

Eckler's *Group News* monthly newsletter provides commentary on the issues affecting Canadian group benefit plans.

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Benefit plan management

Ontario government passes *People's Health Care Act*

The Ontario government has passed [*Bill 74, The People's Health Care Act, 2019*](#) (the Act) designed to modernize the province's public health care system. The Act proposes changes to the public system to improve the patient experience, reduce wait times and integrate health care services and systems. [Details](#) of the government's plan include:

- Establishing Ontario Health Teams (a coordinated team of health care providers) to help patients navigate the public health care system and facilitate access to services such as primary care, hospitals, palliative care, and mental health and addiction services.
- Integrating multiple provincial agencies (including Cancer Care Ontario, eHealth Ontario, and local health integration networks) into a single agency known as Ontario Health, which will oversee health care delivery. Expectations for Ontario Health include improving clinical guidance,

more consistent oversight of health care delivery across the province, more efficient approaches to coordinating health care services, and advancement of digital health care approaches.

- Improving access to secure digital tools, such as online health records and virtual care options.

The Act also provides for additional investment in hospital operational funding, mental health and addiction services, home care funding and community care funding.

The government anticipates that transition to the changes proposed in the Act will not result in any disruption in current health care services.

Impact

Unless there is delisting of services currently provided by the public plan, the changes are expected to have a positive trickle-down effect on plan sponsor benefit programs as a result of improved health outcomes.

Legal & legislative news

Nurses in Alberta can now prescribe medications

Registered nurses in Alberta can now prescribe medications and order certain diagnostic tests that were previously required by a doctor, nurse practitioner or pharmacist.

Effective after May 1, 2019, [amendments](#) to the *Registered Nurses Profession Regulation* allow registered nurses to prescribe Schedule 1 drugs such as antibiotics and vaccines (excluding controlled drugs), and order common diagnostics tests such as urinalysis, swabs and x-rays.

Registered nurses are required to complete additional education and have clinical experience in a specified area before being authorized to prescribe or order diagnostic tests.

Impact

This change will provide patients receiving care in Alberta easier access to some medications and tests. Earlier access in the treatment cycle could also result in less time away from work for some plan members.



Nova Scotia expands coverage for travel and accommodation assistance

Nova Scotia is increasing support for residents who travel outside of the province to receive medical care.

Effective April 1, 2019, the Out-of-Province Travel and Accommodation Assistance Policy will provide \$2,500 per month to those who need to relocate for a period of one month or longer to help pay travel and accommodation costs while receiving care outside of Nova Scotia. This is an increase from \$1,000 that is currently provided by the province.

To be eligible, the medical care must be referred by a physician and not be available within the province. It must also be approved by Nova Scotia Health and Wellness before patients can make medical or travel arrangements.

The policy also provides up to \$1,000 in travel assistance and \$125 per night, up to a total of \$1,500, for accommodations of less than one month.

Impact

This change is expected to have minimal impact on plan sponsors, as Nova Scotia Department of Health and Wellness is the payor of last resort.

British Columbia introduces new critical illness or injury leave and domestic violence leave

On April 29, 2019, the government of British Columbia introduced Bill 8, the Employment Standards Amendment Act, 2019 (Bill 8). Among the amendments proposed by Bill 8 are new job protected leaves for critical illness or injury and domestic violence.

Employees will now be eligible for up to 36 weeks of unpaid leave to provide care or support to family members under the age of 19, and up to 16 weeks of unpaid leave for family members 19 years old or older who are diagnosed with a critical illness or injury. Employees must provide a certificate from a medical practitioner or nurse practitioner before commencing the leave.

Bill 8 also introduces additional leave provisions for victims of domestic violence. If an employee experiences domestic violence, they are entitled to request up to 10 days of unpaid leave to seek medical attention, obtain victim or social services, obtain psychological or other professional counseling, seek legal or law enforcement assistance, or temporarily or permanently relocate. Employees may also request an additional 15 weeks of unpaid leave time.

Impact

Employers and plan sponsors will need to review their current policies and procedures to identify and make changes necessary to comply with the new legislation.



Ontario proposes amendments to establish efficient pharmacy reimbursement policies

On April 11, 2019, the Ontario government issued [Reg 201/96 \(ODBA\)](#) with amendments to the regulations under the *Ontario Drug Benefit Act* (ODBA). The amendments would change pharmacy reimbursement rules related to drug mark-up and professional services provided to residents of long-term care homes.

The amendments propose a tiered mark-up payable to pharmacies and dispensing physicians for supplying listed drug products under the ODBA based on the cost of the drug dispensed, and the removal of the dispensing fee for drug products supplied to residents of long-term care facilities when dispensed by a pharmacy service provider retained by the long-term care home. The dispensing fee would be replaced by a professional fee for all pharmacy services provided to the long-term care home, based on the number of beds.

Impact

This regulation is not expected to impact plan sponsors, as it relates to benefits payable by the public drug program. Eckler will monitor potential trickle-down impact as a result of any increased dispensing fees or mark-ups in response to this regulation.

Saskatchewan issues regulations providing more authority to podiatrists

The government of Saskatchewan has issued three new regulations that provide authority to podiatrists to order tests, prescribe medication and make referrals:

Regulation [OC 122/2019, The Medical Laboratory Licensing Amendment Regulations, 2019](#) amends the *Medical Laboratory Licensing Act, 1994* to include podiatrists on the list of professionals who have the authority to order specific lab tests from various categories of medical laboratories in the province.

Regulation [OC 123/2019, The Drug Schedules Amendment Regulations, 2019](#) amends the *Drug Schedules Regulations, 1997* to include podiatrists on the list of professionals who are entitled to prescribing privileges.

Regulation [OC 124/2019, The Saskatchewan Medical Care Insurance Payment Amendment Regulations, 2019](#) amends *The Saskatchewan Medical Care Insurance Act* to add podiatrists and registered nurses with additional authorized practice to the list of practitioners who can make referrals to a specialist for specific insured services.

Impact

The additional authority granted to podiatrists to prescribe medication, order specified lab tests and refer patients to a specialist may result in an increase in plan costs as patients gain access to additional treatments from a new source. The extent of the impact is not expected to be significant.



Update on PTSD benefits in British Columbia

In 2018, British Columbia amended the *Workers Compensation Act* to make it easier for front-line and emergency response workers to qualify for benefits if they are diagnosed with post-traumatic stress disorder (PTSD). The changes apply to occupations such as correctional officers, police officers, firefighters and paramedics. It provides that eligible workers diagnosed with a mental disorder, including PTSD, are presumed to have the disorder caused by a workplace incident (unless proven otherwise). The British Columbia Government recently expanded the list of eligible workers to include nurses, emergency response dispatchers, and health care assistants.

Several provinces, including Manitoba, Nova Scotia and Ontario also have amended legislation to provide presumptive benefits for eligible workers suffering from PTSD. Although the definition of eligible workers varies by province, all of these provinces now include coverage for nurses.

Impact

Plan sponsors with eligible employees in British Columbia may experience increased workers' compensation claims with the expanded coverage. However, the changes could also alleviate costs associated with disability claims.

Ontario proposes changes to coverage while travelling outside of Canada

The Ontario Ministry of Health and Long-Term Care is proposing amendments to the *Ontario Health Insurance Act* to end coverage for medical emergencies that occur outside of the country.

The Out-of-Country Travellers Program (the Program) currently covers a limited amount of costs for emergency health services received while travelling outside of Canada. The Program covers out-of-country inpatient services to a maximum of \$400 per day for a higher level of care, and up to \$50 per day for emergency outpatient services. The proposed amendments are not expected to impact publicly funded health care coverage for Ontarians travelling in other provinces.

The changes, if approved, are expected to come into effect on October 1, 2019.

Impact

According to the Canadian Life and Health Insurance Association, employers that provide group travel insurance may start paying more for these products. They note travel health claims for both employer-sponsored and individual plans totaled more than \$360 million in 2017. This serves as a reminder to plan sponsors in all provinces to ensure they communicate clearly to their plan members regarding the extent of out-of-country emergency coverage included in their extended health plans, given the potential financial risks that underinsured travelers face.

Research

Drug Trend Report examines prescription drug spending for 2018

The annual Express Scripts Canada's Drug Trend Report provides an analysis of prescription drug trends in privately-sponsored Canadian benefit plans. According to the 2018 report, private plan spending temporarily slowed last year, with the national average per member increasing by 0.9% – significantly less than the 2.5% per-member increase in 2017 and the 2.9% increase in 2016. This 2018 trend is attributed to a 6.9% increase in specialty drug spending, offset by a 1.8% decrease in traditional drug spending.



Traditional drugs accounted for 67% of the 2018 total costs (slightly lower than 69% in 2017). This is due to a 1.4% decline in usage, as well as a 0.4% decline in cost per prescription. Other contributing factors included the introduction of OHIP+, which made over 4,400 drugs free for Ontario children and youth under age 25 – although this was subsequently changed in 2019. The generic drug price reductions by the pan-Canadian Pharmaceutical Alliance (pCPA) also played a key role, reducing the prices for almost 70 commonly prescribed generics by 25% to 40%.

Specialty drugs, on the other hand, continue to be a major cost concern for private plan sponsors. While specialty drugs account for only 2% of total claims, they represent 33% of overall plan costs – more than double what it was 10 years ago. The latest 6.9% increase is a result of a 6.1% rise in usage and a 0.8% rise in cost per prescription. Other contributing factors included:

1. Higher usage of specialty drugs for conditions such as asthma and cancer.
2. The introduction of new high-cost drugs in an effort to fill the remaining treatment gaps, which require specialty medications.
3. New indication approvals for existing drugs, which expand the number of patients who may use them.

In addition, for the first time in 2018, the report investigated the connection between adherence – i.e., patients' ability to take their medications as prescribed – and prescription drug spending. It found that nonadherence is a primary cause of poorer health outcomes, and hence higher spending. The report highlighted poor adherence across several of the top spending drug therapy classes, including asthma/COPD (at 72% of nonadherent claimants), inflammatory conditions and diabetes (both at 45%), and depression (at 37%).

The top 20% of claimants represent nearly 80% of total plan spend, with an average of \$3,485 per year per member (15.6 times the spend of other members).

Impact

Privately-sponsored benefit plans continue to face substantial cost pressure from the ongoing prevalence of specialty drug usage. Despite the cost pressures, however, specialty drug usage is associated with significant medically beneficial outcomes that could have a positive impact on future drug and disability claims, as well as absenteeism and productivity. Plan sponsors should continue to review drug plan management solutions to ensure plan sustainability and the on-going provision of specialty drugs that meet the needs of their plan membership.

This publication has been prepared by the *Group News* editorial board for general information and does not constitute professional advice. Current editorial board members are: [Andrew Tsoi-A-Sue](#), [Ellen Whelan](#), [Charlene Milton](#), [Karen Gleeson](#), [Alyssa Hodder](#), [Philippe Laplante](#), and [Nick Gubbay](#). All *Group News* issues are available on [eckler.ca](#).