

Highlights of the legislative and industry updates in 2010

Federal and provincial legislation and budgets as well as changes to provincial health plans can have a considerable impact on group benefits plans. We communicate these changes to you via Focus Updates during the year.

The tables below provide a useful province by province recap of the changes we have seen in 2010.

BRITISH COLUMBIA

- **British Columbia introduced a single Harmonized Sales Tax (HST) effective July 1, 2010.**
For information on how these changes affect your group plan, refer to [Focus Update #224](#), [Focus Update #228](#) and [Focus Update #237](#)
- **BC reduces generic drug prices for public and private payors**
On Friday July 16th, a new agreement between BC Ministry of Health Services, the BC Pharmacy Association and the Canadian Association of Chain Drug Stores was announced. This Agreement was effective July 28, 2010 through to March 31, 2013.
Reduced generic drug pricing is being extended to the private market so all residents in British Columbia have access to more affordable medications.
For more information, refer to [Focus Update 241](#).

ALBERTA

- **Changes to Alberta's Prescription Drug Program**
As part of the Alberta Pharmaceutical Strategy, the Government of Alberta announced a number of significant changes to its drug programs. These changes impact plan sponsors providing drug coverage in the province of Alberta. The changes include:
 - A delay to the proposed optional Seniors' Drug Program
 - New lower limits on generic drug prices
 - A temporary Transitional Allowance that pharmacists can charge on each prescription of \$75 or less.For more information on the impact to group plans, refer to [Focus Update 218](#).
- **BILL 54 Amendment to Alberta PIPA**
Effective May 1, 2010, new privacy requirements in Alberta came into force. One of the amendments now requires was to provide contact information (title and how this person can be contacted) to anyone asking about our use of service providers outside Canada.
Changes also impacted our access to file process. Our *Access to file protocol* was revised to reflect the pertinent Alberta privacy amendments. Key changes included:

Section 28 of PIPA: Time limit for responding

In Alberta, we have 45 days to respond to an individual access request, plus another 30 days of extension - assuming we have informed the individual within the original 45 days - or longer if we receive the Commissioner's permission. If we do not respond within this timeframe, the request is to be treated as a refusal. See Section 29 below for what the content of a refusal must include.

Section 29 of PIPA: Contents of response

Changes would require an organization responding to an access request to provide the applicant with information about the purposes for which the personal information has been and is being used by the organization. If the organization refuses to provide the information, they must inform the applicant of the name of the person who can answer any questions about the refusal and inform the applicant of the ability to ask for a review.

Section 32 of PIPA: Fees

A new provision has been added that prohibits an organization from charging a fee for access to personal employee information and from charging a fee for a request to correct information.

SASKATCHEWAN

- **Saskatchewan removes Chiropractic coverage – April 1, 2010**

In its March 24, 2010 budget, the Government of Saskatchewan announced that effective April 1, 2010, it would no longer cover Chiropractic services for most Saskatchewan residents.

For more information on the impact to group plans, refer to [Focus Update 219](#).

ONTARIO

- **Ontario introduced a single Harmonized Sales Tax (HST) effective July 1, 2010. In addition, the Retail Sales Tax that is applicable on Group Benefits plans was amended to interrelate with the HST legislation.**

For more information on how these changes affect your group plan, refer to [Focus Update #224](#), [Focus Update #228](#) and [Focus Update #237](#)

- **Changes to Ontario's drug system**

On April 7, 2010, the Ontario Ministry of Health and Long Term Care announced major changes to the Ontario drug system.

The province of Ontario put forth proposed regulations resulting in:

- Lowering the pricing for generic drugs to 25 per cent of the cost of the original brand name drug
- Eliminating the professional allowances paid to pharmacies by generic drug manufacturers

- Raising the allowable dispensing fee that pharmacies can charge for their dispensing services under Ontario's Drug Benefit Program.
- Capping the amount of the drug ingredient mark-up paid to pharmacies for ODB prescriptions
- Investing of \$100 million in additional funding by the province to pay pharmacies for providing professional services.

The government confirmed that the lower generic prices, as well as the elimination of the professional allowances, would apply to both the public and the private sector.

For more information, refer to [Focus Update #217](#), [Focus Update #232](#) and [Focus Update #238](#).

- **Ontario's Bill 179: Health Care Workers Get legislative Green light**

This change in legislation expands the scope of licence of certain paramedical practitioners to allow them a wider range of health care services than they could provide before. In brief:

- enable physiotherapists to order x-rays for specific purposes
- change the rules for prescribing, dispensing selling & using drugs in the practice of pharmacists, physiotherapists, midwives, nurse practitioners, dentists, dental hygienists
- nurse practitioners, pharmacists, physiotherapists, dieticians to deliver more services than they are now qualified to provide.

As these changes had a negligible effect, if any, on our group plans as they apply to practitioners whose services are contractually limited with a benefit maximum, we did not deem necessary to issue a Focus Update concerning the adoption of this bill. This is only for your information.

QUEBEC

- **Quebec increases the Quebec Sales Tax (QST) and Quebec Premium Tax (QPT) rates and adopts new Place of Supply rules**

On March 30, the Quebec government announced its plan to further increase the Quebec Sales Tax (QST) on goods and services effective January 1, 2012; increase its Quebec Premium Tax (QPT) rate effective March 31, 2010 and adopt similar "Place of Supply, Self-Assessment and Rebate Rules for Harmonized Sales Tax" as introduced by the Federal Department of Finance.

For more information, refer to [Focus Update #222](#), [Focus Update #224](#), [Focus Update #237](#) and [Focus Update 257](#).

- **Quebec amends basic drug plan**

Quebec announced some changes to the parameters of the basic drug plan administered by the Régie de l'assurance maladie du Québec (RAMQ). Effective July 1, 2010, the changes affected plan sponsors who provide drug coverage to Quebec plan members.

For more information, refer to [Focus Update #236](#).

- **Quebec Announces Universal Procreation Program**

Effective August 5, 2010 fertility treatments are paid for all women of child bearing age who reside in Quebec. The province covers three stimulated cycles of in vitro fertilization and up to six cycles for natural or modified natural cycles.

Legislation requires that private drug plans provide drug coverage that is at least equal to the coverage provided by RAMQ. As a result, plan sponsors in Quebec will be required to cover these drugs for members receiving these treatments.

For more information, refer to [Focus Update #246](#).

NOVA SCOTIA

- **Harmonized Sales Tax rate increases on July 1, 2010**

Nova Scotia announced that the Harmonized Sales Tax rate of 13% would increase to 15% effective July 1, 2010.

For more information, refer to [Focus Update #224](#), [Focus Update #228](#) and [Focus Update #237](#).

NEWFOUNDLAND AND LABRADOR

- **Expansion of coverage for insulin pump therapy to people up to the age of 25**

In its March 29 budget, Newfoundland and Labrador announced that coverage for insulin pump therapy would be expanded to include people with Type I diabetes aged 18 to 25.

For information, refer to [Focus Update #224](#).

FEDERAL

- **New Place of Supply, Self-Assessment and Rebate Rules for Harmonized Sales Tax, effective May 1, 2010**

The Department of Finance (Canada) enacted regulations on “Place of Supply, Self-Assessment and Rebate Rules for Harmonized Sales Tax” on June 9, 2010.

For more information on how these regulations impact group plans, refer to [Focus Update #228](#) and [Focus Update #237](#).

- **Work-sharing arrangements extended**

As part of its March 4, 2010 budget, the Federal Government announced plans to extend the duration of Work-Sharing arrangements from 52 weeks to 78 weeks.

For more information, refer to [Focus Update #215](#).

- **Changes to the Medical Expense Tax Credit (METC)**

The Federal Budget announced in its budget changes to the METC to ensure that its intended purpose is maintained. Expenses incurred as a result of purely cosmetic procedures will no longer be considered eligible expenses.

For more information, refer to [Focus Update #215](#).

- **C-28 Fighting Internet & Wireless Spam Act**

C-28 was passed on December 15, 2010: and is expected to come into force in the fall of 2011. Draft negotiations have not yet been approved or issued.

Prohibits the sending of commercial electronic messages without consent of the recipient. Provides rules governing the sending of these messages. Provides for monetary penalties to individuals/organizations. We are continuing to review how this new bill impacts our business units.

- **C-29 Act to Amend PIPEDA**

C-29 has gone through 2 readings, but is still being debated. It is difficult to know when it is likely to be passed.

Includes changes related to business information, breaches of security safeguards, business transactions, valid consent, collection, use, and disclosure without consent, lawful authority, access requests and solicitor-client privilege.

Questions?

Please contact your Sun Life Financial group benefits representative.