

SunAdvantage™

Quebec group insurance pooling update 2011 - What's changing?

Every year the *Quebec Drug Insurance Pooling Corporation* (also referred to as the *Société de Compensation en Assurance Médicaments du Québec*) revises the Quebec group insurance pooling parameters. We have started applying new pooling levels and fees to all 2011 renewal calculations that involve Quebec plan members.

Who does it affect?

All group insurers in Quebec contribute to a pooling plan that protects private sector plan sponsors against the financial impact of large claims for drug costs. Based on pooling results for previous years, the Quebec Drug Insurance Pooling Corporation submitted a report to Quebec's Health and Social Services minister. The report details 2011 pooling parameters and has been approved by all industry members.

How does it affect our clients?

Pooling levels and fees are designed to cover predicted costs for claims and operating expenses associated with prescription drugs. While the overall pooling structure remains similar, starting January 1, 2011, the rules will be modified to ensure that the pooling will now apply to all groups - insured and non-insured - on a consistent basis - in relation with group size. The changes can be summarized as follows:

- Three new bands were created, with distinct pooling levels and fees, for groups of 250 lives up to 1,499 lives.
- Quebec Industry Pooling has been extended to Non-insured (Administrative Services Only or ASO) groups up to 1,499 lives on the same basis as insured groups of similar size.
- All groups of 1,500 lives and more- insured or non-insured (ASO) - are not subject to Quebec Industry Pooling and are identified as "Free market" in the table below.
- All pooling levels and fees have been adjusted to reflect trend and experience results.

Continued...

SunAdvantage™

2011 pooling parameters

Group size	Pooling level	Annual single fee	Annual family fee	Eligible groups
Fewer than 25	\$5,000	\$136.00	\$374.00	Insured and ASO
25–49	\$13,000	\$63.00	\$175.00	Insured and ASO
50–124	\$24,000	\$24.00	\$66.00	Insured and ASO
125–249	\$39,000	\$9.00	\$26.00	Insured and ASO (NEW)
250 -499	\$60,000	\$4.00	\$11.00	Insured and ASO (NEW)*
500-999	\$80,000	\$2.00	\$5.50	Insured and ASO (NEW)*
1000-1499	\$100,000	\$0.75	\$2.25	Insured and ASO (NEW)*
1,500 and over	Free market – Groups not subject to Quebec Industry Pooling			

* Pooling of RAMQ drugs only.

Questions?

Please contact your Client Service Administrator at 1-877-786-7227.