not cover a particular drug that is on the New Brunswick Drug Plan Formulary-** During Phase 1, from May 1, 2014 to March 31, 2015, New Brunswickers may keep their private drug plans through their workplace and join the New Brunswick Drug Plan if they need a drug that is covered under the New Brunswick Drug Plan but not by their private plan.
- **Have private drug coverage but they have reached their annual or lifetime cap on benefits-** During Phase 1, from May 1, 2014 to March 31, 2015, New Brunswickers may keep their private drug plans through their workplace and join the New Brunswick Drug Plan if they need a drug that is covered under the New Brunswick Drug Plan but not by their private plan.
- **Have mandatory private drug coverage through their workplace-** During Phase 1, individuals may enrol but there will be no coordination of benefits. The New Brunswick Drug Plan will cover only the drugs on the formulary not covered by an individual's private workplace plan or costs for drugs on the formulary once an individual's annual or lifetime cap has been reached.
- **Would like to retire but are unable to because they can't afford to lose the drug coverage provided by their employer-** The drug plan will provide individuals who are retiring with an option for drug coverage under the public plan.

18)How will the new insurance plan benefit society and the health system?

Having access to the prescription drugs that are necessary to treat medical conditions and improve quality of life will be a huge benefit.

The plan will help:

- Ensure continuity of care from the hospital to outpatient/community setting;
- Reduce visits to hospital emergency rooms, and frequency and duration of hospitalizations;
- Improve patient outcomes and quality of life.
- Provide better opportunities and remove financial barriers to drug coverage for people who are moving from social assistance to employment; and
- Enable New Brunswickers to work their way out of poverty and prevent residents from experiencing financial hardship or falling into poverty due to high drug costs.

19) How will the costs of the new plan be shared?

The plan's costs will be covered by plan members, through premiums and payments at the pharmacy, and government. Eventually business will also participate.

20) Will business be required to participate?

At present, the cost of the plan will be covered by plan members and government. However, the Implementation Advisory Committee, which was established to provide support and strategic advice about the implementation of the drug plan, will undertake a consultation process with business to determine how business can contribute to the plan in the future.

21) Can New Brunswick afford this plan without business contributing?

Members of the business community agreed to work with government to develop a prescription drug plan as part of [Overcoming Poverty Together: The New Brunswick Economic and Social Inclusion Plan](#). Some key business stakeholder groups are telling us that given the current challenging economic times they are not able to contribute to this initiative at this time. We understand their concerns, however, we must keep our commitment to establish a drug plan to help New Brunswickers afford the drugs they need. The advisory committee will work with business to examine ways they could contribute to the plan in a fair and economically viable manner in the future.

22) Will employers drop their private insurance plans?

While it is up to individual businesses to decide to offer prescription drug benefits or not, the new legislation stipulates that an employer cannot cancel its drug insurance without also cancelling its other health benefits such as dental and vision coverage.

23) How will this plan affect insurance companies?

The Department of Health worked closely with insurers during the development of this plan. It is expected that insurance companies will adapt as they did in Québec when legislation was put in place to require private drug plans to be at least as good as the new drug plan.

24) How will this plan affect employers not currently offering a drug plan to their employees?

In Phase 1 employers who do not offer prescription drug insurance will not be affected. The Implementation Advisory Committee, which was established to provide support and strategic advice about the implementation of the drug plan, will undertake a consultation process with business to determine how business can contribute to the plan in the future.

25) How will this plan affect the current New Brunswick Prescription Drug Program?

The New Brunswick Prescription Drug Program will continue to provide coverage to low-income seniors, clients of Social Development and others with certain medical conditions.

26) Am I allowed to enrol in the plan for a period of time and then cancel?

No, those who enrol in the New Brunswick Drug Plan will be required to remain with the plan unless they obtain and show proof of private coverage.

27) Once drug insurance becomes mandatory, what happens to those who can't afford the premiums?

Once the plan is fully implemented in April 2015, lower income individuals and families will be eligible for subsidies and some will be subsidized at 100 per cent. In the meantime, premiums are graduated based on income.

28) I pay a substantial co-payment on a specific drug through my private plan which I cannot afford. What will the New Brunswick Drug Plan do to help?

The new plan has taken a two-step approach to help you.

First, effective April 1,st 2015, when the new plan becomes mandatory and minimum standards of coverage come into effect, government regulations will limit the amount of co-payments and deductibles paid by private plan members to \$2,000 annually.

Secondly, during this 11 month voluntary enrolment period, government is committed to helping individuals who cannot afford to access a specific drug because of their co-payment. Individuals who find themselves in this situation can contact the New Brunswick Drug Plan to have their case reviewed to examine any options that are available to assist you.