

## Changes to Alberta's Prescription Drug Program for seniors, effective July 1, 2010

As part of their new Pharmaceutical Strategy, Alberta is making changes to some of their drug programs, including their program for seniors.

**The changes to the seniors program will only affect drug plans covering Alberta seniors.**

### Prescription Drug Program for Seniors – Current

Currently, Alberta seniors and their dependents are automatically provided with premium-free drug coverage. Under this program, seniors pay only 30% of the cost of prescriptions up to a maximum of \$25 per prescription.

### Prescription Drug Program For Seniors, effective July 1, 2010

The new program will be optional. Seniors who want to participate must apply for coverage. The program will include:

- a per prescription co-payment of 20% to a maximum of \$15
- a monthly premium

Both of these payment components are affected by the seniors' income. According to information provided by the province, it is expected that approximately seven per cent of low-income seniors will receive free prescription drugs - they will not pay a co-payment or a premium. Another 49 per cent of seniors will pay a co-payment, but not a premium. Higher income seniors will pay the co-payment and a monthly premium.

### Single income

Taxable income	Premium	Co-payment
\$0 - \$12,000	\$0	\$0
\$12,001 - \$24,000	\$0	20% of each prescription to a maximum of \$15
\$24,001 - \$36,000	\$31.75 per month	20% of each prescription to a maximum of \$15
\$36,001 - \$48,000	\$47.62 per month	20% of each prescription to a maximum of \$15
\$48,001 or more	\$63.50 per month	20% of each prescription to a maximum of \$15

**Family income:**

Taxable income	Premium	Co-payment
\$0 - \$24,000	\$0	\$0
\$24,001 - \$48,000	\$0	20% of each prescription to a maximum of \$15
\$48,001 - \$72,000	\$59.00 per month	20% of each prescription to a maximum of \$15
\$72,001 - \$96,000	\$88.50 per month	20% of each prescription to a maximum of \$15
\$96,001 or more	\$118.00 per month	20% of each prescription to a maximum of \$15

**Impact for Drug Plan Sponsors**

Currently, private plans covering seniors pay about 30 per cent of the total drug cost incurred by seniors in Alberta. When the new seniors' program comes into effect on July 1, 2010, private plans will pick up 100 per cent of the drug costs incurred by seniors who do not register for coverage. If you have seniors living in Alberta, you should encourage them to apply for coverage.

Note: It is not clear how the government program will coordinate with private drug plans. We are currently seeking clarification from the government and will provide details as they become available.

**Other Changes announced by Alberta Government....**

In addition to changes to the seniors' drug plan, Alberta's pharmaceutical strategy includes the following:

- Introduction of drug coverage for rare diseases
- Revised premiums for the non-group coverage program
- Alignment of government drug plans

**Introduction of drug coverage for rare diseases**

The Alberta Rare Diseases Drug Program provides coverage for those affected by catastrophic drug costs for rare disorders such as Gaucher's disease, Fabry disease, Hunter disease, etc.

To be eligible for assistance under this program, residents must be enrolled in the Non Group Coverage program or the Seniors Drug program.

**Revised premiums for the non-group coverage program**

The government of Alberta currently sponsors non-group coverage, a voluntary health plan available to Alberta residents under age 65. The premium rates set by the government of Alberta for the non-group coverage program have not increased since 1993, and are very low in comparison to the market rates charged by private and plan sponsor based programs. As part of the new strategy and to align with current market rates for group coverage, the premium rates increased on July 2009, and will increase again in July, 2010.

Effective date	Monthly single rate	Monthly family rate
July 2009	\$41	\$82
July 2010	\$63.50	\$118

### **Alignment of government drug plans**

The government of Alberta currently supports a variety of prescription drug programs, such as:

- Seniors
- Special needs children
- Income support individuals
- HIV and transplant patients

As part of the new strategy, the government of Alberta will establish a common drug list and will align the administrative processes within each program. Under the new aligned program, residents will receive the same treatment, without disruption.

We do not anticipate any changes to the senior drug formulary as a result of this change.

### **What next?**

We are working with CLHIA to gain a better understanding of opportunities for coordination of coverage between private plans and the new senior drug program. We will keep you informed as more details become available.

### **Questions**

If you have any questions regarding these changes to the Alberta Pharmacare program and how they impact your group benefits plan, please contact your Sun Life Financial Group Benefits representative.

For additional information, please visit the Alberta government Web site at <http://www.health.gov.ab.ca/>