

## 2017 Ontario Budget Announces New Prescription Drug Program for Children and Youth

In its 2017 budget tabled on April 27, 2017, the Ontario government announced a new prescription drug program for children and youth under age 25.

### Background

Currently, government-funded prescription drug coverage is provided to Ontario residents through the Ontario Drug Benefit (ODB) Program and the Trillium Drug Program.

The ODB Program is available to seniors when they turn age 65, and to certain people under age 65 if they are living in a long-term care home/home for special care or if they are enrolled in one of the following programs: the Home Care program, Ontario Works, Ontario Disability Support Program, or Trillium Drug Program.

The Trillium Drug Program is available to certain individuals or families, regardless of their income, if private insurance does not cover 100% of their prescription drug costs and they spend a large portion of their income on prescription drugs (when drug costs for a household are higher than approximately 4% of the household income or total net household income).

### Ontario to Extend Drug Coverage to Children and Youth

Starting January 1, 2018, the Ontario government will provide free universal prescription drug coverage to children and youth through a new program called OHIP+: Children and Youth Pharmacare. The government program will be the first payor for drugs covered by the ODB Program plus the drugs on the Exceptional Access Program. The Exceptional Access Program provides coverage for higher cost, less frequently used drugs, subject to evidence of medical and financial need. Claims for children and youth will not have to go through the insurer of their (or their parent's) employer's health plan first. Also, unlike the current ODB Program, there will be no deductible or copayment under the program.

The OHIP+: Children and Youth Pharmacare program will be available to children and youth aged 24 and under, regardless of family income.

**Comment.** For plan sponsors, this means some costs will shift out of the employer's health plan. We estimate the savings to be in the range of 7% to 10% for groups in Ontario. We note the ODB has primarily

been designed for seniors, so there may be drugs that children require that will not be covered by the provincial plan. We will be incorporating this change into 2018 renewal calculations for clients with plan members in Ontario.

## In Closing

While this move by the government falls short of addressing high cost drugs for the entire population, it is a welcome enhancement to the current system and protects the health of our children.

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