

# COMMUNIQUÉ

8 June 2015

## **NEW BRUNSWICK DRUG PLAN REVIEW AND SENIORS DRUG PLAN PREMIUM INCREASES**

The New Brunswick government is proceeding with a review of the New Brunswick Drug Plan, and premium increases to the Seniors Prescription Drug Program announced in the budget.

The New Brunswick Drug Plan is a comprehensive premium-based drug program established by the prior Conservative government pursuant to *The Prescription and Catastrophic Drug Insurance Act*. Originally, the program was to take effect in two phases (see Mercer's [Communique dated 24 April 2014](#)): a voluntary program commencing 1 May 2014, and a mandatory program commencing 1 April 2015. Phase 2 of the program would also have seen mandatory requirements introduced for private plans.

Effective 1 April 2015, the new Liberal government repealed the legislative provisions with respect to the Phase 2 expansion of the New Brunswick Drug Plan (see Mercer's [Communique dated 12 December 2014](#)). Today, the New Brunswick Drug Plan operates solely as a voluntary program.

### **New Brunswick Drug Plan Review**

In its election platform, the Liberal government announced a review of the New Brunswick Drug Plan to ensure costs are reasonable for individuals, coverage is sufficient, and that small businesses do not have to contribute.

As part of the New Brunswick Drug Plan review, a discussion paper has been prepared and the government is inviting submissions from stakeholders and the public (by email to: [healthconsultationsante@gnb.ca](mailto:healthconsultationsante@gnb.ca)), both with respect to responses to questions posed in the discussion paper and suggestions to develop a better model for the government drug plan. Further information can be found on the New Brunswick Department of Health website at: <http://www2.gnb.ca/content/gnb/en/departments/health/nbdpr.html>

The deadline for submissions is 24 July 2015.

## Medavie Blue Cross Seniors Prescription Drug Program

New Brunswick residents over age 65 who wish to purchase government-subsidized drug plan coverage currently have the choice to participate in either the New Brunswick Drug Plan or a program administered by Medavie Blue Cross, Plan A: Seniors Prescription Drug Program.

In its 2015 budget speech, the government announced its intention to decrease its subsidization of the Medavie Blue Cross program, stating as follows: “In order to ensure that the plan is no longer in a deficit position and meets its original objective of providing drug coverage to New Brunswick seniors on a full cost-recovery basis, premiums will be increased.”

Effective 1 July 2015, monthly premiums for Medavie Blue Cross program will increase from \$105 to \$115 per individual. For employers who contribute to the cost of this program, this will mean an increase in expenses and potentially, post-employment accounting liabilities. The future of this program, in light of the broader New Brunswick Drug Plan review, remains to be determined.

Mercer will continue to monitor legislative developments, as well as ongoing developments with respect to the New Brunswick Drug Plan review and the Medavie Blue Cross Seniors Prescription Drug Program.

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