Mandatory Coverage of Fertility Drugs in Quebec

The Quebec government recently announced that it will start funding in vitro fertilization (IVF) as of August 5, 2010. Quebec will be the first jurisdiction in North America to offer such funding for couples who have not been able to conceive naturally. Couples will be eligible for three free to six cycles of treatment. The treatments covered by the Quebec government include egg harvesting, in vitro fertilization, pre-implant genetic testing, embryo transfer and sperm sample collection. The costs of an IVF cycle can range between $7,000 to $15,000 (which includes the cost of drugs) depending on the fertility treatment required.

On March 24, 2010 the prepublication of the drafts of the Règlement sur les activités cliniques en matière de procréation assistée (Regulation on Clinical Activities related to Assisted Procreation) and the Règlement modifiant le Règlement d’application de la Loi sur l’assurance maladie (the Regulation modifying the Regulation respecting the Application of the Health Insurance Act), suggested that to this date, studies revealed no impact on citizens, businesses, and especially small and medium size organizations.

However, prescription drugs required for IVF will be added to the drug list pursuant to the Prescription Drugs Act. As a result, drug costs will need to be reimbursed through group benefit plans for employees and dependents residing in Quebec and will be subject to the same rules as any drugs covered by the basic mandatory drug plan. According to several sources, this could result in an increase to drug insurance premiums of 0.5% to 1.5%.

In Quebec, it is estimated that 3,500 cycles will be covered in 2010 but there is a fear that this number has been underestimated and costs could increase within the next three years. The program has limits on the number of cycles that will be covered -- from 3 to 6 cycles depending on the complexity of the fertility issue. It is unclear at this point how private drug plans will manage the limits, but sponsors should be cautious and request that carriers and PBMs implement controls.

Other issues to consider include:

- Should organizations with employees in a cross Canada drug plans, that previously did not cover fertility drugs in their drug plans, limit the coverage to Quebec employees only?

- What about collective agreements which contain an undertaking to treat all groups of employees with fairness and equity. Is there a legal risk if a national employer does not extend IVF drug coverage to employees outside Quebec?

- Will employees outside Quebec become disgruntled if their premiums increase because of IVF drugs being covered for Quebec employees?

- Should cost increases resulting from fertility drugs be isolated and reflected only on premiums paid by Quebec employees?
• If fertility drugs are added to the plan for all employees, should eligibility rules be the same outside Quebec i.e. employee and spouse, maximum amount, drugs covered?

• Is there a need to modify the contract or collective agreement to reflect this new obligation in Quebec or allow for the implementation of controls to limit costs?

• Should employers communicate with employees regarding the extent to which fertility drugs will be covered under the employers plan?

The answer to these questions will become clearer when employers consider individual circumstances and their corporate philosophy. This Special Ready is provided with the intent of encouraging our clients to reflect on these issues, and any other government level decisions that have a direct or indirect impact on the administration or regulatory compliance of their benefit program.

Should you wish additional information about this topic, please contact your local Aon Consultant, or one of the following:

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