

# Ten Years of Sound Risk Management

*It has already been ten years since the Quebec Drug Insurance Pooling Corporation appeared on the scene! Through meticulous management, the Corporation has made an essential contribution to the success of the Quebec drug insurance plan that has been in effect since 1997.*

1996. The Quebec government decides on a prescription drug insurance plan for all its citizens. The objective: to guarantee that all Quebecers will have access to medications at reasonable cost, regardless of their medical status, beginning on January 1, 1997.

The Quebec life insurance industry – already very active in the drug insurance market through group insurance plans – was able to meet this new challenge by working together to define terms and conditions for pooling the risks arising from the new plan. From that moment on, the millions of Quebecers belonging to group insurance plans would benefit, through their insurance contracts, from coverage for medications in line with the principles set out by the new law.

To make the risk sharing system work requires an effective and credible framework, so in 1997 the industry created the Quebec Drug Insurance Pooling Corporation. The new corporation's mandate is to oversee the sound management of the risk-sharing system set up by the industry. The Corporation would become the sole body recognised for this purpose by the Quebec government and be directed by a Board of six members representing insurers, employers and administrators of employee benefit plans or trusts.

The Corporation's number-one role is to define and update the terms and conditions of pooling, a task it has carried out nine times since its creation. Reviewed annually, the terms and conditions of pooling evolve along with changes in the number and profile of groups participating in pooling, the health of the insured population, and new pharmaceutical therapies.

Following ten years of activity, the Corporation shows a healthy balance sheet, its operating costs are under control, and its role has become increasingly important within the industry. Between 1997 and 2004, the amounts pooled rose from \$6.7 million to \$25 million.

In the interest of transparency and good governance, the Corporation has also evolved in that area. Since 2004, its Board has included nine members instead of six; three of these directors must meet standards of independence from the industry. Three Board committees – including a governance committee – have also been set up to supervise the corporation's activities.

In the same spirit, the Corporation created its own corporate identity in 2004 and in the following year launched a web site with information about its activities, accessible to the general public.

*Ten years after its creation, the Quebec Drug Insurance Pooling Corporation shows a positive balance sheet. In this way the Corporation has contributed to make the Quebec drug insurance plan a model partnership between the public and private sectors.*