



Concerns Regarding the Proposed Changes to the GNWT Extended Health Benefits Program



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- **NWT Disabilities Council. (2023). *The NWT Disabilities Council: Concerns regarding the proposed changes to the GNWT Extended Health Benefits Program.***

Context and overall Concerns

- In 2019, The NWT Disabilities presented a concern regarding the current “Specified Disease Conditions” Program under Extended Health Care Benefits and the need to reform this program, as it is discriminatory, to better meet the needs of all people with disabilities based on their medical needs.
- The discussion paper proposes policy that embeds discrimination, in a less overt manner, and has created an oppressive replacement that is not based on the needs and life experiences of people with disabilities but is solely income- based.
- does not seem to present a reasonable understanding of the impacts and variables, in the proposed plan, that will create inequity and have adverse implications to individuals, families and the health care system.
- even has an understanding of the actual numbers of people the proposed changes will impact?
Do these numbers exist?
- extremely limited in the information and definitions it provides (as presented in this paper) to allow for informed public feedback.

Summary of Proposed Changes

- The GNWT operates three Extended Health Benefits Programs:
 - a) Specified Disease Conditions (“SPC”)
 - b) Metis Health Benefits
 - c) Seniors Health Benefits (60+ years)

Proposed Changes

- The proposed changes will only impact SPC.
- At present, SPC provides eligible residents (those with conditions on the list or who receive special approval) 100% coverage for the following covered benefits:
 - a) Prescription drugs;
 - b) Medical supplies and equipment; and
 - c) Medical travel (when approved).
- The proposed changes seek to replace SPD with two new programs:
 - a) Supplementary Health Benefits
 - b) Drug Benefit Program

Supplementary Health Benefit

- *Supplementary Health Benefit*
- The Supplementary Health Benefit provides 100% coverage with no cost-sharing for dental, eyewear, and medical supplies and equipment.
- Families who are under the established threshold will receive full coverage.
- it is unclear whether families under the threshold with third-party coverage will be expected to exhaust that coverage before they become eligible for coverage under the Supplementary Health Benefit.

Drug Benefit Proposed Changes

- *Drug Benefit*
- The Drug Benefit is a cost-sharing program. For those under the established income threshold set in Supplementary Health Benefits Program, 100% of drugs will be covered with no co-pay or deductible, although it is again unclear what role third-party will pay.
- For those above the threshold, a third-party insurance must be exhausted first. Once third-party insurance is exhausted, the family must pay a deductible amount (proportionate to income); after the third-party insurance is exhausted, the family is responsible for covering 30% of the cost of the drug up to a family maximum. After the family maximum is reached, the program covers 100% of drug costs.

Third Party Insurance – 2 Areas of Concern

LOW INCOME FAMILIES

- it is not clear what role third-party insurance will play for families under the income threshold established by the Supplementary Health Benefit. The decision paper repeatedly states that it is a “payor of last resort”, and that other insurance must be exhausted first. Depending on how the GNWT treats “exhausted”, this could result in low-income families being expected to pay deductibles and co-pays out-of-pocket to exhaust their third-party insurance prior to receiving benefits from the government programs.

EXAMPLE

- *A single mother with a total income of \$30,000 has children who are covered from their father's third-party insurance (separated, no longer in the household). When she uses that insurance for her children, she will be subject to a co-payment and deductible (e.g., a \$100 deductible and paying 30% of the drug cost or 30% of dental procedures) for the private plan. If the GNWT expects her to exhaust this plan prior to accessing the Drug Benefit or Supplementary Health Benefit, she could incur hundreds of dollars of co-payment and deductible on the private plan before she gets coverage.*

THIRD PARTY INSURANCE CONTINUED

- **Moderate to High Income**
- is the lack of clarity on what role it is expected to play for moderate-high income earners without employee-sponsored plans.
- The discussion paper provides no indication the GNWT has reasonably contemplated the serious impacts of requiring residents to purchase third-party insurance. The following issues are identified on even a preliminary contemplation of this approach.

Third Party Insurance continued

- The second concern with third-party insurance is the lack of clarity on what role it is expected to play for moderate-high income earners without employee-sponsored plans.

*“Residents who do not meet low-income threshold (established by income thresholds) and without third party employer-sponsored insurance will be encouraged to purchase personal health insurance from a provider with a drug benefit plan of \$3000 annually. **Residents will not be eligible for the Drug Benefit Program unless an insurance plan has been exhausted**”.*
(emphasis added) p. 13

THIRD PARTY INSURANCE CONTINUED

- Private insurance programs require medical exams and do not guarantee coverage. People with pre-existing medical conditions , especially those with high costs i.e.(M.S., diabetes etc) may not be able to secure 3rd party insurance
- Even if they are able to secure 3rd party insurance, pre- existing conditions often require significantly higher premiums and may exclude costs associated with the pre-existing condition
- It also does not consider that not all employer benefit packages are equal

Example

- *If Resident A has a plan that covers 70% of drugs up to an annual maximum of \$10,000, she will need to pay \$4,285.00 to exhaust her coverage.*
- *If Resident B has a plan that covers 80% of drugs up to an annual maximum of \$5,000, he will need to pay \$1,250.00 to exhaust his coverage.*

DISCRIMINATION – Protected Ground under the Charter of Rights

1. This may result in a resident with a pre-existing condition having third-party coverage that is technically not “exhausted” but is not actually covering the cost of the specific drugs they need for their pre-existing condition.

For example,

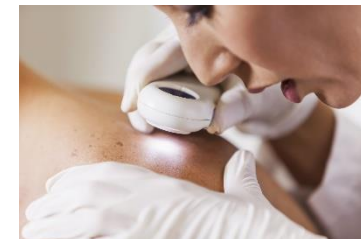
A resident with multiple sclerosis may be obtain third-party coverage with an annual maximum of \$3000 for drugs generally, but \$0 in coverage for drugs specific to their multiple sclerosis. From the discussion paper, it is unclear whether the Drug Benefit would step in to provide coverage for specific drugs not covered by third-party insurance when the annual maximum for drug coverage under the plan is not met.

DISCRIMINATION – Protected Ground under the Charter of Rights

1. Where residents with pre-existing medical conditions must incur higher premium costs than those without pre-existing medical conditions, they pay more money out of pocket before they can access the government Drug Benefit. This would be an adverse effect specific for people with pre-existing medical conditions (i.e., disability, protected ground).
2. The same argument in (b) also applies with age, given that premiums can also increase with age. Where older adults must pay more in premiums for coverage than younger adults before they can access the government Drug Benefit, you are again creating an adverse effect specific to people on the basis of a protected ground.

Elimination of all coverage for medical equipment or aids

- Will result in adverse health effects
- Increase access to acute health services
- Increase and incentivize poverty
- Increase dependence on government sponsored supports



Elimination of all coverage for medical equipment or aids continued

- The proposed changes eliminate all coverage of medical supplies and equipment for families above the low-income threshold. There is no indication that the GNWT has reasonably contemplated the grave consequences of this drastic change to coverage for persons with disabilities who are non-low-income earners.
- People with disabilities rely on medical supplies and equipment to meet their basic health needs and for community and labor force participation.

Elimination of all coverage for medical equipment or aids, continued

- Removal of coverage for medical supplies and equipment will further entrench people with disability in poverty. The cost of prosthetics, mobility aids, and medical supplies (e.g., incontinence supplies, oxygen tanks etc.) is significant and for many people with disabilities, far exceeds costs associated with prescription drugs. Removing coverage for medical supplies and equipment will impose financial costs to families that many families will not be able to absorb.
- Where families are unable to cover the costs of medical supplies and equipment, further disablement and poorer physical and health outcomes are almost certain, which will only increase reliance on acute care services in the health care system, contrary to the stated purpose of the proposed changes (p.8). Further disablement and poorer health outcomes also increase the likelihood of persons exiting the labor force, becoming dependent on government -sponsored benefit programs, and living in poverty.

Elimination of all coverage for medical equipment or aids continued

- Earning a higher income that would bring a family outside the low-income threshold which would not make financial sense if that family would suddenly be responsible for paying 100% of all their costly medical supplies and equipment. We would expect that some families would be forced to remain in a lower income bracket to ensure they receive the medical supplies and equipment they need, thus incentivizing poverty
- The stated main purpose of the proposed changes is to align the provision of extended health benefits to the values of equity and fairness and to prevent families from incurring exorbitant medical costs. Providing no cap to out-of-pocket expenses for medical supplies and equipment required for the maintenance of one's medical condition or disability is opposed to this purpose. Furthermore, it creates a real risk of poorer health outcomes, decreased labor force participation, increased social isolation, and increased reliance of government-sponsored supports.

Additional Concerns

- *Definition of family/household*
- there is no clear definition of what individuals will be included in the measurement of a “family/household” income. Given the territory’s high rate of overcrowded housing and intergenerational living arrangements, there is a risk that the raw sum of relatives in a home could result in many families being disqualified from the low-income threshold even if all of them have very modest income sources like income assistance.
- treating adult children living in a household as independent adults. If the GNWT does not do this, it could have the consequence of disincentivizing parents housing adult children with disabilities at home.

Example

- *If two parents have a combined income of \$32,000 and their adult child with a disability receives \$17,000 per year in income support, including the adult child would make the parents and the adult child all lose out on the low-income Supplementary Health Benefits and automatic 100% coverage under the Drug Benefit. The added cost of paying for these medical supplies and drug benefits for the adult child could motivate the family to move the child out of their home and into a congregate care setting.*

Additional Concerns continued

- **Threshold Income**
- Using a MBM-N (Market Basket Measure –North) median measurement will result in disproportionate impact on families residing in more remote communities, who already face the greatest barriers to meeting their medical needs.
- the MBM-N sets the annual income needed to meet as **basic standard of living across the NWT.**
- this amount does not account for increased costs associated with disability. The cost to maintain a basic standard of living is higher for families supporting a family member with a disability than those who do not. Not all disability-related expenses are tied to access to prescription drugs and medical supplies and equipment (which are, to some extent, reduced by this extended health benefits).
- unaccounted for costs include expenses for: premiums for childcare and services for children with disabilities requiring additional supervision, reliance on taxis and private transportation due to lack of accessible public transportation, electronic devices for communication, over the counter medications for pain management, or adaptive equipment for household appliances.
- there is no indication that the GNWT has reasonably accounted for the additional costs that families supporting a family member with a disability face in attaining a basic standard of living.

Additional Concerns continued

- *Medical Travel*
- In line with the argument made under medical supplies and equipment, no explanation is provided for the removal of coverage for medical travel completely, including for low-income residents.

What's Next??

- In public presentations there has been a failure on government to indicate that changes to the Specified Conditions Program will end the process of revision to Extended Health Benefits
- In a direct question of whether the seniors plan will be impacted, the continuous response has been **NOT AT THIS TIME.**
- When pressed, the further response was first we're dealing with this program before we move on, and I can't say what will be next.
- Either way we cannot allow people with disabilities, pre-existing conditions and aging persons to be the first to the cut and not expect that it will end there.
- Ultimately as a community we owe it to everyone to protect the health rights of all