

Quebec Drug
Insurance Pooling
Corporation



Société de compensation
en assurance médicaments
du Québec

DRUG INSURANCE IN QUEBEC

Terms and Conditions for 2012

The Quebec Drug Insurance Pooling Corporation recommended Terms and Conditions for 2012 are derived each year after consultation with the industry. The following Directors composed the committee responsible pour the review of the terms and conditions for pooling: Ms Suzanne Caron, M. Ron Hoskins, Ms Nathalie Laporte, M. Sylvain Paré, and the Executive Director, Ms Claude Di Stasio.

Presented to the Quebec Drug Insurance Pooling Corporation on October 25, 2011

TERMS & CONDITIONS FOR 2012

In 2011, the *Quebec Drug Insurance Pooling Corporation (Corporation)* recommends that the terms and conditions of pooling be adjusted to reflect observed trends in the evolution of the volume of claims submitted to the pool.

Terms & Conditions for 2012

Size of group (no. of certificates)	Threshold per certificate 2012	Annual factor <i>Without</i> dependants	Annual factor <i>With</i> dependants
Fewer than 25	\$5,100	\$137.00	\$377.00
Between 25 and 49	\$13,500	\$63.00	\$175.00
Between 50 and 124	\$24,000	\$28.00	\$77.00
Between 125 and 249	\$39,000	\$13.00	\$36.00
From 250 to 499	\$60,000	\$ 7.00	\$ 20.00
From 500 to 999	\$80,000	\$ 5.50	\$ 15.25
From 1,000 to 1,499	\$100,000	\$ 4.50	\$ 12.75
1,500 and over	Free market	Free market	Free market

For all eligible plans, the method of declaring claims to the Pooling Manager remains unchanged.

All plans are subject to the following conditions:

- Given that the lowest threshold level (set at \$5,100) exceed the amount of expenses required to reach the annual out of pocket maximum, the compensation formula becomes 100% of the amount in excess of the threshold.
- Thresholds for groups have been set, so that the rate increases for a group with poor experience following a very large claim, will be less than 20% before inflation in the cost of medications.

- The terms and conditions of pooling assume a target loss ratio of 95% for bands with a threshold lower than \$70,000 and of 90% for all other bands.
- A per certificate pooling approach continues to apply.

Specific conditions for plans with fewer than 250 certificates:

- Eligible medications are those covered by the private plan.

Specific conditions for plans over 249 certificates but less than 1,500 certificates:

- Only the costs of medications covered by the basic plan (RGAM) are pooled.

Groups of 1,500 certificates and over

- For groups insured and non-insured of 1,500 certificates and over, pooling terms and conditions do not apply.