

## Quebec group insurance pooling update for 2016 - what's changing?

Every year, the *Quebec Drug Insurance Pooling Corporation* (also referred to as the *Société de compensation en assurance médicaments du Québec*) revises the Quebec group insurance pooling terms and conditions. We have started applying new pooling levels and fees to all 2016 renewal calculations that involve Quebec plan members. Details of the new parameters are described below...

### Who does it affect?

All group insurers in Quebec contribute to a pooling plan that protects private sector plan sponsors against the financial impact of large claims for drug costs. Based on pooling results for previous years, the Quebec Drug Insurance Pooling Corporation submitted a report to Quebec's Health and Social Services minister. The report details 2016's pooling parameters and has been approved by all industry members.

### How does it affect our plan sponsors?

Pooling levels and fees are designed to cover predicted costs for claims and operating expenses associated with prescription drugs. While the overall pooling structure remains similar:

- new pooling levels and fees apply for 2016
- eligible amounts remain the paid claims amounts and the compensation formula is calculated as 100% of the amount in excess of the threshold<sup>1</sup>
- eligible medications remain those covered by the private plan<sup>2</sup>
- a per certificate pooling approach continues to apply<sup>3</sup>

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<sup>1</sup> [http://www.mutualisation.ca/terms/Terms\\_Conditions\\_2016.pdf](http://www.mutualisation.ca/terms/Terms_Conditions_2016.pdf)

<sup>2</sup> *ibid*

<sup>3</sup> Wording duplicated from [http://www.mutualisation.ca/terms/Terms\\_Conditions\\_2016.pdf](http://www.mutualisation.ca/terms/Terms_Conditions_2016.pdf)

### 2016 pooling parameters<sup>4</sup>

| Size of group<br>(# of certificates) | Threshold per<br>certificate<br>2016                        | Annual factor<br><i>Without</i> dependant(s) | Annual factor<br><i>With</i> dependant(s) |
|--------------------------------------|-------------------------------------------------------------|----------------------------------------------|-------------------------------------------|
| Fewer than 25                        | \$ 8,000                                                    | \$ 177.00                                    | \$ 488.00                                 |
| Between 25 and 49                    | \$ 18,000                                                   | \$ 101.00                                    | \$ 279.00                                 |
| Between 50 and 124                   | \$ 32,500                                                   | \$ 55.00                                     | \$ 150.00                                 |
| Between 125 and 249                  | \$ 47,500                                                   | \$ 36.00                                     | \$ 99.00                                  |
| Between 250 and 499                  | \$ 67,500                                                   | \$ 23.25                                     | \$ 64.00                                  |
| Between 500 and 999                  | \$ 90,000                                                   | \$ 16.50                                     | \$ 45.00                                  |
| Between 1,000 and 2,999              | \$ 115,000                                                  | \$ 12.50                                     | \$ 34.25                                  |
| 3,000 and over                       | Free market – Groups not subject to Quebec Industry Pooling |                                              |                                           |

### Questions?

Contact your Sun Life Financial group benefits representative.

<sup>4</sup> Table compiled from data taken from [http://www.mutualisation.ca/terms/Terms\\_Conditions\\_2016.pdf](http://www.mutualisation.ca/terms/Terms_Conditions_2016.pdf)

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