



Ontario Budget 2017 Announces Free Prescription Drug Coverage for Children and Youth age 24 and under

The Ontario government released their 2017 budget on Thursday April 27, 2017 which will provide a new provincial pharmacare program, officially titled “**OHIP+ : Children and Youth Pharmacare**”, for anyone 24 years of age and under.

Scheduled to take effect on January 1, 2018, OHIP’s new program will cover the cost of medications for all Ontarians 24 years of age and under based on the same drugs eligible under the Ontario Drug Benefit (ODB) formulary. The ODB plan currently covers 4,400 prescription drugs for approximately 3.9 million Ontarians, including 3 million seniors and 900,000 people on social assistance. Unlike the current ODB program for seniors and people on social assistance, there will be no deductibles or co-payments, regardless of family income for Ontario residents 24 years of age and under.

The effect of OHIP+ on plan sponsors of private benefit plans

Since details are limited at this time the cost savings to employer sponsored group benefit plans is yet to be determined. Typically the affected age group represents approximately 7% of total drug claims for most employer plans. Keep in mind private plans will still be liable for non-ODB formulary drugs.

As the launch date of OHIP+ approaches, we expect further direction and information to be released by insurance carriers. We expect some cost relief for plan sponsors as a result of OHIP+, but it is not anticipated to have a major impact on employer sponsored drug plans.

Mosey & Mosey Benefit Plan consultants will continue to engage with our insurance carrier partners to determine the impact on plan costs. We look forward to providing additional information as more details of the OHIP+ program are released.

If you have any questions, please contact your Mosey & Mosey representative.

This bulletin is produced by Mosey & Mosey for information purposes only. Information contained in this publication does not constitute specific advice and should not be used independently in formulating business decisions. Please contact your Mosey & Mosey representative for specific consulting advice.

100 Milverton Drive, Suite 604, Mississauga ON L5R 4H1
Toll Free: 1-800-268-8383, Phone: 905-361-2014, Fax: 905-361-2015
Email: inquiries@mosey.on.ca, www.moseyandmosey.com

