

## OHIP+ set to launch January 1

OHIP+ is launching as scheduled on January 1, 2018. As of that date, all Ontarians under 25 who have OHIP coverage – regardless of income, family or student status – will automatically be covered under the Ontario Drug Benefit (ODB) program, with no deductible or co-payment.

OHIP+ claims will be submitted by Ontario pharmacies and adjudicated online using the individual's OHIP card. The pharmacy community has confirmed they will have necessary changes in place for January 1, 2018 to submit OHIP+ claims to the government. No application is needed to enrol in the program and OHIP+ coverage will end on the individual's 25<sup>th</sup> birthday.

OHIP+ gives Ontario children and youth access to more than 4,400 drugs reimbursed under the ODB program, including:

- full coverage of ODB general formulary medications
- “limited use” drugs under the program, which are drugs reimbursed only when specific pre-defined medical criteria are met, as determined by the prescribing physician
- drugs under the ODB Exceptional Access Program (EAP), which includes the majority of high cost drugs. This requires a doctor to initiate an EAP request, similar to requests under our Prior Authorization program. The Ontario Ministry of Health and Long Term Care (MOHLTC) evaluates each request on a case-by-case basis.

Please note that out of country and out of province claims are not eligible for coverage under the OHIP+ program and will continue to be reimbursed by private plans, subject to plan eligibility.

The launch of OHIP+ will have an impact on your group benefits plan if you have OHIP-eligible plan members or dependents under age 25. If your plan is affected, there are three key items we would like to bring to your attention:

- First, with the Ontario government becoming first payor for many drugs for Ontarians under age 25, your group benefits plan Extended Health Care (EHC) rates may be adjusted to reflect the impact of OHIP+.
- Second, your Ontario members and dependents under 25 taking a drug eligible for funding through the EAP, will need to apply to ODB for coverage of the EAP drug.

- Third, to ensure children and youth with private insurance coverage experience a smooth transition from private plans to the Ontario Drug Benefit program through OHIP+, the private insurance industry will have a transition period in place for the period of January to June 2018 for a select group of EAP-eligible drugs.

Here's an overview of the related impacts.

## Pricing changes for insured plans

While OHIP+ will be the first payor for more than 4,400 ODB eligible drugs for Ontario children and youth under 25, OHIP+ program does not replace the need for the traditional group benefits Extended Health Care (EHC) coverage. Under the EHC benefit, a typical Sun Life drug plan provides access to over 14,000 drugs and also covers other medical and paramedical expenses. Drugs eligible under group plans but not covered by OHIP+, as well as any other eligible EHC expenses, will continue to be reimbursed under the group plans.

Sun Life will adjust the Extended Health Care (EHC) rates to reflect the impact of OHIP+, starting with renewal notices to clients at the end of November 2017. The reduction factor will vary based on the financial arrangement of the plan and will be as follow:

- **Insured non-refund plans:** The reduction factor will be based on the estimated impact on the Sun Life Financial overall Ontario block of business, then adjusted for each plan's Ontario content and pro-rated for the number of months OHIP+ is not in effect in the most recent experience period. The rate impact will include a retroactive adjustment to cover the months from January 1, 2018 to the renewal effective date.
- **Insured refund plans:** The reduction factor will be client-specific, based on the Ontario drug claims distribution of the plan. A retroactive adjustment to the factor will not be necessary, as claims experience used in the Financial Report will appropriately reflect the reduced volume of claims.
- **Administrative Services Only (ASO) plans:** savings resulted from OHIP+ will flow through the claims experience immediately for the invoice covering months after January 2018.

This approach has the benefit of minimizing the impact for you and avoids multiple rate changes throughout the year, while ensuring that you benefit from the savings.

Please note that if the impact is not material enough, no adjustment will be applied (i.e. a reduction factor will be applied to rates only for Clients whose rates impact is estimated at - 0.5% or more). If your plan is impacted, we will include a detailed explanation about the OHIP+ adjustment in your next renewal.

## Exceptional Access Program (EAP) drug coverage

The Ontario Ministry of Health and Long Term Care (MOHLTC) will not be grandfathering coverage of EAP drugs currently reimbursed by private plans. This means that individuals under age 25 who are currently taking an EAP-eligible drug that is reimbursed through a Sun Life group benefits plan will need to apply to OHIP+ for coverage of this medication. Prior to January 1, 2018, while maintaining coverage for their EAP-eligible drug, we will identify these claimants and will reach out to them in the new year, directing them to apply to EAP for funding.

## Transition Period

For the past several months, the Ontario Ministry of Health and Long Term Care (MOHLTC) has been working with the Canadian Life and Health Insurance Association (CLHIA) and its member insurance companies to help ensure children and youth with private insurance coverage experience a smooth transition from private plans to the Ontario Drug Benefit program through OHIP+, beginning January 1, 2018. As funding decisions under the EAP can take time, insurers have agreed to continue to cover certain drugs that would otherwise be considered under the EAP for the period of January to June 2018 without an EAP rejection letter. These drugs include medications required for acute conditions and drugs that the EAP does not usually approve for funding, except in very specific circumstances. This will help to ensure that there are no gaps in coverage for children and youth that require medications with an EAP request. Starting on July 1, 2018, we will require that all claimants be assessed for funding through OHIP+ for all EAP drugs, including those for acute conditions and ones with low EAP approval rates.

## Communications for your plan members

As the launch of OHIP+ approaches, we have developed the following [communication pieces](#) that outline details of the new provincial drug program and actions required as of January 1, 2018. Please feel free to share with your employees. In addition, we will be sharing this information with Ontario plan members on mysunlife.ca beginning in January 2018.

## Questions?

To learn more about OHIP+, you may visit the [Ontario government website](#) or contact your Sun Life Financial Group Benefits representative.