

Health

Government of New Brunswick Questions and Answers

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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 helps 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 covers 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 began on May 1, 2014 when New Brunswickers with a valid Medicare card could 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 began on May 1, 2014 when uninsured New Brunswickers with a valid Medicare card were eligible for the plan. Some insured New Brunswickers were also 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 all drugs listed as minimum requirements in the New Brunswick Drug Plan 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 listed as minimum requirements in the New Brunswick Drug Plan formulary.

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) Under minimum coverage standards, private insurance will have to cover post-secondary students under the age of 26. Why are they not considered as dependants under the New Brunswick Drug Plan?

Most post-secondary students have access to drug coverage as a condition of enrolment in their educational institution or through a parent with private coverage. Post-secondary students who do not have drug coverage would have the option to enrol during the voluntary phase and would most likely pay the lowest premium based on their income. Once the plan becomes mandatory it will cover every New Brunswick resident who does not have access to private coverage. This also includes post-secondary students and most would qualify for a 100% subsidy on their premium.

8) How do minimum standards of coverage impact New Brunswickers who are employed elsewhere?

The minimum group plan requirements apply to insurers who provide private group coverage to residents of the province and do not directly apply to employers.

The intent is that residents should not be required to be enrolled in more than one plan. In the event a New Brunswick resident working in another province has private group drug coverage that is comparable but does not meet the minimum requirements he/she may apply for an exemption or enroll in the New Brunswick Drug Plan.

9) 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.

10) How and when can I enrol?

To enrol please visit the [enrol page](#) to print an application or call 1-855-7325.

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

Medavie Blue Cross is 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.

12) 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.

13) If one member in the family was to enrol in the first phase which is voluntary, would the premium be determined based on the individual income or family income?

Because the premiums are based on ability to pay, people in family situations will have their premium determined based on their family income. If only one adult enrolls in the plan in Phase 1, then only one premium must be paid. If two adults in the family enroll in the plan in Phase 1, then two premiums of the same amount must be paid. Children 18 and younger will not pay premiums, but at least one parent must enroll and pay a premium in order for one or more children to be covered.

14) 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.

15) 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.

16) 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 Drug Plan formulary which adheres to a national evidenced-based drug review process currently used by public drug plans across Canada.

17) 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.

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

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

19) What if a person needs a drug that is not on the formulary?

The New Brunswick Drug Plan covers drugs listed on the New Brunswick Drug Plan formulary which covers more than 5,000 drugs including many high cost drugs. No plan in Canada covers every drug on the market. The plan will cover approved drugs which have undergone a national evidenced-based drug review process currently used by public drug plans across Canada. On an ongoing basis, drugs will be added to the formulary following the same standard process.

There will be a process whereby drugs not listed on the formulary may be requested in certain circumstances, however, the drug requested must be authorized for sale and use by Health Canada.

20) Will the New Brunswick Drug Plan cover more than prescription drugs?

The New Brunswick Drug Plan covers prescription drugs only. Vaccines, medical devices, supplies and equipment (e.g. diabetic supplies, ostomy supplies, oxygen, etc.) are not eligible benefits under the New Brunswick Drug Plan formulary. Some private insurers offer extended health benefits that cover these products.

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

The New Brunswick Drug Plan formulary is [available here](#).

22) 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 offers coverage for thousands of drugs with no maximum limits on coverage.
- **Are self-employed or retired and don't have insurance** – The plan offers coverage to every uninsured New Brunswicker, regardless of income or their employment situation.
- **Have difficulty getting private drug coverage because of pre-existing medical conditions** – The new plan offers 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 one or more drugs that are 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 one or more drugs that are covered under the New Brunswick Drug Plan but not by their private plan, provided that all eligibility criteria are met.
- **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 provides individuals who are retiring with an option for drug coverage under the public plan.

23) 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.

24) 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.

25) 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.

26) 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.

27) Will premiums for people in the New Brunswick Drug Plan be higher as a result of business not contributing?

Premiums are not affected by the level of business participation in the New Brunswick Drug Plan. Premiums are determined by the total cost of the plan and the number of plan members. The level of business participation will only have an impact on government's share of the costs of providing subsidies. If a business contribution is introduced, government's share of the costs of providing subsidies will decrease.

28) 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.

29) 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.

30) What are the options for people with private individual plans?

New Brunswickers should discuss their options with their insurers. Private individual plans that intend on offering prescription drug coverage will have to meet minimum coverage standards to become a qualifying plan. It will be entirely up to the insurer to decide whether or not they will offer a “qualifying plan” for prescription drug coverage.

If the insurer decides not to offer a qualifying plan that meets minimum standards for prescription drug coverage, then the plan participant would have the option of getting prescription drug coverage through the New Brunswick Drug Plan or another qualifying plan.

31) 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.

32) What is the difference between this new drug plan and the New Brunswick Prescription Drug Program?

The New Brunswick Prescription Drug Program is a provincially-funded program that provides drug coverage to seniors aged 65 and older who receive the Guaranteed Income Supplement, seniors who qualify through an income test, residents of nursing homes, clients of the Department of Social Development, and others with certain medical conditions. Those covered by New Brunswick Prescription Drug Program will not be affected.

33) 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.

34) 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.

35) How will the drugstore know whether or not the person is covered by the New Brunswick Drug Plan?

Once members are enrolled in the plan they will receive an identification card that they must show at the pharmacy when filling a prescription.

36) 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.

37) When the New Brunswick Drug Plan is mandatory for uninsured New Brunswickers, will there be a fine for not enrolling and paying the premium?

When the plan is mandatory in April 2015, subsidies will be in place to assist low income earners and some New Brunswickers will be subsidized at 100 per cent on their premiums. If someone doesn't pay their premium, the first step would be to send them a letter requesting they pay their premiums. Some individuals may have extenuating circumstances that are keeping them from paying. We will work with these individuals to see how we can help. In some cases, additional time may be given.

38) 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?

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

In the meantime prior to that date, individuals who cannot afford to access a specific drug because of their co-payment can contact the New Brunswick Drug Plan to have their case reviewed to examine options that may be available to assist them.

39) What is the definition of income? Does it include RRSPs, CPP, investment income, etc.?

The New Brunswick Drug Plan uses "Total Income" as calculated on Line 150 of your Income Tax Return. The Canada Revenue Agency (CRA) determines which sources of income must be included in the amount reported on Line 150. The NB Drug Plan will use the amount on Line 150 as Total Income, less any elected split-pension amount on Line 116 (if applicable).

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