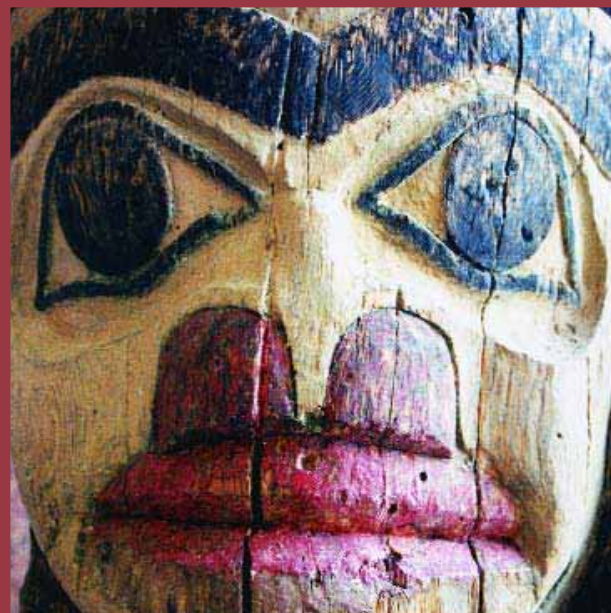


Non-Insured Health Benefits Program

A N N U A L R E P O R T



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This publication is also available on the Internet
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www.hc-sc.gc.ca/fnihb/nihb/publications

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Cat. No.: H33-1/2-2005E-PDF

ISBN: 0-662-42211-2

Publication Number: 3121



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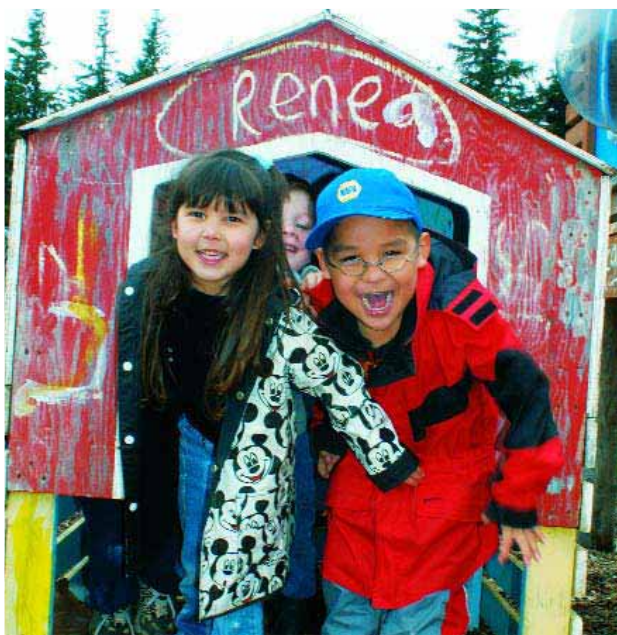
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Introduction

PROGRAM ANALYSIS DIVISION • NON-INSURED HEALTH BENEFITS • 2004 / 2005 ANNUAL REPORT

This is the eleventh annual report prepared by the First Nations and Inuit Health Branch (FNIHB) of Health Canada on the Non-Insured Health Benefits (NIHB) Program as part of an overall management reporting approach.

The report includes information on NIHB Program expenditures, clients, and benefit utilization.

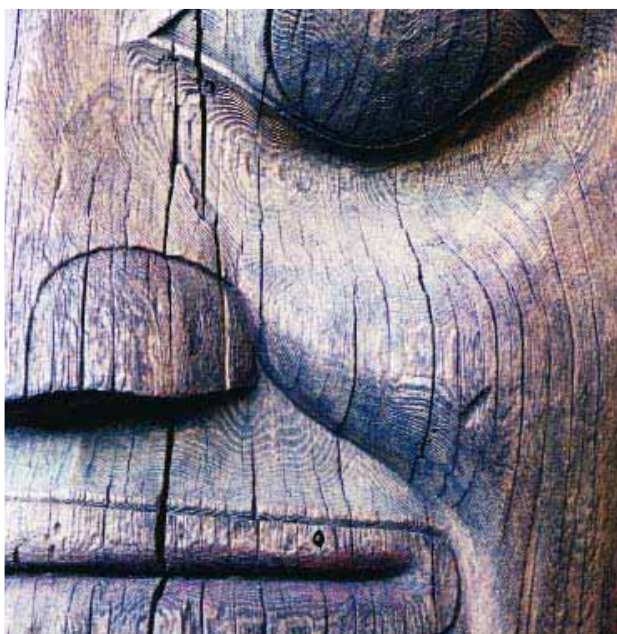
The report provides national and regional NIHB data for the following target audiences:

- Regional and Headquarters First Nations and Inuit Health Branch managers and staff;
- First Nations and Inuit organizations and governments at community, regional and national levels; and
- Other governmental and non-governmental officials with an interest in the provision of health care to First Nations and Inuit communities.

Information contained in the report is extracted from several databases. First Nations and Inuit population data are drawn from the Status Verification System (SVS) which is operated by FNIHB. SVS data on First Nations clients are based on information provided by Indian and Northern Affairs Canada. SVS data on Inuit clients are based on information provided by the Governments of the Northwest Territories and Nunavut, and Inuit organizations including the Inuvialuit Regional Corporation, the Nunavut Tunngavik Incorporated, the Labrador Inuit Association, and the Makivik Corporation in Quebec.

Two Health Canada systems provide information on expenditures and selected benefit utilization. The Framework for Integrated Resource Management System (FIRMS) is the source of most of the expenditure data, while FNIHB's System for Health Information and Claims Processing Services (HICPS) provides detailed information on the pharmacy and dental benefit areas. All tables and charts are footnoted with the appropriate data sources.

These data sources are considered to be of very high quality, but as in any administrative data set some data will be subject to coding errors or other anomalies. Some table totals may not add due to rounding procedures. Most data are now available separately for the Northwest Territories and Nunavut. Contribution agreements include pilot projects.



1 Background

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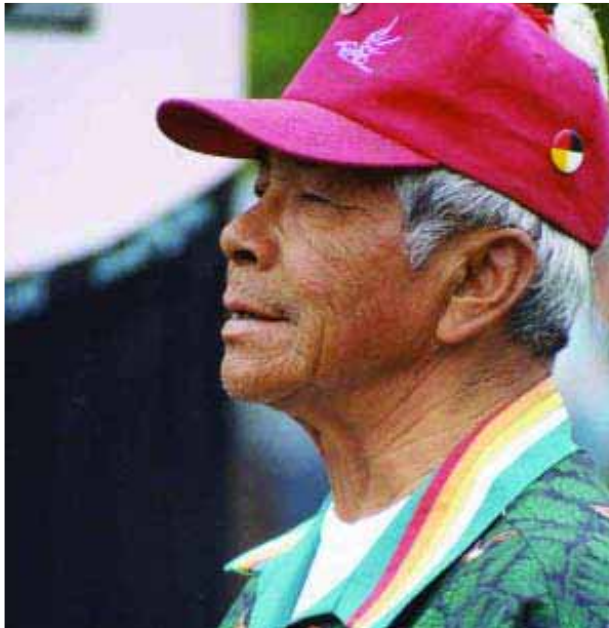
The Non-Insured Health Benefits (NIHB) Program provides approximately 765,000 registered First Nations and Inuit with a limited range of medically necessary health-related goods and services not provided through other private or provincial/territorial health insurance plans. The Program provides a range of health benefits not included in provincially/territorially administered insured health care programs. The NIHB Program complements these provincially/territorially insured programs, such as physician and hospital care, as well as community-based programs and services included under the First Nations and Inuit Health Envelope.

The benefits under the NIHB Program include:

- Pharmacy (including prescription and over-the-counter drugs and medical supplies/equipment);
- Dental services;
- Glasses and other vision care aids and services;
- Transportation to access medically required services;
- Health care premiums in Alberta and British Columbia only; and
- Other health care services including crisis intervention, mental health counselling and selected other health services.

The principles of the NIHB Program are as follows:

- all registered First Nations and recognized Inuit normally resident in Canada are eligible for non-insured health benefits regardless of location in Canada or income level;
- benefits will be provided based on professional, medical or dental judgement, consistent with the best practices of health services delivery and evidence-based standards of care;
- there will be national consistency of mandatory benefits, equitable access and portability of benefits and services;
- the Program will be managed in a sustainable and cost-effective manner;
- management processes will involve transparency and joint review structures whenever agreed to by First Nations and Inuit organizations; and
- in cases where a benefit is covered under another plan, the NIHB Program will act as the primary facilitator in coordinating payment in order to ensure that the other plan meets its obligations and that clients are not denied service.



Client Population

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The First Nations and Inuit population eligible to receive benefits under the Non-Insured Health Benefits (NIHB) Program has increased from under 400,000 in 1988 to nearly 765,000 as of March 31, 2005. This growth is, in part, attributable to Bill C-31 and changes made to the Indian Act in 1985, which resulted in over 100,000 additional clients registering between 1985 and 1995.

This population continues to be one of the fastest growing sectors in Canada as demonstrated by the comparison to the growth rate for the overall Canadian population in Figure 2.5.

The First Nations and Inuit population data are drawn from the Status Verification System (SVS), which is operated by First Nations and Inuit Health Branch (FNIHB), and are based on information provided by Indian and Northern Affairs Canada (INAC), the Governments of the Northwest Territories and Nunavut, and Inuit organizations such as the Inuvialuit Regional Corporation, the Nunavut Tunngavik Incorporated, the Labrador Inuit Association and the Makivik Corporation in Quebec.

Figure 2.1
Eligible Client Population by Region, March 2005

The total number of eligible clients on the Status Verification System (SVS) at the end of March 2005, is 764,523, an increase of 2.0% from 2004.

The Ontario Region has the largest total population representing 21.5% of the national total, followed by both the Manitoba Region and the Pacific Region at 15.6% and the Saskatchewan Region at 15.4%.



Client Population

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Figure 2.2
Eligible Client Population by Type and Region,
March 2004 and March 2005

Of the 764,523 total eligible clients at the end of the 2004/05 fiscal year, 723,218 (94.6%) are First Nations clients while 41,305 (5.4%) are Inuit clients.

The number of First Nations clients increased by 1.9% while the number of Inuit clients increased by 2.7% in the past year.

The Nunavut (2.8%), Manitoba (2.7%), Saskatchewan (2.5%), Atlantic (2.4%) and Alberta (2.3%) regions showed the largest increases in total population from 2003/04 to 2004/05.

For the purposes of this report, First Nations clients are defined as registered Indians (on the INAC Indian Registry), as well as Labrador Innu residents in Davis Inlet and Sheshatshui. Inuit clients are recognized Inuit through the Governments of the Northwest Territories (GNWT) and Nunavut (GN) and Inuit organizations including the Inuvialuit Regional Corporation, the Nunavut Tunngavik Incorporated, the Labrador Inuit Association, and the Makivik Corporation in Quebec.

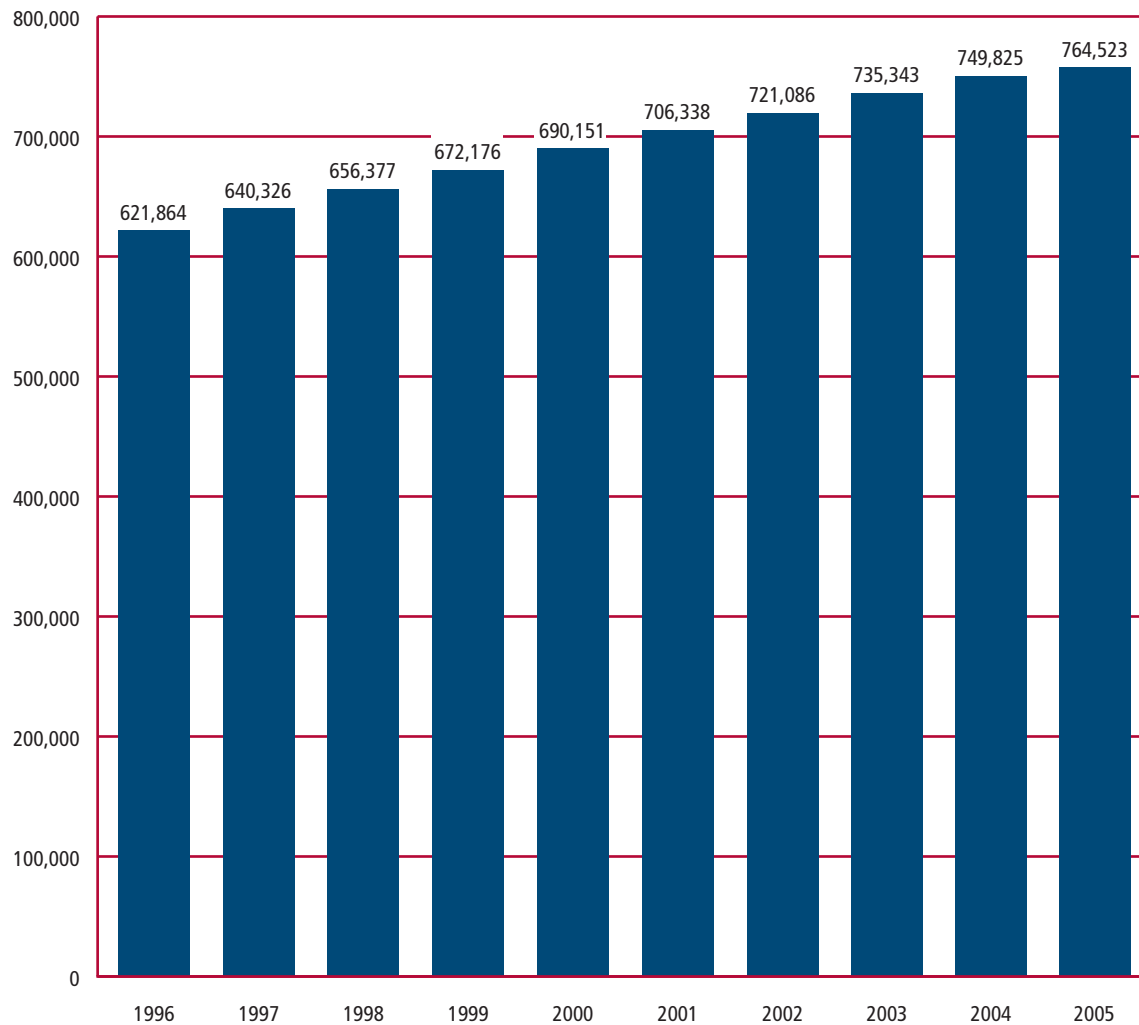
Regional population figures are based on the region of band affiliation of the eligible client as reflected by the Status Verification System.

REGION	First Nations		Inuit		TOTAL		% Change 2004 to 2005
	March/04	March/05	March/04	March/05	March/04	March/05	
Atlantic	30,524	31,159	5,708	5,948	36,232	37,107	2.4%
Quebec	53,300	53,880	654	707	53,954	54,587	1.2%
Ontario	161,991	164,191	482	525	162,473	164,716	1.4%
Manitoba	115,962	119,045	77	95	116,039	119,140	2.7%
Saskatchewan	115,064	117,941	29	33	115,093	117,974	2.5%
Alberta	92,340	94,437	307	364	92,647	94,801	2.3%
Pacific	116,937	118,785	222	241	117,159	119,026	1.6%
Yukon	7,578	7,641	69	70	7,647	7,711	0.8%
N.W.T.	15,918	16,139	7,228	7,167	23,146	23,306	0.7%
Nunavut	-	-	25,435	26,155	25,435	26,155	2.8%
Total	709,614	723,218	40,211	41,305	749,825	764,523	2.0%

Figure 2.3
Annual Eligible Client Population,
March 1996 to March 2005

The total number of eligible clients on the Status Verification System (SVS) has increased from over 620,000 at the end of fiscal year 1995/96 to nearly 765,000 in March 2005, an increase of 22.9%.

Since March 1996, annual population growth has ranged between 2.0% and 3.0%.



Client Population

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Figure 2.4
Eligible Client Population by Region,
March 2001 to March 2005

The total number of eligible clients grew by 8.2 % from 706,338 in 2001 to 764,523 in 2005.

The Manitoba Region had the largest increase in total eligible clients in the five-year period with a growth rate of 10.5%, followed by the Alberta Region at 10.4% and the Saskatchewan Region at 10.1%.

The March 2001 through March 2002 distribution of Inuit population in N.W.T. and Nunavut has been estimated based on actual March 2003 proportions of 22% and 78% respectively.

REGION	March/01	March/02	March/03	March/04	March/05
Atlantic	33,910	34,662	35,389	36,232	37,107
Quebec	51,593	52,365	53,114	53,954	54,587
Ontario	155,443	158,086	160,496	162,473	164,716
Manitoba	107,777	110,517	113,180	116,039	119,140
Saskatchewan	107,105	109,659	112,325	115,093	117,974
Alberta	85,908	88,160	90,356	92,647	94,801
Pacific	111,562	113,366	115,204	117,159	119,026
Yukon	7,373	7,477	7,571	7,647	7,711
N.W.T.	*21,874	*22,414	22,873	23,146	23,306
Nunavut	*23,793	*24,380	24,835	25,435	26,155
Total	706,338	721,086	735,343	749,825	764,523
Annual % change	2.3%	2.1%	2.0%	2.0%	2.0%

* March 2001 through March 2002 estimates based on 2003 proportions of 22% Inuit in N.W.T. and 78% Inuit in Nunavut

Figure 2.5
Annual Population Growth
Canadian Population and Eligible Client Population
1995/96 to 2004/05

From 1995/96 to 2004/05, the Canadian population grew by 9.0% while the NIHB eligible First Nations and Inuit client population registered an increase of 22.9%. The First Nations and Inuit client population has grown at an average annual rate of 2.4% compared to 1.0% for the Canadian population. These trends in population growth are expected to continue primarily as a result of the higher than average birth rate of the client population.

Revisions to the Canadian population data reflect population estimates sourced from Statistics Canada Quarterly Demographic Statistics - Catalogue No. 91-002-X1B.



Client Population

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Figure 2.6
Eligible Client Population by Age Group,
Gender and Region, March 2005

Of the 764,523 eligible clients on SVS as of March 31, 2005, 51 % are female (389,379) and 49% are male (375,144).

The average age of the eligible client population is 29 years. By region, this average ranges from a high of 34 years of age in the Quebec Region to a low of 25 years of age in Nunavut.

The average age of the male and female eligible client population is 28 years and 31 years respectively. The average age for males ranges from 24 years in Nunavut to 32 years in the Quebec and Ontario Regions. The average age for females varies from 25 years in Nunavut to 36 years in the Quebec Region.

The First Nations and Inuit client population is relatively young with almost three-quarters (70.4%) under the age of 40. Of the total population, 38.5% are under the age of 20. Seniors (clients 65 years of age and over) represent 5.5% of the total population.

REGION Age Group	Atlantic			Quebec			Ontario			Manitoba		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	1,393	1,262	2,655	1,676	1,570	3,246	4,049	3,834	7,883	6,041	5,710	11,751
5-9	1,716	1,727	3,443	2,273	2,193	4,466	7,152	6,752	13,904	7,128	6,818	13,946
10-14	1,846	1,758	3,604	2,578	2,449	5,027	7,740	7,419	15,159	7,400	7,187	14,587
15-19	1,717	1,698	3,415	2,220	2,240	4,460	7,336	6,914	14,250	6,162	5,991	12,153
20-24	1,545	1,573	3,118	2,045	1,963	4,008	6,657	6,651	13,308	5,239	4,917	10,156
25-29	1,443	1,403	2,846	1,958	1,894	3,852	6,403	6,321	12,724	4,611	4,494	9,105
30-34	1,509	1,466	2,975	1,976	2,037	4,013	6,457	6,496	12,953	4,579	4,624	9,203
35-39	1,581	1,578	3,159	2,069	2,233	4,302	6,745	6,826	13,571	4,424	4,542	8,966
40-44	1,365	1,528	2,893	2,111	2,267	4,378	6,652	7,169	13,821	3,913	4,231	8,144
45-49	1,138	1,305	2,443	1,818	2,234	4,052	5,679	6,431	12,110	2,957	3,176	6,133
50-54	835	1,061	1,896	1,447	1,699	3,146	4,206	5,189	9,395	2,061	2,395	4,456
55-59	646	799	1,445	1,115	1,439	2,554	3,335	4,152	7,487	1,599	1,798	3,397
60-64	398	563	961	835	1,115	1,950	2,338	3,148	5,486	1,101	1,284	2,385
65+	955	1,299	2,254	1,937	3,196	5,133	5,063	7,602	12,665	2,067	2,691	4,758
Total	18,087	19,020	37,107	26,058	28,529	54,587	79,812	84,904	164,716	59,282	59,858	119,140
Average Age	30	32	31	32	36	34	32	35	33	26	28	27

REGION Age Group	Saskatchewan			Alberta			Pacific			Yukon			N.W.T.			Nunavut			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	5,867	5,718	11,585	4,603	4,359	8,962	4,009	3,893	7,902	213	204	417	763	792	1,555	1,643	1,508	3,151	30,257	28,850	59,107
5-9	7,001	6,896	13,897	5,762	5,411	11,173	5,227	4,960	10,187	306	281	587	1,089	1,075	2,164	1,716	1,639	3,355	39,370	37,752	77,122
10-14	7,499	7,279	14,778	5,977	5,571	11,548	5,932	5,558	11,490	362	327	689	1,426	1,400	2,826	1,687	1,616	3,303	42,447	40,564	83,011
15-19	6,787	6,462	13,249	5,262	5,117	10,379	5,927	5,444	11,371	314	322	636	1,257	1,204	2,461	1,519	1,461	2,980	38,501	36,853	75,354
20-24	5,463	5,338	10,801	4,385	4,386	8,771	5,197	4,992	10,189	340	317	657	1,099	980	2,079	1,185	1,144	2,329	33,155	32,261	65,416
25-29	4,680	4,712	9,392	3,783	3,804	7,587	4,594	4,570	9,164	311	256	567	850	901	1,751	982	1,029	2,011	29,615	29,384	58,999
30-34	4,459	4,646	9,105	3,478	3,625	7,103	4,819	4,701	9,520	332	311	643	925	906	1,831	937	917	1,854	29,471	29,729	59,200
35-39	4,313	4,520	8,833	3,394	3,511	6,905	4,715	4,904	9,619	380	317	697	954	967	1,921	930	928	1,858	29,505	30,326	59,831
40-44	3,644	3,890	7,534	2,969	3,297	6,266	4,858	5,348	10,206	387	394	781	812	949	1,761	759	762	1,521	27,470	29,835	57,305
45-49	2,669	3,071	5,740	2,203	2,565	4,768	3,876	4,511	8,387	253	297	550	587	733	1,320	467	484	951	21,647	24,807	46,454
50-54	1,845	2,144	3,989	1,523	1,955	3,478	2,922	3,405	6,327	167	235	402	450	528	978	402	392	794	15,858	19,003	34,861
55-59	1,310	1,677	2,987	1,100	1,454	2,554	2,122	2,524	4,646	129	183	312	370	444	814	355	318	673	12,081	14,788	26,869
60-64	927	1,081	2,008	797	1,021	1,818	1,555	1,910	3,465	123	137	260	250	272	522	227	237	464	8,551	10,768	19,319
65+	1,716	2,360	4,076	1,471	2,018	3,489	2,748	3,805	6,553	206	307	513	601	722	1,323	452	459	911	17,216	24,459	41,675
Total	58,180	59,794	117,974	46,707	48,094	94,801	58,501	60,525	119,026	3,823	3,888	7,711	11,433	11,873	23,306	13,261	12,894	26,155	375,144	389,379	764,523
Average Age	25	27	26	25	28	26	30	32	31	31	34	33	29	30	29	24	25	25	28	31	29

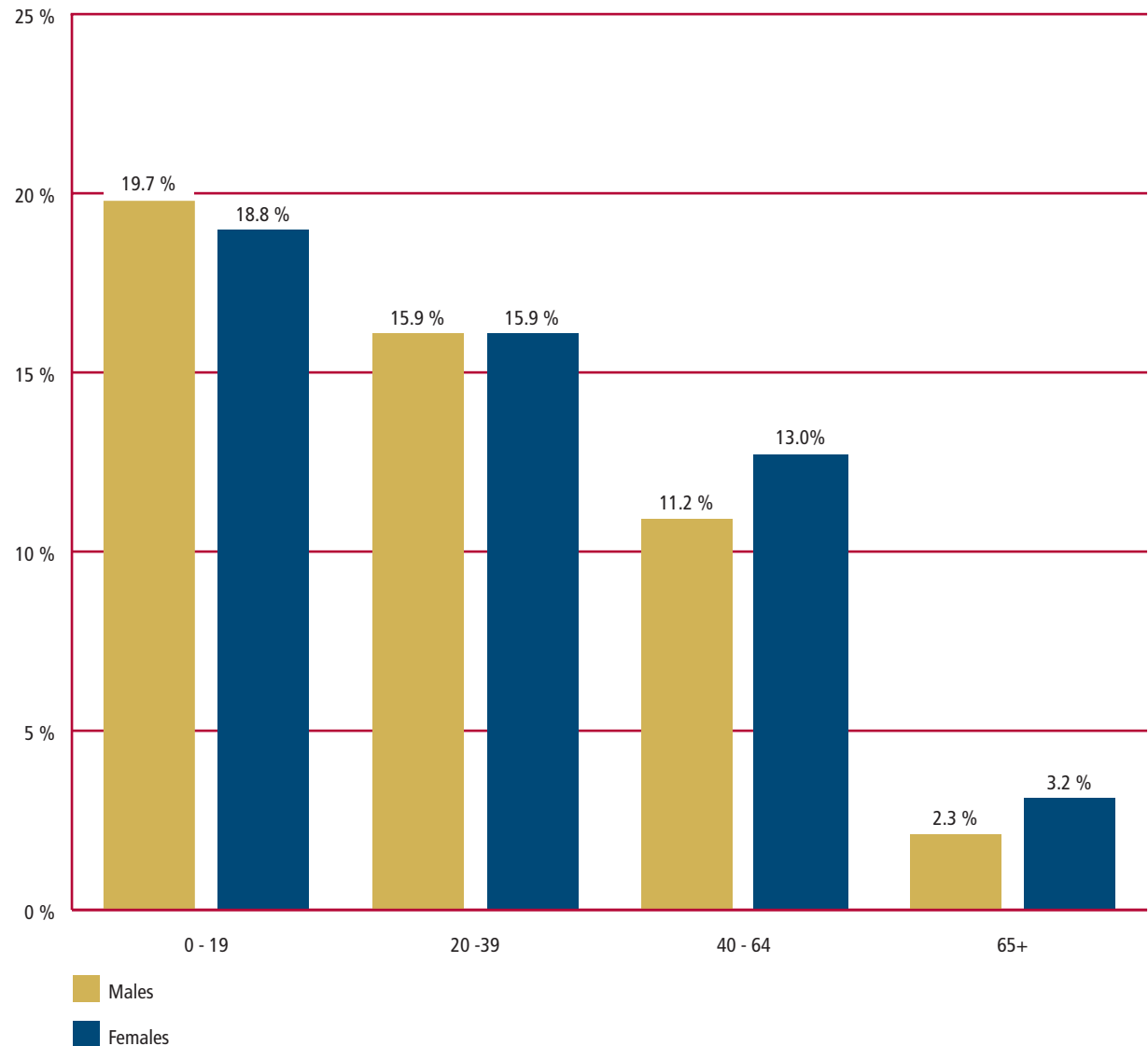
Client Population

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Figure 2.7
Proportion of Total Eligible Client Population,
Gender and Age Group, March 2005

Males and females under 20 years of age represent 19.7% and 18.8% of the total population, respectively.

Female clients age 65 years and over account for 3.2% of the total population, while males in this age range represent 2.3%.





The Envelope Environment

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The Non-Insured Health Benefits (NIHB)

Program operates within the fiscal environment of the First Nations and Inuit Health Program. The latter Program includes the First Nations and Inuit Health Program Envelope plus resources approved for specific initiatives. This represents the maximum resources available to fund all federal First Nations and Inuit Health Programs.

The 1995 Budget set growth levels for the envelope at 3% in 1997/98. The 1996 Budget set envelope growth for 1998/99 at 3% less \$20 million. Annual envelope growth for the period 1999/2000 to 2001/02 was set at 3%. The 2002, 2003 and 2004 Budgets approved resources to rebase the NIHB funding levels by approximately \$100 million in 2002/03, \$151.2 million in 2003/04 and by \$189.7 million in 2004/05.

The NIHB Program's expenditures account for over 47.6% of total envelope expenditures. Other programs include:

- Health Services resources for community nursing, National Native Alcohol and Drug Abuse Program (NNADAP), Solvent Abuse, mental health, Brighter Futures, transfer initiatives and management/support at the zone, regional and Headquarters (HQ) levels; and
- Hospital Services resources for the operation of First Nations and Inuit Health Branch (FNIHB) hospitals.

The information that follows in this section demonstrates the overall impact of the envelope and the significance of the Non-Insured Health Benefits Program to any strategy to manage within the envelope.

The Envelope Environment

PROGRAM ANALYSIS DIVISION • NON-INSURED HEALTH BENEFITS • 2004 / 2005 ANNUAL REPORT

Figure 3.1
First Nations and Inuit Health Programs (\$ Million)
2004/05 to 2007/08

In 2004/05, resources within the First Nations and Inuit Health Programs totalled \$1,677.3 million. These resources are projected to grow to \$2,005.2 million by 2007/08 subject to parliamentary approval of appropriations.

Total resources, as shown in this report, vary slightly from those in the 2003/04 Annual Report as a result of some minor financial adjustments.

Resource increases are largely due to new program funding initiatives; e.g. sustainability, water, immunization, etc.

Total resources consist of envelope funds growing at 3% and non-envelope funds.

These statistics originate from the Main Estimates representing approved resources.

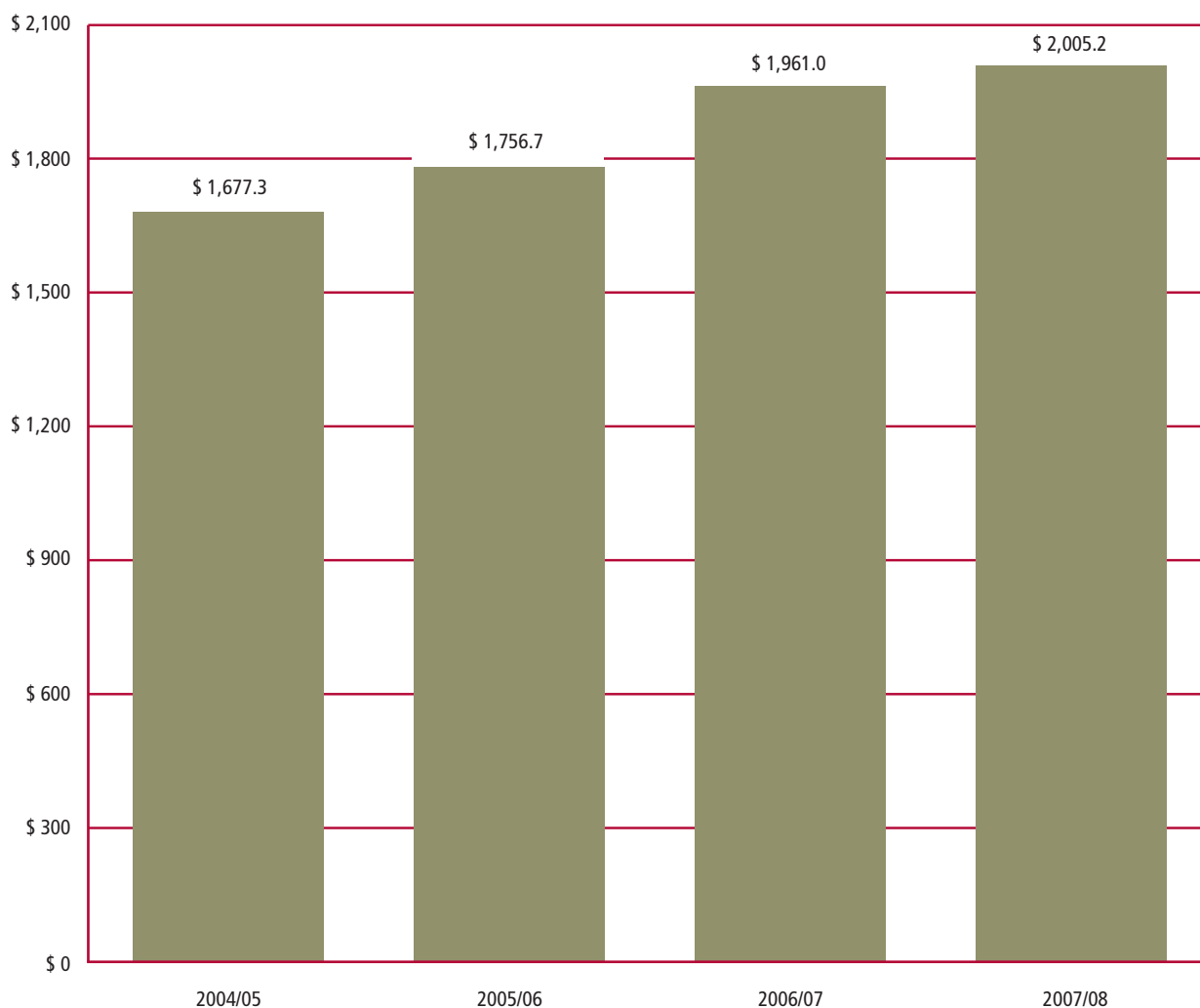
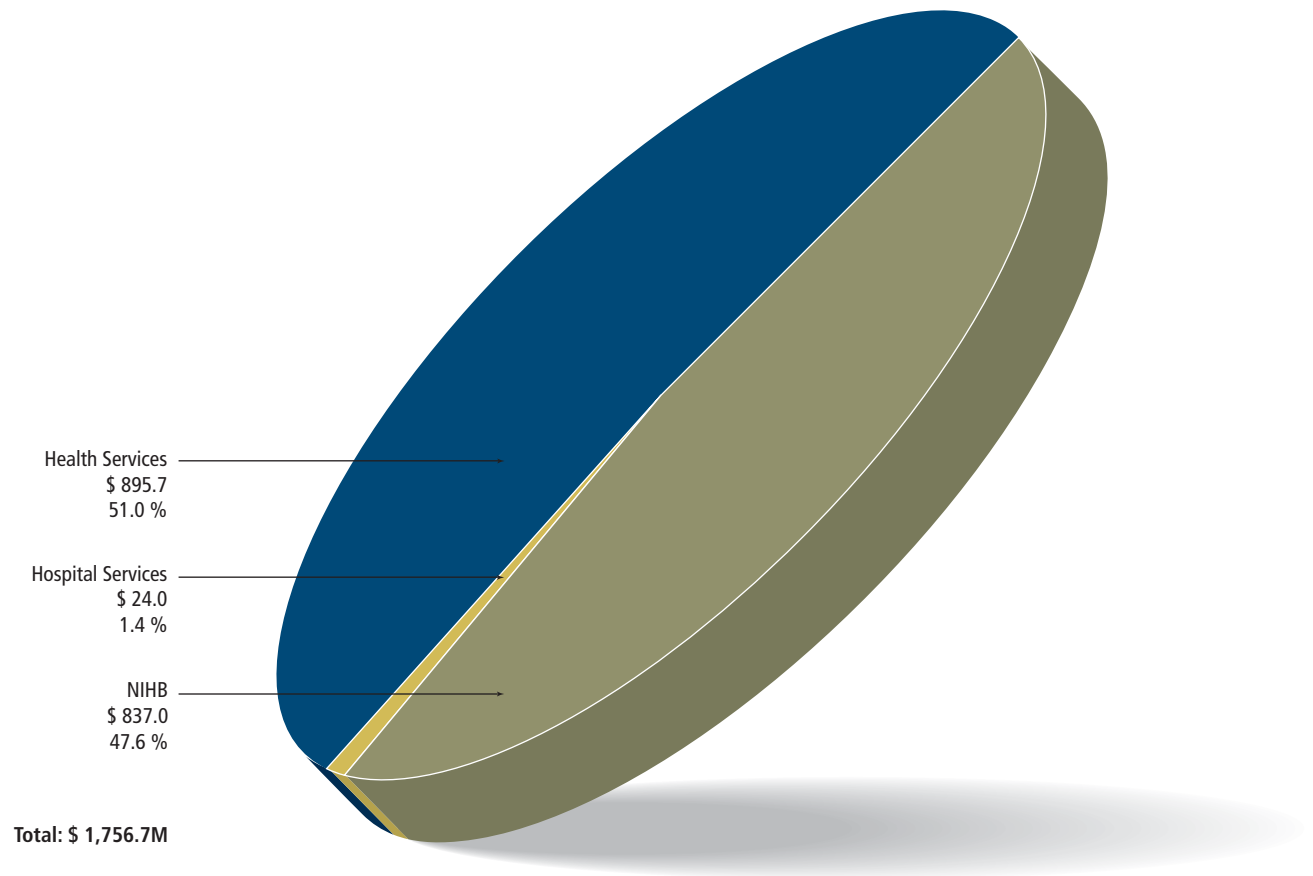


Figure 3.2
First Nations and Inuit Health Programs (\$ Million)
2005/06 (Estimates)

In 2005/06, the available resources for the First Nations and Inuit Health Programs Envelope are set at \$1,756.7 million. Total resources for the NIHB Program, both operating and contributions, account for \$837.0 million (47.6%) compared to \$895.7 million (51.0%) for Health Services.

Health Services resources are for direct First Nations and Inuit management of health programs including community nursing, alcohol/drug counselling, Brighter Futures, transfer initiatives and management/support at the zone, regional and HQ levels.

Hospital Services resources account for \$24.0 million (1.4%) and are used for the operation of FNIHB hospitals.





4 NIHB Expenditure Trends

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From 1988/89 to 1995/96, expenditures for the Non-Insured Health Benefits (NIHB) Program grew steadily from approximately \$214 million to over \$500 million. Factors contributing to this growth were: the rising cost of benefits, First Nations and Inuit population growth, an increase in eligible clients accessing benefits, provincial health care reform and the delisting of NIHB clients from provincial and territorial extended health care services. The growth trend changed in 1996/97 where actual expenditures decreased from \$505.3 million in 1995/96 to \$489.3 million in 1996/97, a 3.2% reduction. In 1997/98, 1998/99, 1999/00, 2000/01, 2001/02, 2002/03 and 2003/04 expenditures increased by 3.8%, 1.6%, 5.7%, 5.7%, 9.0%, 9.6% and 7.1% respectively.

In 2004/05, expenditures increased by 4.2% to \$767.7 million from \$736.9 million in 2003/04 as a result of the following factors:

- increased population and utilization;
- increased benefit costs;
- inflation; and
- changes to provincial health care systems.

In the past 10 years, annual rates of growth in Program expenditures have ranged between a low of -3.2% (1996/97) to a high of 9.6% (2002/03).

During the last several years, NIHB management initiatives have included:

- automation of client benefit claims payment processes;
- improved financial and management practices;
- improved management of medical transportation costs in most regions;
- establishment of special authorization on high cost drugs;
- predetermination of dental benefits;
- improved management of mental health services in targeted areas;
- ongoing drug benefit list reviews;
- improved audit and accountability measures; and
- reimbursement of best price alternative product (generic drug) in accordance with provincial formularies.

NIHB Expenditure Trends

PROGRAM ANALYSIS DIVISION • NON-INSURED HEALTH BENEFITS • 2004 / 2005 ANNUAL REPORT

Figure 4.1
NIHB Annual Expenditures (\$ Million)
1994/95 to 2004/05

In 2004/05, NIHB expenditures were \$767.7 million, up 4.2% from \$736.9 million in 2003/04.

The 4.2% growth in 2004/05 expenditures is the lowest percentage increase experienced since 1998/99.

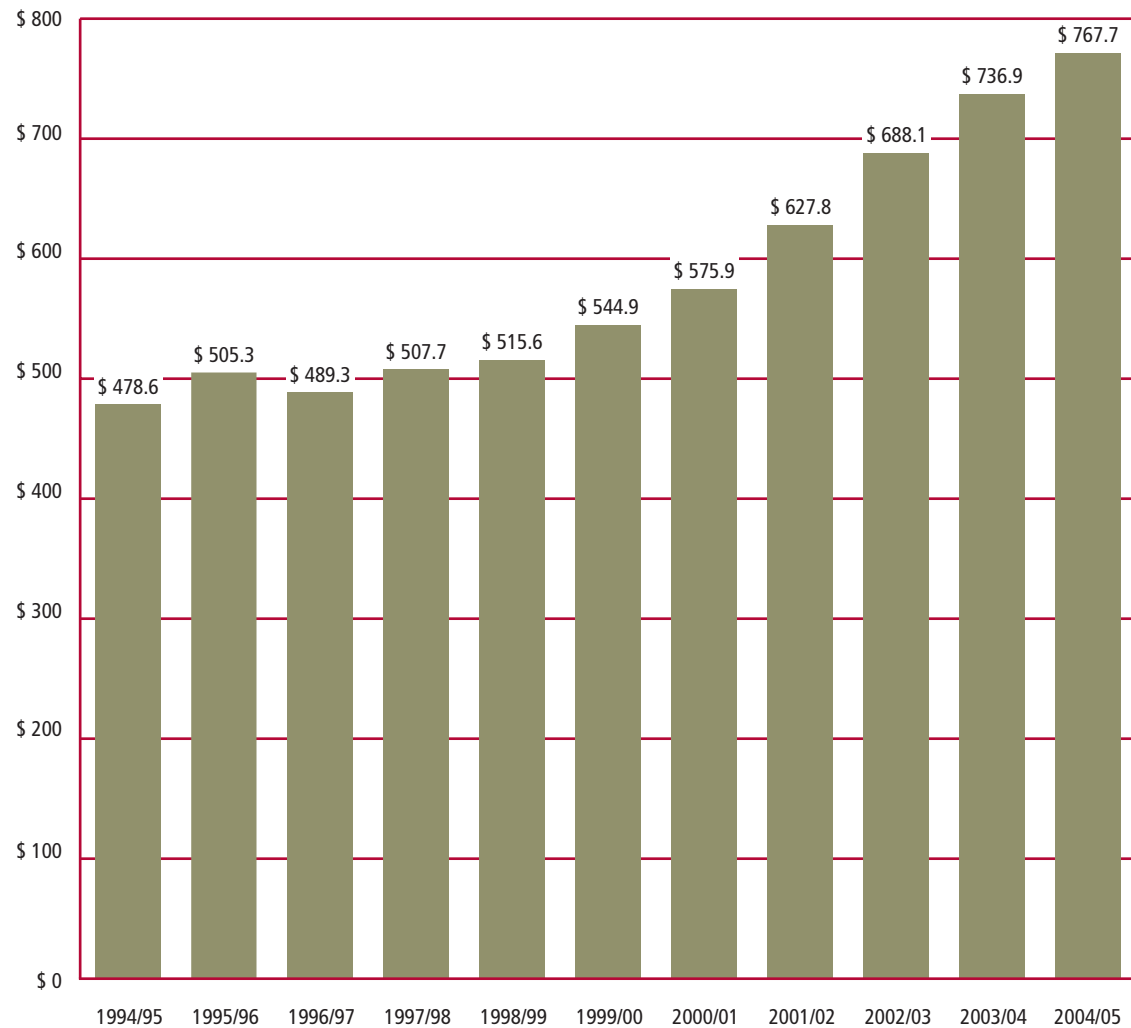


Figure 4.2
Percentage Change in NIHB Annual Expenditures
1994/95 to 2004/05

Expenditures on the Non-Insured Health Benefits Program totalled \$767.7 million in 2004/05. This represents a 4.2% increase from 2003/04.

NIHB expenditures have risen 60.4% from \$478.6 million in 1994/95 to \$767.7 million in 2004/05. Growth rates declined from 6.6% in 1994/95 to -3.2% in 1996/97 followed by a 3.8% increase in 1997/98. From 1998/99 to 2002/03, growth rates climbed from 1.6% to 9.6%. Since 2002/03, growth rates have declined to 4.2% in 2004/05.



NIHB Expenditure Trends

PROGRAM ANALYSIS DIVISION • NON-INSURED HEALTH BENEFITS • 2004 / 2005 ANNUAL REPORT

Figure 4.3
NIHB Annual Expenditures by Benefit (\$ 000)
1994/95 to 2004/05

Expenditures on pharmacy benefits increased more than the other benefits in the period from 1994/95 to 2004/05. Pharmacy costs rose by 135.3% from \$146.1 million in 1994/95 to \$343.9 million in 2004/05. Vision care costs rose 53.5%. Transportation costs grew by 51.7%, while dental costs grew by 22.9%. By comparison, other health care costs decreased by 47.4% and premiums costs by 2.7%.

From 2003/04 to 2004/05, dental costs, pharmacy expenditures, transportation costs and other health care costs and vision care costs increased by 6.3%, 5.2%, 2.8%, 2.1% and 0.9% respectively. Premium costs showed a decrease of 2.7%.

	All Regions										
BENEFIT	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Transportation	\$ 139,400	\$ 150,019	\$ 157,472	\$ 165,686	\$ 166,229	\$ 177,078	\$ 182,851	\$ 195,719	\$ 203,952	\$ 205,793	\$ 211,527
Pharmacy	146,131	157,297	166,541	180,105	187,105	206,869	228,861	252,846	290,112	326,982	343,879
Dental	116,273	123,303	104,302	104,420	106,417	106,975	109,852	124,468	131,021	134,504	142,956
Other Health Care	32,150	27,307	21,824	21,748	19,847	16,108	16,775	14,135	16,894	16,557	16,904
Premiums	28,610	30,094	22,125	17,131	17,476	18,030	17,779	18,596	23,902	28,614	27,830
Vision Care	16,040	17,242	17,017	18,576	18,490	19,843	19,748	22,020	22,259	24,420	24,629
Total	\$ 478,604	\$ 505,262	\$ 489,281	\$ 507,666	\$ 515,564	\$ 544,903	\$ 575,866	\$ 627,784	\$ 688,140	\$ 736,870	\$ 767,726
Annual % Change	6.6%	5.6%	-3.2%	3.8%	1.6%	5.7%	5.7%	9.0%	9.6%	7.1%	4.2%

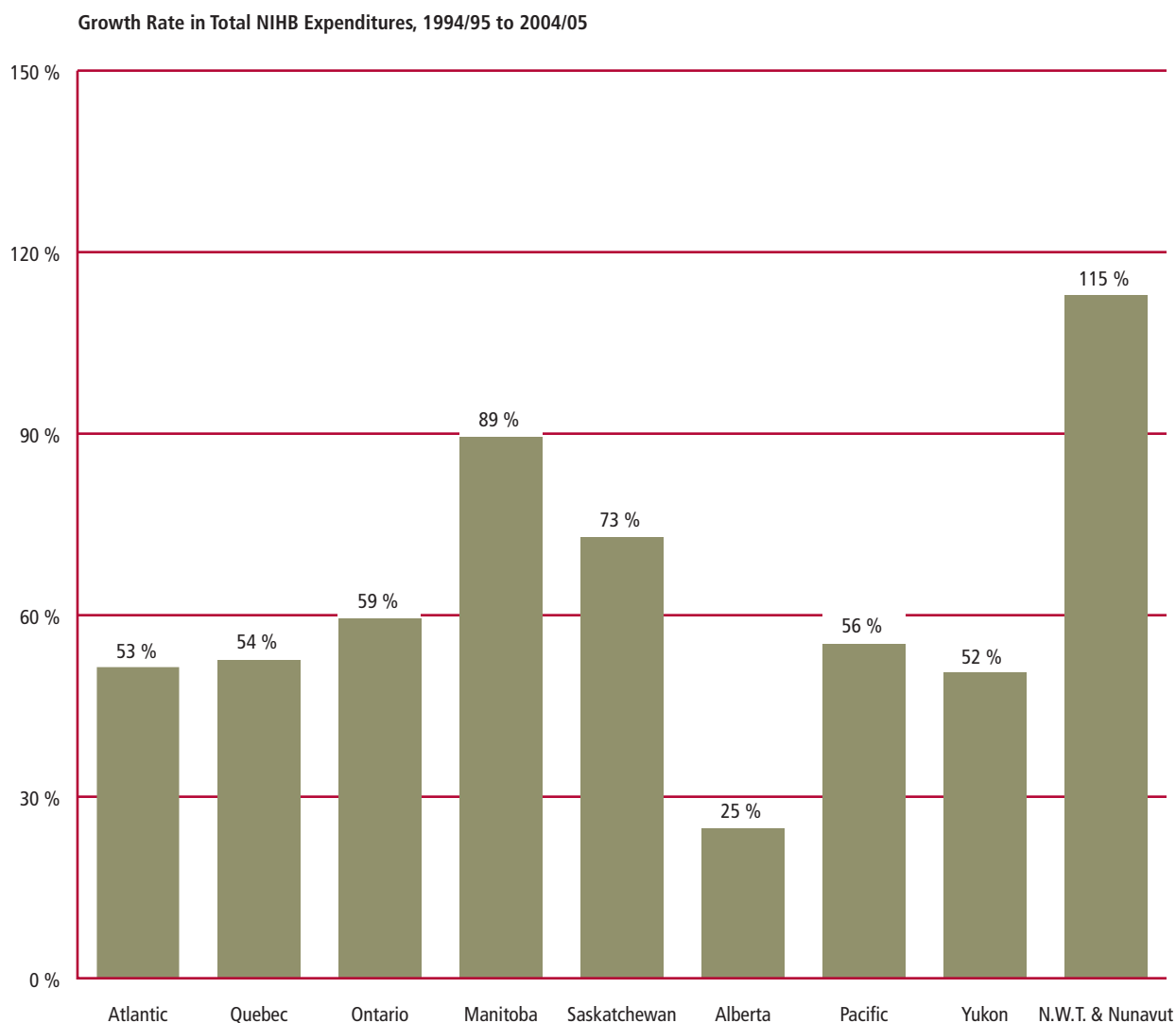
Figure 4.4
Percentage Growth in NIHB Expenditures by Region
1994/95 to 2004/05

In the period from 1994/95 to 2004/05, total NIHB expenditures have increased at a faster rate in the N.W.T./Nunavut (115%) than in any other region. The Manitoba Region (89%) and Saskatchewan Region (73%) had the next largest growth rates. The Alberta Region had the lowest increase at 25% as a result of significant reductions in expenditures in other health care benefits and premiums. The Yukon Region registered the next lowest increase at 52%. Growth rates over the ten year period in other regions are: Ontario (59%), Pacific (56%), Quebec (54%) and Atlantic (53%).

Pharmacy expenditures in the N.W.T./Nunavut rose by 201% in the ten year period ending in 2004/05. The next three largest regional increases occurred in the Quebec (186%), Manitoba (168%) and Ontario (145%) regions.

Expenditures in transportation grew most in the N.W.T./Nunavut (136%) and the Manitoba Region (72%), and least in the Quebec and Atlantic Regions (4%).

Growth rates in dental expenditures are highest in the N.W.T./Nunavut (72%), followed by the Saskatchewan (60%) and Manitoba (43%) regions. The Yukon region showed a decrease in dental costs at -16% resulting from reduced access to services.



NIHB Expenditure Trends

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Figure 4.5

NIHB Annual Expenditures in Atlantic Region by Benefit 1994/95 to 2004/05

Total expenditures in the Atlantic Region were \$30.4 million in 2004/05, an increase of 3.3 % from the previous year.

The largest increases were other health care (14.7%) and pharmacy costs (7.8%), while dental costs rose modestly by 1.6%.

Expenditures in transportation decreased by 5.8% while vision care costs decreased slightly by 0.8% in 2004/05.

Growth Rate in Total NIHB Expenditures, Atlantic Region 1994/95 to 2004/05

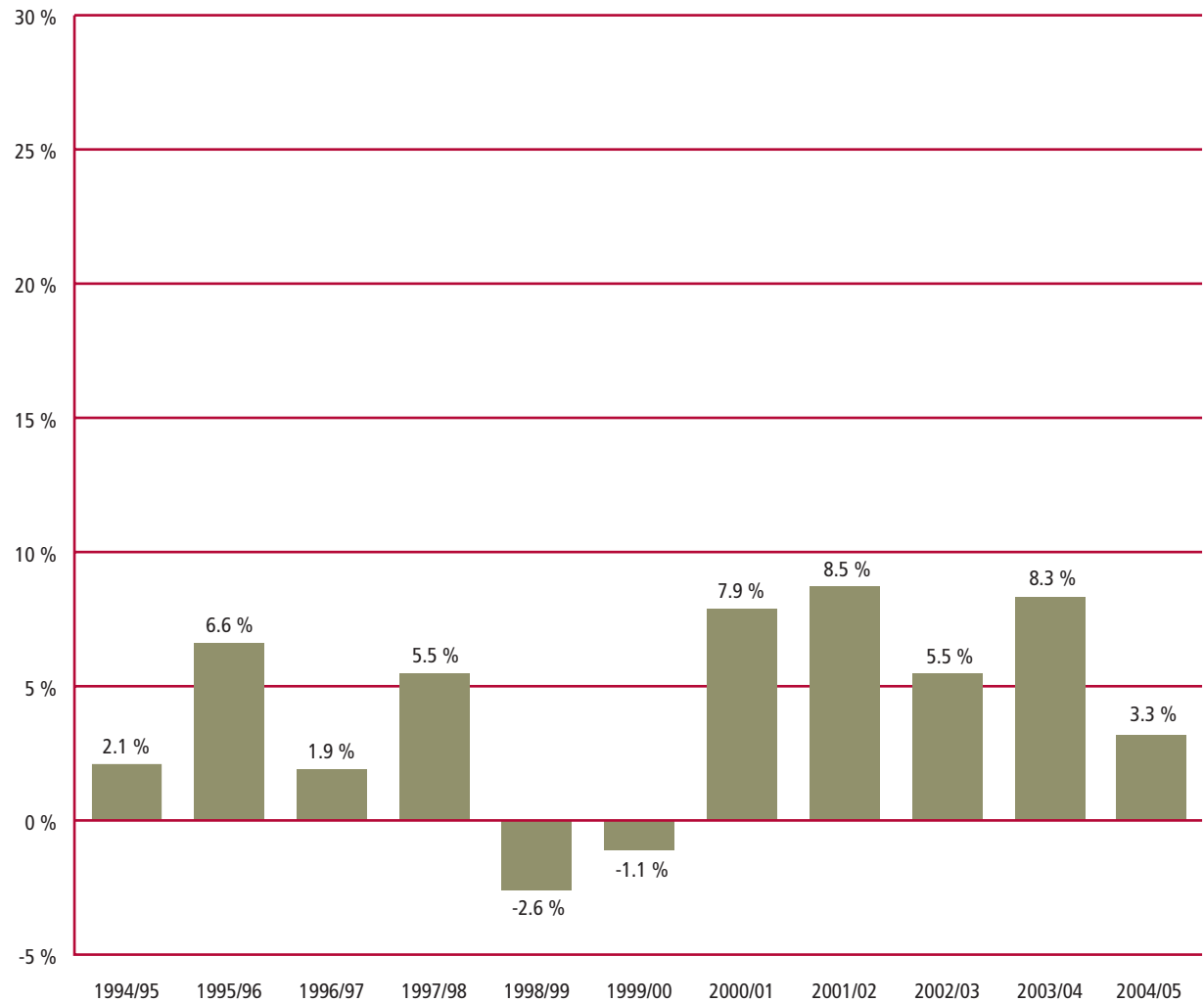


Figure 4.5
NIHB Annual Expenditures in Atlantic Region
by Benefit (\$000's) 1994/95 to 2004/05

	Atlantic Region										
BENEFIT	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Transportation	\$ 5,862	\$ 6,144	\$ 6,416	\$ 6,416	\$ 6,396	\$ 6,425	\$ 6,098	\$ 6,235	\$ 6,313	\$ 6,498	\$ 6,124
Pharmacy	8,253	8,954	9,543	10,165	9,572	10,126	11,371	12,667	14,322	16,265	17,533
Dental	4,113	4,564	4,199	4,636	4,663	3,819	4,511	5,196	4,691	4,857	4,934
Other Health Care	318	217	201	141	158	123	138	173	198	140	161
Vision Care	1,360	1,343	1,263	1,443	1,427	1,479	1,583	1,433	1,604	1,631	1,619
Total	\$ 19,906	\$ 21,222	\$ 21,622	\$ 22,801	\$ 22,216	\$ 21,972	\$ 23,701	\$ 25,704	\$ 27,128	\$ 29,391	\$ 30,371
Annual Percentage Change	2.1%	6.6%	1.9%	5.5%	-2.6%	-1.1%	7.9%	8.5%	5.5%	8.3%	3.3%

NIHB Expenditure Trends

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Figure 4.6

NIHB Annual Expenditures in Quebec Region by Benefit 1994/95 to 2004/05

Total expenditures in the Quebec Region were \$59.8 million in 2004/05, an increase of 5.8% from the previous year.

Vision care costs had the largest increase from the previous year at 22.9%. Pharmacy expenditures increased by 9.2% while dental and transportation costs rose 2.4% and 1.8% respectively.

Other health care was the only benefit to decrease (-4.0%).

Growth Rate in Total NIHB Expenditures, Quebec Region 1994/95 to 2004/05

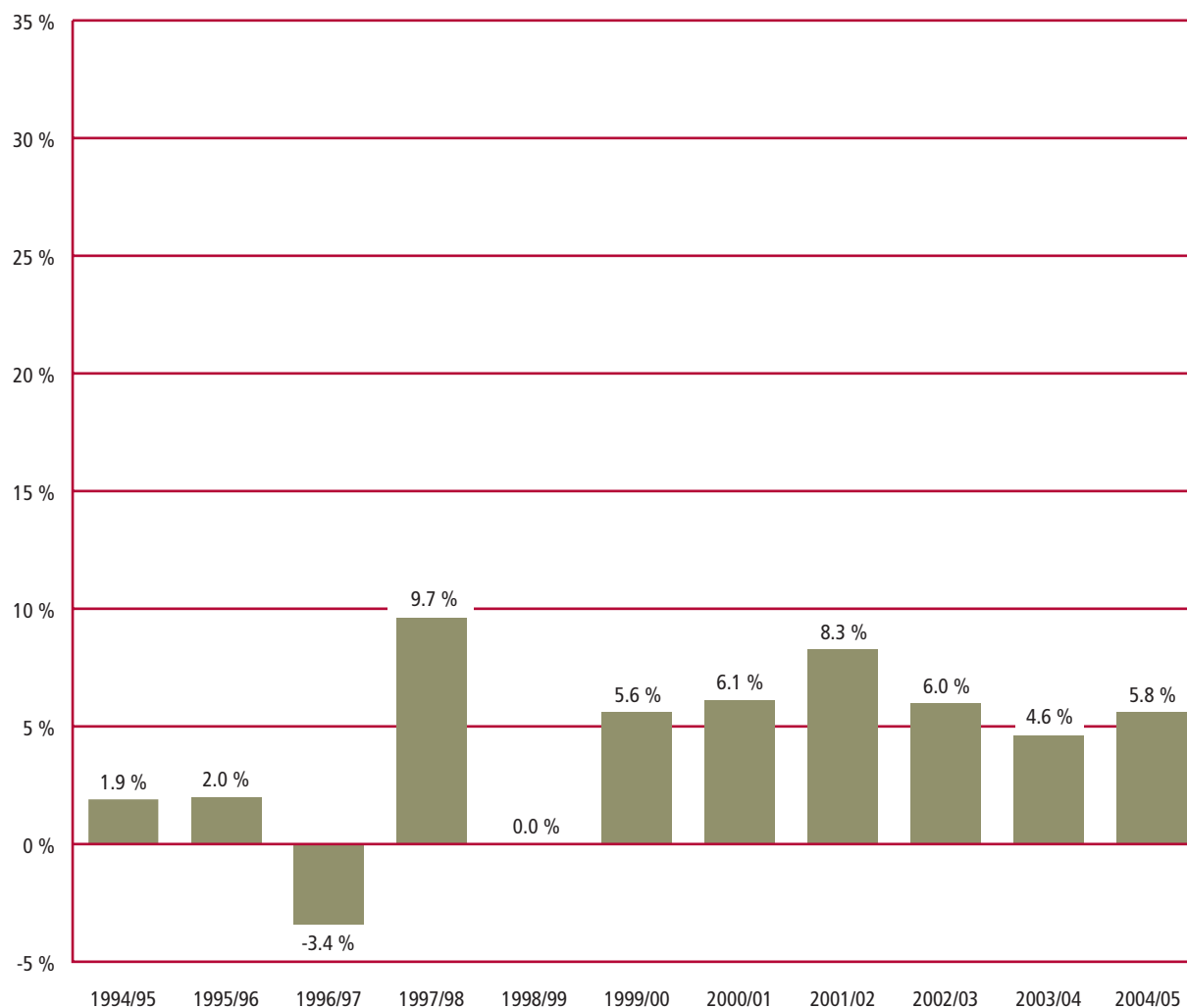


Figure 4.6
NIHB Annual Expenditures in Quebec Region
by Benefit (\$000's) 1994/95 to 2004/05

	Quebec Region										
BENEFIT	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Transportation	\$ 16,693	\$ 15,307	\$ 15,840	\$ 16,062	\$ 15,050	\$ 15,761	\$ 15,475	\$ 16,589	\$ 16,876	\$ 16,985	\$ 17,291
Pharmacy	10,483	11,961	11,312	15,017	16,611	17,388	19,680	22,209	25,005	27,436	29,959
Dental	9,928	10,237	8,906	9,494	8,831	9,015	9,574	10,505	10,292	10,277	10,525
Other Health Care	982	1,441	1,397	554	544	1,278	1,355	544	695	726	697
Vision Care	776	691	841	892	977	910	984	1,119	1,173	1,097	1,349
Total	\$ 38,862	\$ 39,637	\$ 38,296	\$ 42,019	\$ 42,013	\$ 44,352	\$ 47,068	\$ 50,966	\$ 54,041	\$ 56,521	\$ 59,820
Annual Percentage Change	1.9%	2.0%	-3.4%	9.7%	0.0%	5.6%	6.1%	8.3%	6.0%	4.6%	5.8%

NIHB Expenditure Trends

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Figure 4.7

NIHB Annual Expenditures in Ontario Region by Benefit 1994/95 to 2004/05

Total expenditures in the Ontario Region were \$140.3 million in 2004/05, an increase of 4.1 % from the previous year.

Pharmacy costs had the largest increase at 7.2 % in 2004/05, followed by both dental and other health care costs at 6.8 % and vision care costs at 4.5 %.

The only benefit to decrease was transportation expenditures by 3.7 %.

Growth Rate in Total NIHB Expenditures, Ontario Region 1994/95 to 2004/05

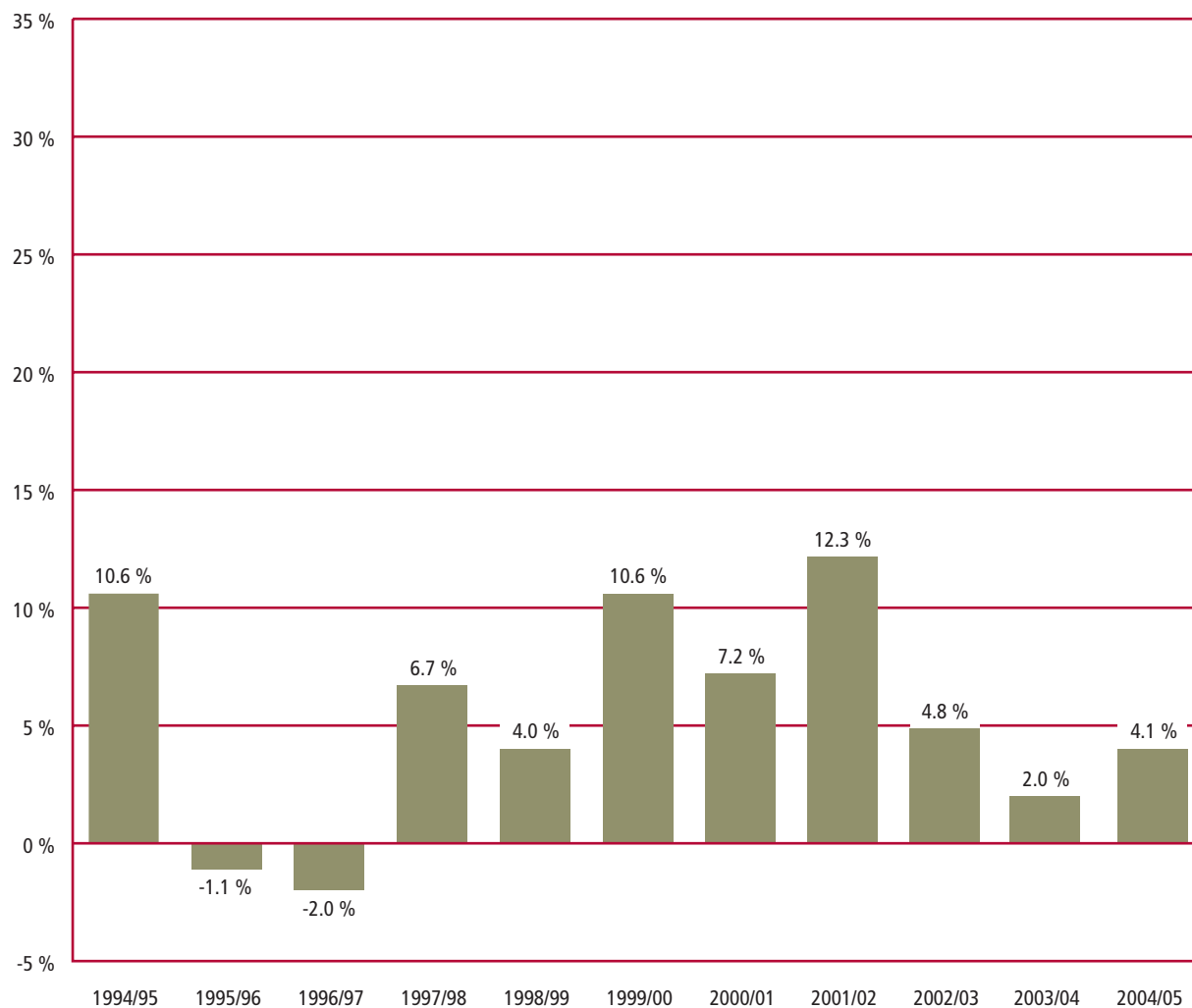


Figure 4.7
NIHB Annual Expenditures in Ontario Region
by Benefit (\$000's) 1994/95 to 2004/05

	Ontario Region										
BENEFIT	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Transportation	\$ 23,533	\$ 23,823	\$ 24,349	\$ 25,134	\$ 28,276	\$ 32,713	\$ 35,072	\$ 40,264	\$ 37,493	\$ 36,620	\$ 35,258
Pharmacy	27,525	29,356	31,967	35,237	36,518	40,346	45,244	51,167	57,929	62,953	67,508
Dental	25,330	26,187	22,498	22,902	22,244	23,558	23,255	27,568	29,042	27,760	29,655
Other Health Care	7,670	3,738	2,738	3,620	3,790	3,431	3,899	2,183	2,548	2,250	2,404
Vision Care	4,047	4,023	3,816	4,168	3,842	4,672	4,792	4,886	5,085	5,196	5,428
Total	\$ 88,105	\$ 87,127	\$ 85,368	\$ 91,061	\$ 94,670	\$ 104,720	\$ 112,262	\$ 126,068	\$ 132,097	\$ 134,779	\$ 140,253
Annual Percentage Change	10.6%	-1.1%	-2.0%	6.7%	4.0%	10.6%	7.2%	12.3%	4.8%	2.0%	4.1%

NIHB Expenditure Trends

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Figure 4.8

NIHB Annual Expenditures in Manitoba Region by Benefit 1994/95 to 2004/05

Total expenditures in the Manitoba Region were \$137 million in 2004/05, an increase of 7.1% from the previous year.

Pharmacy costs had the highest increase at 11.3% from the previous year, followed by dental costs at 8.0%, transportation cost at 4.4% and other health care costs at 1.1%.

The only expenditure cost to decrease was vision care by 7.1%.

Growth Rate in Total NIHB Expenditures, Manitoba Region 1994/95 to 2004/05



Figure 4.8
NIHB Annual Expenditures in Manitoba Region
by Benefit (\$000's) 1994/95 to 2004/05

	Manitoba Region										
BENEFIT	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Transportation	\$ 32,431	\$ 37,672	\$ 40,379	\$ 43,520	\$ 40,499	\$ 44,413	\$ 46,089	\$ 48,320	\$ 51,199	\$ 53,533	\$ 55,895
Pharmacy	20,142	21,286	21,647	24,805	25,395	31,132	35,533	36,078	42,525	48,519	53,998
Dental	13,054	14,734	11,171	11,575	11,836	10,189	11,832	16,319	16,600	17,313	18,705
Other Health Care	5,431	6,099	6,330	7,164	6,624	4,399	3,218	4,023	4,675	5,621	5,685
Vision Care	1,305	2,114	1,788	2,128	2,034	1,899	1,748	2,860	2,639	2,888	2,684
Total	\$ 72,363	\$ 81,905	\$ 81,315	\$ 89,192	\$ 86,388	\$ 92,032	\$ 98,420	\$ 107,600	\$ 117,638	\$ 127,874	\$ 136,967
Annual Percentage Change	9.7%	13.2%	-0.7%	9.7%	-3.1%	6.5%	6.9%	9.3%	9.3%	8.7%	7.1%

NIHB Expenditure Trends

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Figure 4.9

NIHB Annual Expenditures in Saskatchewan Region by Benefit 1994/95 to 2004/05

Total expenditures in the Saskatchewan Region were \$104.7 million in 2004/05, an increase of 5.9% from the previous year.

Pharmacy expenditures increased by 7.5% followed by dental costs at 6.7%. Expenditures in transportation costs were up 3.5% and vision care rose slightly by 1.7%.

Other health care costs decreased by 3.2% in 2004/05.

Growth Rate in Total NIHB Expenditures, Saskatchewan Region 1994/95 to 2004/05

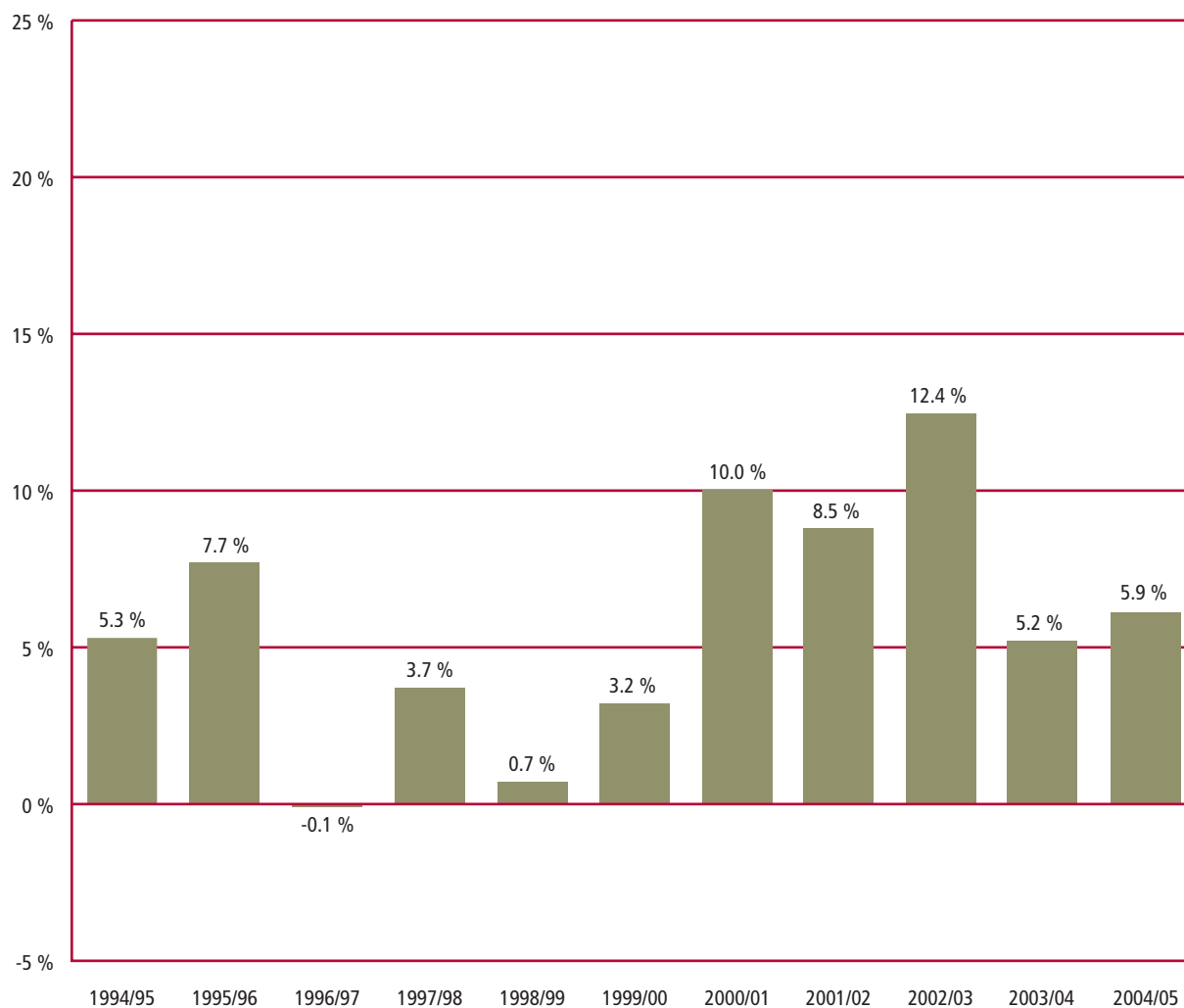


Figure 4.9
NIHB Annual Expenditures in Saskatchewan Region
by Benefit (\$000's) 1994/95 to 2004/05

	Saskatchewan Region										
BENEFIT	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Transportation	\$ 19,079	\$ 20,649	\$ 19,952	\$ 21,648	\$ 21,814	\$ 22,038	\$ 24,438	\$ 23,862	\$ 25,853	\$ 25,854	\$ 26,758
Pharmacy	22,919	23,563	26,053	26,645	28,450	30,983	34,926	38,240	44,394	48,952	52,636
Dental	12,196	13,701	11,813	11,703	11,980	12,307	12,731	15,708	17,649	18,296	19,530
Other Health Care	4,382	5,367	4,729	4,808	2,894	1,948	2,032	2,663	2,671	2,370	2,295
Vision Care	1,859	1,783	2,434	2,578	2,702	2,755	2,890	3,113	3,360	3,375	3,431
Total	\$ 60,435	\$ 65,063	\$ 64,981	\$ 67,382	\$ 67,840	\$ 70,031	\$ 77,017	\$ 83,586	\$ 93,927	\$ 98,847	\$ 104,651
Annual Percentage Change	5.3%	7.7%	-0.1%	3.7%	0.7%	3.2%	10.0%	8.5%	12.4%	5.2%	5.9%

NIHB Expenditure Trends

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Figure 4.10

NIHB Annual Expenditures in Alberta Region by Benefit 1994/95 to 2004/05

Total expenditures in the Alberta Region were \$118.4 million in 2004/05, an increase of 3.4% from the previous year.

Other health care costs had the highest increase at 7.5%, followed by pharmacy costs at 5.7%, vision care costs at 3.2%, transportation costs at 2.3% and premium costs at 1.4%.

Dental care expenditures remained virtually unchanged, increasing by 0.4%.

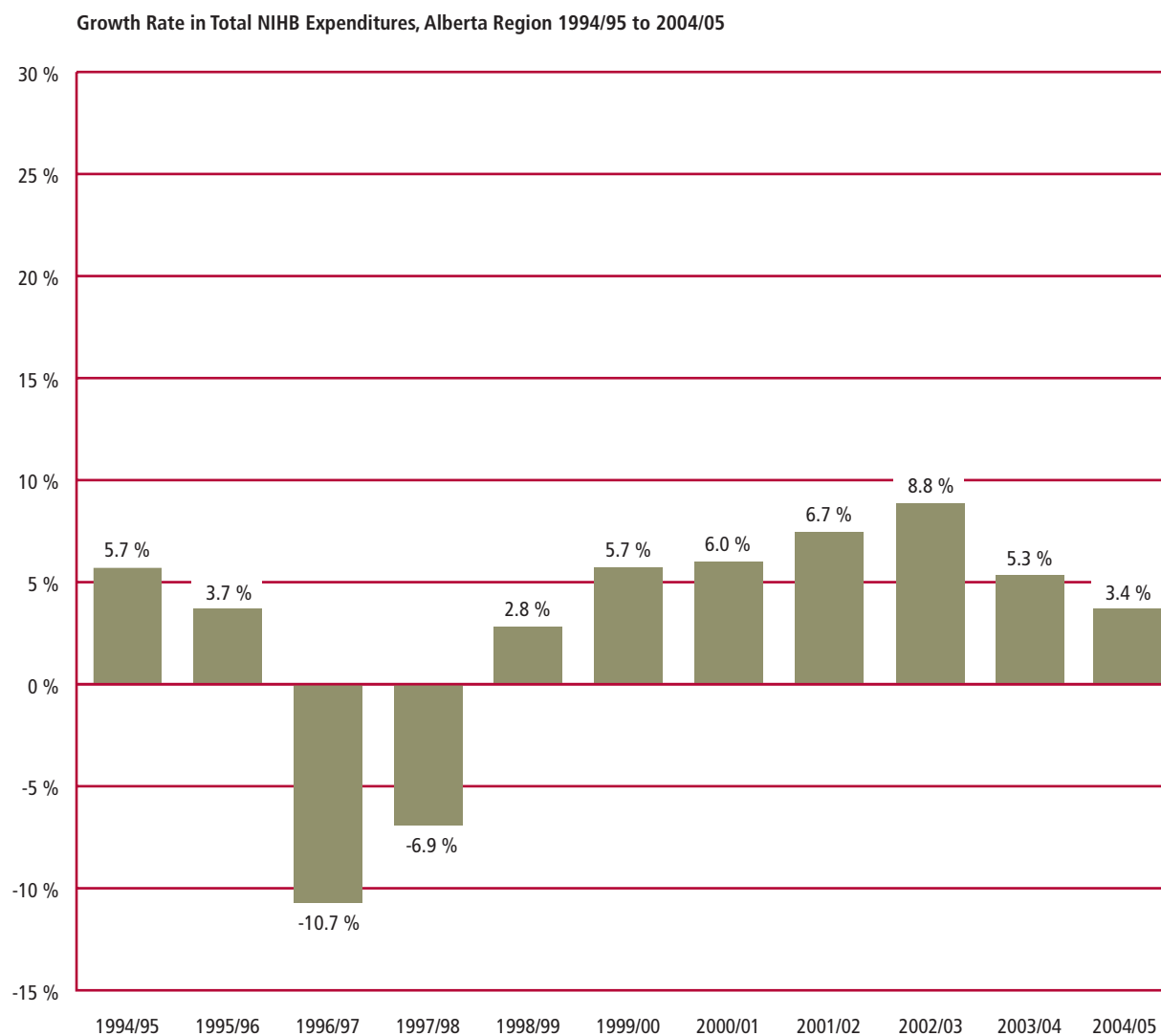


Figure 4.10
NIHB Annual Expenditures in Alberta Region
by Benefit (\$000's) 1994/95 to 2004/05

	Alberta Region										
BENEFIT	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Transportation	\$ 20,783	\$ 21,700	\$ 24,952	\$ 25,659	\$ 27,723	\$ 27,774	\$ 28,116	\$ 29,796	\$ 28,856	\$ 29,030	\$ 29,686
Pharmacy	24,563	26,195	26,541	25,741	26,373	28,843	33,365	36,781	41,590	45,588	48,207
Dental	17,697	19,265	16,215	15,540	14,319	16,455	15,527	16,680	18,375	19,237	19,306
Other Health Care	8,295	5,984	3,853	3,135	3,666	2,944	4,285	3,371	3,856	3,793	4,078
Premiums	20,105	21,297	12,638	7,579	8,004	8,480	8,689	8,914	11,790	12,203	12,377
Vision Care	2,966	3,439	3,233	3,707	3,570	3,894	3,696	4,397	4,239	4,576	4,720
Total	\$ 94,409	\$ 97,880	\$ 87,432	\$ 81,361	\$ 83,655	\$ 88,390	\$ 93,678	\$ 99,939	\$ 108,706	\$ 114,427	\$ 118,373
Annual Percentage Change	5.7%	3.7%	-10.7%	-6.9%	2.8%	5.7%	6.0%	6.7%	8.8%	5.3%	3.4%

NIHB Expenditure Trends

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Figure 4.11

NIHB Annual Expenditures in Pacific Region by Benefit 1994/95 to 2004/05

Total expenditures in the Pacific Region were \$104.6 million in 2004/05, an increase of 4.4% from the previous year.

Dental costs showed the largest increase at 11%, followed by transportation and pharmacy costs both at 5.7%.

Premiums costs decreased by 5.8%, while other health care costs declined by 4.4%. Vision care expenditures remained virtually unchanged (-0.3%).

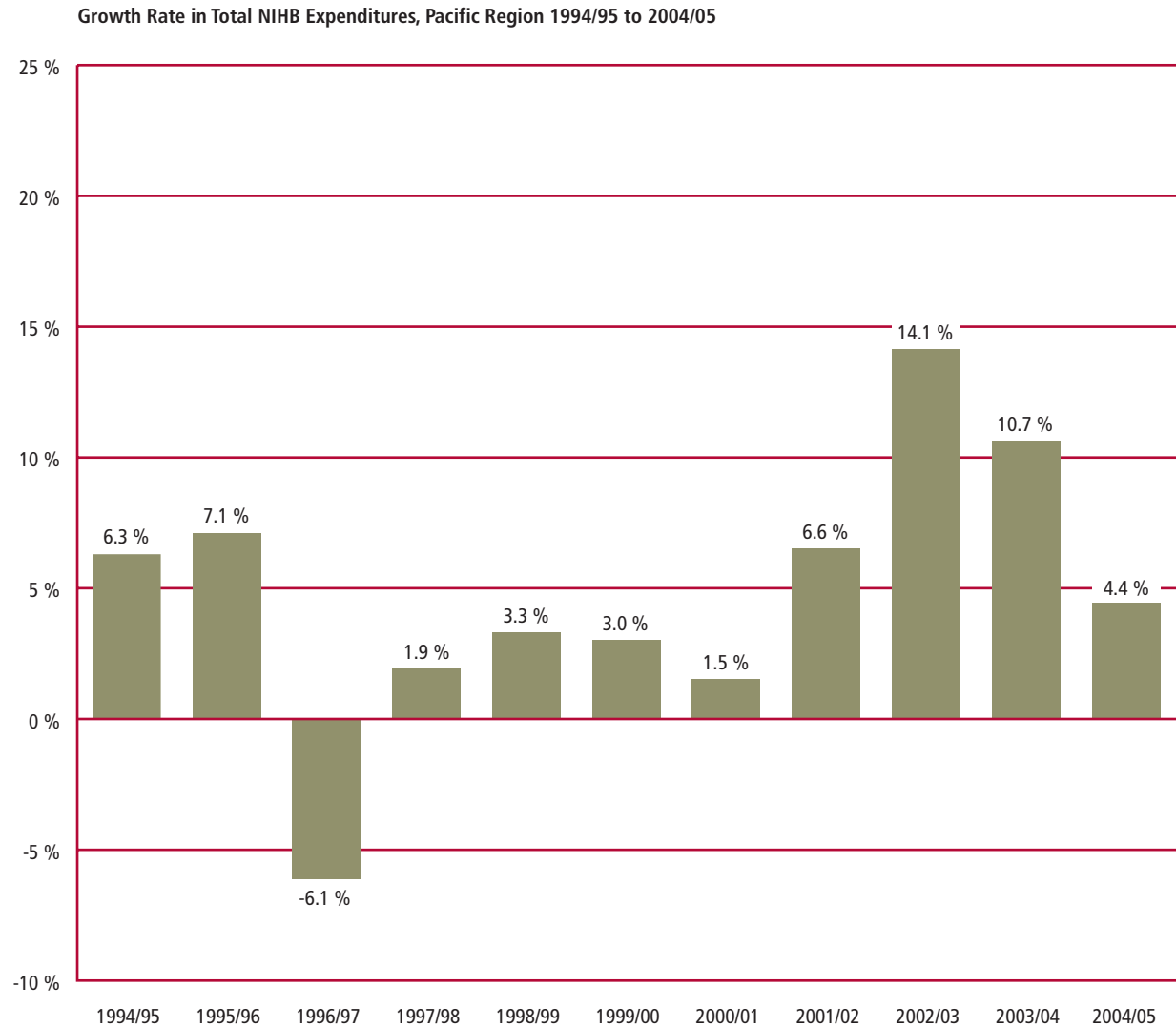


Figure 4.11
NIHB Annual Expenditures in Pacific Region by Benefit
(\$000's) 1994/95 to 2004/05

	Pacific Region										
BENEFIT	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Transportation	\$ 10,655	\$ 12,520	\$ 11,930	\$ 13,046	\$ 12,284	\$ 12,954	\$ 12,718	\$ 14,039	\$ 16,410	\$ 16,408	\$ 17,340
Pharmacy	21,774	23,752	24,480	25,714	25,986	28,748	30,185	33,592	38,923	44,142	46,670
Dental	19,634	20,855	16,899	15,881	18,703	17,490	18,078	18,230	19,224	18,338	20,357
Other Health Care	4,218	3,627	2,387	2,134	2,048	1,903	1,831	1,165	1,240	1,654	1,581
Premiums	8,456	8,797	9,487	9,552	9,472	9,551	9,091	9,682	12,112	16,411	15,453
Vision Care	2,474	2,463	2,420	2,566	2,647	2,656	2,518	2,622	2,601	3,259	3,249
Total	\$ 67,211	\$ 72,014	\$ 67,603	\$ 68,893	\$ 71,140	\$ 73,302	\$ 74,421	\$ 79,330	\$ 90,510	\$ 100,212	\$ 104,650
Annual Percentage Change	6.3%	7.1%	-6.1%	1.9%	3.3%	3.0%	1.5%	6.6%	14.1%	10.7%	4.4%

NIHB Expenditure Trends

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Figure 4.12

NIHB Annual Expenditures in Yukon by Benefit 1994/95 to 2004/05

Total expenditures in the Yukon were \$7.0 million in 2004/05, an increase of 8.7% from the previous year.

Vision care costs and other health care costs had strong growth, with increases of 114.9% and 58.3% respectively. Transportation expenditures were up by 10.9% and pharmacy costs were 8.2% higher.

Only dental expenditures were down (-10%) from last year.

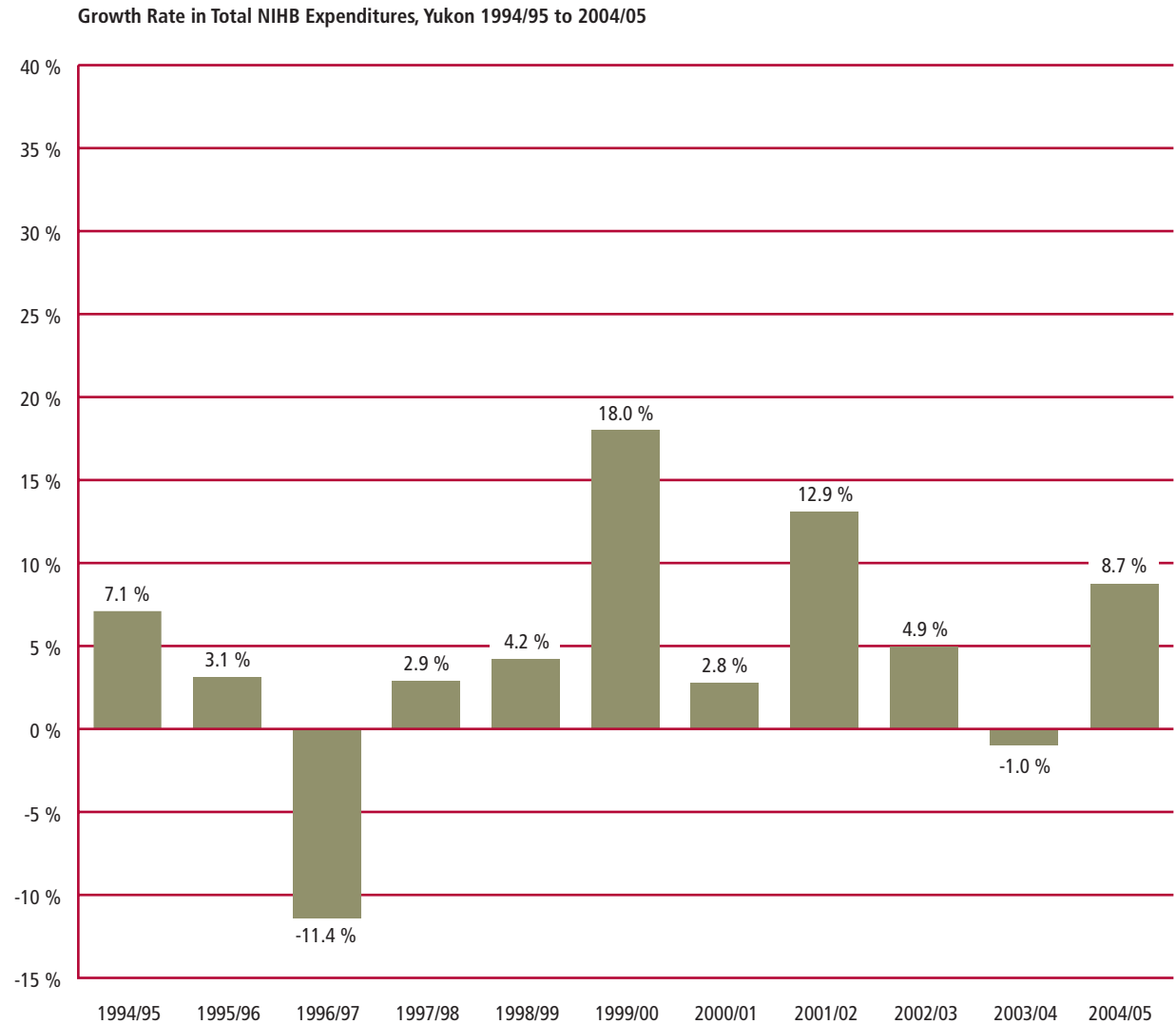


Figure 4.12
NIHB Annual Expenditures in Yukon by Benefit
(\$000's) 1994/95 to 2004/05

	Yukon										
BENEFIT	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Transportation	\$ 1,275	\$ 1,308	\$ 1,452	\$ 1,513	\$ 1,490	\$ 1,865	\$ 1,852	\$ 2,020	\$ 1,957	\$ 1,600	\$ 1,774
Pharmacy	1,519	1,582	1,409	1,560	1,577	1,953	2,393	2,649	3,048	3,214	3,476
Dental	1,459	1,562	1,122	1,024	1,122	1,184	994	1,284	1,236	1,365	1,229
Other Health Care	177	90	32	22	123	82	16	13	11	3	4
Vision Care	166	195	183	201	191	229	208	199	218	223	480
Total	\$ 4,596	\$ 4,737	\$ 4,198	\$ 4,320	\$ 4,503	\$ 5,313	\$ 5,463	\$ 6,165	\$ 6,470	\$ 6,405	\$ 6,963
Annual Percentage Change	7.1%	3.1%	-11.4%	2.9%	4.2%	18.0%	2.8%	12.9%	4.9%	-1.0%	8.7%

NIHB Expenditure Trends

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Figure 4.13

NIHB Annual Expenditures in the Northwest Territories & Nunavut by Benefit 1994/95 to 2004/05

Total expenditures in N.W.T. and Nunavut were \$49.1 million in 2004/05, an increase of 10.5% from the previous year.

Dental costs had the highest increase at 17.8% followed by transportation costs at 11.1% and pharmacy costs at 8.6%.

The only exception was vision care costs which were down 23.2%.

Growth Rate in Total NIHB Expenditures, Northwest Territories & Nunavut 1994/95 to 2004/05

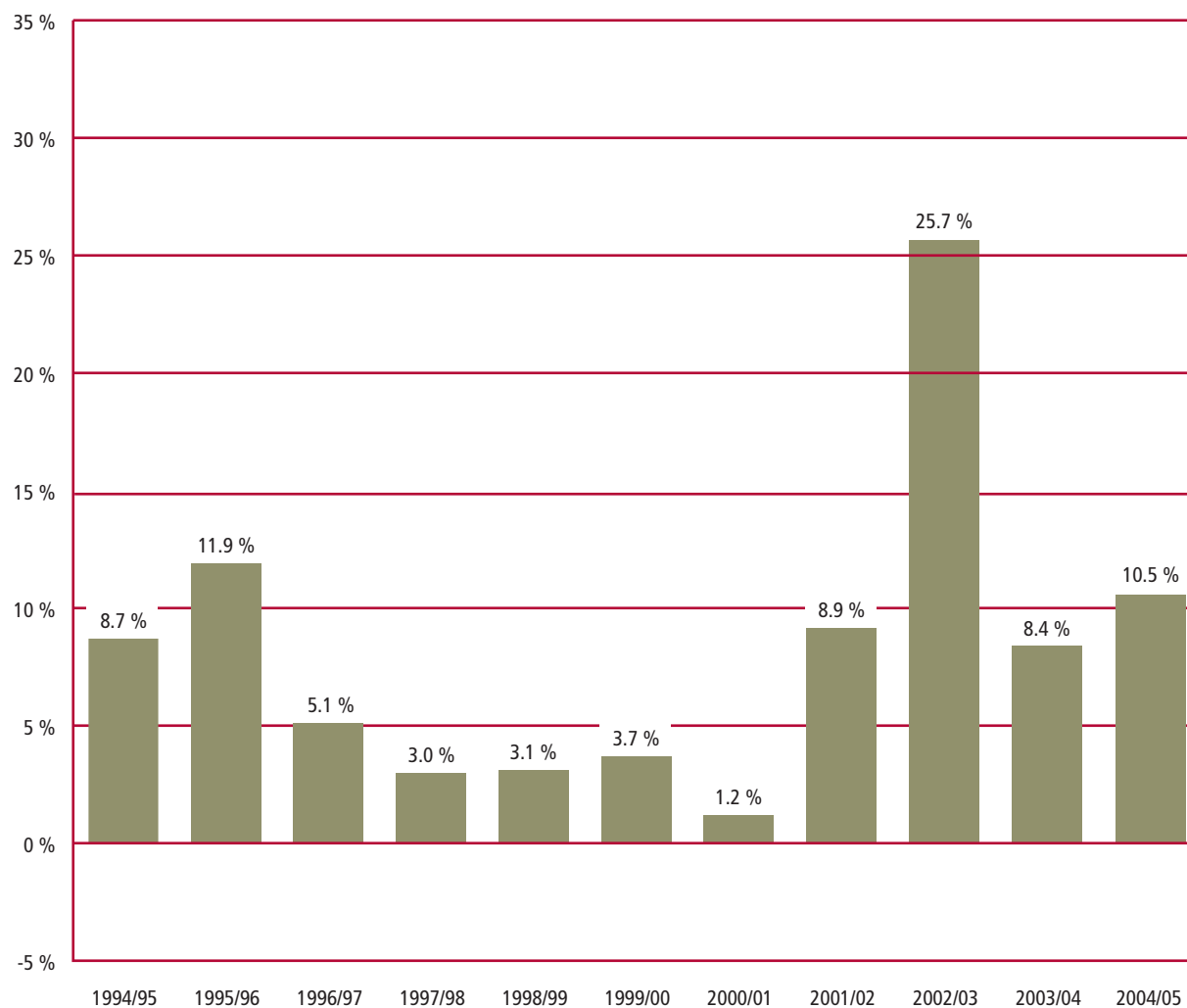


Figure 4.13
NIHB Annual Expenditures in the Northwest
Territories & Nunavut by Benefit (\$000's)
1994/95 to 2004/05

	Northwest Territories & Nunavut										
BENEFIT	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Transportation	\$ 9,087	\$ 10,895	\$ 12,200	\$ 12,688	\$ 12,697	\$ 13,136	\$ 12,993	\$ 14,594	\$ 18,995	\$ 19,265	\$ 21,401
Pharmacy	4,085	4,622	5,501	5,872	6,381	6,697	7,605	8,382	10,157	11,310	12,278
Dental	7,993	8,259	7,954	8,028	8,330	8,393	8,013	8,228	9,468	11,657	13,738
Other Health Care	585	580	158	170	0	0	0	0	1,000 ⁽¹⁾	0	0
Vision Care	1,088	1,191	1,041	893	1,100	1,349	1,329	1,391	1,340	2,175	1,669
Total	\$ 22,838	\$ 25,547	\$ 26,854	\$ 27,651	\$ 28,508	\$ 29,575	\$ 29,940	\$ 32,595	\$ 40,960	\$ 44,407	\$ 49,086
Annual Percentage Change	8.7%	11.9%	5.1%	3.0%	3.1%	3.7%	1.2%	8.9%	25.7%	8.4%	10.5%

(1) Data anomaly due to possible FIRMS coding error. Data should be interpreted with caution.



Expenditure Analysis By Benefit Category

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Information in Section 5 provides a breakdown of expenditures by benefit category and region in 2004/05. Comparisons are made to expenditures in 2003/04.

Overall expenditures increased in 2004/05 by 4.2% from the previous year.

Pharmacy expenditures increased to \$343.9 million in 2004/05 from \$327.0 million in 2003/04, an increase of 5.2%. The highest increase in pharmacy expenditures was in the Nunavut at 14.1%, followed by the Manitoba Region at 11.3%. The Quebec Region, Yukon, Atlantic, Saskatchewan, Ontario and N.W.T. also registered increases in pharmacy expenditures at a rate of 9.2%, 8.2%, 7.8%, 7.5%, 7.2% and 5.4% respectively. Both the Alberta and Pacific Regions increased by 5.7%.

Expenditures for medical transportation were \$211.5 million, registering a small increase of 2.8% in 2004/05. The Nunavut had the highest growth rate at 12.6% followed by the Yukon at 10.9%. The N.W.T., Pacific, Manitoba, Saskatchewan, Alberta and Quebec Regions also registered increases in transportation costs at a rate of 8.3%, 5.7%, 4.4%, 3.5%, 2.3% and 1.8% respectively. Two regions showed decreases: Atlantic (-5.8%) and Ontario (-3.7%).

Dental expenditures increased by 6.3% to \$143.0 million in 2004/05. The Nunavut had the largest increase at 23.6%, followed by Pacific at 11.0%. The Yukon was the only region to show a decrease of 10.0%.

Overall, total expenditures in vision care increased slightly by 0.9% in 2004/05. The Yukon led all regions with an increase of 114.9%, followed by the Quebec Region at 22.9%, the Ontario Region at 4.5% and the Alberta Region at 3.2%. Nunavut recorded a substantial decrease of 35.5%, while Manitoba had a decrease of 7.1%.

Other health care expenditures increased by 2.1% in 2004/05. The costs in this benefit area rose significantly by 58.3% in the Yukon, followed by 14.7% in the Atlantic Region and 7.5% in the Alberta Region. Three regions recorded decreases: Pacific (-4.4%), Quebec (-4.0%) and Saskatchewan (-3.2%).

Premium expenditures decreased by 2.7% in 2004/05.

Expenditure Analysis By Benefit Category

PROGRAM ANALYSIS DIVISION • NON-INSURED HEALTH BENEFITS • 2004 / 2005 ANNUAL REPORT

Figure 5.1
NIHB Expenditures by Benefit (\$ 000)
2003/04 and 2004/05

All benefit areas, with the exception of premiums, registered an increase in expenditures in 2004/05 over 2003/04.

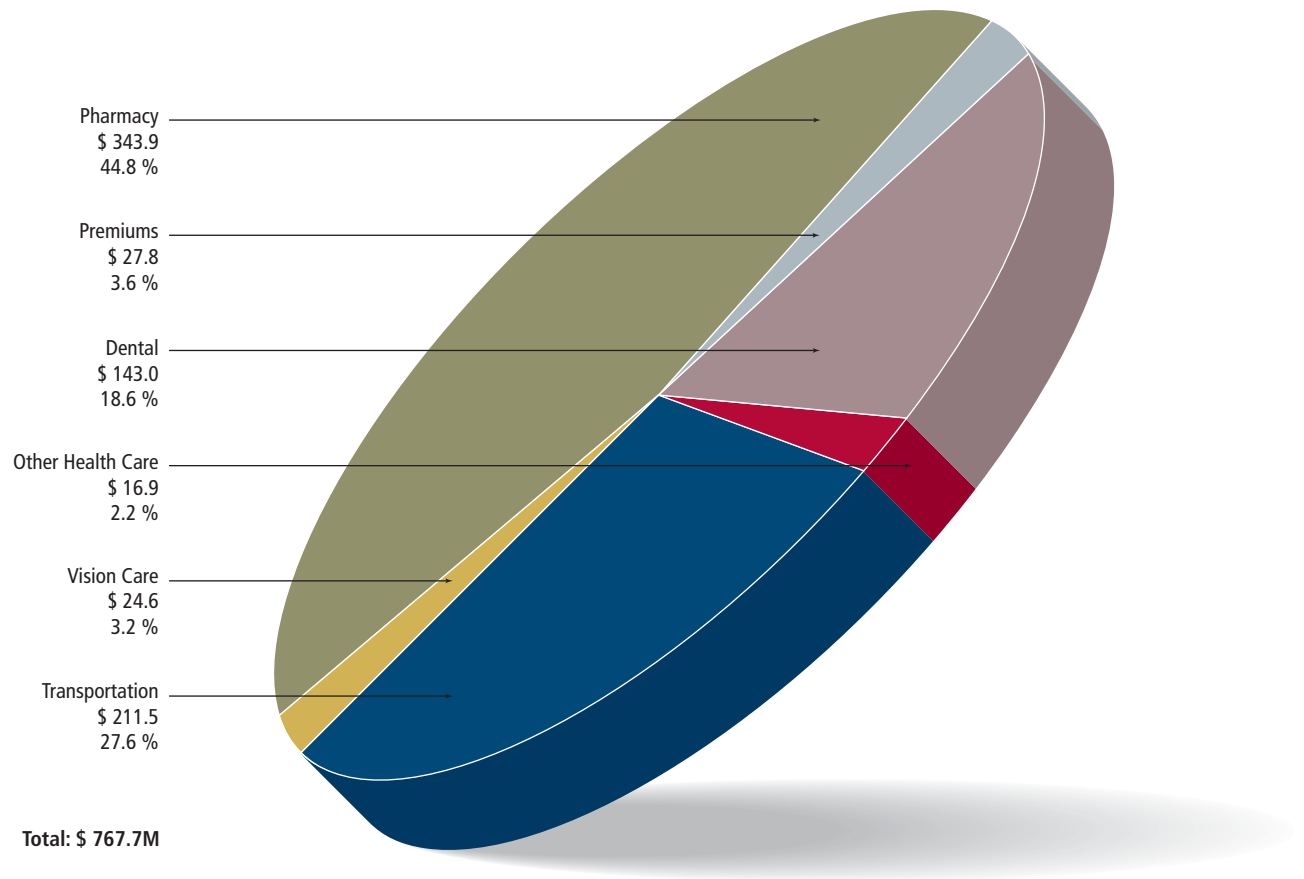
There were cost increases in dental (6.3%), pharmacy (5.2%), transportation (2.8%), other health care (2.1%) and vision care (0.9%).

By comparison, premiums decreased modestly (-2.7%).

BENEFIT	Total Expenditures 2003/04	Total Expenditures 2004/05	% Change From 2003/04
Transportation	\$ 205,793	\$ 211,527	2.8%
Pharmacy	326,982	343,879	5.2%
Dental	134,504	142,956	6.3%
Other Health Care	16,557	16,904	2.1%
Premiums	28,614	27,830	-2.7%
Vision Care	24,420	24,629	0.9%
Total Expenditures	\$ 736,870	\$ 767,726	4.2%

Figure 5.2
NIHB Expenditures by Benefit (\$ Million)
2004/05

Of the total Non-Insured Health Benefits (NIHB) expenditures in 2004/05 (\$767.7 million), pharmacy costs (\$343.9 million) represent the largest proportion at 44.8%, followed by transportation costs (\$211.5 million) at 27.6% and dental costs (\$143.0 million) at 18.6%.



Not reflected in the \$767.7 million in NIHB benefits in 2004/05 is approximately \$30 million in administration costs. These administrative costs equate to less than 4% of all NIHB benefit expenditures.

Expenditure Analysis By Benefit Category

PROGRAM ANALYSIS DIVISION • NON-INSURED HEALTH BENEFITS • 2004 / 2005 ANNUAL REPORT

Figure 5.3

NIHB Expenditures by Benefit and Region (\$ 000) **2004/05**

The Ontario Region accounts for the highest proportion of total expenditures at \$140.3 million, 18.3% of the national total, followed by the Manitoba Region at \$137.0 million (17.8%) and the Alberta Region at \$118.4 million (15.4%).

By contrast, the lowest expenditures are in the Yukon at \$7 million (0.9%) of the national total, followed by the Northwest Territories at \$20.9 million (2.7%).

Headquarters expenditures represent costs related to automated claims payments.

REGION	Transportation	Pharmacy	Dental	Other Health Care	Premiums	Vision Care	TOTAL
Atlantic	\$ 6,124	\$ 17,533	\$ 4,934	\$ 161	\$ —	\$ 1,619	\$ 30,371
Quebec	17,291	29,959	10,525	697	—	1,349	59,820
Ontario	35,258	67,508	29,655	2,404	—	5,428	140,253
Manitoba	55,895	53,998	18,705	5,685	—	2,684	136,967
Saskatchewan	26,758	52,636	19,530	2,295	—	3,431	104,651
Alberta	29,686	48,207	19,306	4,078	12,377	4,720	118,373
Pacific	17,340	46,670	20,357	1,581	15,453	3,249	104,650
Yukon	1,774	3,476	1,229	4	—	480	6,963
N.W.T.	7,428	7,544	5,173	0	—	718	20,863
Nunavut	13,972	4,734	8,566	0	—	951	28,223
Headquarters	—	11,615	4,978	—	—	—	16,592
Total	\$ 211,527	\$ 343,879	\$ 142,956	\$ 16,904	\$ 27,830	\$ 24,629	\$ 767,726

Figure 5.4
Proportion of NIHB Regional Expenditures by Benefit
2004/05

Just over one-quarter (26.4%) of the total transportation expenditures were spent in the Manitoba Region.

The Ontario Region accounts for 20.7% of total dental expenditures and 19.6% of total pharmacy costs in 2004/05.

The Manitoba Region (33.6%) and the Alberta Region (24.1%) account for over one-half of the total other health care expenditures in 2004/05.

Premium costs are paid only in the Pacific (55.5%) and the Alberta (44.5%) regions.

The proportion of vision care costs ranges from a high of 22.0% in the Ontario Region to 1.9% in the Yukon.

REGION	Transportation	Pharmacy	Dental	Other Health Care	Premiums	Vision Care	TOTAL
Atlantic	2.9%	5.1%	3.5%	1.0%	0.0%	6.6%	4.0%
Quebec	8.2%	8.7%	7.4%	4.1%	0.0%	5.5%	7.8%
Ontario	16.7%	19.6%	20.7%	14.2%	0.0%	22.0%	18.3%
Manitoba	26.4%	15.7%	13.1%	33.6%	0.0%	10.9%	17.8%
Saskatchewan	12.7%	15.3%	13.7%	13.6%	0.0%	13.9%	13.6%
Alberta	14.0%	14.0%	13.5%	24.1%	44.5%	19.2%	15.4%
Pacific	8.2%	13.6%	14.2%	9.4%	55.5%	13.2%	13.6%
Yukon	0.8%	1.0%	0.9%	0.0%	0.0%	1.9%	0.9%
N.W.T.	3.5%	2.2%	3.6%	0.0%	0.0%	2.9%	2.7%
Nunavut	6.6%	1.4%	6.0%	0.0%	0.0%	3.9%	3.7%
Headquarters	0.0%	3.4%	3.5%	0.0%	0.0%	0.0%	2.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Expenditure Analysis By Benefit Category

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Figure 5.5
Proportion of NIHB Benefit Expenditures by Region
2004/05

At the national level over two-thirds of total expenditures occur in two benefit areas: pharmacy (44.8%) and medical transportation (27.6%). Dental expenditures account for almost one-fifth (18.6%) of total costs in 2004/05.

Nunavut used 49.5% of its total expenditures in medical transportation compared to 16.6% in the Pacific Region. The Atlantic Region used 57.7% of its total expenditures in pharmacy compared to 16.8% in Nunavut. Nunavut used 30.3% of its total expenditures in dental care compared to 13.7% in the Manitoba Region.

Pharmacy costs represented the highest percentage of total expenditures in all regions except Nunavut and the Manitoba Region where medical transportation had the largest proportion.

REGION	Transportation	Pharmacy	Dental	Other Health Care	Premiums	Vision Care	TOTAL
Atlantic	20.2%	57.7%	16.2%	0.5%	0.0%	5.3%	100.0%
Quebec	28.9%	50.1%	17.6%	1.2%	0.0%	2.3%	100.0%
Ontario	25.1%	48.1%	21.1%	1.7%	0.0%	3.9%	100.0%
Manitoba	40.8%	39.4%	13.7%	4.2%	0.0%	2.0%	100.0%
Saskatchewan	25.6%	50.3%	18.7%	2.2%	0.0%	3.3%	100.0%
Alberta	25.1%	40.7%	16.3%	3.4%	10.5%	4.0%	100.0%
Pacific	16.6%	44.6%	19.5%	1.5%	14.8%	3.1%	100.0%
Yukon	25.5%	49.9%	17.7%	0.0%	0.0%	6.9%	100.0%
N.W.T.	35.6%	36.2%	24.8%	0.0%	0.0%	3.4%	100.0%
Nunavut	49.5%	16.8%	30.3%	0.0%	0.0%	3.4%	100.0%
Headquarters	0.0%	70.0%	30.0%	0.0%	0.0%	0.0%	100.0%
Total	27.6%	44.8%	18.6%	2.2%	3.6%	3.2%	100.0%





Per Capita Expenditures By Benefit Category

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This section presents benefit costs by region on a per capita basis for 2004/05. The calculations are based on expenditures per region as reported in the Framework for Integrated Resource Management System (FIRMS). FIRMS attributes costs to the region of the home community of First Nations and Inuit clients whenever possible. These figures are then divided by the total eligible population per region as determined by the Status Verification System (SVS). SVS reflects the population of the region on the basis of the client's band affiliation regardless of where that client may currently be living.

Expenditures within each region include some costs for clients from other regions, however, this amount is less than 2% of total Non-Insured Health Benefits (NIHB) expenditures and would not materially affect per capita expenditures.

Per capita data depict variations from region to region in most benefit categories. The following factors contribute to these variations:

- differences in geography (e.g. community isolation leading to higher utilization of some benefits such as medical transportation);
- variations in professional fees from province to province (e.g. dispensing fees and dental fee schedules);
- differing provincial programs;
- varying prescriber/provider practices;
- regional differences in treatment approaches (e.g. the diversity of utilization of fee-for-service mental health counselling); and
- annual fluctuations in payment processes and utilization which affect patterns for vision care and other health care services.

Per Capita Expenditures By Benefit Category

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Figure 6.1
NIHB Per Capita Expenditures by Region
2004/05

The national per capita expenditure for all benefits in 2004/05 is \$982. This is an increase from the 2003/04 national per capita expenditure of \$951.

The Alberta Region has the highest per capita expenditure at \$1,249 in 2004/05. The Manitoba Region ranks second in per capita expenditure at \$1,150 followed by the Quebec Region at \$1,096.

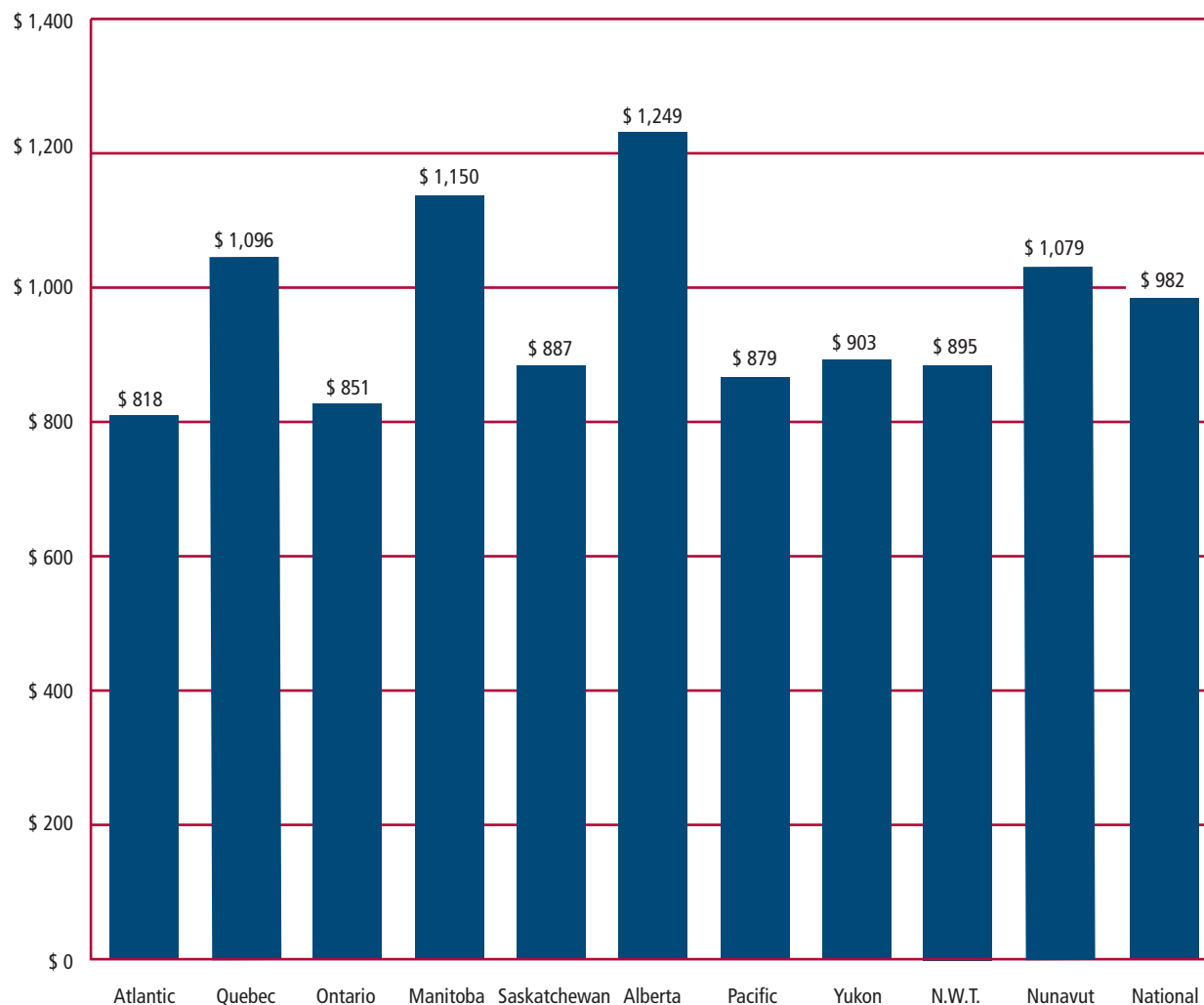
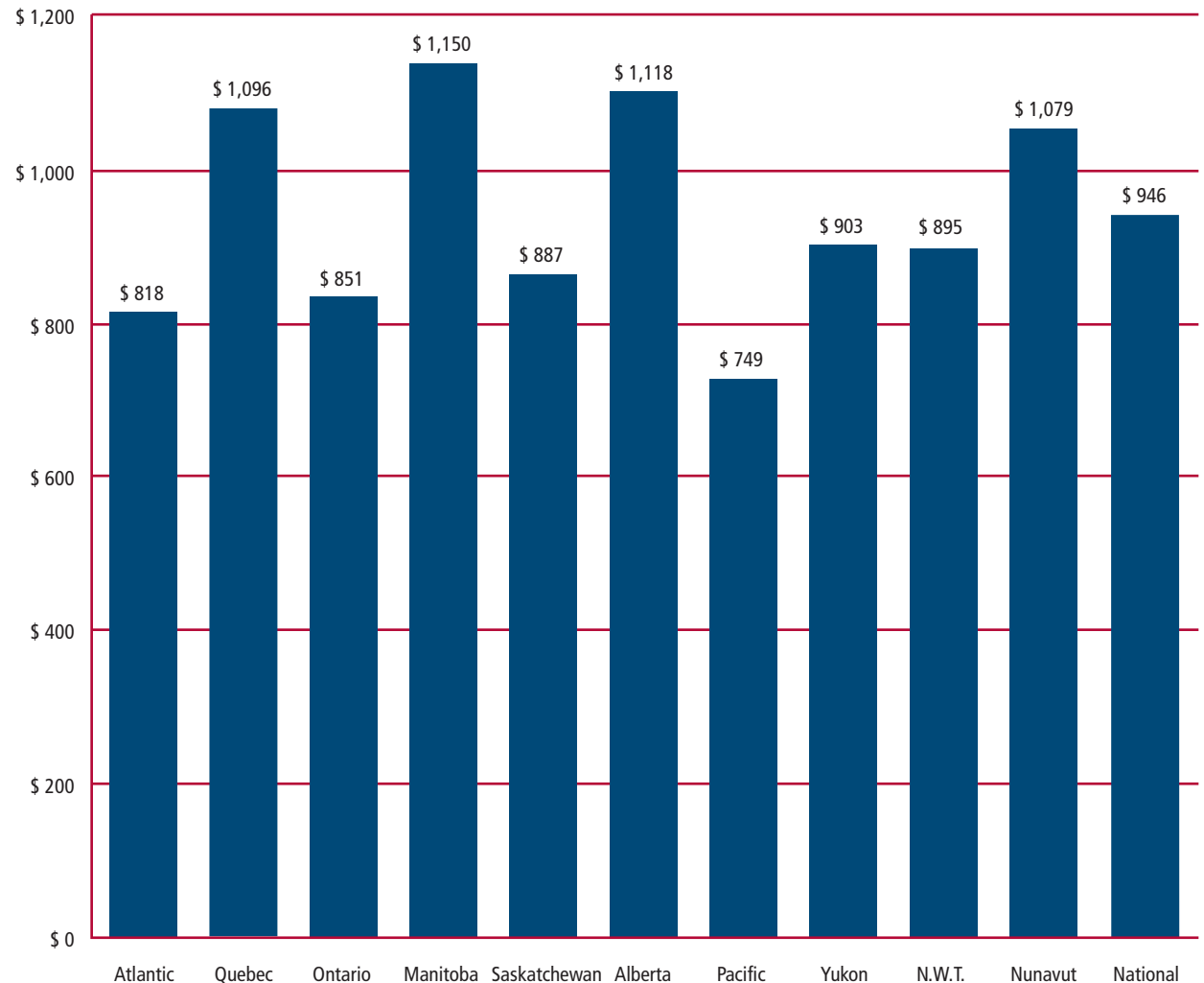


Figure 6.2
NIHB Per Capita Expenditures (Excluding Premiums)
by Region 2004/05

Excluding premiums, the national per capita expenditure in 2004/05 is \$946, an increase from the previous year's figure of \$913.

The Manitoba Region shows the highest per capita expenditure, excluding premiums, at \$1,150 followed by the Alberta Region at \$1,118 and the Quebec Region at \$1,096.



Per Capita Expenditures By Benefit Category

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Figure 6.3
NIHB Per Capita Transportation Expenditures by Region
2004/05

In 2004/05, the national per capita expenditure in transportation is \$277. This is a modest increase from the 2003/04 expenditure of \$274.

Nunavut recorded the highest per capita expenditure in transportation at \$534, followed by the Manitoba Region at \$469 and the Northwest Territories at \$319. The Pacific Region had the lowest per capita expenditure at \$146.

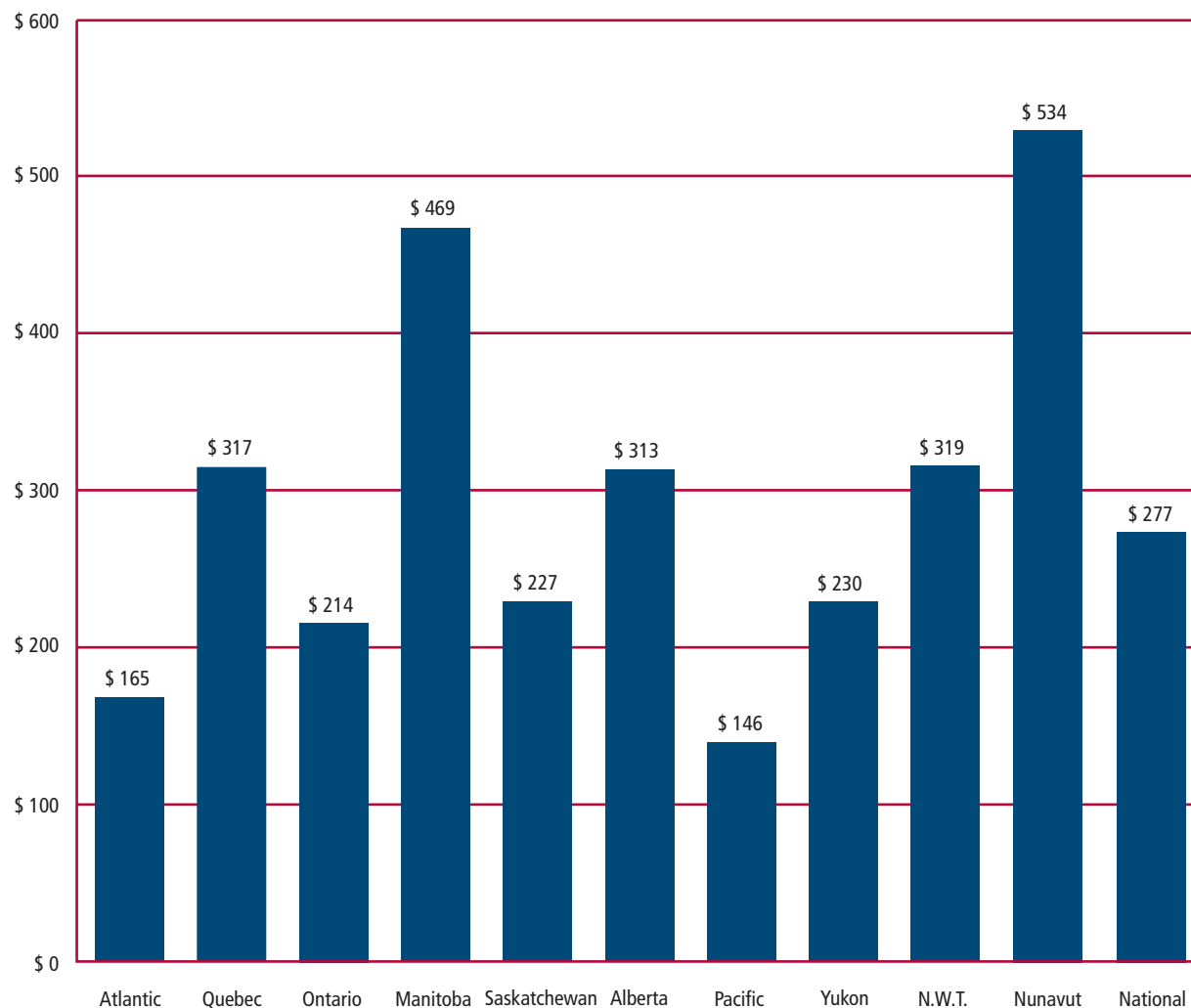
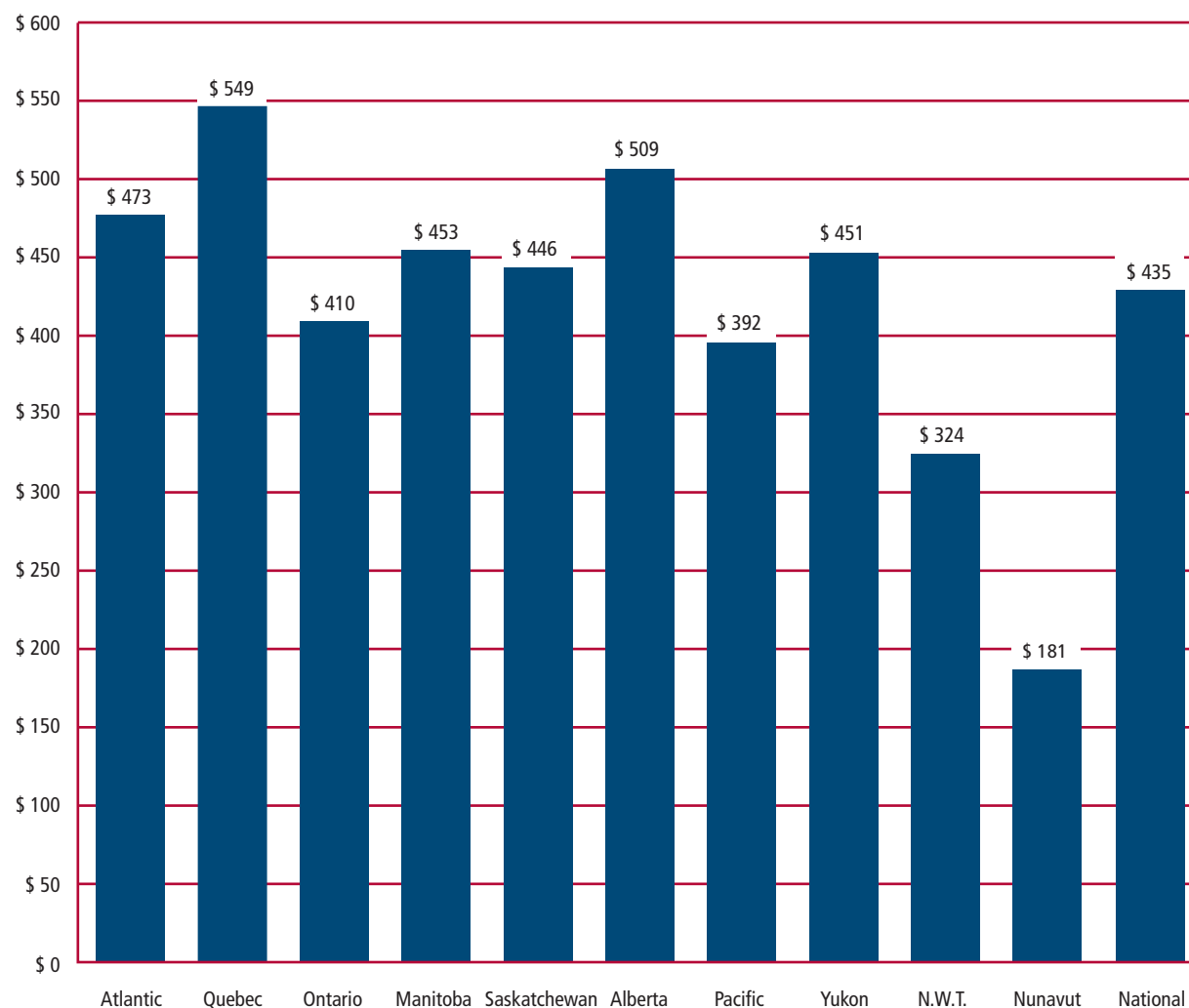


Figure 6.4
NIHB Per Capita Pharmacy Expenditures by Region
2004/05

In 2004/05, the national per capita expenditure in pharmacy is \$435. This is an increase from the previous year's figure of \$411.

The Quebec Region has the highest per capita pharmacy expenditure at \$549, followed by the Alberta Region at \$509 and the Atlantic Region at \$473. Nunavut has the lowest per capita expenditure at \$181.



Per Capita Expenditures By Benefit Category

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Figure 6.5

NIHB Per Capita Dental Expenditures by Region 2004/05

In 2004/05, the national per capita dental expenditure is \$180, an increase from previous year's figure of \$172.

Nunavut has the highest per capita dental expenditure at \$327, followed by the Northwest Territories at \$222 and the Alberta Region at \$204. The Atlantic Region registered the lowest per capita expenditure at \$133.

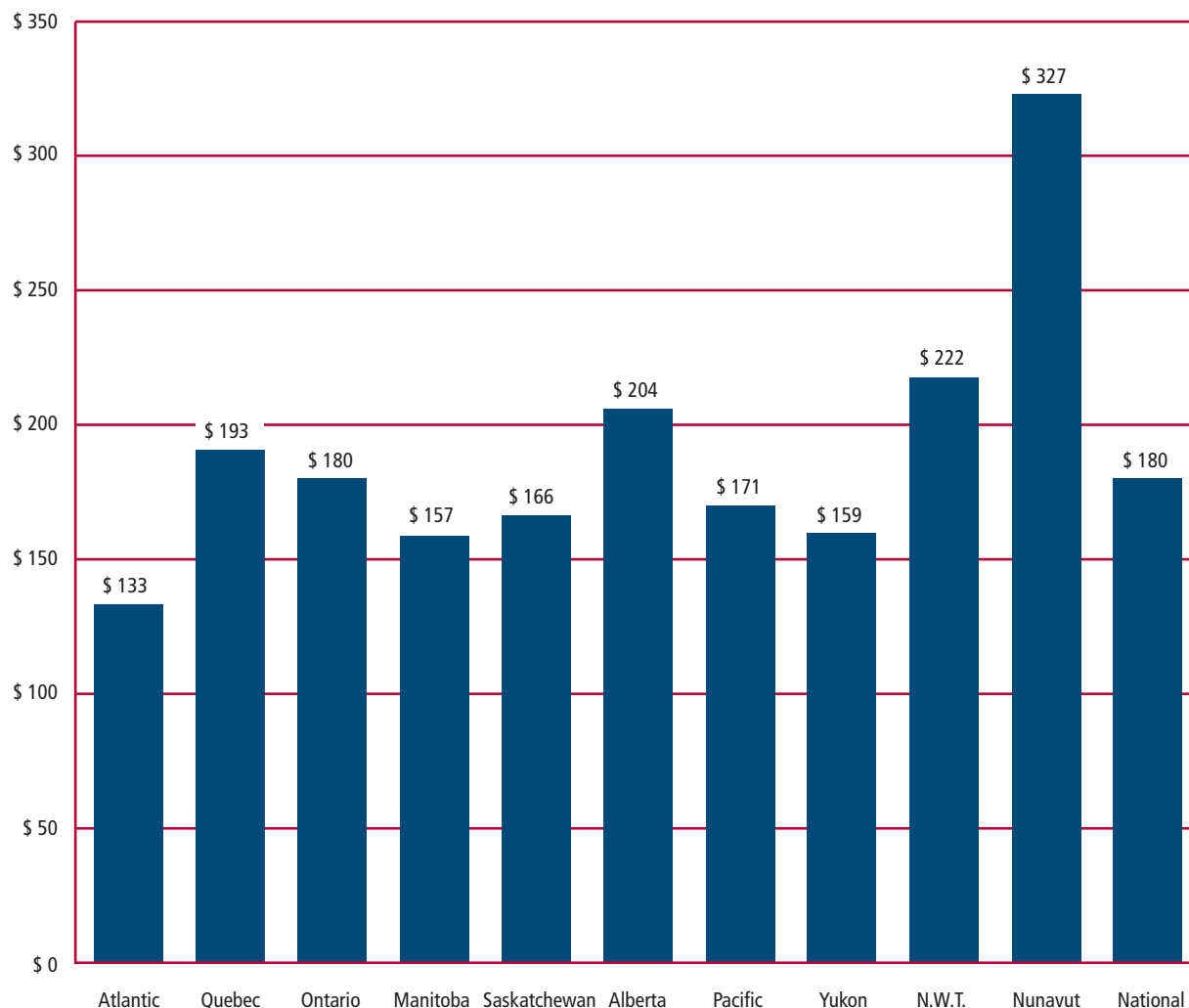
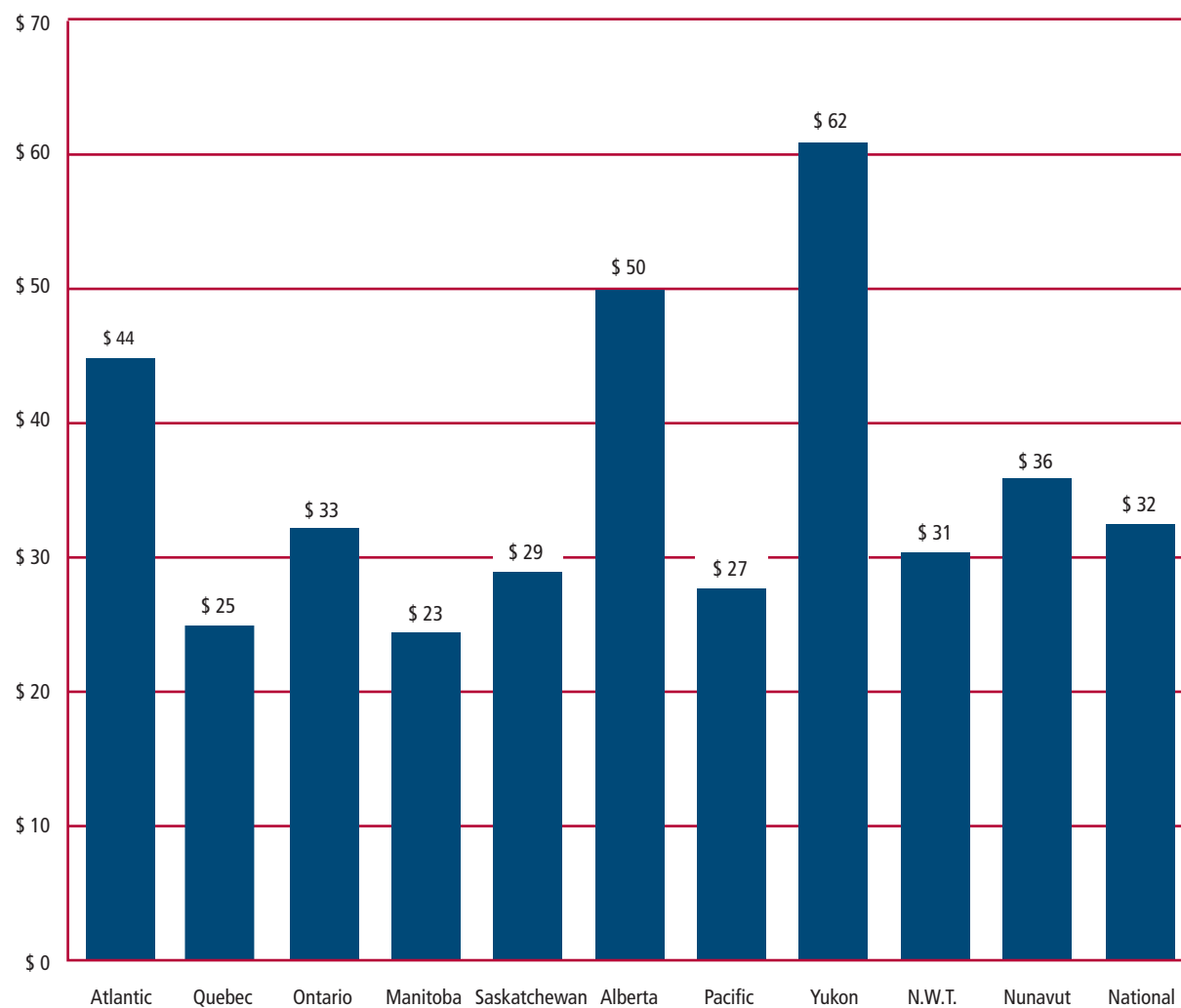


Figure 6.6
NIHB Per Capita Vision Care Expenditures by Region
2004/05

In 2004/05, the national per capita expenditure in vision care is \$32, down from the previous year's figure of \$33.

Yukon has the highest per capita expenditure at \$62, followed by the Alberta Region at \$50. The Manitoba Region registered the lowest per capita expenditure at \$23.



Per Capita Expenditures By Benefit Category

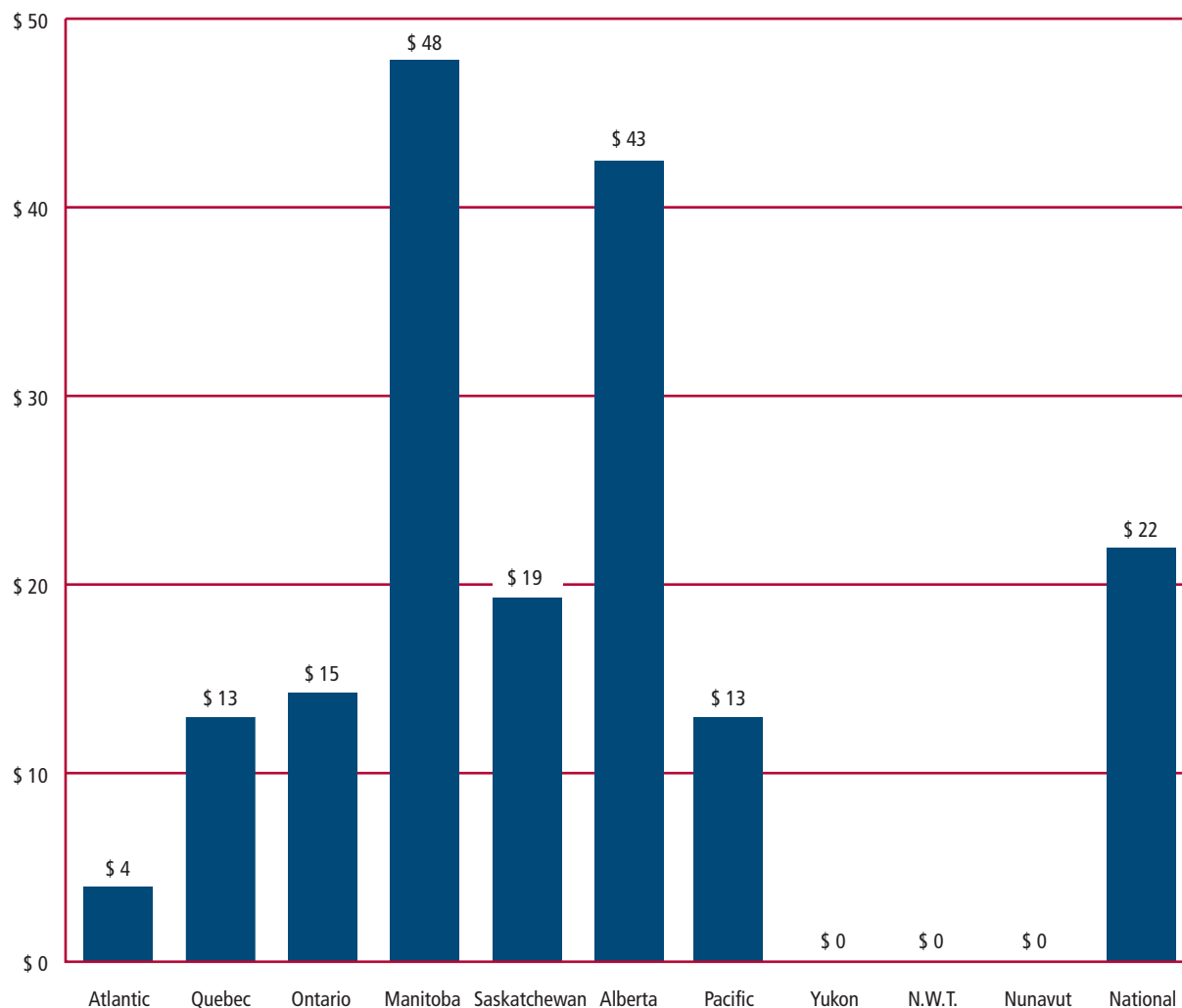
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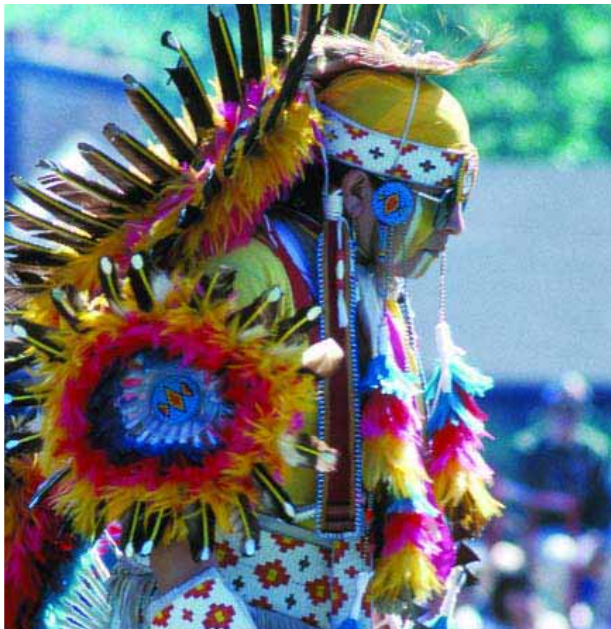
Figure 6.7

NIHB Per Capita Other Health Care Expenditures by Region 2004/05

In 2004/05, the national per capita expenditure in other health care is \$22 remaining unchanged from the previous year.

The Manitoba Region has the highest per capita expenditure at \$48, followed by the Alberta Region with a total of \$43.





7 Benefit Utilization And Expenditure Data

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Section 7 highlights utilization and expenditure data from major benefit categories within the Non-Insured Health Benefits (NIHB) Program.

Figures 7.1 and 7.2 display data on pharmacy and dental utilization rates. Figures 7.3 to 7.6 provide demographic information on NIHB claimants and non-claimants of these two nationally automated benefit areas.

Detailed information on pharmacy benefits is displayed in Figures 7.7 to 7.16, while comparable dental data can be found in Figures 7.17 to 7.22. Figures 7.23 to 7.25 depict NIHB expenditure trends for medical transportation.

Pharmacy and dental data are drawn largely from the system used for the Health Information and Claims Processing Services (HICPS) administered under contract by First Canadian Health. The Framework for Integrated Resource Management System (FIRMS) is the source of the remaining data.

Benefit Utilization And Expenditure Data

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Figure 7.1
Dental and Pharmacy Utilization Rates by Region
2000/01 to 2004/05

Utilization rates represent those clients who receive at least one dental service or pharmacy benefit paid through the system used for the Health Information and Claims Processing Services (HICPS) in the fiscal year, as a proportion of the total number of clients eligible to receive benefits as registered on the Status Verification System (SVS) in that year.

The rates will somewhat understate the actual level of service as the data do not include:

- contract dental services provided in some regions, primarily Ontario and Manitoba;
- services provided by First Nations and Inuit Health Branch dental therapists;
- pharmacy and dental services provided through contribution agreements; and
- pharmacy benefits provided through community health facilities.

REGION	Dental Utilization					Pharmacy Utilization				
	2000/01	2001/02	2002/03	2003/04	2004/05	2000/01	2001/02	2002/03	2003/04	2004/05
Atlantic	39%	39%	36%	36%	36%	59%	58%	60%	61%	60%
Quebec	47%	48%	46%	46%	46%	63%	62%	61%	61%	61%
Ontario	31%	32%	33%	33%	33%	56%	56%	57%	57%	56%
Manitoba	23%	22%	21%	22%	23%	68%	68%	68%	68%	68%
Saskatchewan	38%	39%	38%	37%	38%	79%	78%	78%	77%	76%
Alberta	43%	43%	44%	42%	39%	78%	77%	76%	75%	70%
Pacific	39%	40%	39%	37%	38%	67%	66%	66%	66%	66%
Yukon	32%	36%	34%	33%	31%	61%	61%	63%	62%	64%
N.W.T. & Nunavut	40%	43%	44%	45%	46%	44%	45%	48%	49%	47%
Total	36%	36%	36%	35%	36%	65%	65%	66%	66%	64%

Figure 7.2
National Dental and Pharmacy Utilization Rates
2000/01 to 2004/05

The utilization rates will somewhat understate the actual level of service as the data do not include:

- contract dental services provided in some regions, primarily Ontario and Manitoba;
- services provided by First Nations and Inuit Health Branch dental therapists;
- pharmacy and dental services provided through contribution agreements; and
- pharmacy benefits provided through community health facilities.

The national utilization rate in 2004/05 for dental benefits paid through the HICPS was 36%, an increase of 1% over the previous year. The highest dental utilization rate (46%) was found in the Quebec Region and N.W.T./Nunavut. The lowest rate was recorded in the Manitoba Region (23%). It should be noted that this region has the largest expenditure in 2004/05 for contract dentists.

In 2004/05, the national utilization rate decreased to 64% from 2003/04 for pharmacy benefits paid through the HICPS. Regional rates ranged between 76% in the Saskatchewan Region to 47% in N.W.T./Nunavut.



Benefit Utilization And Expenditure Data

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Figure 7.3
**Pharmacy Claimants by Age Group,
Gender and Region 2004/05**

Of the 764,523 clients eligible to receive benefits on the NIHB Program, 492,581 (64%) claimants received at least one pharmacy item paid through the HICPS in 2004/05.

Of this total, 275,563 were female (56%) while 217,018 were male (44%). This compares to the total eligible population where 51% are female and 49% are male.

The average age of the pharmacy claimants is 31 years. The average age for male claimants is 30 years, two years younger, on average, than their female counterparts.

The highest average age of pharmacy claimants is found in the Yukon and Quebec Region (36 years of age), while the lowest is in the Saskatchewan Region (27 years of age).

Over 35% of pharmacy claimants are under 20 years of age. Thirty-eight percent of male claimants are in this age group while females account for 32%.

Over 6% of all pharmacy claimants are seniors (age 65 and over) in 2004/05.

REGION Age Group	Atlantic			Quebec			Ontario			Manitoba		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 - 4	853	794	1,647	1,039	954	1,993	2,218	2,062	4,280	3,867	3,586	7,453
5 - 9	1,086	1,090	2,176	1,201	1,118	2,319	3,583	3,424	7,007	4,155	4,185	8,340
10 - 14	967	982	1,949	1,110	1,188	2,298	3,355	3,405	6,760	3,800	4,037	7,837
15 - 19	816	1,080	1,896	937	1,594	2,531	2,988	4,353	7,341	3,088	4,202	7,290
20 - 24	705	1,121	1,826	875	1,520	2,395	2,774	4,718	7,492	2,810	4,036	6,846
25 - 29	746	1,000	1,746	930	1,467	2,397	2,823	4,481	7,304	2,655	3,715	6,370
30 - 34	782	1,019	1,801	979	1,546	2,525	3,026	4,537	7,563	2,774	3,811	6,585
35 - 39	850	1,045	1,895	1,143	1,614	2,757	3,437	4,607	8,044	2,876	3,680	6,556
40 - 44	735	992	1,727	1,207	1,579	2,786	3,537	4,776	8,313	2,774	3,525	6,299
45 - 49	647	849	1,496	1,086	1,553	2,639	3,141	4,214	7,355	2,188	2,739	4,927
50 - 54	522	727	1,249	883	1,207	2,090	2,525	3,425	5,950	1,607	2,089	3,696
55 - 59	399	527	926	750	1,055	1,805	2,135	2,739	4,874	1,301	1,594	2,895
60 - 64	241	357	598	599	827	1,426	1,518	2,147	3,665	930	1,182	2,112
65 +	460	706	1,166	1,179	2,074	3,253	2,725	4,292	7,017	1,616	2,249	3,865
Total	9,809	12,289	22,098	13,918	19,296	33,214	39,785	53,180	92,965	36,441	44,630	81,071
Average Age	30	32	31	34	37	36	34	35	35	28	30	29

REGION Age Group	Saskatchewan			Alberta			Pacific			Yukon			N.W.T.			Nunavut			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 - 4	4,518	4,347	8,865	3,205	3,002	6,207	2,657	2,501	5,158	123	119	242	330	331	661	599	519	1,118	19,409	18,215	37,624
5 - 9	4,975	5,189	10,164	3,674	3,577	7,251	3,156	3,057	6,213	133	132	265	413	386	799	411	402	813	22,787	22,560	45,347
10 - 14	4,903	5,014	9,917	3,423	3,432	6,855	3,050	3,121	6,171	165	138	303	422	450	872	335	329	664	21,530	22,096	43,626
15 - 19	3,970	5,200	9,170	2,896	3,665	6,561	2,946	3,976	6,922	141	208	349	393	668	1,061	315	720	1,035	18,490	25,666	44,156
20 - 24	3,282	4,746	8,028	2,473	3,557	6,030	2,745	3,951	6,696	167	259	426	359	731	1,090	326	785	1,111	16,516	25,424	41,940
25 - 29	3,119	4,212	7,331	2,310	3,147	5,457	2,571	3,637	6,208	171	209	380	314	697	1,011	302	733	1,035	15,941	23,298	39,239
30 - 34	3,074	4,097	7,171	2,262	2,936	5,198	2,705	3,636	6,341	201	244	445	376	660	1,036	343	573	916	16,522	23,059	39,581
35 - 39	3,108	3,925	7,033	2,307	2,818	5,125	2,788	3,681	6,469	210	229	439	418	656	1,074	352	562	914	17,489	22,817	40,306
40 - 44	2,760	3,429	6,189	2,135	2,695	4,830	2,996	4,060	7,056	233	289	522	391	686	1,077	321	470	791	17,089	22,501	39,590
45 - 49	2,050	2,715	4,765	1,594	2,138	3,732	2,506	3,415	5,921	141	223	364	327	513	840	209	332	541	13,889	18,691	32,580
50 - 54	1,531	1,937	3,468	1,184	1,634	2,818	1,951	2,570	4,521	118	188	306	238	381	619	204	284	488	10,763	14,442	25,205
55 - 59	1,122	1,541	2,663	864	1,232	2,096	1,539	1,921	3,460	94	151	245	230	345	575	219	243	462	8,653	11,348	20,001
60 - 64	830	984	1,814	643	855	1,498	1,144	1,493	2,637	93	113	206	168	215	383	158	190	348	6,324	8,363	14,687
65 +	1,496	2,065	3,561	1,194	1,628	2,822	2,006	2,859	4,865	168	264	432	439	566	1,005	333	380	713	11,616	17,083	28,699
Total	40,738	49,401	90,139	30,164	36,316	66,480	34,760	43,878	78,638	2,158	2,766	4,924	4,818	7,285	12,103	4,427	6,522	10,949	217,018	275,563	492,581
Average Age	26	28	27	27	29	28	32	33	33	35	37	36	33	34	34	30	31	31	30	32	31

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Figure 7.4
Pharmacy Claimants and Non-Claimants
by Age Group and Gender 2004/05

Sixty-four percent of all eligible clients received at least one pharmacy benefit paid through the HICPS in 2004/05. Thirty-six percent of eligible clients did not access the Program through the HICPS for any pharmacy benefits.

Of the 271,942 non-claimants in 2004/05, 158,126 were male (58%) while 113,816 were female (42%).

Forty-five percent of all non-claimants were under 20 years of age, while 76% were under 40 years of age.

Age Group	Claimants			Non-Claimants			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 - 4	19,409	18,215	37,624	10,848	10,635	21,483	30,257	28,850	59,107
	64%	63%	64%	36%	37%	36%	100%	100%	100%
5 - 9	22,787	22,560	45,347	16,583	15,192	31,775	39,370	37,752	77,122
	58%	60%	59%	42%	40%	41%	100%	100%	100%
10 - 14	21,530	22,096	43,626	20,917	18,468	39,385	42,447	40,564	83,011
	51%	54%	53%	49%	46%	47%	100%	100%	100%
15 - 19	18,490	25,666	44,156	20,011	11,187	31,198	38,501	36,853	75,354
	48%	70%	59%	52%	30%	41%	100%	100%	100%
20 - 24	16,516	25,424	41,940	16,639	6,837	23,476	33,155	32,261	65,416
	50%	79%	64%	50%	21%	36%	100%	100%	100%
25 - 29	15,941	23,298	39,239	13,674	6,086	19,760	29,615	29,384	58,999
	54%	79%	67%	46%	21%	33%	100%	100%	100%
30 - 34	16,522	23,059	39,581	12,949	6,670	19,619	29,471	29,729	59,200
	56%	78%	67%	44%	22%	33%	100%	100%	100%
35 - 39	17,489	22,817	40,306	12,016	7,509	19,525	29,505	30,326	59,831
	59%	75%	67%	41%	25%	33%	100%	100%	100%

Age Group	Claimants			Non-Claimants			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
40 - 44	17,089	22,501	39,590	10,381	7,334	17,715	27,470	29,835	57,305
	62%	75%	69%	38%	25%	31%	100%	100%	100%
45 - 49	13,889	18,691	32,580	7,758	6,116	13,874	21,647	24,807	46,454
	64%	75%	70%	36%	25%	30%	100%	100%	100%
50 - 54	10,763	14,442	25,205	5,095	4,561	9,656	15,858	19,003	34,861
	68%	76%	72%	32%	24%	28%	100%	100%	100%
55 - 59	8,653	11,348	20,001	3,428	3,440	6,868	12,081	14,788	26,869
	72%	77%	74%	28%	23%	26%	100%	100%	100%
60 - 64	6,324	8,363	14,687	2,227	2,405	4,632	8,551	10,768	19,319
	74%	78%	76%	26%	22%	24%	100%	100%	100%
65 +	11,616	17,083	28,699	5,600	7,376	12,976	17,216	24,459	41,675
	67%	70%	69%	33%	30%	31%	100%	100%	100%
Total	217,018	275,563	492,581	158,126	113,816	271,942	375,144	389,379	764,523
	58%	71%	64%	42%	29%	36%	100%	100%	100%

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Figure 7.5
**Dental Claimants by Age Group,
Gender and Region 2004/05**

Of the 764,523 clients eligible to receive benefits on the NIHB Program, 272,181 (36%) claimants received at least one dental procedure paid through the HICPS in 2004/05.

Of this total, 151,235 are female (56%) while 120,946 are male (44%). This compares to the total eligible population where 51% are female and 49% are male.

The average age of the dental claimants is 28 years.

The highest average age of dental claimants is found in the Yukon (34 years of age), while the lowest is in Nunavut (24 years of age).

Forty-three percent of all dental claimants are under 20 years of age. Forty-six percent of male claimants are in this age group while females account for 40%.

Three percent of all claimants are seniors (age 65 and over) in 2004/05.

REGION Age Group	Atlantic			Quebec			Ontario			Manitoba		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 - 4	154	138	292	372	351	723	920	869	1,789	988	954	1,942
5 - 9	665	660	1,325	1,523	1,508	3,031	3,358	3,182	6,540	1,748	1,860	3,608
10 - 14	867	854	1,721	1,813	1,807	3,620	3,620	3,625	7,245	1,853	2,005	3,858
15 - 19	672	868	1,540	1,071	1,397	2,468	2,557	2,888	5,445	1,253	1,724	2,977
20 - 24	460	723	1,183	730	1,026	1,756	1,636	2,530	4,166	1,020	1,370	2,390
25 - 29	493	663	1,156	774	1,036	1,810	1,648	2,344	3,992	926	1,301	2,227
30 - 34	510	697	1,207	816	1,136	1,952	1,646	2,465	4,111	918	1,336	2,254
35 - 39	534	687	1,221	905	1,231	2,136	1,783	2,517	4,300	940	1,281	2,221
40 - 44	426	669	1,095	901	1,101	2,002	1,860	2,596	4,456	911	1,187	2,098
45 - 49	380	557	937	732	1,028	1,760	1,599	2,235	3,834	649	934	1,583
50 - 54	294	446	740	541	677	1,218	1,196	1,696	2,892	443	645	1,088
55 - 59	204	254	458	380	546	926	871	1,237	2,108	290	397	687
60 - 64	106	140	246	260	370	630	529	910	1,439	185	260	445
65 +	159	217	376	449	663	1,112	839	1,464	2,303	204	273	477
Total	5,924	7,573	13,497	11,267	13,877	25,144	24,062	30,558	54,620	12,328	15,527	27,855
Average Age	29	31	30	29	31	30	28	31	30	25	27	26

REGION Age Group	Saskatchewan			Alberta			Pacific			Yukon			N.W.T.			Nunavut			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 - 4	1,246	1,171	2,417	1,230	1,146	2,376	1,162	1,071	2,233	39	26	65	201	197	398	534	511	1,045	6,846	6,434	13,280
5 - 9	3,144	3,225	6,369	2,791	2,853	5,644	2,757	2,717	5,474	88	78	166	521	527	1,048	833	844	1,677	17,428	17,454	34,882
10 - 14	3,255	3,584	6,839	2,792	2,927	5,719	2,990	3,030	6,020	89	94	183	650	718	1,368	755	959	1,714	18,684	19,603	38,287
15 - 19	2,120	2,683	4,803	1,919	2,389	4,308	2,363	2,685	5,048	76	109	185	538	651	1,189	612	985	1,597	13,181	16,379	29,560
20 - 24	1,507	2,365	3,872	1,231	1,823	3,054	1,434	2,083	3,517	90	142	232	408	539	947	558	781	1,339	9,074	13,382	22,456
25 - 29	1,457	2,172	3,629	1,162	1,722	2,884	1,406	1,953	3,359	84	105	189	329	505	834	438	668	1,106	8,717	12,469	21,186
30 - 34	1,458	2,136	3,594	1,066	1,616	2,682	1,444	2,025	3,469	92	118	210	368	478	846	439	546	985	8,757	12,553	21,310
35 - 39	1,499	2,057	3,556	1,164	1,562	2,726	1,436	1,983	3,419	110	135	245	367	480	847	393	503	896	9,131	12,436	21,567
40 - 44	1,346	1,786	3,132	1,037	1,457	2,494	1,529	2,182	3,711	117	153	270	302	480	782	296	355	651	8,725	11,966	20,691
45 - 49	964	1,377	2,341	809	1,102	1,911	1,248	1,726	2,974	68	115	183	249	340	589	181	216	397	6,879	9,630	16,509
50 - 54	617	870	1,487	498	771	1,269	870	1,175	2,045	45	89	134	178	225	403	164	196	360	4,846	6,790	11,636
55 - 59	409	551	960	320	497	817	570	739	1,309	34	59	93	138	171	309	139	137	276	3,355	4,588	7,943
60 - 64	242	280	522	232	303	535	377	506	883	38	47	85	91	103	194	80	94	174	2,140	3,013	5,153
65 +	321	417	738	303	380	683	579	709	1,288	57	85	142	182	207	389	90	123	213	3,183	4,538	7,721
Total	19,585	24,674	44,259	16,554	20,548	37,102	20,165	24,584	44,749	1,027	1,355	2,382	4,522	5,621	10,143	5,512	6,918	12,430	120,946	151,235	272,181
Average Age	24	26	25	24	26	25	27	29	28	33	35	34	28	29	29	24	24	24	26	28	28

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Figure 7.6
Dental Claimants and Non-Claimants by Age Group and Gender 2004/05

Thirty-six percent of all eligible clients received at least one dental procedure paid through the HICPS in 2004/05. Sixty-four percent of eligible clients did not access the Program through the HICPS for any dental benefits.

Of the 492,342 non-claimants in 2004/05, 254,198 were male (52%), while 238,144 were female (48%).

Over one-third (36%) of all non-claimants were under 20 years of age, while over two-thirds (68%) were under 40 years of age.

Age Group	Claimants			Non-Claimants			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 - 4	6,846	6,434	13,280	23,411	22,416	45,827	30,257	28,850	59,107
	23%	22%	22%	77%	78%	78%	100%	100%	100%
5 - 9	17,428	17,454	34,882	21,942	20,298	42,240	39,370	37,752	77,122
	44%	46%	45%	56%	54%	55%	100%	100%	100%
10 - 14	18,684	19,603	38,287	23,763	20,961	44,724	42,447	40,564	83,011
	44%	48%	46%	56%	52%	54%	100%	100%	100%
15 - 19	13,181	16,379	29,560	25,320	20,474	45,794	38,501	36,853	75,354
	34%	44%	39%	66%	56%	61%	100%	100%	100%
20 - 24	9,074	13,382	22,456	24,081	18,879	42,960	33,155	32,261	65,416
	27%	41%	34%	73%	59%	66%	100%	100%	100%
25 - 29	8,717	12,469	21,186	20,898	16,915	37,813	29,615	29,384	58,999
	29%	42%	36%	71%	58%	64%	100%	100%	100%
30 - 34	8,757	12,553	21,310	20,714	17,176	37,890	29,471	29,729	59,200
	30%	42%	36%	70%	58%	64%	100%	100%	100%
35 - 39	9,131	12,436	21,567	20,374	17,890	38,264	29,505	30,326	59,831
	31%	41%	36%	69%	59%	64%	100%	100%	100%

Age Group	Claimants			Non-Claimants			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
40 - 44	8,725	11,966	20,691	18,745	17,869	36,614	27,470	29,835	57,305
	32%	40%	36%	68%	60%	64%	100%	100%	100%
45 - 49	6,879	9,630	16,509	14,768	15,177	29,945	21,647	24,807	46,454
	32%	39%	36%	68%	61%	64%	100%	100%	100%
50 - 54	4,846	6,790	11,636	11,012	12,213	23,225	15,858	19,003	34,861
	31%	36%	33%	69%	64%	67%	100%	100%	100%
55 - 59	3,355	4,588	7,943	8,726	10,200	18,926	12,081	14,788	26,869
	28%	31%	30%	72%	69%	70%	100%	100%	100%
60 - 64	2,140	3,013	5,153	6,411	7,755	14,166	8,551	10,768	19,319
	25%	28%	27%	75%	72%	73%	100%	100%	100%
65 +	3,183	4,538	7,721	14,033	19,921	33,954	17,216	24,459	41,675
	18%	19%	19%	82%	81%	81%	100%	100%	100%
Total	120,946	151,235	272,181	254,198	238,144	492,342	375,144	389,379	764,523
	32%	39%	36%	68%	61%	64%	100%	100%	100%

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Figure 7.7
Distribution of Pharmacy Expenditures (\$ Million)
2004/05

Figure 7.7 illustrates the components of pharmacy expenditures under the Non-Insured Health Benefits (NIHB) Program.

The cost of prescription drugs paid through the system used for the Health Information and Claims Processing Services (HICPS) is the largest component, accounting for \$253.8 million or 73.8% of all NIHB pharmacy expenditures followed by over-the-counter (OTC) drugs (paid through HICPS) which totals \$45.0 million or 13.1%. Medical supplies and equipment (paid through HICPS) is the third highest component at \$22.4 million or 6.5%. In total, the three components managed through automated claims processing account for over 93.4% of all pharmacy costs.

Drugs and MS&E (Regional) at \$3.2 million or 0.9% refers to regionally managed prescription drugs and OTC's administered through health facilities. This category also includes medical supplies and equipment costs paid through regional offices.

Contributions, which account for \$7.9 million or 2.3% of total pharmacy costs, are used to fund the provision of pharmacy benefits through agreements, such as with the Mohawk Council of Akwesasne in Ontario, the Labrador Inuit Health Commission, the Governments of the Northwest Territories and Nunavut and regional pilot projects.

Other costs totalled \$11.6 million or 3.4% in 2004/05. Included in this total are Headquarters expenditures which represent costs related to automated claims payment.

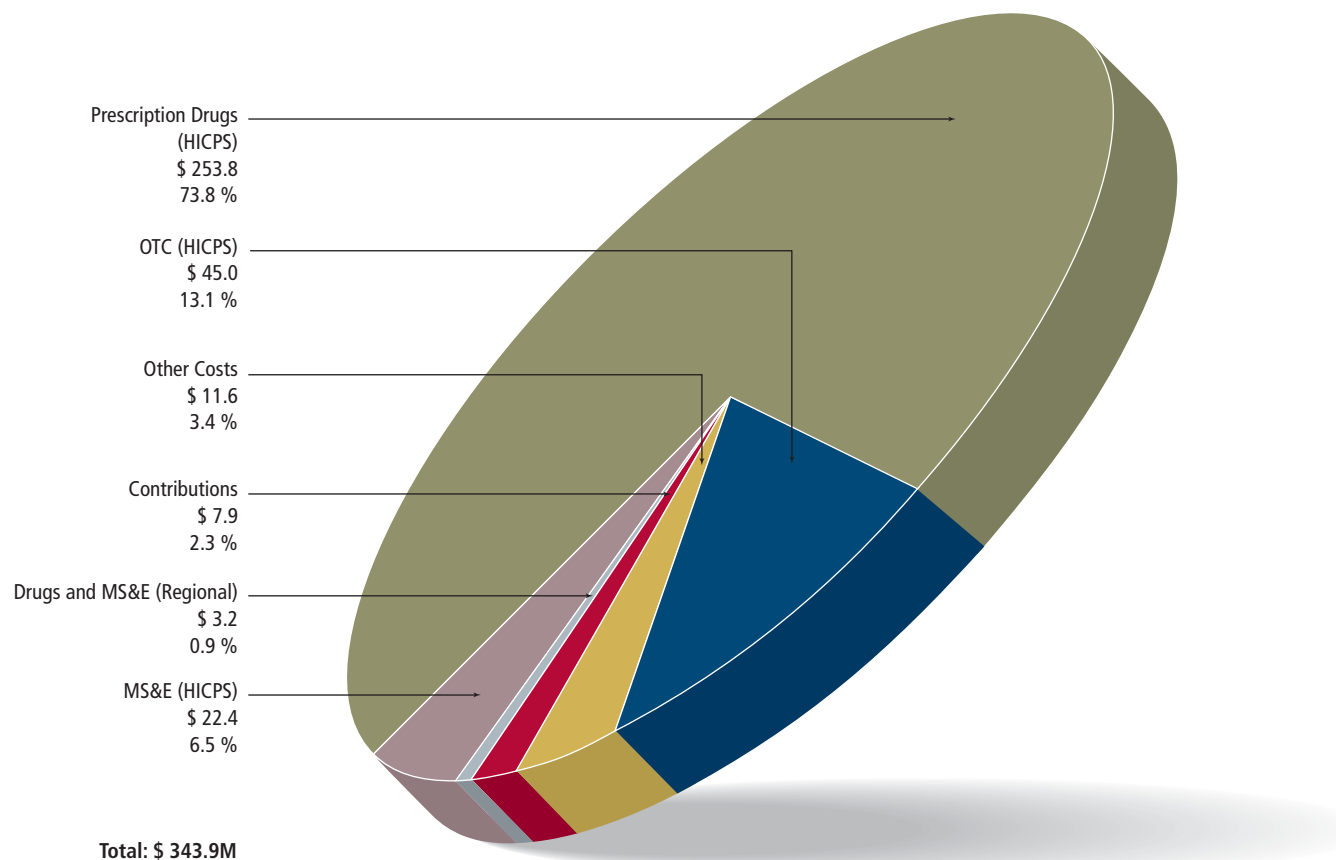


Figure 7.8
Total NIHB Pharmacy Expenditures by Type and Region
(\$ 000) 2004/05

Pharmacy expenditures totalled \$343.9 million in 2004/05.

Prescription drug costs paid through the system used for the Health Information and Claims Processing Services (HICPS) represented the largest component accounting for \$253.8 million or 73.8% of all NIHB pharmacy costs. The Ontario Region (20.5%) and the Manitoba Region (16.2%)

had the largest proportion of these costs in 2004/05.

The next highest component of total costs was OTC drugs at \$45.0 million or 13.1%. The Ontario Region (21.6%) and the Manitoba Region (19.9%) had the largest proportion of these costs in 2004/05.

The third highest component was medical supplies and equipment at \$22.4 million (6.5%). The Alberta Region (19.0%) and the Ontario Region (17.2%) had the highest proportion of medical supplies and equipment costs.

REGION	Operating							Contributions	Total Costs
	Prescription Drugs	OTC Drugs	Drugs/MS&E Regional	Medical Supplies	Medical Equipment	Other Costs	Total Operating	Contribution Agreements	
Atlantic	\$ 12,140	\$ 2,481	\$ 134	\$ 396	\$ 590	\$ 0	\$ 15,741	\$ 1,792	\$ 17,533
Quebec	24,649	4,015	348	438	500	0	29,950	9	29,959
Ontario	51,901	9,744	45	1,015	2,842	0	65,547	1,961	67,508
Manitoba	41,209	8,967	8	1,396	2,418	0	53,998	0	53,998
Saskatchewan	38,818	8,477	1,712	1,295	2,298	0	52,600	36	52,636
Alberta	34,537	5,129	712	1,164	3,092	0	44,634	3,573	48,207
Pacific	37,758	4,796	91	894	2,682	0	46,221	449	46,670
Yukon	2,836	279	35	108	218	0	3,476	0	3,476
N.W.T.	5,996	718	3	321	471	0	7,509	35	7,544
Nunavut	3,928	406	143	89	168	0	4,734	0	4,734
Headquarters	—	—	—	—	—	11,615	11,615	—	11,615
Total	\$ 253,770	\$ 45,012	\$ 3,231	\$ 7,116	\$ 15,280	\$ 11,615	\$ 336,023	\$ 7,856	\$ 343,879

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Figure 7.9

NIHB Pharmacy Operating Expenditures Per Claimant by Region 2004/05

In 2004/05, the national average expenditure per claimant in pharmacy is \$652.

The Quebec Region has the highest pharmacy expenditure per claimant at \$891, followed by the Atlantic Region at \$706 and Ontario \$705. Nunavut has the lowest expenditure per claimant at \$419, followed by the Saskatchewan Region at \$565.

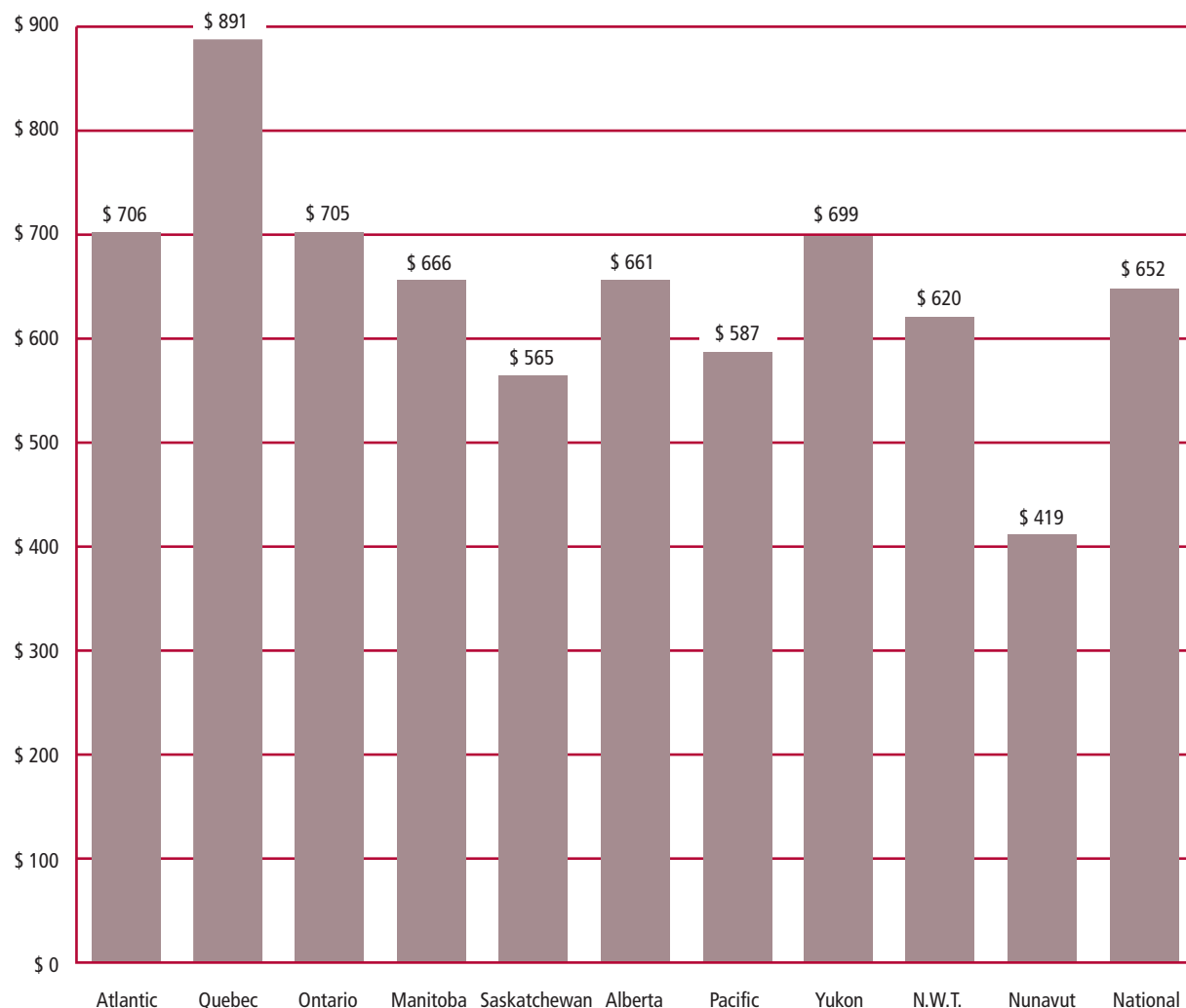
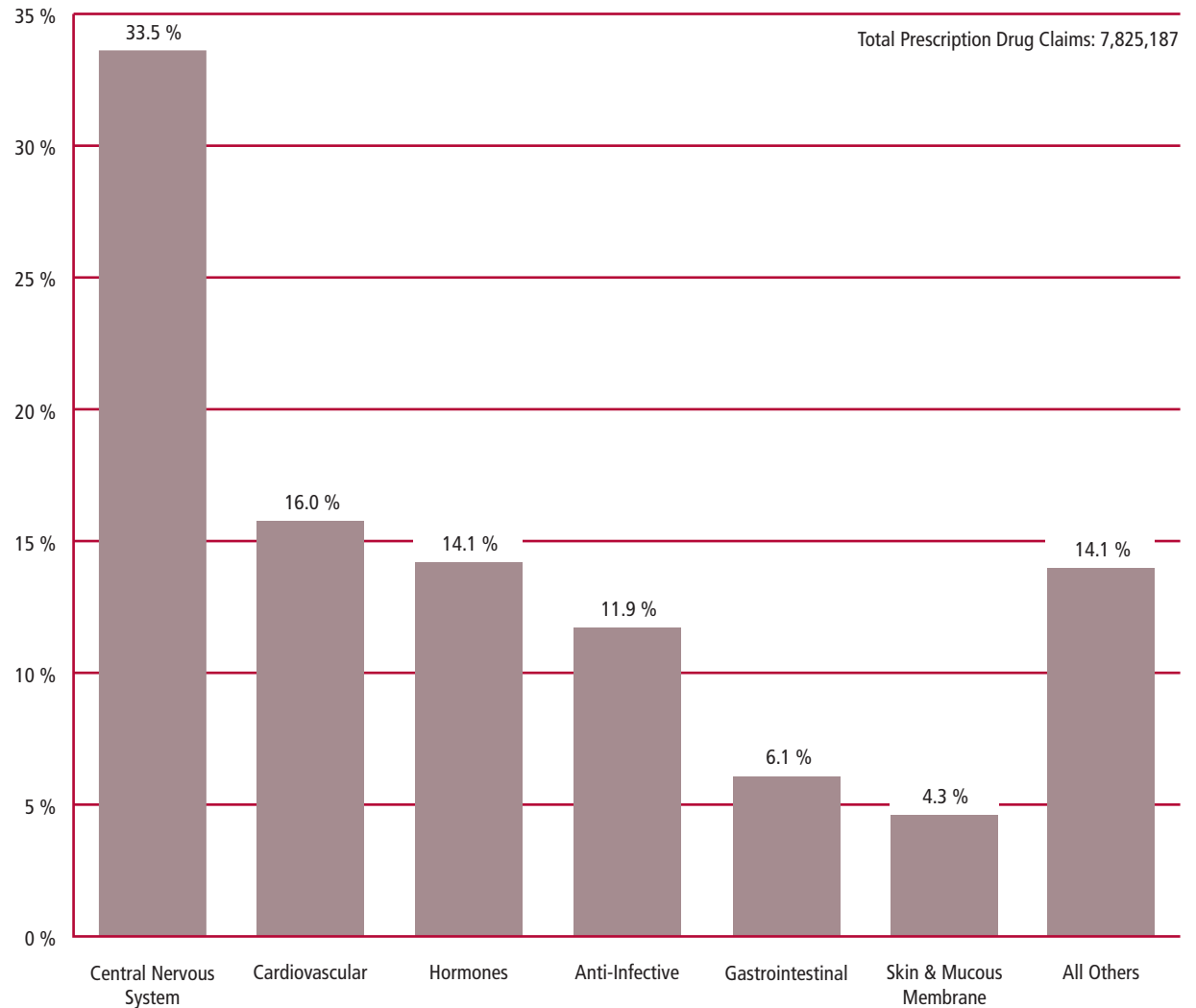


Figure 7.10
Prescription Drug Utilization by Therapeutic Category
2004/05

Figure 7.10 and Figure 7.11 demonstrate variations in utilization by therapeutic category for both prescription and over-the-counter (OTC) drugs.

Central Nervous System (CNS) agents, which include analgesics (e.g. Tylenol 3), antidepressants (e.g. Prozac) and sedatives (e.g. Halcion), account for 33.5% of all prescription drug claims.

Cardiovascular drugs are the next highest category of prescription drug claims at 16.0% followed by hormones, primarily oral contraceptives and insulin, at 14.1%.



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Figure 7.11

Over-the-Counter Drug (including Controlled Access Drugs - CAD) Utilization by Therapeutic Category 2004/05

Central Nervous System agents account for 31.9% of all OTC drug claims.

Gastrointestinal products such as antacids and laxatives are the next highest category of OTC medication at 10.8% followed by skin and mucous membrane agents, such as special skin creams and pediculicides, at 9.2%.

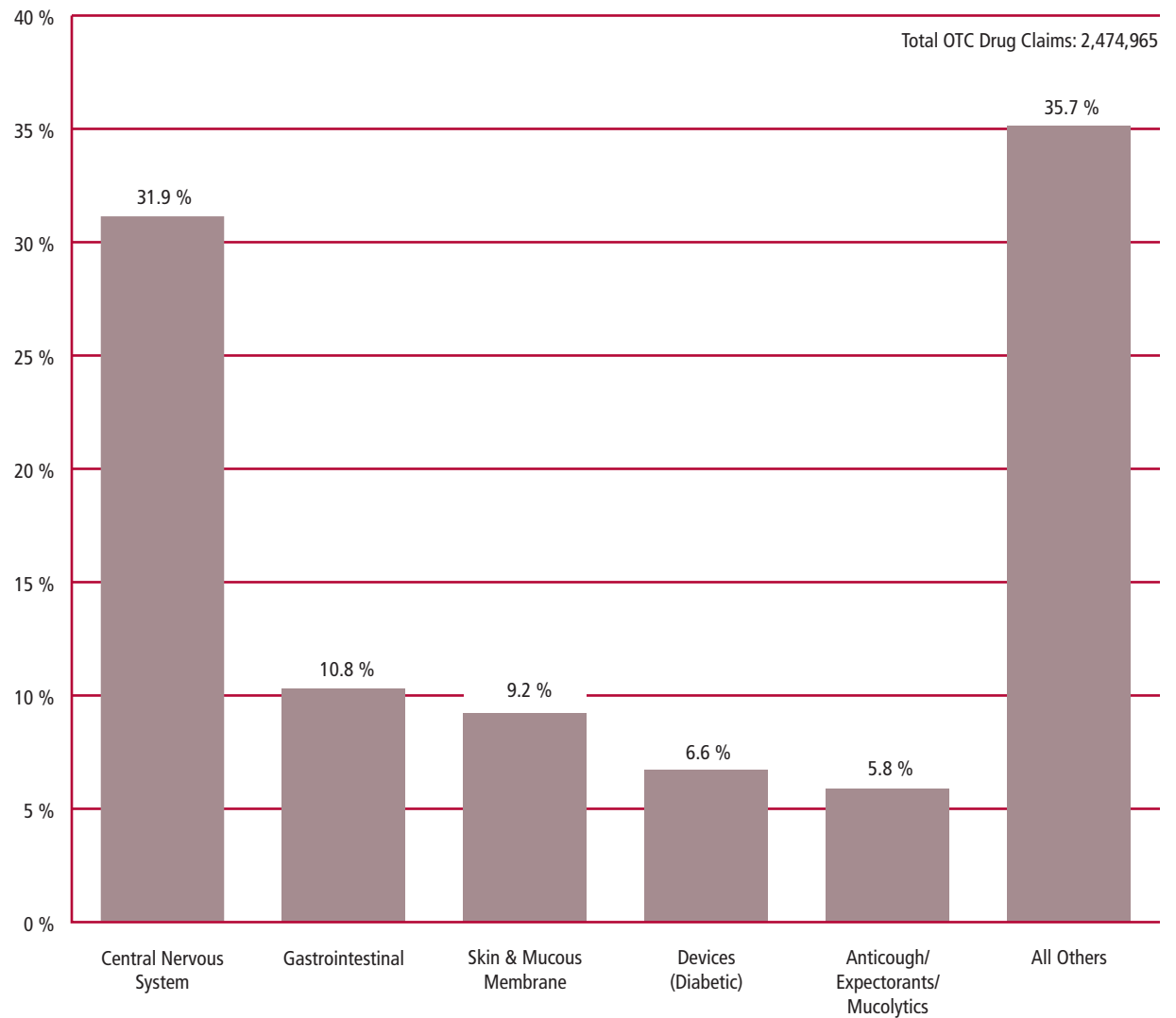


Figure 7.12
National Top 10 Drug Products (DINs) by Claims
Incidence 2004/05

Figure 7.12 ranks the drug products (both prescription and over-the-counter) most frequently dispensed nationally based on the system used for the Health Information and Claims Processing Services (HICPS) data. Incidence refers to both original prescriptions and refills.

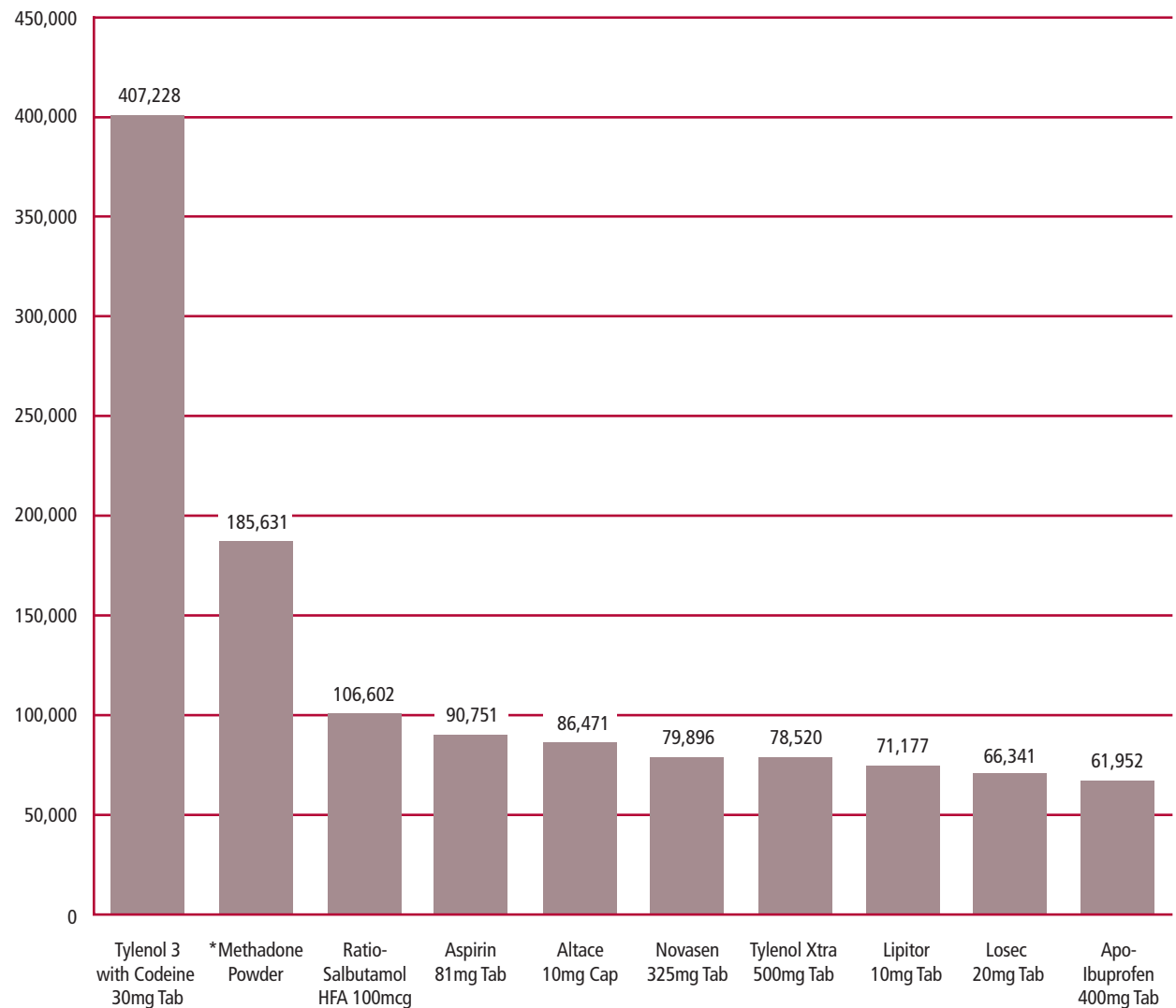
The data represent individual drug products (with distinct Drug Identification Numbers or DINs); therefore, brand name drugs and generic equivalents are shown separately.

Tylenol 3 with Codeine, 30 mg Tablets was the drug prescribed most often in 2004/05 with 407,228 claims. Methadone Powder was the second most dispensed item at 185,631 claims, an increase of 17.5% from the previous year.

Other drugs in the top 10 grouping by utilization are:

- Ratio-Salbutamol HFA 100 mcg;
- Aspirin 81mg Tablets;
- Altace 10 mg Capsules;
- Novasen 325 mg Tablets;
- Tylenol Xtra 500 mg Tablets;
- Lipitor 10 mg Tablets;
- Losec 20 mg Tablets; and
- Apo-Ibuprofen 400 mg Tablets.

Dispensing and administering of Methadone Powder must be done for patients on a daily basis. This contributes to the high claim frequency.



* Dispensed daily in accordance with regulations

Benefit Utilization And Expenditure Data

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Figure 7.13

National Top 10 Drug Products (DINs) by Expenditures (\$ Million) 2004/05

Figure 7.13 displays the drugs products (both prescription and over-the-counter) which account for the highest expenditures.

The data represent individual drug products (with distinct Drug Identification Numbers or DINs), therefore, brand name drugs and generic equivalents are shown separately.

The drug with the largest expenditure was Losec 20 mg Tablets. Almost \$6.5 million was spent on this drug in 2004/05. Losec is used in the treatment of ulcers and other gastric conditions.

Other drugs in the top 10 grouping by expenditures include:

- Tylenol 3 with Codeine, 30 mg Tablets;
- Lipitor 10 mg Tablets;
- Lipitor 20 mg Tablets;
- Enbrel 25 mg Vial Injection;
- Altace 10 mg Capsules;
- Pantoloc 40 mg Tablets;
- Avandia 4 mg Tablets;
- Flovent HFA 250 mcg; and
- Plavix 75 mg Tablets.

Dispensing and administering of Methadone Powder must be done for patients on a daily basis.

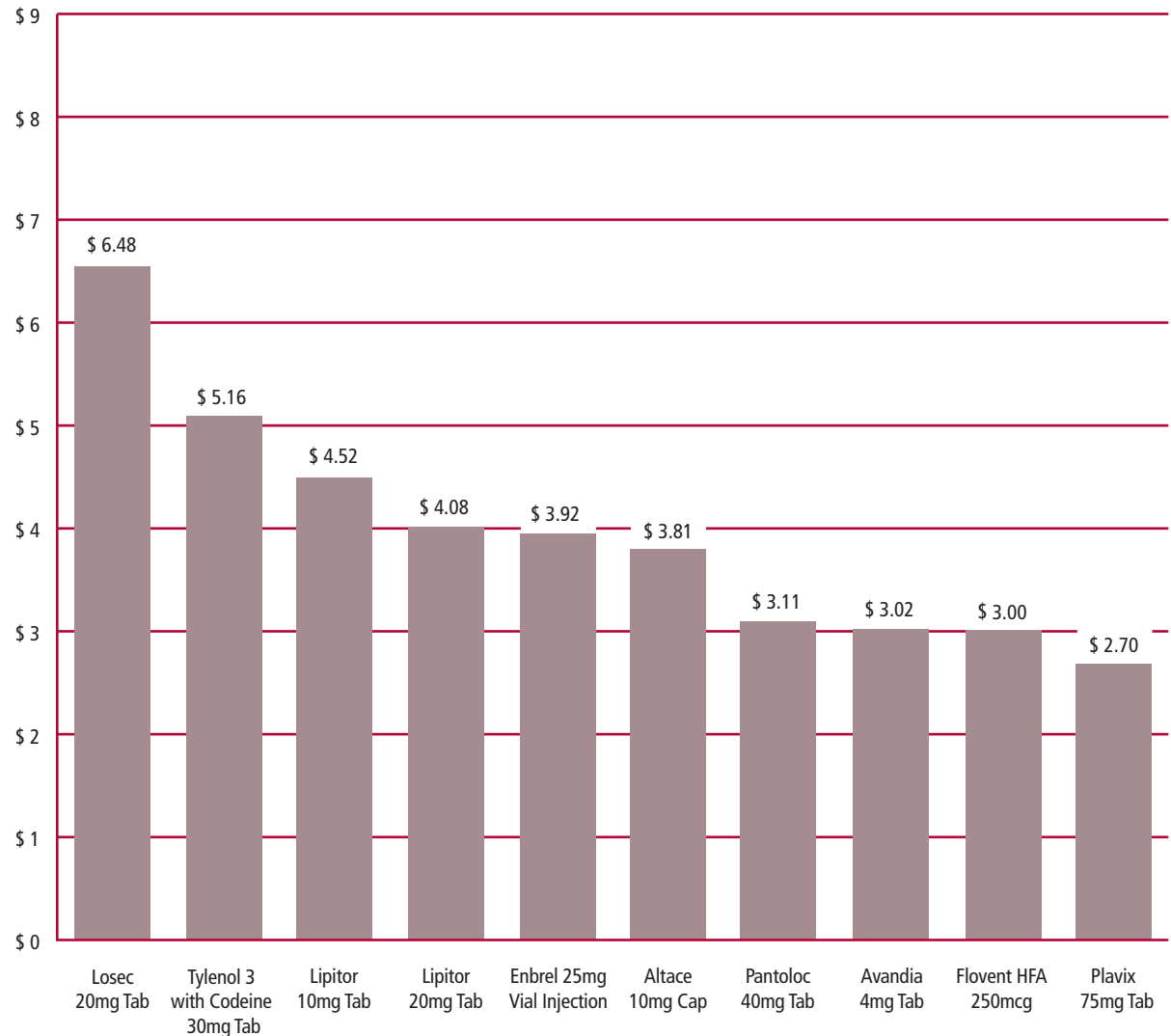


Figure 7.14**Expenditures on Medical Supplies and Equipment
by Region (\$ Million) 2001/02 to 2004/05**

Expenditures on medical supplies/equipment (MS&E) totalled \$22.4 million in 2004/05, up 9.9% from \$20.4 million in the previous year.

The Yukon Region (37.5%), the Quebec Region (19.0%) and the Ontario Region (12.5%) had the largest percentage increase in expenditures from 2003/04 to 2004/05.

The Atlantic Region expenditures remained unchanged from the previous year.

The Alberta Region (\$4.3 million) and the Ontario Region (\$3.9 million) recorded the largest expenditures.



Benefit Utilization And Expenditure Data

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Figure 7.15

National Top 10 Medical Supplies and Equipment by Claims Incidence 2004/05

Elastic tensor bandages were the most frequently dispensed medical supplies and equipment item in 2004/05. Nearly 9,500 claims were filed, followed by adhesive tape, hypoallergic at nearly 9,200 claims.

Other medical supplies and equipment by utilization in the top 10 are:

- Hearing Aid Batteries, Left;
- Conform Gauze Bandages;
- 2 x 2 Gauze Sterile Dressing;
- Large Adult Disposable Diapers; and
- Hearing Aid Batteries, Right;
- Medium Adult Disposable Diapers;
- 4 x 4 Gauze Sterile Dressing;
- Rental of Oxygen Concentrators.

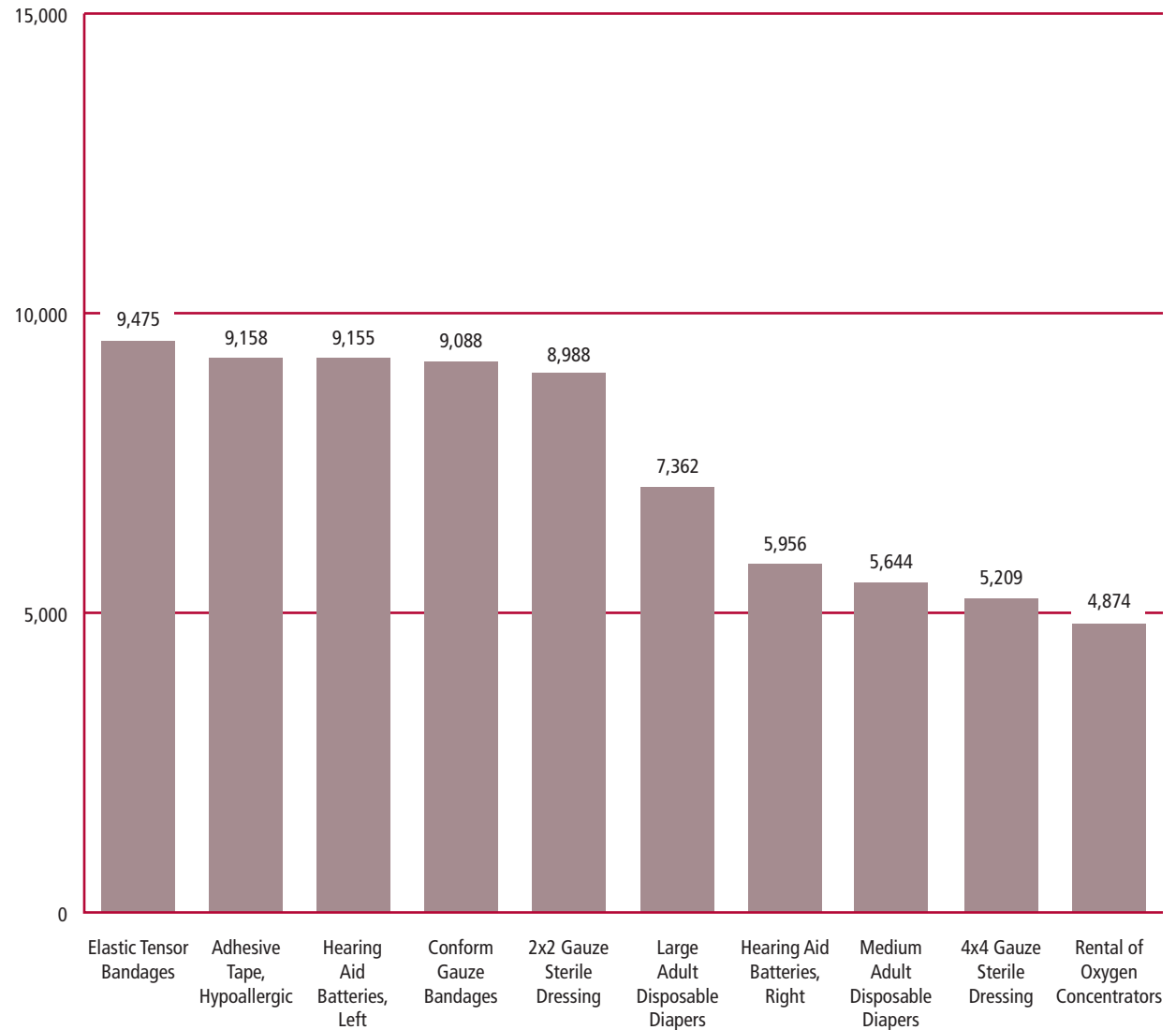


Figure 7.16
National Top 10 Medical Supplies and Equipment
by Expenditures (\$ Million) 2004/05

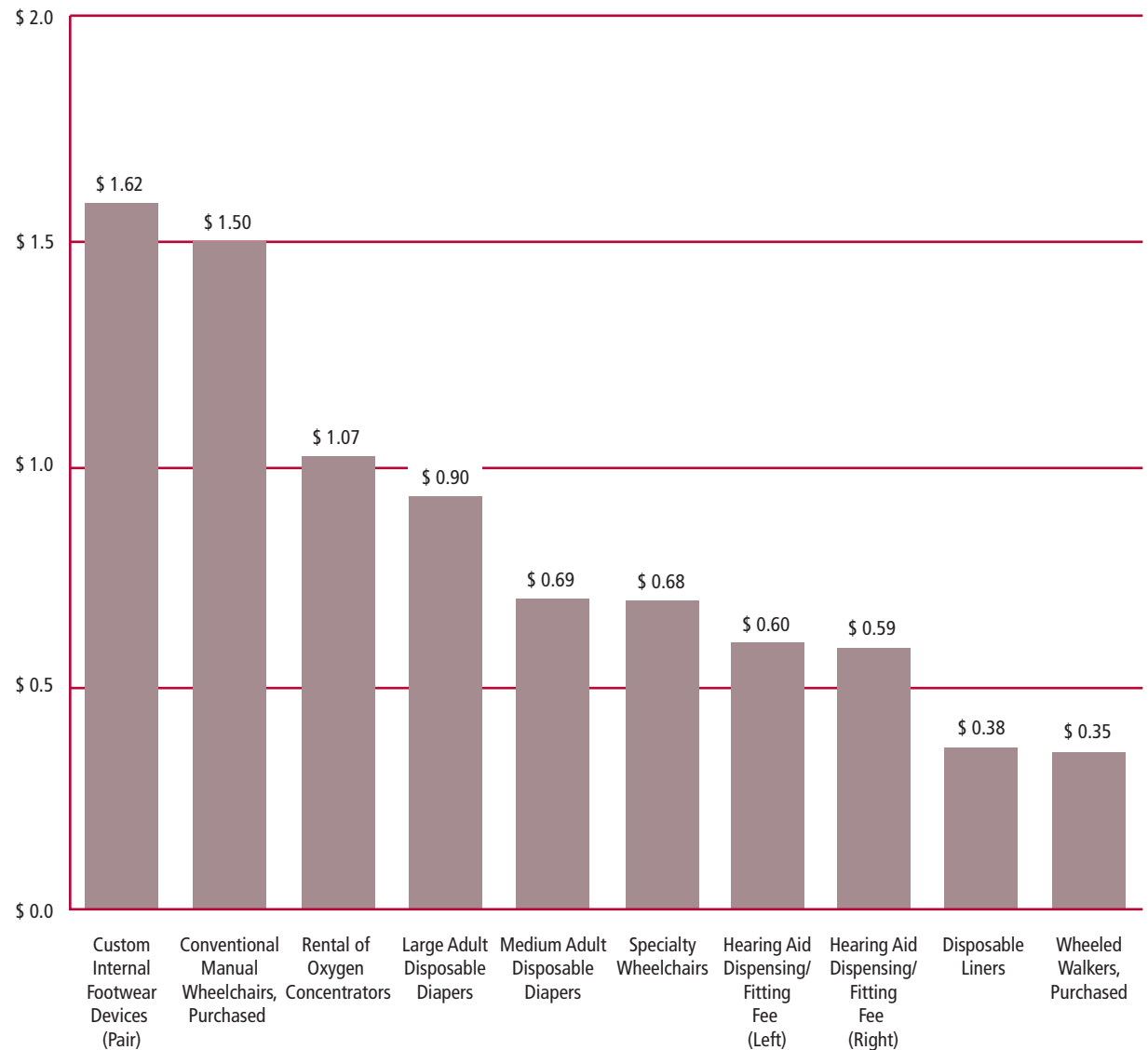
Figure 7.16 ranks the national top ten costs in medical supplies and equipment based on expenditures.

The custom internal footwear devices (pair) accounted for the highest costs in medical supplies and equipment at \$1.62 million in 2004/05.

The second highest expenditure was for purchase of conventional manual wheelchairs at \$1.50 million, followed by rental of oxygen concentrators at \$ 1.07 million.

Other medical supplies and equipment in the top 10 by expenditures include:

- Large Adult Disposable Diapers;
- Medium Adult Disposable Diapers;
- Specialty Wheelchairs;
- Hearing Aid Dispensing/Fitting Fee (Left);
- Hearing Aid Dispensing/Fitting Fee (Right);
- Disposable Liners; and
- Wheeled Walkers, Purchased.



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Figure 7.17

Distribution of Dental Expenditures (\$ Million) 2004/05

Dental expenditures totalled \$143.0 million in 2004/05. Fee-for-service dental costs paid through the system used for the Health Information and Claims Processing Services (HICPS) represent the largest component accounting for \$118.2 million or 82.7% of all NIHB dental costs.

Contributions, which account for \$13.1 million or 9.2% of total dental costs, were the next highest component. Contribution costs are used to fund the provision of dental benefits through agreements such as those with the Governments of the Northwest Territories and Nunavut, the Mohawk Council of Akwesasne in Ontario and regional pilot projects.

Expenditures for contract dentists totalled \$6.5 million or 4.6% of total costs.

Other costs totalled \$5.1 million or 3.6% in 2004/05. These include the purchasing of dental supplies and equipment as well as Headquarters costs related to automated claims payment.

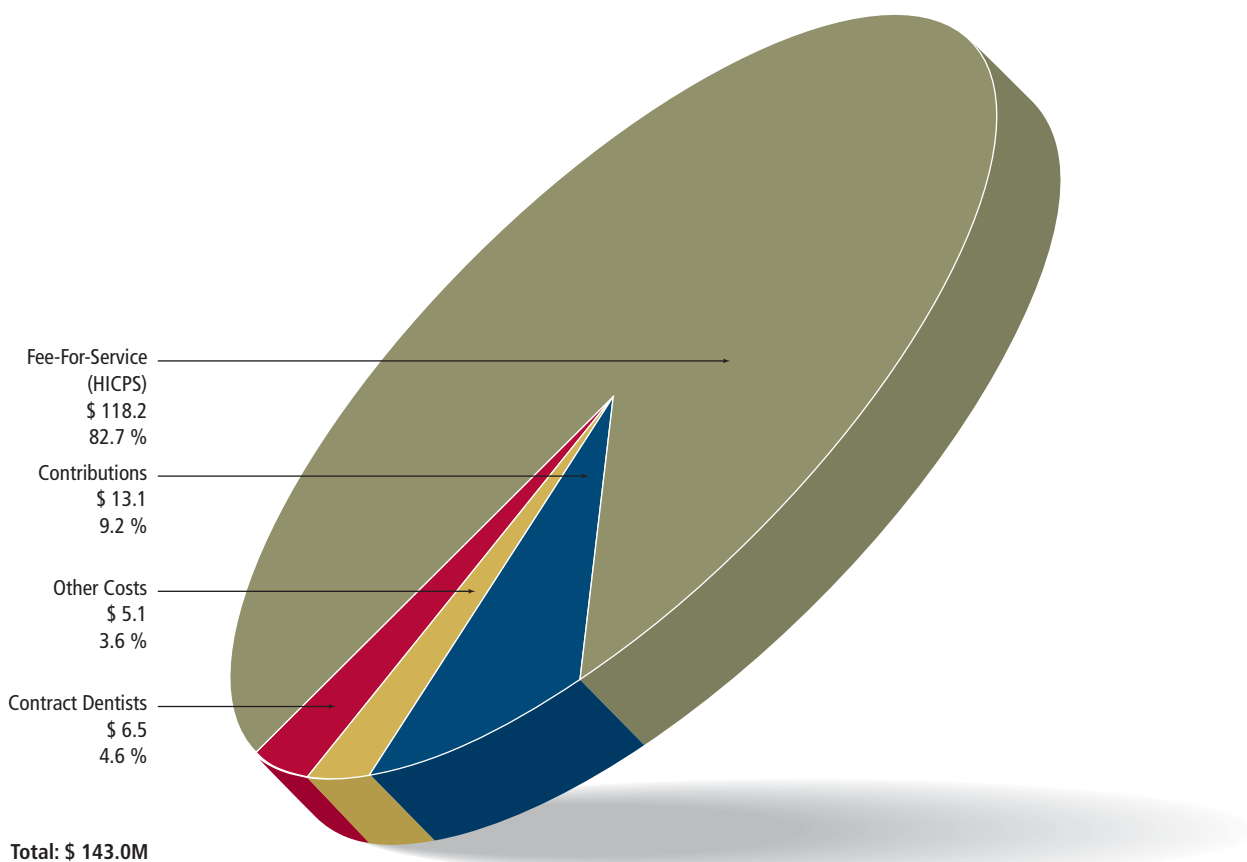


Figure 7.18
Total NIHB Dental Expenditures by Type and Region
(\$ 000) 2004/05

Dental expenditures totalled \$143.0 million in 2004/05. The Ontario (20.7%), Pacific (14.2%), Saskatchewan (13.7%) and Alberta Regions (13.5%) had the largest proportion of overall dental costs.

Of the \$143.0 million, \$129.9 million (90.8%) were operating expenditures, while \$13.1 million (9.2%) were contribution expenditures.

Fee-for-service costs accounted for \$118.2 million (82.7%) of total dental expenditures while contract dentist costs accounted for \$6.5 million (4.6%).

REGION	Operating				Contributions	Total Costs
	Fee-For-Service	Contract Dentists	Other Costs	Total Operating	Contribution Agreements	
Atlantic	\$ 4,883	\$ 41	\$ 1	\$ 4,926	\$ 8	\$ 4,934
Quebec	10,457	63	5	10,525	0	10,525
Ontario	24,388	1,452	47	25,886	3,769	29,655
Manitoba	11,888	3,689	73	15,650	3,055	18,705
Saskatchewan	17,891	77	1	17,968	1,562	19,530
Alberta	17,540	302	11	17,853	1,453	19,306
Pacific	18,991	898	1	19,890	466	20,357
Yukon	1,229	0	0	1,229	0	1,229
N.W.T	4,783	0	0	4,783	390	5,173
Nunavut	6,189	0	0	6,189	2,376	8,566
Headquarters	—	—	4,978	4,978	—	4,978
Total	\$ 118,239	\$ 6,522	\$ 5,116	\$ 129,876	\$ 13,080	\$ 142,956

Benefit Utilization And Expenditure Data

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Figure 7.19

NIHB Dental Fee-For-Service Expenditures Per Claimant by Region 2004/05

In 2004/05, the national dental expenditure per claimant is \$434.

Yukon has the highest dental expenditure per claimant at \$516, followed by the Nunavut Region at \$498 and Alberta at \$473. The Atlantic Region registered the lowest dental expenditure per claimant at \$362.

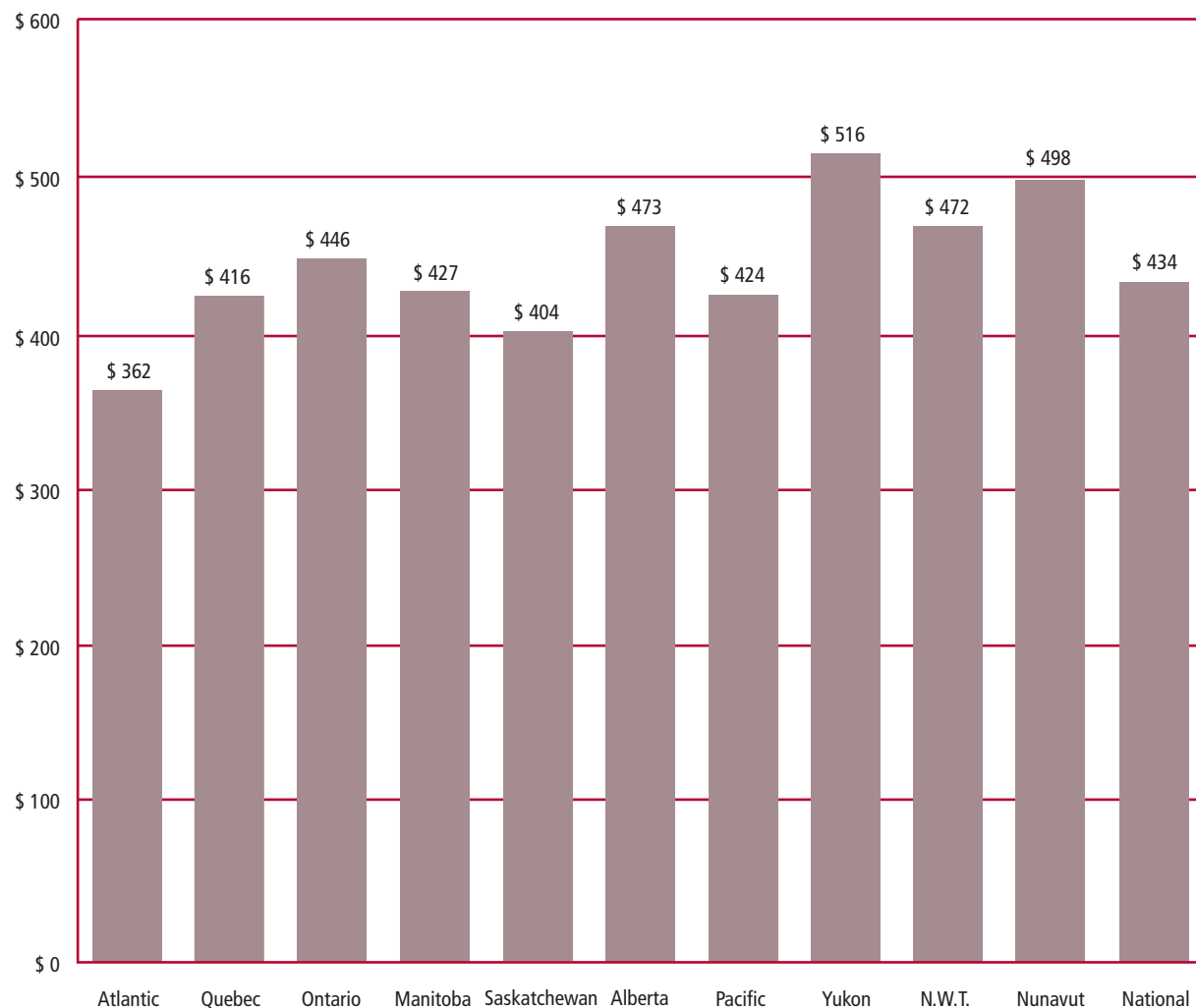
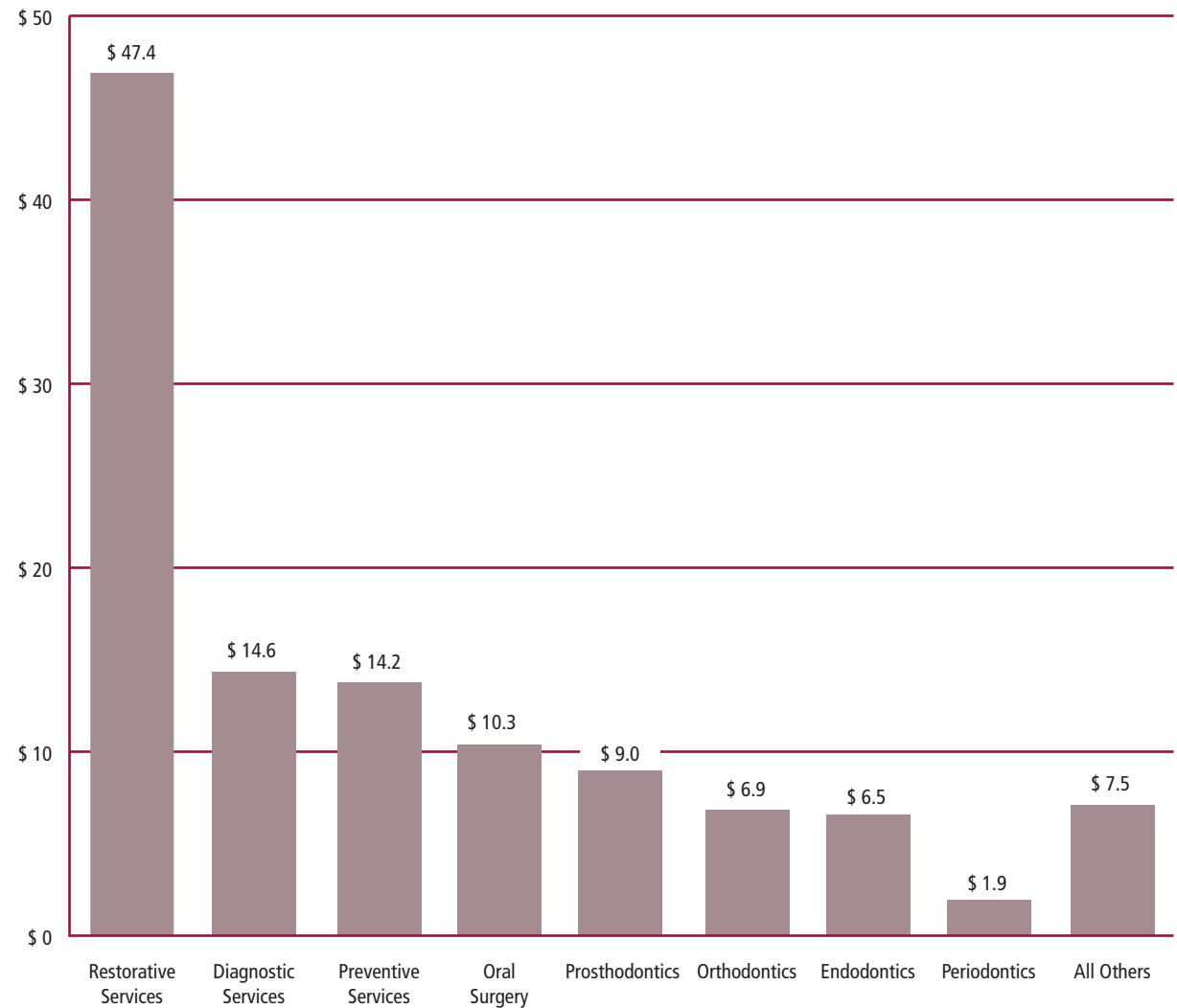


Figure 7.20
Fee-for-Service Dental Expenditures by Sub-Benefit
(\$ Million) 2004/05

Expenditures on Restorative Services (crowns, fillings, etc.) were the highest of all dental sub-benefit categories at \$47.4 million in 2004/05.

Diagnostic Services (examinations, x-rays, etc.) at \$14.6 million and Preventive Services (scaling, polishing etc.) at \$14.2 million were the next highest sub-benefit categories, followed by Oral Surgery at \$10.3 million.

Denturist expenditures, adjunctive services and benefit exceptions are captured with "All Others".



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Figure 7.21

National Top 10 Dental Procedures by Claims Incidence 2004/05

Recall examination was the dental procedure performed most often in 2004/05 with almost 133,500 claims, followed by one unit of polishing with almost 106,200 claims.

Two bitewing films was the next highest dental procedure at over 102,500 claims.

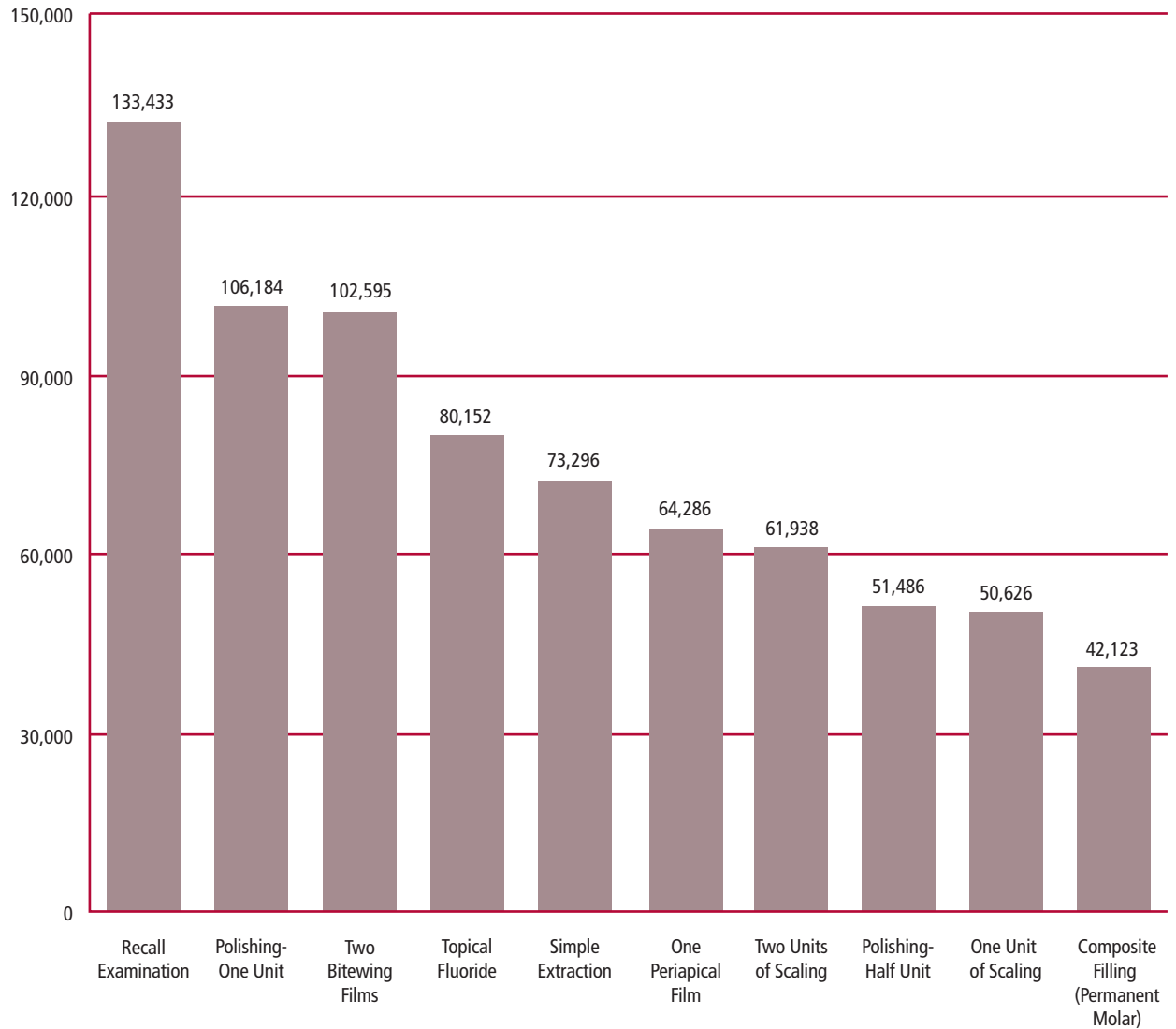


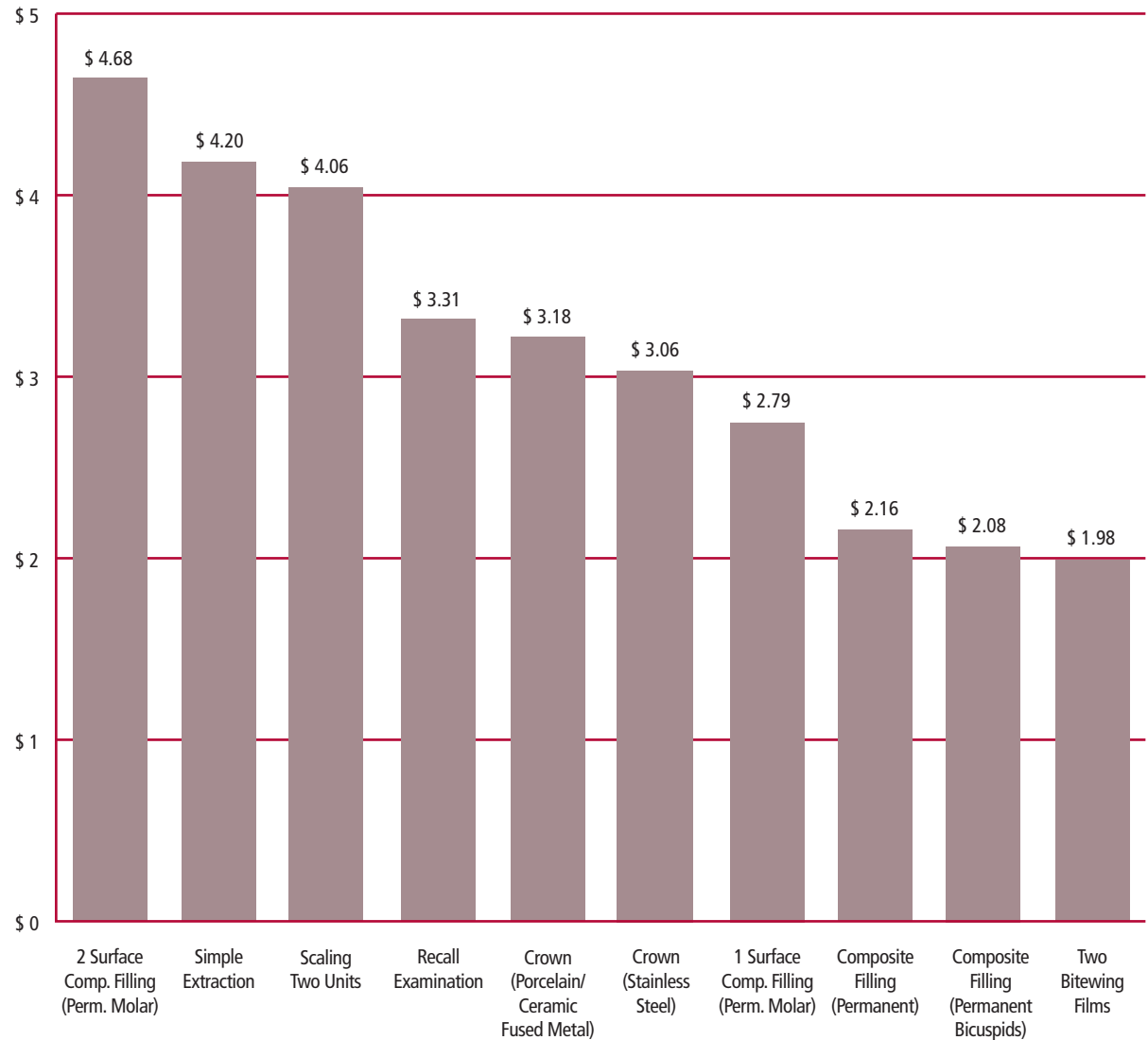
Figure 7.22

**National Top 10 Dental Procedures by Expenditures
(\$ Million) 2004/05**

Two-surface composite fillings (permanent molar) was the most costly dental procedure in 2004/05 at \$4.68 million, an increase of 18% from the previous year.

Simple extraction was the next most costly dental procedure at \$4.20 million.

Two units of scaling was the third most costly dental procedure at \$4.06 million, followed by recall examinations at \$3.31 million.



Benefit Utilization And Expenditure Data

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Figure 7.23

NIHB Expenditures on Medical Transportation by Type and Region (\$ 000) 2004/05

Figure 7.23 provides expenditures by region and type of transportation.

Total transportation expenditures increased by 2.8% to \$211.5 million in 2004/05. The Nunavut (12.6%) and Yukon (10.9%) regions had the largest proportional increases in transportation expenditures in 2004/05 from the previous year. The region with the largest decrease in transportation expenditures was the Atlantic Region at -5.8%.

The Manitoba Region had the highest overall medical transportation expenditure at \$55.9 million, largely as a result of air transportation which totalled over \$25.9 million. The Ontario Region at \$35.3 million and the Alberta Region at \$29.7 million had the next highest expenditures in 2004/05.

TYPE	Atlantic	Quebec	Ontario	Manitoba
Schedule Airline	\$ 365	\$ 192	\$ 9,655	\$ 12,547
Chartered Flights	17	1	1,189	13,378
Living Expenses	204	20	4,718	5,625
Land & Water	1,622	1,658	3,859	7,272
Outside Canada	0	0	49	1
Total Operating	\$ 2,207	\$ 1,871	\$ 19,469	\$ 38,822
Contributions	3,917	15,420	15,789	17,073
Total	\$ 6,124	\$ 17,291	\$ 35,258	\$ 55,895
% Change from 03/04	-5.8%	1.8%	-3.7%	4.4%

(1) Calculation of % change from 2003/04 for N.W.T./Nunavut is based on the combination of territorial data.

TYPE	Saskatchewan	Alberta	Pacific	Yukon	N.W.T (1)	Nunavut (1)	Total
Schedule Airline	\$ 1,970	\$ 272	\$ 222	\$ 437	\$ 400	\$ 600	\$ 26,659
Chartered Flights	2,331	1,182	124	836	0	0	19,057
Living Expenses	1,312	1,513	307	292	0	0	13,990
Land & Water	15,160	12,590	841	210	0	0	43,211
Outside Canada	1	0	0	0	0	0	51
Total Operating	\$ 20,774	\$ 15,557	\$ 1,493	\$ 1,774	\$ 400	\$ 600	\$ 102,967
Contributions	5,984	14,129	15,847	0	7,028	13,372	108,560
Total	\$ 26,758	\$ 29,686	\$ 17,340	\$ 1,774	\$ 7,428	\$ 13,972	\$ 211,527
% Change from 03/04	3.5%	2.3%	5.7%	10.9%	8.3%	12.6%	2.8%

Benefit Utilization And Expenditure Data

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Figure 7.24

Proportion of Medical Transportation Expenditures by Operating and Contributions 1994/95 to 2004/05

Figure 7.24 shows a gradual increase in the proportion of contribution funding for medical transportation compared to direct operating costs. Contribution funding increased from 36% in 1994/95 to 54% in 1999/00, and then dropped to 51% in 2000/01. It has remained close to that level during the last four years. In 2004/05, contribution funds accounted for 51% while operating costs totalled 49%.

The contribution agreements with the Governments of the Northwest Territories and Nunavut provide almost 100% of the funding for medical transportation in the N.W.T. (94.6%) and Nunavut territories (95.7%).

The Pacific Region medical transportation funding through contribution agreements is at 91.4%. The Quebec (89.2%), Atlantic (64.0%), Alberta (47.6%), Ontario (44.8%) and Manitoba (30.5%) regions are the next highest.

Yukon had no contribution expenditures while the Saskatchewan Region had the next lowest proportion of contribution funding at 22.4%.

Contribution expenditures include medical transportation funding for pilot projects.

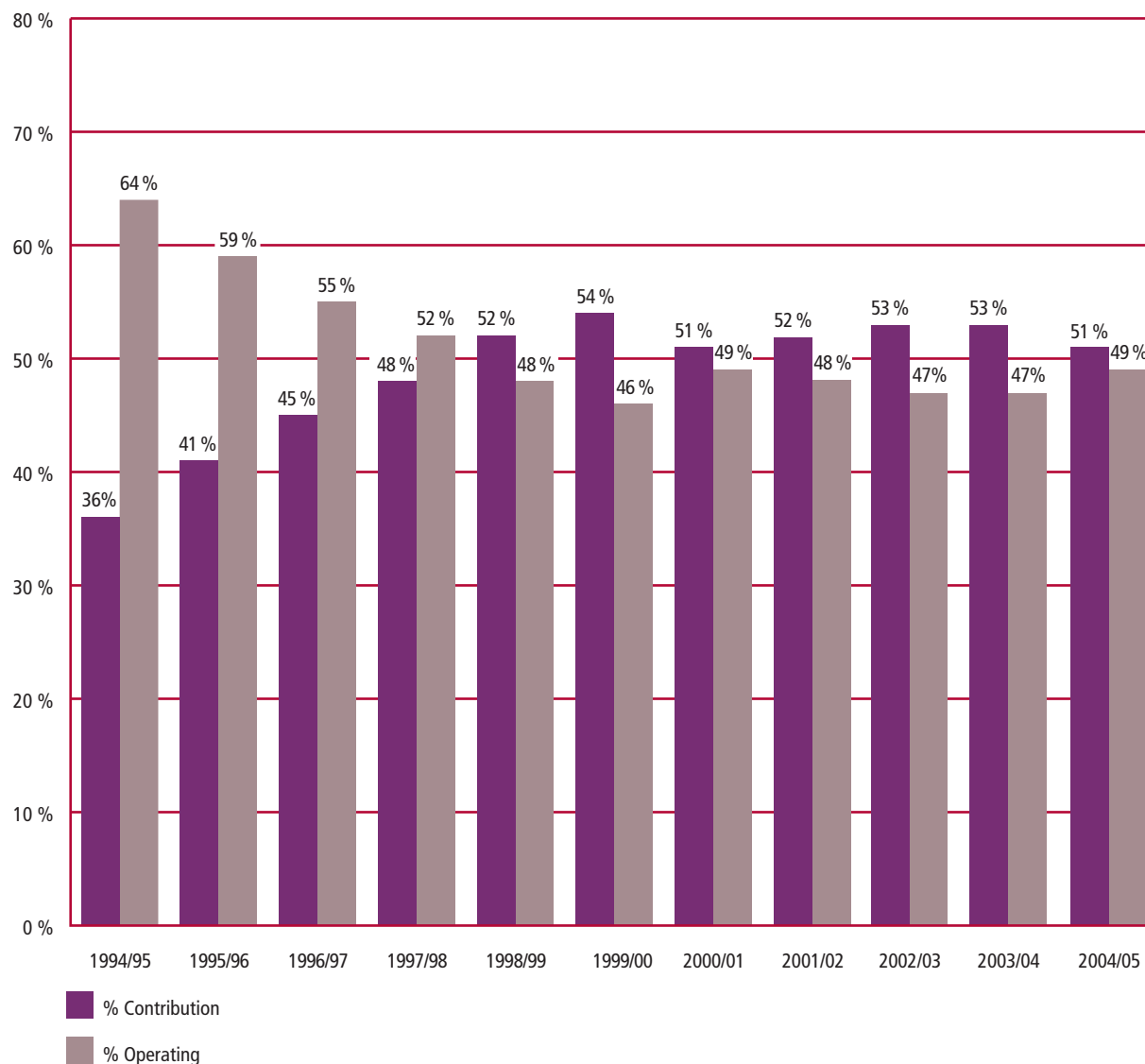


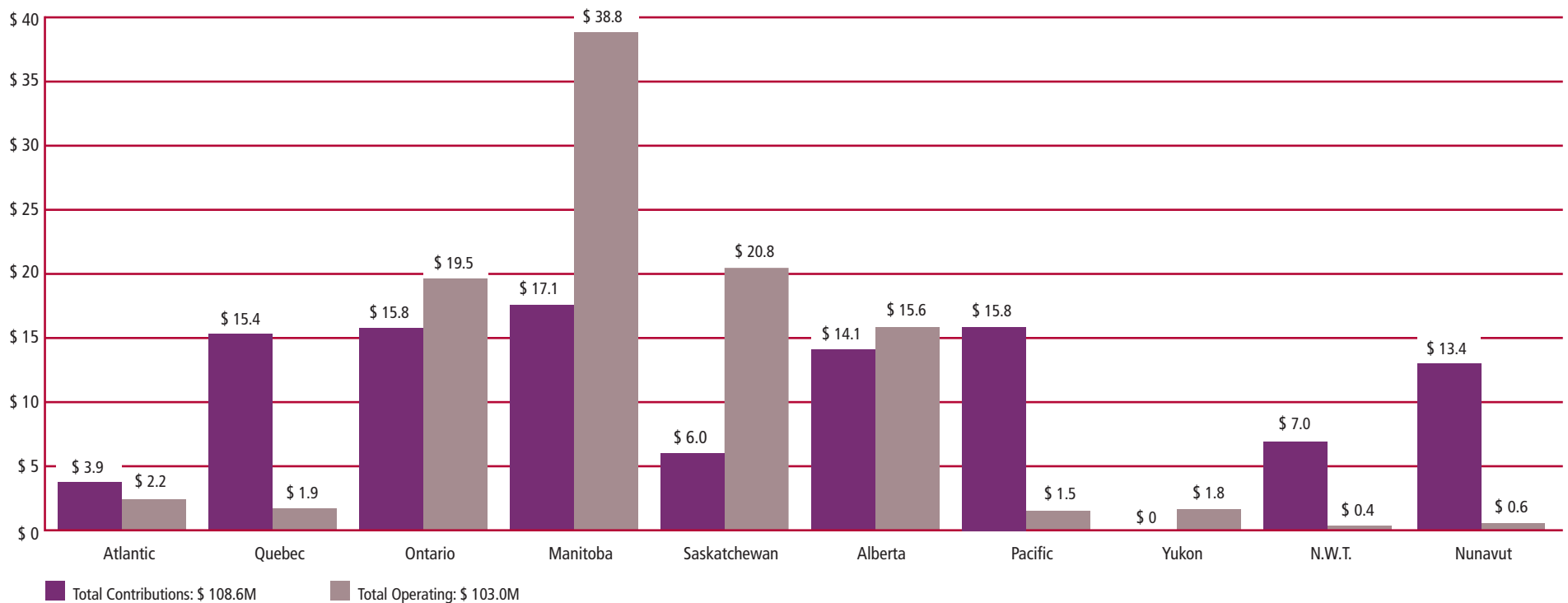
Figure 7.25
Medical Transportation Expenditures (\$ Millions)
2004/05

Figure 7.25 compares contribution funding to direct operating costs in transportation. Contribution funds are provided to First Nations and Inuit communities to manage elements of the medical transportation program (e.g. coordinating accommodations, managing ground transportation, etc.).

The Manitoba Region had the largest operating expenditure for transportation in 2004/05 at \$38.8 million. The Saskatchewan Region was the next largest at \$20.8 million.

The largest contribution expenditures for transportation were registered as follows: the Manitoba region (\$17.1 million),

the Ontario and Pacific regions (each \$15.8 million), the Quebec Region (\$15.4 million), and the Alberta Region (\$14.1 million). The smallest totals were recorded in Atlantic Region (\$3.9 million) and Saskatchewan Region (\$6.0 million).







Program Initiatives

P R O G R A M A N A L Y S I S D I V I S I O N • N O N - I N S U R E D H E A L T H B E N E F I T S • 2 0 0 4 / 2 0 0 5 A N N U A L R E P O R T

This section provides a summary of the prominent initiatives of the Non-Insured Health Benefits (NIHB) Directorate in 2004/05. The program initiatives described in this section are outlined below.

- 8.1 Provider Audit Activities
- 8.2 Health Information and Claims Processing Services
- 8.3 NIHB Drug Exception Centre
- 8.4 Federal Pharmacy and Therapeutics Committee
- 8.5 Federal Dental Care Advisory Committee
- 8.6 Federal Healthcare Partnership
- 8.7 Non-Insured Health Benefits Pilot Projects
- 8.8 Privacy Initiatives
- 8.9 NIHB Drug Utilization Evaluation (DUE) Activities
- 8.10 NIHB Consent
- 8.11 NIHB Sustainability
- 8.12 NIHB Medical Transportation

Program Initiatives

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8.1

Provider Audit Activities

2004/05

First Canadian Health Management Corporation Inc. (FCH) is the claims administrator for the Non-Insured Health Benefits (NIHB) Program for the pharmacy, medical supplies and equipment and dental benefit areas. In addition to claims adjudication, FCH's role includes the implementation of a provider audit program. FCH carries out audit activities as directed by the NIHB Program. The audit activities address the need of the NIHB Program to both comply with accountability requirements for the use of public funds and ensure provider compliance with the terms and conditions of the Program as outlined in the NIHB Provider Information Kits and other relevant documents. The objectives of the audit program are to detect billing irregularities, to validate active licensure of providers, to ensure that any required signatures on claim submissions are valid, to ensure that services paid for were received by NIHB clients and to ensure that providers have retained appropriate documentation in support of each claim. Claims not meeting the billing requirements of the NIHB Program are subject to audit recovery.

There are four components of the FCH Provider Audit Program for the pharmacy, medical supplies and equipment and dental benefit areas. These are:

1) Next Day Claims Verification (NDCV) Program which consists of a review of a defined sample of claims submitted by providers the day following receipt by FCH;

2) Client Confirmation Program (CCP) which consists of a quarterly mail-out to a randomly selected number of NIHB clients to confirm the receipt of the benefit that has been billed on their behalf;

3) Provider Profiling Program which consists of a review of the billings of all providers against selected criteria and the determination of the most appropriate follow-up activity if concerns are identified; and

4) On-Site Audit Program which consists of the selection of a sample of claims for administrative validation with a provider's records through an on-site visit. Another activity performed by the On-Site Audit Program is Desk Audits, which follow the same review process as in the on-site audits but review a smaller claims sample.

The primary on-site audit observations for 2004/05 are as follows:

- documentation to support paid claims was either not available for audit review or did not meet the NIHB Program requirements;
- paid claims did not match the item/service provided to the client;
- items/services were claimed prior to provision to the client;
- over charging for drugs and associated markup; and
- over charging for dispensing fees.

Completion of the on-site audit process often spans more than one fiscal year. Although the complete audit recovery for any audit may overlap into another fiscal year period, recoveries from on-site audits are recorded in the fiscal year in which they are received. Table 8.1.1. identifies on-site audit recoveries, and NDCV and CCP savings from all components of the FCH Provider Audit Program during the 2004/05 fiscal year.

Figure 8.1.1
Provider Audit Activities – for Pharmacy, Dental
and Medical Supplies and Equipment
2004/05

REGION	PHARMACY				MEDICAL SUPPLIES AND EQUIPMENT				DENTAL				TOTAL			
	On-Site Audits	On-Site Audit	NDCV and CCP	Total	On-Site Audits	On-Site Audit	NDCV and CCP	Total	On-Site Audits	On-Site Audit	NDCV and CCP	Total	On-Site Audits	On-Site Audit	NDCV and CCP	Total
	Completed	Recoveries	Savings	Recoveries/Savings	Completed	Recoveries	Savings	Recoveries/Savings	Completed	Recoveries	Savings	Recoveries/Savings	Completed	Recoveries	Savings	Recoveries/Savings
Atlantic	3	\$ 3,643	\$ 13,289	\$ 16,932	0	\$ 0	\$ 1,426	\$ 1,426	13	\$ 12,702	\$ 4,608	\$ 17,310	16	\$ 16,345	\$ 19,323	\$ 35,668
Quebec	1	51,314	34,805	86,119	3	698	524	1,222	0	795	1,174	1,969	4	52,807	36,503	89,310
Ontario	8	208,857	205,746	414,603	4	41,735	9,432	51,167	0	9,840	45,991	55,831	12	260,432	261,169	521,601
Manitoba	2	8,385	59,467	67,852	3	0	10,747	10,747	0	21,060	12,162	33,222	5	29,445	82,376	111,821
Saskatchewan	24	236,836	65,442	302,278	6	23,484	7,624	31,108	0	135,355	10,742	146,097	30	395,675	83,808	479,483
Alberta	26	200,417	45,544	245,961	4	11,007	9,937	20,944	0	97,617	21,477	119,094	30	309,041	76,958	385,999
Pacific	5	54,267	51,897	106,164	4	0	11,612	11,612	13	2,004	23,788	25,792	22	56,271	87,297	143,568
Yukon	0	5,070	4,018	9,088	0	0	1,113	1,113	3	7,078	452	7,530	3	12,148	5,583	17,731
N.W.T.	0	0	11,549	11,549	0	0	299	299	2	7,284	4,242	11,526	2	7,284	16,090	23,374
Nunavut	0	16,401	8,507	24,908	1	0	0	0	0	0	7,972	7,972	1	16,401	16,479	32,880
Total	69	\$785,190	\$500,264	\$1,285,454	25	\$76,924	\$52,714	\$129,638	31	\$293,735	\$132,608	\$426,343	125	\$1,155,849	\$685,586	\$1,841,435

NDCV: Next Day Claims Verification Program (claims submitted by providers)

CCP: Client Confirmation Program

Program Initiatives

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8.2

Health Information and Claims Processing Services (HICPS)

Claims for dental, pharmacy and medical supplies and equipment services (MS&E) rendered to all eligible First Nations and Inuit clients in Canada under the Non-Insured Health Benefits (NIHB) Program are processed through the system handling the Health Information and Claim Processing Services.

The current HICPS contract is with First Canadian Health (FCH) and started on December 1, 1998. Planning is underway for the HICPS replacement contract.

As the project authority for the HICPS contract, the Operational Services and Systems Division (OSSD) of the NIHB Directorate is responsible for development, maintenance and management of the key business processes, systems and services required to operate the NIHB Dental, Pharmacy and MS&E benefit areas. OSSD manages the HICPS contract in conjunction with Public Works and Government Services Canada, which is acting as the contract authority.

The claims processor is responsible on behalf of the NIHB Program for the delivery of the following functions of the HICPS operations:

- Processing manual and electronic provider claims for services rendered to eligible NIHB clients;
- Claims payments;
- Provider audits and audit recoveries;
- Provider and client reimbursement for services rendered to eligible NIHB clients;
- Maintaining and managing the HICPS Toll-Free Inquiry Centres that registered providers can call to confirm client and benefit eligibility, billing and payment inquiries and other administrative purposes;
- Maintaining benefit price files;
- Planning, implementing and maintaining the claims adjudication systems, including implementing system changes to respond to Program policies;
- Maintaining and managing HICPS processes and procedures documentation;
- Maintaining and managing on-going communications with registered providers on HICPS related subjects, including the production of quarterly newsletters;
- Generating standard reports;
- Referring suspended claims to the Program for resolution of client eligibility issues;
- Maintaining an up-to-date client list from the Status Verification System (SVS) on a weekly basis;
- Verification and registration of new providers; and
- Maintaining and managing the provider databases.

NIHB Newsletters

The NIHB Newsletters (Dental, Pharmacy and MS&E) have been published quarterly since 1990 as vehicles for providing NIHB providers with timely operations oriented information about the HICPS and how claims for services rendered to First Nations and Inuit clients of the NIHB Program are to be submitted to the claims administrator. The objectives of these publications are to announce changes to the HICPS, to provide relevant information on claims submissions and to announce operational policy or benefit changes. These newsletters, published by FCH since December 1998, can be found on the NIHB Web site at: http://www.hc-sc.gc.ca/fnih-spni/pubs/nihb-ssna_e.html

Figure 8.2.1
Number of Claim Lines Settled Through the System
used for the Health Information and Claims Processing
Services 2004/05

REGION	DRUG	MEDICAL SUPPLIES AND EQUIPMENT	DENTAL	TOTAL
Atlantic	522,823	18,232	98,373	639,428
Quebec	1,169,694	14,225	154,248	1,338,167
Ontario	2,399,406	36,488	477,861	2,913,755
Manitoba	1,954,751	65,346	226,093	2,246,190
Saskatchewan	1,774,092	56,434	297,108	2,127,634
Alberta	1,895,546	49,993	396,576	2,342,115
Pacific	1,879,610	37,761	435,896	2,353,267
Yukon	82,211	3,463	12,182	97,856
N.W.T.	133,016	4,918	72,127	210,061
Nunavut	85,608	2,359	95,163	183,130
Total	11,896,757	289,219	2,265,627	14,451,603

Program Initiatives

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Figure 8.2.2

Number of Provider Telephone Inquiries⁽¹⁾ Processed Through the NIHB Toll-Free Inquiry Centres 2004/05

REGION	PHARMACY	MEDICAL SUPPLIES AND EQUIPMENT	DENTAL	TOTAL
Atlantic	9,326	524	54,863	64,713
Quebec	2,547	85	1,893	4,525
Ontario	7,095	177	11,362	18,634
Manitoba	363	19	3,546	3,928
Saskatchewan	37	20	7,211	7,268
Alberta	12,101	966	24,435	37,502
Pacific	5,559	433	22,004	27,996
Yukon	2,184	166	34,209	36,559
N.W.T.	5,130	89	22,478	27,697
Nunavut	91	12	1,397	1,500
Total	44,433	2,491	183,398	230,322

(1) All telephone inquiries from NIHB providers handled by the NIHB Pharmacy and Dental/MS&E Toll-free Inquiry Centres are coded according to the following categories: benefit eligibility, claim status, client verification, benefit frequency, pharmacy/MS&E prior approval, dental predetermination, dental pre-verification, provider statement, benefit pricing, provider data maintenance, provider kit/form, and general/other.

8.3

NIHB Drug Exception Centre

The NIHB Drug Exception Centre (DEC) was established in December 1997 to process and expedite pharmacists' requests for drug benefits that require prior approval, to ensure consistent application of the NIHB drug benefit policy across the country, and to ensure an evidence-based approach to funding drug benefits. The DEC handles requests for prior approval from pharmacy providers across Canada.

As a result of changes to privacy requirements and the need to respond to the Auditor General's recommendations, responsibilities of the DEC will be expanded to carry out review functions for cases where there may be a patient safety or drug misuse concern and to apply policy changes resulting from recommendations made to NIHB by the Federal Pharmacy and Therapeutics Committee.

A formal study with options was conducted in spring 2004 to determine the administrative and management requirements as well as potential costs associated with expanding the role of the DEC. Based on the findings, the decision was made to transition the DEC to the NIHB Directorate at Ottawa Headquarters.

Between December 2004 and November 2005, steps were taken to implement this decision, including replacing or upgrading technology to support decision-making, setting up the physical office space for the existing and new staff

and introducing a pharmacist role to support and facilitate decision making. The project was conducted in phases to ensure a minimal disruption of service and to mitigate the risks associated with change for both providers and staff.

The national call centre is scheduled to be relocated in November 2005 with the goal to continue to provide prior approval services to pharmacist providers at existing or improved service levels.

Figure 8.3.1
Total NIHB Drug Exception Centre
Requests/Approvals 2004/05

Status	Benefit	Exceptions	Limited Use	Total
Total Requested	1,963	45,075	155,994	205,032
Total Approved	1,746	37,619	149,444	188,809

Benefit: Drugs included on the NIHB Drug Benefit List for which the total dollar value exceeds Point of Sale limit or for which more than a three-month supply is requested

Exceptions: Drugs not included on the NIHB Drug Benefit List, as well as requests for drugs for which the physician has indicated "No Substitution"

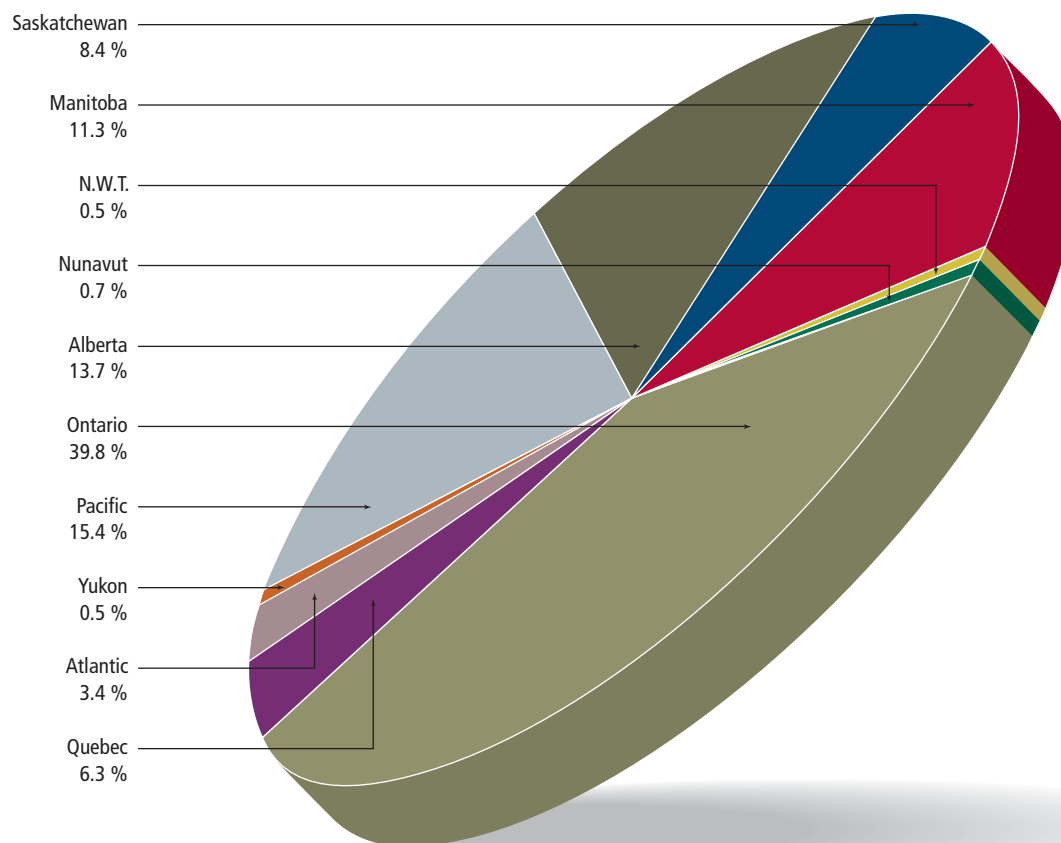
Limited Use: Drugs covered only if they are prescribed for conditions which meet specific criteria for Program coverage

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Figure 8.3.2

Proportion of NIHB Drug Exception Centre Requests by Region 2004/05



8.4

Federal Pharmacy and Therapeutics Committee

The Federal Pharmacy and Therapeutics (P&T) Committee is an advisory body of health professionals established to provide evidence-based pharmacy and medical advice to participating federal departments, which include: Health Canada, Veterans Affairs Canada, Royal Canadian Mounted Police, Correctional Services Canada, Citizenship and Immigration Canada and National Defence.

The Federal Pharmacy and Therapeutics (FP&T) Committee provides formulary listing recommendations for drug products to participating federal drug plans, including the NIHB Program. The NIHB Program and other federal drug plans make listing decisions based on FP&T Committee recommendations and other specific relevant factors, such as mandate, priorities and resources.

The Committee generally meets three times a year and members serve for two to three years. Individual members are selected based on their specific areas of expertise and experience with consideration being given to providing a balance between scientific knowledge and practical community experience.

Since March 2002, the NIHB Program has been a member of the Common Drug Review (CDR) process, whereby new chemical entities and new combination drug products are reviewed. The interim process uses a distributive model steered by the CDR Committee and coordinated by a secretariat housed at Canadian Coordinating Office for Health Technology Assessment (CCOHTA).

NIHB Drug Bulletin

The NIHB Drug Bulletin was launched in June 1997 as a vehicle for providing timely information about NIHB drug benefits to prescribers, providers, client groups and other stakeholders. The objectives of this publication are to announce changes to the Drug Benefit List, to provide relevant drug information and to announce management or program changes. Bulletins can be found on the Internet at:

http://www.hc-sc.gc.ca/fnih-spni/pubs/nihb-ssna_e.html#drug_med_bull-lebull

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8.5

Federal Dental Care Advisory Committee

The Federal Dental Care Advisory Committee (FDCAC) is an advisory body of dental health professionals established to provide evidence-based dental advice on matters requested by federal departments. Participating federal departments include: Health Canada, Veterans Affairs Canada, Royal Canadian Mounted Police, Correctional Services Canada, Citizenship and Immigration Canada and National Defence.

The Committee facilitates the sharing and flow of best practices and dental information among the participating departments, encourages sharing of positive and proven initiatives and reduces duplication of effort. The Committee also reviews and assesses appeals submitted by clients prior to making a recommendation to the Director General of the NIHB Program.

The approach of the Committee reflects dental and scientific knowledge, current clinical practice, health care delivery and specific client health needs. Implementation of the recommendations of FDCAC are at the discretion of each federal department and are in accordance with each department's specific relevant factors, such as mandate, priorities and resources.

The Committee generally meets two or three times per year and members serve for two years. Individual members are selected based on their specific areas of expertise and experience with consideration being given to providing a balance between dental knowledge and community experience.

NIHB Dental Bulletin

The NIHB Dental Bulletin was launched in September 1999 as a vehicle for providing information about NIHB dental benefits to providers. The objectives of this publication are to provide relevant benefit information and to announce management or program changes. Bulletins can be found on the Internet at: http://www.hc-sc.gc.ca/fnih-spni/pubs/nihb-ssna_e.html#dent_bull-lebull

8.6

Federal Healthcare Partnership

The Federal Healthcare Partnership (FHP) was created under the leadership of Veterans Affairs Canada. The Initiative involves the following federal departments and agencies: Health Canada, Royal Canadian Mounted Police, Correctional Services Canada, National Defence and Citizenship and Immigration Canada.

The Federal Government, as the fifth largest health care jurisdiction in Canada, provides a wide variety of health care services and products through its programs. The purpose of the FHP is to share information and experience, thereby limiting duplication of effort, and to identify potential savings through the combined purchasing power of the member departments and through the coordination of health care benefits.

The FHP has four objectives:

- to establish a collective philosophy and strategy for services to be provided to federal clients including the development of a coordinated health care services strategy, which identifies the issues that departments face;
- to coordinate mechanisms for information-sharing, collective decision-making and policy development;
- to collectively negotiate agreements, contracts and standing offers with provider associations, suppliers and retailers for the provision of health care services and products which enhance competition and cost savings while maintaining or improving the quality of care for federal clients; and
- to represent or coordinate representation of the federal departments at Federal, Provincial and Territorial task groups.

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8.7

Non-Insured Health Benefits Pilot Projects

In June 1994, Health Canada launched the NIHB Pilot Project. The objective of the pilot project is to provide FN and Inuit with the opportunity to test management and delivery options and evaluate the transferability of the NIHB program to FN and Inuit.

Initially there were sixteen (16) pilot projects. One (1) pilot went into self-government, thirteen (13) have reverted to Contribution Agreements, one (1) joined with a larger pilot and currently one (1) has continued on as a pilot project. In addition, one (1) new pilot was approved but was subsequently ended. In general, pilot projects are expected to meet the following criteria:

- assume all benefit areas;
- manage the current national benefit levels; and
- serve all members regardless of residency.

A comprehensive evaluation of the pilot projects has been completed. Phase 1 of the evaluation provides a broad understanding of the NIHB Program and of the previous evaluations of various pilots. Phase 2 involves the collection of additional base line data (surveys, file and document reviews, interviews) and focuses on the issues and challenges regarding transferability of the NIHB Program. Phase 3 provides an in-depth case study of the remaining pilot and includes a final synthesis Evaluation Report. Treasury Board authority has been given to extend the remaining pilot. Bigstone Pilot Project has been extended to March 31, 2007.

8.8

Privacy Initiatives

The Non-Insured Health Benefits (NIHB) Program recognizes an individual's right to privacy and is committed to protecting this right and to safeguarding the personal information in its possession. When a request for benefits is received, the NIHB Program collects, uses, discloses and retains an individual's personal information according to the applicable privacy legislation. The information collected is limited only to information needed for the NIHB Program to provide benefits.

As a program of the federal government, NIHB must comply with the Privacy Act, the Charter of Rights and Freedoms, the Access to Information Act, as well as the Treasury Board of Canada Secretariat (TBS) policies and guidelines, including the Privacy and Data Protection Policy, the Government Security Policy and the Health Canada Security Policy. The NIHB Privacy Code addresses the requirements of these acts and policies.

Objectives of the NIHB Privacy Code:

- to set out the commitments of the NIHB Program to ensure confidentiality through responsible and secure handling of personal information collected for program delivery, administration and management; and
- to foster transparency, accountability, increased awareness of the NIHB Program's privacy procedures and practices.

In 2004, the NIHB Program issued a revised Privacy Code following the announcement of a new approach to consent. Version 5 of the Privacy Code was issued in February 2005, reflecting valuable suggestions and comments received on the previous version of the Code. The Code will continue to be reviewed on a regular basis.

The NIHB Program also developed an on-line privacy training module for NIHB employees with a section pertaining to groups administering NIHB under contribution agreements. The CD-ROM version of the training module includes tips and advice on conducting privacy training sessions in the workplace.

Both the Privacy Code and On-line Privacy Training module are available by contacting the toll-free NIHB Information number at 1-800-259-5611 or by accessing the Health Canada website at: http://www.hc-sc.gc.ca/fnih-spni/nihb-ssna/priv/index_e.html

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8.9

NIHB Drug Utilization Evaluation Activities

The issue of prescription drug misuse is a problem which affects many Canadians and is not limited to First Nations and Inuit. In order to effectively address the issue, it must be understood in the context of health status and health program issues impacting First Nations and Inuit, in particular First Nations and Inuit Health Branch (FNIHB) community based mental health and substance abuse programs.

Optimal drug use means the right drug to the right client in the right dose at the right time. FNIHB recognizes that, in order to address medication issues and improve health outcomes, the Branch must work with First Nations and Inuit communities, organizations and stakeholders to develop and implement strategies around awareness, promotion, prevention and treatment. This includes:

- sharing of aggregate FNIHB information to identify trends and issues;
- engaging First Nations and Inuit communities organizations and stakeholders in working together on approaches and materials (toolkit); and
- working with prescribers, pharmacists and clients to address specific clients at risk.

To assist the First Nations and Inuit Health Branch, a Drug Utilization Evaluation Advisory Committee has been established. The Committee is an independent advisory body of licensed health care professionals - experts in drug use evaluation, Aboriginal health issues and drug utilization. The Committee provides advice and recommendations to support a comprehensive DUE Program to promote safe, therapeutically effective and efficient use of drug therapy as it contributes to health outcomes of eligible First Nations and Inuit clients of the NIHB Program.

The objectives of the Committee include:

- providing recommendations that lead to improved prescribing, dispensing and use of drugs among First Nations and Inuit clients;
- where appropriate, facilitating partnerships with First Nations and Inuit communities and FNIHB regional offices in order to recommend culturally appropriate educational interventions and strategies as well as tools for their implementation; and
- evaluating the effectiveness of the intervention strategies, as required.

Also established is a Drug Utilization and Prevention and Promotion Working Group (DUPPWG) to ensure a coordinated and consistent approach to the implementation of all DUE client and population level initiatives to promote the improvement in health outcomes of First Nations and Inuit clients through effective use of pharmaceuticals.

8.10

NIHB Consent

The NIHB Program has received approximately 165,000 signed consent forms since 2001. This represents less than a quarter of the NIHB eligible client population. In February 2004, Health Canada announced a revision to its approach to the Non-Insured Health Benefits Program's consent initiative. The NIHB program no longer requires a signed consent form for day-to-day processing activities and program administration. In a few instances where client safety or inappropriate use of the system is a concern, the NIHB program will seek the express consent of clients to share their personal information with health care providers. This consent may be provided verbally or in writing.

In 2004/05, the NIHB Program received approximately 2,350 consent forms from its clients. During the year, there were 14 requests to withdraw consent. In addition to the forms received, consent was proactively sought from several individuals considered to be at risk; verbal/one-time consent was received from a small minority of these clients. The NIHB Program will continue to monitor the number of written consents given and withdrawn. A process is also being put in place to capture information related to verbal consent, which is provided for specific one-time transactions only.

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8.11

NIHB Sustainability

Cost and service pressures on the Aboriginal Health system have been linked to factors such as demographic growth and the types of goods and services provided to First Nations and Inuit clients (including pharmaceuticals, the fastest growing health expenditure). The federal government recognized these pressures and committed funding in 2001/02 and 2002/03 to stabilize the system, with cost containment measures undertaken to address program sustainability. Budget 2003 included resources of over \$1B (over several years) for NIHB, with funding equivalent to a 7.7% annual increase until 2005/06. However, this funding may drop to the pre-Budget 2003 growth rate of 3% beginning in 2006/07 unless additional budget increases are provided.

NIHB led the development of two studies to analyze the design and delivery processes and practices of the NIHB program in order to inform and support decision making on possible future budget allocations. The first study, entitled “Non-Insured Health Benefits – a Scoping Study”, was completed in 2004. NIHB then initiated an analysis to assess alternative delivery models for the NIHB, which will be completed in 2005/06.

8.12

NIHB Medical Transportation

Medical Transportation expenditures have grown to become the second largest Non-Insured benefit area after Pharmacy. Medical Transportation covers a range of specific benefits designed to assist clients in accessing medically necessary care and services.

Over the past year, the First Nation and Inuit Health Branch received input from numerous stakeholders on the Medical Transportation Policy Framework. An updated Framework was distributed to stakeholders in July 2005.

Additional work continues on a Three Year Business Plan and Schedule Guidelines. These documents are geared to assisting Regional offices in delivering Medical Transportation benefits to clients in a nationally consistent manner, yet with enough flexibility to meet individual circumstances facing each region.

Additional work is underway in the Program to enhance information and the Medical Transportation Record System (MTRS), the national system for medical transportation.

