



BASIC PRESCRIPTION DRUG INSURANCE PLAN: Answers to your questions

SSQ Financial Group is pleased to provide you with answers to some of the most frequently asked questions about Quebec's Act respecting prescription drug insurance.

Quebec's Act respecting prescription drug insurance has been in force since January 1, 1997. The rights and obligations under this law regarding group insurance are very complex. However, help is close at hand as SSQ Financial Group is pleased to simplify certain aspects of this law for you by providing answers to some of the most frequently asked questions about group insurance. The following texts apply to prescription drug insurance only, unless otherwise specified.

ELIGIBILITY

Rules for Individuals

1. Who is covered by the law?

All Quebec residents with a provincial health insurance card issued by the Régie de l'assurance maladie du Québec (RAMQ) are covered by the law. Accordingly, Quebecers who have chosen to live outside of the province permanently are no longer covered by this law starting on the first day of their residence outside of Quebec. Finally, persons covered under another law or a plan offering at least equivalent coverage are not covered by the Act respecting prescription drug insurance (e.g. members of the Armed Forces, Aboriginals).

2. How can a person obtain prescription drug insurance?

In general, anyone who is eligible for group insurance through employment must be insured under their employer's group insurance plan. Everyone else must be insured under the RAMQ's public insurance plan.

3. What happens if a person does not have insurance?

Anyone who is not insured either by the RAMQ or by a group insurer will still have to pay the premiums charged

for the public plan upon filing their income tax return, and what's more, will not be entitled to reimbursement of prescription drug expenses under the public plan. At the very most, the RAMQ will provide reimbursements for the last three months preceding registration. Note that people age 65 or over are automatically registered with the RAMQ.

4. Is a person required to register with the RAMQ at age 65?

A group plan cannot terminate a person's coverage at age 65. Everyone has the option of remaining covered by their group plan or by the RAMQ, depending on which is more advantageous in terms of premiums and coverage. However, upon turning age 65, Quebecers are automatically registered for the RAMQ plan, unless they indicate otherwise. Therefore, anyone wishing to remain covered by their group plan must inform the RAMQ and their group plan administrator of that decision. However, if a plan member over the age of 65 later decides to opt out of the group plan, he/she will be required to register with the RAMQ, together with his/her spouse and any dependent children. In addition, in the case of the death of a group plan member who is over age 65, his/her spouse is required to register with the RAMQ along with any dependent children.

5. Can a person register with the RAMQ after age 65?

A person over age 65 can cancel his/her group coverage at any time and opt instead for coverage under the RAMQ's prescription drug insurance plan. The opposite is usually not true. If a person opts not to maintain coverage under his/her group insurance plan upon retirement, this decision is generally irrevocable. This means that plan members will not be able to subsequently cancel coverage under the RAMQ in order to reinstate coverage under the former group plan.

6. What does the law stipulate for retirees?

The law makes no distinction between categories of persons. Retirees under age 65 and active employees under age 65, eligible for coverage under a group insurance plan, must be insured under that plan. Upon turning age 65, both active employees and retirees have the option of choosing coverage with the RAMQ or their group insurance plan, where applicable.

7. Is this law retroactive for persons who retired before January 1, 1997?

This law is not retroactive. If a person did not join a retirement group plan for which he or she was eligible before January 1, 1997, the law does not require that the group insurer reintegrate the person back into the plan. Therefore, the RAMQ is their only choice. However, since January 1, 1997, group plans for retirees are required to offer coverage that is as generous as the coverage offered under the RAMQ plan for future retirees. However, the group plan can stipulate that, after December 31, 1996, a retiree will be not able to be reintegrated into the group plan if the plan member opted for RAMQ coverage upon retirement.

8. How are spouses and dependent children affected by the law?

Persons covered by the law include spouses (legal or common-law, as defined under the federal *Taxation Act*) and children. Plan members are therefore required to insure spouses and dependent children under their group plan if they live with them, unless they are insured under another group plan. If the spouses and dependent children do not live with the plan member and are not eligible for coverage another group plan, then they are required to register with the RAMQ.

In addition, since January 1, 2000, where group plans contain a provision in this regard, at the time of death of the certificate holder, his/her spouse and children may maintain their coverage under the group plan without payment of premiums, provided that the coverage period does not exceed 24 months.

9. What happens if both spouses are eligible for a group plan?

The law does not specify that one group plan takes precedence over another. Therefore, both spouses may be covered under the same plan through family coverage or each may opt to be covered separately through individual coverage. This means that spouses can choose the plan with the best coverage or premiums, and the spouse with the less advantageous plan can simply request exemption from his/her group plan.



10. How can both spouses obtain prescription drug insurance?

The following table presents the possible combinations for the RAMQ public plan and a private insurance group plan (GP), taking into consideration the ages of the plan member and spouse.

MEMBER	SPOUSE	OPTION 1		OPTION 2		OPTION 3	
		Member	Spouse	Member	Spouse	Member	Spouse
< age 65	< age 65	GP	GP	N/A		N/A	
< age 65	≥ age 65	GP	GP	GP	RAMQ	N/A	
≥ age 65	< age 65	GP	GP	RAMQ	RAMQ	N/A	
≥ age 65	≥ age 65	GP	GP	RAMQ	RAMQ	GP	RAMQ

GP = Group plan

11. Is a common-law spouse eligible if a plan member is not divorced?

When both a married spouse and a common-law partner exist, the law requires only that the spouse who is living with the plan member be insured under his/her plan.

12. Are same-sex partners eligible?

The *Act respecting prescription drug insurance* recognizes same-sex partners, provided they have been living together for at least 12 months.

13. Is a plan member required to cover a self-employed spouse?

Unless the spouse is age 65 or over, he/she must be insured under the plan member's group insurance family plan, provided they live together. In fact, the law requires membership in a group insurance plan either as a member, or as a spouse. If the self-employed worker is not eligible for coverage under a group plan, then he or she must be covered by the RAMQ plan.

14. Is a person who is separated but does not have legal custody of his/her children required to insure them?

The law requires group coverage of dependent children only by the parent with whom the children are domiciled. If both parents are eligible for group insurance and share custody of the children, they must come to an agreement to have the children covered under one plan or another.

15. Is there an age limit for eligible children who are students?

Eligible children include children who are under age 18, and children who are age 18 to 25, inclusive, who are not married, who are under parental authority and who are studying full time. It is the parents' responsibility to provide insurance coverage for their children. Otherwise, under the law, the child will be covered as an adult.

16. Is a disabled person eligible?

A person of majority age, who is not married, who has been functionally disabled since before the age of 18, who is not receiving financial support under a last-resort assistance program provided for in the *Act respecting income support, employment assistance and social solidarity*, and who is living with his/her parents, is eligible for coverage under the parents' plan, regardless of age, and must be covered.

17. Is the son/daughter of a plan member's dependent child eligible for coverage under a group plan?

The son/daughter of a plan member's child is not eligible under a group plan. In this case, the child must be registered with the RAMQ, which will pay 100% of the benefits without any payment of premiums. The parent of this child, however, remains eligible under his/her own parents' insurance contract if he/she meets the age and/or student status requirements.

18. Can prescription drug insurance be maintained through an individual policy?

No, insurers can only offer group insurance for drugs covered under the Basic Prescription Drug Insurance Plan.

19. Are self-employed workers covered by the law?

Members of a professional association that offers group insurance are required to obtain group coverage. However, the law does not require that they become members of an association. If they are not eligible for group insurance, they must register with the RAMQ.

20. Can a person be refused coverage for health reasons?

The law requires that all eligible persons receive coverage under the public plan, regardless of their health status. Similarly, a group plan may not exclude the prescription drugs listed in the Basic Prescription Drug Insurance Plan associated with a pre-existing condition.

ELIGIBILITY

Rules for Groups

21. Is the establishment of a group plan a legal requirement?

In the case of both active employees and retirees, the law does not require the establishment of a group plan.

22. What is a group plan as defined by the law?

For the purposes of the law, a group plan provides insurance coverage to a specific group of persons by reason of a current or former work relationship, professional activity or any other regular occupation.

23. When is prescription drug insurance required as part of a group plan?

The only group contract permitted without prescription drug insurance is a plan that offers life insurance only. If a group plan includes health insurance or disability insurance, then prescription drugs must also be covered.

24. Is participation optional?

In general, any person under age 65 who is eligible for group insurance through employment must be covered for at least prescription drug insurance. However, participation in other types of coverage under the plan may be optional or mandatory, depending on the agreement between the group and the insurer.

25. Is participation in a group insurance plan with a professional association optional?

The law does not require the creation of a group plan nor membership in a professional association. However, any person who joins a professional association that offers group health insurance or disability insurance must at least participate in the prescription drug insurance portion of the plan. Moreover, if a professional association group plan stipulates that employees of member associations are also eligible, they must also participate in the plan. However, the association's group plan can be amended to allow each member association to decide whether or not to insure its employees.

26. Are all employees required to have coverage under a group plan?

The law defines eligibility for insurance based on certain criteria, which do not include age, sex and health status. For example, the following criteria for determining eligibility are permitted: job category, number of regular hours worked, retirees, including retirees before January 1, 1997, probationary period, part-time work, full-time work, as well as seasonal, temporary and occasional work.

27. Might an insurer be tempted to refuse groups that represent a risk?

The law prohibits insurers from refusing a person for health reasons. To prevent a concentration of persons in poor health from unduly affecting group premiums, for small groups in particular, the law requires all insurers to share the risks of insureds whose prescription drug use exceeds the norm. This sharing of risks is referred to as risk pooling.

28. Is an employer who assumes health insurance risks covered by the law?

Self-insured plans are subject to the same rules as those of insurers (risk pooling, ceiling, list of eligible drugs, mandatory nature of coverage, etc.).

29. Can a group plan restrict membership to employees only?

The law requires that group members insure their spouses and children who live with them under their group plan. It is illegal for a group plan to restrict prescription drug insurance to employees only.

30. Is an employer located outside of Quebec covered by the law?

If an employer located outside of Quebec employs Quebecers working outside of Quebec, this employer is not subject to Quebec law. However, these Quebecers must be insured under a group plan deemed compliant with the law. If these Quebecers work at a place of business located in Quebec, however, the law then applies to the employer.

31. Can coverage terminate a certain number of years after retirement?

The law does not require the creation of a group plan for retirees. However, the law does prohibit the termination of prescription drug insurance due to age, either directly or indirectly.

FINANCIAL ASPECTS

For information about the financial aspects related to registering for the Basic Prescription Drug Insurance Plan, consult the RAMQ Web site at www.ramq.gouv.qc.ca/index_en.shtml and click on the Prescription Drug Insurance link.



- Prescription drugs for treating hemophilia (AMICAR, FACTOR VIII)
- Prescription drugs related to non-institutional care (intravenous drugs)
- Prescription drugs bought outside Quebec

35. Are free drug programs still available?

Prescription drugs offered to persons admitted to health institutions and prescription drugs provided under public health programs (STDs and vaccinations) are still insured by the government.

36. Are prescription drugs payable by the CSST or the SAAQ covered?

The CSST and the SAAQ remain the first payers of drugs prescribed following an employment injury or car accident.

37. Are homeopathic medicines covered by the law?

The Basic Plan does not cover homeopathic medicines and does not require group plans to include them. However, the latter can include them in their coverage.

38. Is it possible to obtain complementary prescription drug coverage?

The law allows complementary prescription drug coverage under individual and group plans. This can take two forms: prescription drugs not covered by the RAMQ in Quebec and outside Quebec, and the payments assumed by the insurer (co-insurance and deductible) in the Basic Plan.

39. Is the Basic Plan's list adequate?

As its name suggests, the Basic Plan's list covers all of the most basic needs. However, note that new prescription drugs are not automatically covered in this list, as is usually the case in group insurance plans.

40. Are all prescription drugs purchased in Quebec registered in a central database?

Such a tool would have been very useful for pharmacists in order to be able to properly advise clients on the contraindications to prescription drugs. It would have enabled better monitoring of the use of prescription drugs in the interest of the persons covered. It would have enabled a possible reduction in the premium. However, such a database, although being given consideration in a government draft bill, still does not exist.

41. Are the usual exclusions maintained?

Exclusions (certain smoking cessation products, cosmetics, natural products, sunscreens, aesthetic products, etc.) apply insofar as they do not exclude prescription drugs that would otherwise be payable in accordance with the law.

PRESCRIPTION DRUGS

32. Who establishes the RAMQ drug list?

The *Conseil consultatif de pharmacologie*, comprised of experts, gives recommendations to the Health Minister, who has the final say. The list is generally revised every three months. The list for the Basic Plan is based on the list used by the RAMQ for social assistance recipients and persons age 65 or over. The prescription drugs on this list represent the minimum coverage under group plans.

33. Does the Basic Plan affect the list of prescription drugs covered under group plans?

The lists of prescription drugs covered under group plans are different from the RAMQ list. The law requires that all prescription drugs on the Basic Plan's list be covered under group plans. Prescription drugs from different government programs that have ceased to exist since January 1, 1997 have been added to the list, for example.

34. Which prescription drugs from former government programs are covered by group plans?

The following prescription drugs are covered:

- Prescription drugs in the "Ambulatory Patients" circular (cystic fibrosis and cancer)
- Prescription drugs for hemodialysis (EPREX)
- Growth hormones (PROTROPIN)
- Antiviral drugs for AIDS (AZT or 3TC)

42. Did group insurance premiums increase with implementation of the law?

The necessary changes imposed by the law entailed an increase of 3% to 6% in health insurance premiums for active employees.

43. What factors affected premiums?

With the exception of all insureds, regardless of their health condition, the 100% payment of costs in excess of the ceiling, the payment of prescription drugs previously covered by government programs, the payment of certain over-the-counter drugs, and the payment of prescription drugs purchased outside of Quebec for persons age 65 or over, are all factors that led to an increase in premiums.

44. Did premiums also increase for retirees?

Premium increases were no greater for retirees who maintained their prescription drug coverage plan at age 65 with the RAMQ. For workers, as for retirees who would like to maintain the Basic Plan coverage under their group plan at age 65, an additional annual increase in the premium must be paid.

45. Do premiums vary according to age?

The law prohibits the exclusion of persons because of age, but it does not prohibit setting age-based premiums.

46. Are annual premiums the same for the RAMQ plan as for group plans?

The government determines the annual premiums required for each adult registered with the RAMQ. For group insurance, premiums vary according to the level or coverage, age, gender and prescription drug consumption. Therefore, there is no correlation between premiums for private plans and the RAMQ's public plan.

47. Are premiums subsidized?

Premiums are reduced for people registered with the RAMQ whose household income is below a certain level. This is not the case for group insurance.

48. Must the premium for prescription drug coverage appear separately?

There is no obligation to present the premium for prescription drug coverage separately. In general, the premium for prescription drug coverage is included as part of an overall health insurance premium. Prescription drugs represent approximately 60% to 70% of the cost of the premium.

49. Can an employer require an employee age 65 or over to register with the RAMQ?

The choice to register for the RAMQ public plan or to maintain coverage under a private group insurance plan is entirely up to the 65-year-old person. The group plan must allow him/her to maintain an equivalent level of coverage to that provided under the Basic Plan. However, the employee can agree to have his/her employer pay the RAMQ premium. Note that the employer's contribution is then considered a taxable benefit.

50. During a temporary interruption of work, is a plan member obligated to maintain coverage in the group plan?

The law does not require that a group plan must permit insurance coverage to be maintained during a temporary interruption of work. However, if this right is provided for under the contract, then the plan member is required to maintain coverage during this period and to continue to pay the group premium.

51. What happens if a person does not pay premiums during a temporary interruption of work?

The insurer will not pay benefits. The person is not eligible for coverage with the RAMQ. Further, when this person files his/her next income tax return, he/she will be required to pay the premiums for the RAMQ plan as though he/she had actually been covered by the RAMQ for the duration of his/her interruption of work, without ever having been entitled to benefits.

52. Must insurance coverage be maintained during a strike?

The law requires the insurer to maintain coverage, with payment of premiums, for 30 days during a strike, lock-out or any other planned work stoppage.

Got more questions?

To get answers call SSQ Customer Service at our toll-free number: **1-888-651-8181**.