



# EXCESSIVE DEMAND

CALCULATION OF THE COST THRESHOLD

### **Publications Feedback Survey**

We invite you to provide us with your comments on this publication by completing our electronic feedback survey at [www.cic.gc.ca/publications-survey](http://www.cic.gc.ca/publications-survey).

For information about other IRCC publications, visit: [www.cic.gc.ca/publications](http://www.cic.gc.ca/publications).

Available in alternative formats upon request.

Également disponible en français sous le titre : Fardeau excessif calcul du seuil de coût

### **Visit us online**

Website: [www.cic.gc.ca](http://www.cic.gc.ca)

Facebook: [www.facebook.com/CitCanada](http://www.facebook.com/CitCanada)

YouTube: [www.youtube.com/CitImmCanada](http://www.youtube.com/CitImmCanada)

Twitter: [@CitImmCanada](https://twitter.com/CitImmCanada)

© Her Majesty the Queen in Right of Canada, represented by the Minister of Immigration, Refugees and Citizenship, 2018

Cat. no. Ci4-181/2018E-PDF

ISBN 978-0-660-27756-1

IRCC-2582-09-2018

## Calculation of the Excessive Demand Cost Threshold

This report describes how Immigration, Refugees and Citizenship Canada (IRCC) calculates the excessive demand cost threshold and uses the cost threshold to make excessive demand decisions.

- In 2017, the excessive demand cost threshold was \$33,275 over 5 years (or \$6,655 per year).
- In April of 2018, the Government of Canada made changes to the excessive demand policy and to the cost threshold.
- For 2018, the new cost threshold is \$99,060 over 5 years (or \$19,812 per year).

This report explains how IRCC changed the cost threshold and how we use the cost threshold to make a decision about your application.

## Excessive demand decisions

Immigration applicants must be admissible to Canada on health grounds. Excessive demand on health or social services is 1 of 3 health grounds. An officer will refuse your application, based on the results of your [immigration medical examination](#), if they reasonably believe that your health condition might cause an excessive demand on health or social services.

An excessive demand on health or social services can mean 2 things. It can mean that the need for health services to treat your health condition would negatively affect medical service wait times in Canada. It can also mean that the services to treat and manage your health condition would likely cost more than 3 times the Canadian average for health and social services (per person).

## Related links

- [Paragraph 38\(1\)\(c\)](#) of the Immigration and Refugee Protection Act (IRPA)
- [Subsection 1\(1\)](#) of the Immigration and Refugee Protection Regulations (IRPR)

The excessive demand policy protects health and social services paid for by federal, provincial and territorial governments. The policy facilitates immigration to Canada and promotes the inclusion of people with disabilities. It also supports Canada's humanitarian and compassionate goals.

## Revised cost threshold

The cost threshold is a cut-off limit that officers use to determine if the cost of an applicant's health and social services would exceed the Canadian average.

On April 16, 2018, the Minister of Immigration, Refugees and Citizenship [announced changes](#) to the excessive demand policy and to the cost threshold. The following changes came into effect on June 1, 2018:

- The department no longer assesses your need for special education services, social and vocational rehabilitation services, and personal support services as part of the excessive demand decision. The department also does not assess your dependants' need for these services.
- After removing the services listed above from the calculation of the cost threshold, the department tripled the previous cost threshold.

The new cost threshold is equal to 3 times the Canadian average for health and social services. For 2018, the value is \$99,060 over 5 years (or \$19,812 per year). The department will update the cost threshold every year.

## Calculation of the cost threshold

The cost threshold comes from the definition of “excessive demand” in the IRPR. This definition mentions the “average Canadian per capita health services and social services costs” or, in other words, the average dollar amount that federal, provincial and territorial governments spend in a year on health and social services for Canadians and permanent residents.

### Related links

- [Subsection 1\(1\)](#) of the IRPR

To know how much governments spend on health and social services, the department uses information that is collected and reported by the [Canadian Institute for Health Information \(CIHI\)](#). The CIHI collects information from federal, provincial and territorial governments, and every year, it publishes information on health spending in Canada, in the [National Health Expenditure Trends](#) report. The report focuses on services that primarily aim to improve or prevent the worsening of health status. IRCC uses this information because the report focuses on the same types of health and social services that the department focuses on for excessive demand decisions.

In 2018, health economics experts reviewed and analyzed the way IRCC calculates the cost threshold. These experts compared the services that IRCC focuses on to the services tracked by the CIHI. The experts found that the information reported by the CIHI in the National Health Expenditure Trends report is a good match for the health and social services assessed by IRCC for excessive demand decisions. The report is available upon request by emailing [IRCC.MHBIMPEN-RITDMDGMS.IRCC@cic.gc.ca](mailto:IRCC.MHBIMPEN-RITDMDGMS.IRCC@cic.gc.ca).

The CIHI reported that health spending in 2017 was \$6,604 per person. Therefore, for 2018, the excessive demand cost threshold is \$19,812 per year or \$99,060 over 5 years.

$$\begin{aligned} & \$6,604 \quad (\text{previous year's Canadian average for health and social services; source: CIHI}) \\ & \times 3 \\ & = \$19,812 \quad (\text{excessive demand cost threshold per year}) \\ & \times 5 \\ & = \$99,060 \quad (\text{excessive demand cost threshold over 5 years}) \end{aligned}$$

### Related links

- [National Health Expenditure Trends, 1975 to 2017 \(PDF, 2.77 MB\)](#) (page 4)

The department will update the cost threshold each year to reflect changes in health spending, based on the most recent information on the cost of health and social services, as reported each year by the CIHI.

### Previous supplemental amount for social services

Before April 16, 2018, IRCC added a supplemental amount to the cost threshold to account for the cost of certain social services that the CIHI did not report on. The supplemental amount included costs for special education services, social and vocational rehabilitation services, personal support services, some home care services and some residential services. Because the department no longer assesses special education services, social and vocational rehabilitation services, and personal support services, it is no longer necessary to add the supplemental amount.

## How IRCC uses the cost threshold to determine an applicant's admissibility

This section describes how the department uses the cost threshold to make a decision on your application. This is a process that involves the following 3 main steps:

1. You will be asked to get an immigration medical examination.
2. The medical officer will review the results of your medical examination and provide an assessment to the officer who is processing your application. If you have a medical condition, the medical officer will calculate the cost of health and social services needed to treat and manage your condition and will compare those costs to the cost threshold.
3. The officer who is processing your application will consider the information provided by the medical officer and decide if your health condition might cause an excessive demand on health or social services. The officer will consider if the costs to treat and manage your condition are more than the cost threshold. The officer will find you inadmissible on health grounds (excessive demand) if your costs are more than the cost threshold.

The following 2 examples of a decision being carried out illustrate how this process works. The person in the first example is living with multiple sclerosis, and the second is living with human immunodeficiency virus (HIV).

### Example 1

---

A 50-year old male applicant to the Federal Skilled Worker class, who intends to live in Regina, Saskatchewan, has multiple sclerosis. Without medication, the applicant would have vision problems, weakness and numbness. The applicant takes the medication Avonex to treat and manage his symptoms and to prevent further worsening of his health condition. He also has regular appointments with a neurological doctor and gets laboratory and diagnostic tests.

Assuming his costs are

- Medication: \$21,480 per year
- Specialist doctor visits every 4 months: \$213 per year
- Diagnostic tests (1 brain magnetic resonance imaging [MRI]): \$900 per year
- Laboratory tests (liver function every 4 months): \$100 per year

The total cost of health and social services for this applicant is \$22,693 per year (or \$113,465 over 5 years). This cost exceeds the cost threshold of \$19,812 per year. This applicant would be inadmissible because his health condition would reasonably be expected to cause excessive demand on health or social services.

### Example 1 – Sources of cost information

- [Saskatchewan drug formulary](#)
- [Saskatchewan physician payment schedule \(PDF, 3.51 MB\)](#)
- [British Columbia private laboratory fee schedule](#)
- [Alberta laboratory test fee schedule \(PDF, 304 KB\)](#)

### Example 2

---

A 40-year old female applicant to the Provincial Nominee Program, who intends to live in Toronto, Ontario, has HIV. Without medication, the applicant would develop acquired immune deficiency syndrome (AIDS) and become ill. The applicant takes the medication Atripla to treat her infection and to protect her immune system. She also has regular appointments with a doctor who specializes in HIV, and she gets laboratory tests.

Assuming her costs are

- Medication: \$16,425 per year
- Specialist doctor visits every 6 months: \$210.50 per year
- Laboratory tests (liver function, viral load, CD4 count and complete blood count every 3 months): \$139.80 per year

The total cost of health and social services for this applicant is \$16,775 per year (or \$83,877 over 5 years). This cost would not exceed the cost threshold of \$19,812 per year. This applicant would be admissible because her health condition would not reasonably be expected to cause excessive demand on health or social services.

### Example 2 – Sources of cost information

- [Ontario drug formulary](#)
- [Ontario schedule of benefits – Physician fees \(PDF, 7.69 MB\)](#)
- [Ontario schedule of benefits – Laboratory test fees \(PDF, 941 KB\)](#)

## Sources of information to assess your application

The officers processing your application rely on information provided by the panel physician who did your medical examination and the doctors who are treating you. The officers use this information to determine your medical diagnosis, your prognosis (how your health condition is likely to change in the future) and the expected health and social services that you need. The costs are usually calculated over 5 years.

The officers use information that is available publicly from governments, pharmaceutical companies and others to determine the cost of health and social services. Some examples are

- health services: [Canadian Institute for Health Information: Patient Cost Estimator](#)
- social services: [LifeStageCare](#)
- medication: provincial and territorial medication formularies



## Notes on the regulatory definitions

This section presents and discusses the definitions of key terms in the IRPR.

### Excessive demand

- a. a demand on health services or social services for which the anticipated costs would likely exceed average Canadian per capita health services and social services costs over a period of 5 consecutive years immediately following the most recent medical examination required under paragraph 16(2)(b) of the IRPA, unless there is evidence that significant costs are likely to be incurred beyond that period, in which case the period is no more than 10 consecutive years
- b. a demand on health services or social services that would add to existing waiting lists and would increase the rate of mortality and morbidity in Canada as a result of an inability to provide timely services to Canadian citizens or permanent residents

Note that the definition in part (a) refers to “average Canadian per capita health services and social services”. For this reason, IRCC does not have separate cost thresholds specific to the applicant’s gender or to the province or territory where the applicant intends to live.

### Health services

Health services means any health services for which the majority of the funds are contributed by governments, including the services of family physicians, medical specialists, nurses, chiropractors and physiotherapists, laboratory services and the supply of pharmaceutical or hospital care

Note that the definition refers to “services for which the majority of the funds are contributed by governments” and that the list of services is an indicative rather than an exhaustive list.

### Social services

Social services means any social services, such as home care, specialized residence and residential services, special education services, social and vocational rehabilitation services, personal support services and the provision of devices related to those services

- a. that are intended to assist a person in functioning physically, emotionally, socially, psychologically or vocationally
- b. for which the majority of the funding, including funding that provides direct or indirect financial support to an assisted person, is contributed by governments, either directly or through publicly funded agencies

Note again that the definition refers to services “for which the majority of the funding ... is contributed by governments”. The services, while not listed exhaustively, are limited to those services that fall under the terms described. For this reason, the definition of social services does not include all types of social services that Canadians may receive. For example, it does not include employment insurance, daycare, social assistance or social housing.