

Non-Insured Health Benefits Program Presentation to Canadian Assisted Devices Association

October 26, 2016



Overview

Insured Services

- The Canada Health Act requires that provinces and territories provide coverage for "insured services" (medically necessary hospital and physician services) to all eligible residents including First Nations and Inuit.

Supplemental Health Services

- Individuals may have access to supplemental health-related goods and services through other publicly-funded programs or through private insurance plans

Non-Insured Health Benefits Program

- NIHB provides registered First Nations and recognized Inuit clients with access to a specified range of medically necessary health-related goods and services not otherwise provided through private insurance plans, provincial territorial health or social programs.

Program Principles

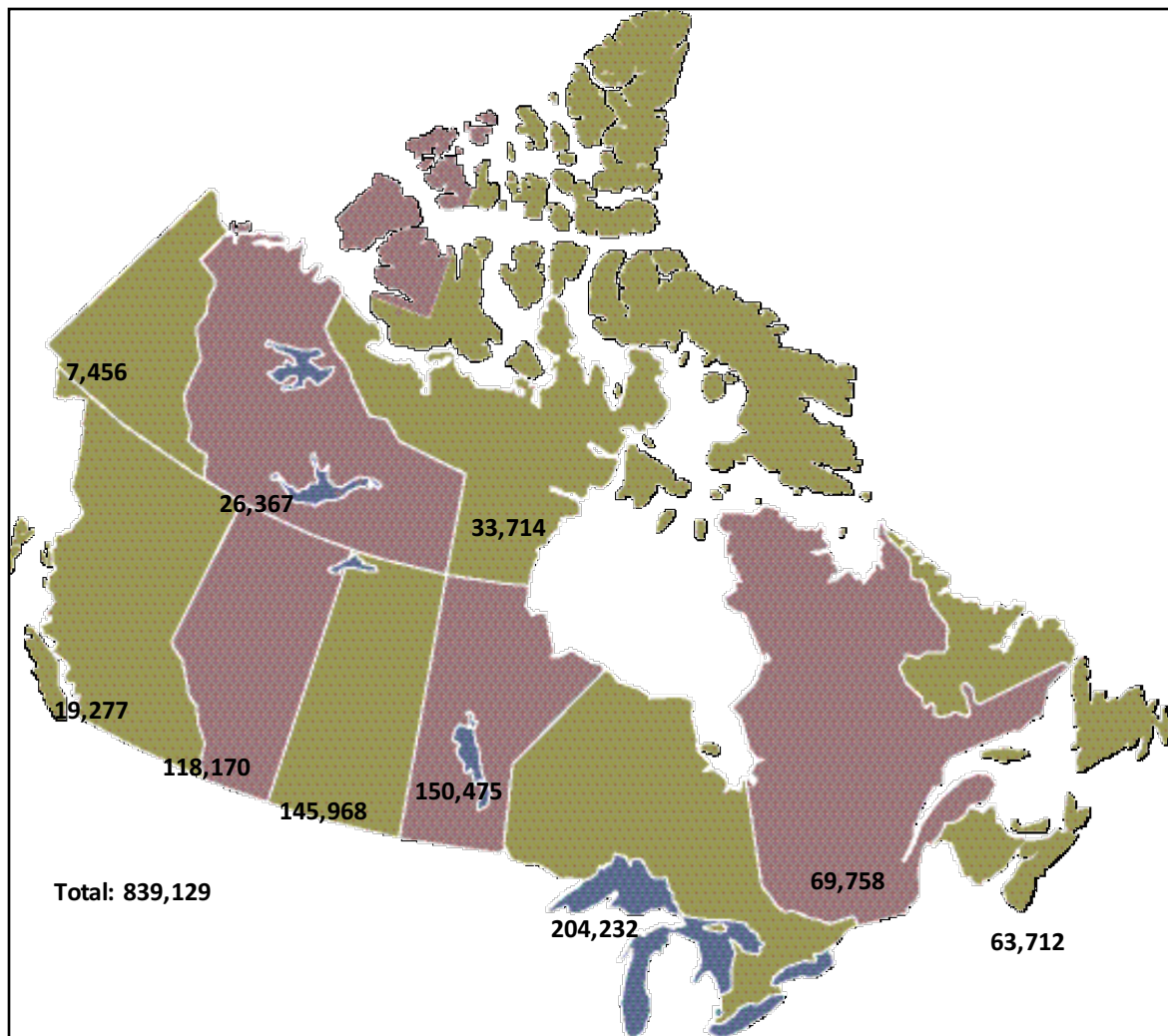
The NIHB Program operates according to a number of guiding principles:

- All registered First Nations and recognized Inuit who are normally residents of Canada, and not otherwise covered under a separate agreement with federal, provincial or territorial governments, are eligible for Non-Insured Health Benefits, regardless of location in Canada or income level.
- Benefits are based on the judgment of recognized medical professionals, consistent with the best practices of health services delivery and evidence-based standards of care.
- National consistency of mandatory benefits, equitable access and portability of benefits and services.
- The Program is to be managed in a sustainable and cost-effective manner.
- Management processes will involve transparency and joint review structures whenever agreed to with First Nations and Inuit organizations.
- In cases where a benefit is covered under another health care plan, the NIHB Program will act to coordinate payment in order to help ensure that the other plan meets its obligations and the client is not denied service.

NIHB- Background

- NIHB currently has 839,129 clients across 10 provinces and three territories.
 - FN clients in BC are under a transfer arrangement services provided through BC First Nations Health Authority
 - Deshenaux Decision – up to 35,000 new clients (Feb 2017).
 - Cap –Daniels Decision – will likely add new Metis clients.
- The program currently has no maximums or co-pays
- Services are provided according to program mandate: as medically necessary – which is operationalized and defined via program policy
- Services defined as higher financial risk require prior approval or pre-determination which can result in delays in service delivery.
 - This has historically included most services in the Medical Supplies and equipment area but we have been working with CADA and other provider representatives to reduce administrative burden and improve access to benefits for clients.

NIHB Client Population



Client Eligibility

- To be eligible for NIHB Program benefits from Health Canada, a person must be a Canadian resident and have the following status:
- is a registered Indian according to the *Indian Act*; or
- an Inuk recognized by one of the following Inuit Land Claim organizations - Nunavut Tunngavik Incorporated, Inuvialuit Regional Corporation or Makivik Corporation. For an Inuk residing outside of their land claim settlement area, a letter of recognition from one of the Inuit land claim organizations and a birth certificate are required; or
- an infant, less than age one, whose parent is an eligible client; and
- is currently registered or eligible for registration, under a provincial or territorial health insurance plan; and
- is not otherwise covered under a separate agreement (e.g. a self-government agreement such as the Nisga'a and Nunatsiavut agreements) with federal, provincial or territorial governments.

Program Benefits

- NIHB currently has 6 major benefit areas
 - Pharmacy - Certain prescription and over the counter medication
 - Medical supplies and Equipment
 - Dental
 - Medical Transportation to access medically required health services not available in community of residence.
 - Vision Care
 - Mental Health Services
- Total program expenditure is \$1.1 Billion (2015/16).
- The average cost per client is \$1311(2015/16)
- Last year NIHB had 592,036 claimants a utilization rate of 70.6% (2015/16) growth of 2% over 14/15

NIHB Expenditures by Benefit (\$000's) FY 2014/15 Finals vs. FY 2015/16 (Preliminary Finals)

Benefit Category	FY 2014/15 Final Expenditures	FY 2015/16 Final Expenditures*	Percentage Change
Pharmacy HQ	\$382,332	\$414,868	8.5%
Pharmacy/MSE Regional	\$39,563	\$41,562	5.1%
Total Pharmacy	\$421,895	\$456,430	8.2%
Dental HQ	\$181,354	\$196,882	8.6%
Dental Regional	\$20,532	\$20,227	-1.5%
Total Dental	\$201,886	\$217,109	7.5%
Transportation	\$356,610	\$375,920	5.4%
Vision	\$29,151	\$30,017	3.0%
Mental Health Care	\$15,581	\$16,193	3.9%
Other Health Care	\$4,005	\$4,843	20.9%
Total	\$1,029,127	\$1,100,512	6.9%

- NIHB Program expenditures growth of 6.9% in FY 2015/16
- Pharmacy – high growth in drug expenditures including \$12.2M for Hep C treatment; high growth in MSE benefits
- Dental – high growth in HQ operational expenditures due primarily to compensation adjustment for General Practitioners and claimant growth
- Medical Transportation – higher than anticipated growth

Medical Supplies and Equipment Benefits

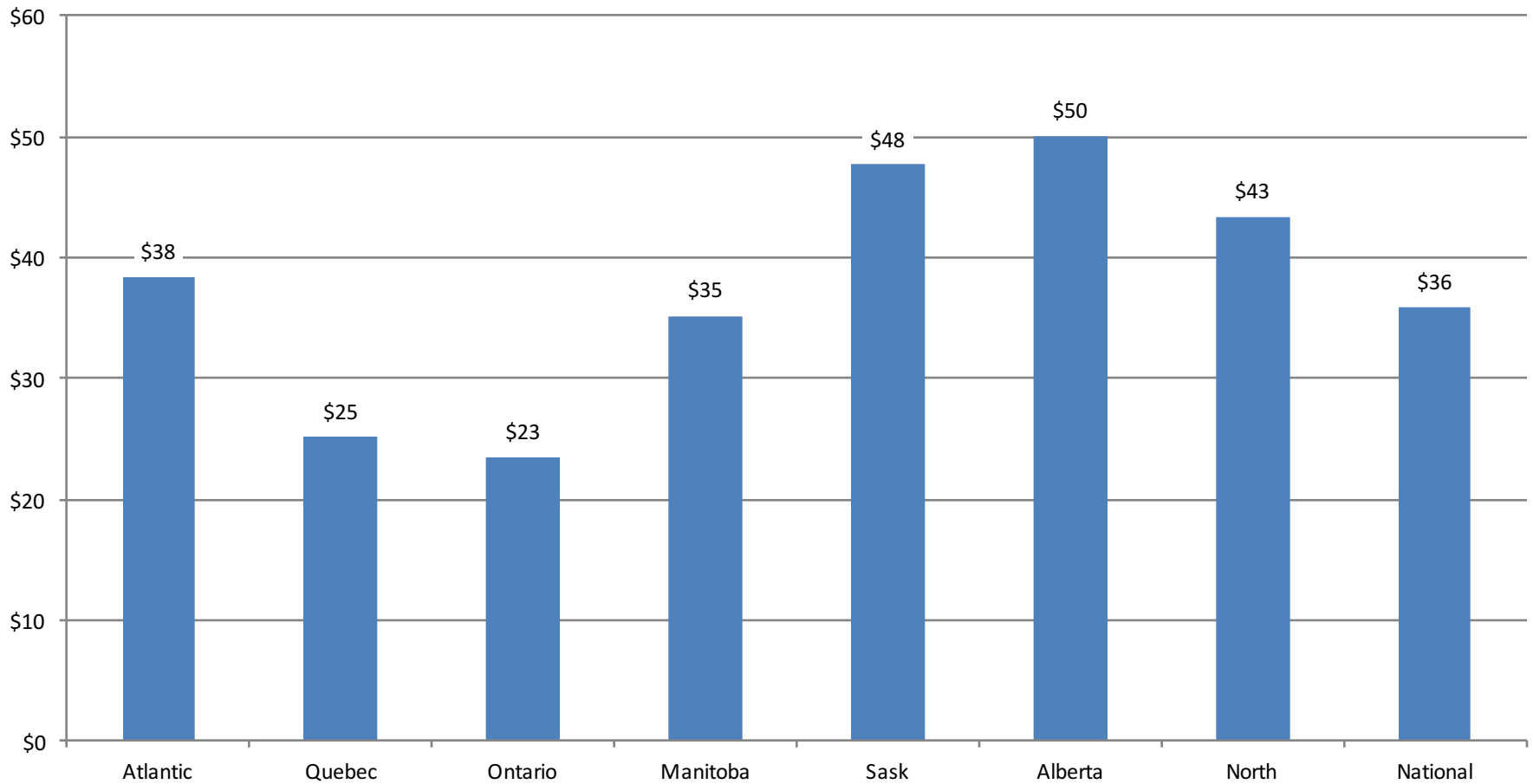
- Audiology (hearing aids)
- Medical Equipment (Wheelchairs and Walkers)
- Medical Supplies (Bandages and Dressings)
- Orthotics and Custom-made Footwear
- Pressure Garments
- Prosthetics
- Oxygen and Respiratory Supplies and Equipment

MS&E Benefits

- Total Program Expenditures on MS&E (15/16)
 - Medical Equipment \$21 Million
 - Medical Supplies \$9.5 Million
- Current Expenditure Growth 16/17 - 13.0 %
- Overall Utilization 49,138 clients (5.9% of client population) (6.2% growth)
- Supplies
 - Wound Care – 9428 Clients
 - Incontinence – 5976 Clients
 - Hearing Aids Supplies and Repairs (batteries, etc.) 8411 Clients
 - Ostomy supplies 986 Clients
 - Bandages – 5569 Clients
 - Oxygen Supplies -1696 clients
- Equipment
 - Oxygen Equipment -2697 Clients
 - Walking Aids - 6206 Clients
 - Hearing Aids – 5715 Clients
 - Wheelchairs and Accessories -3422 Clients

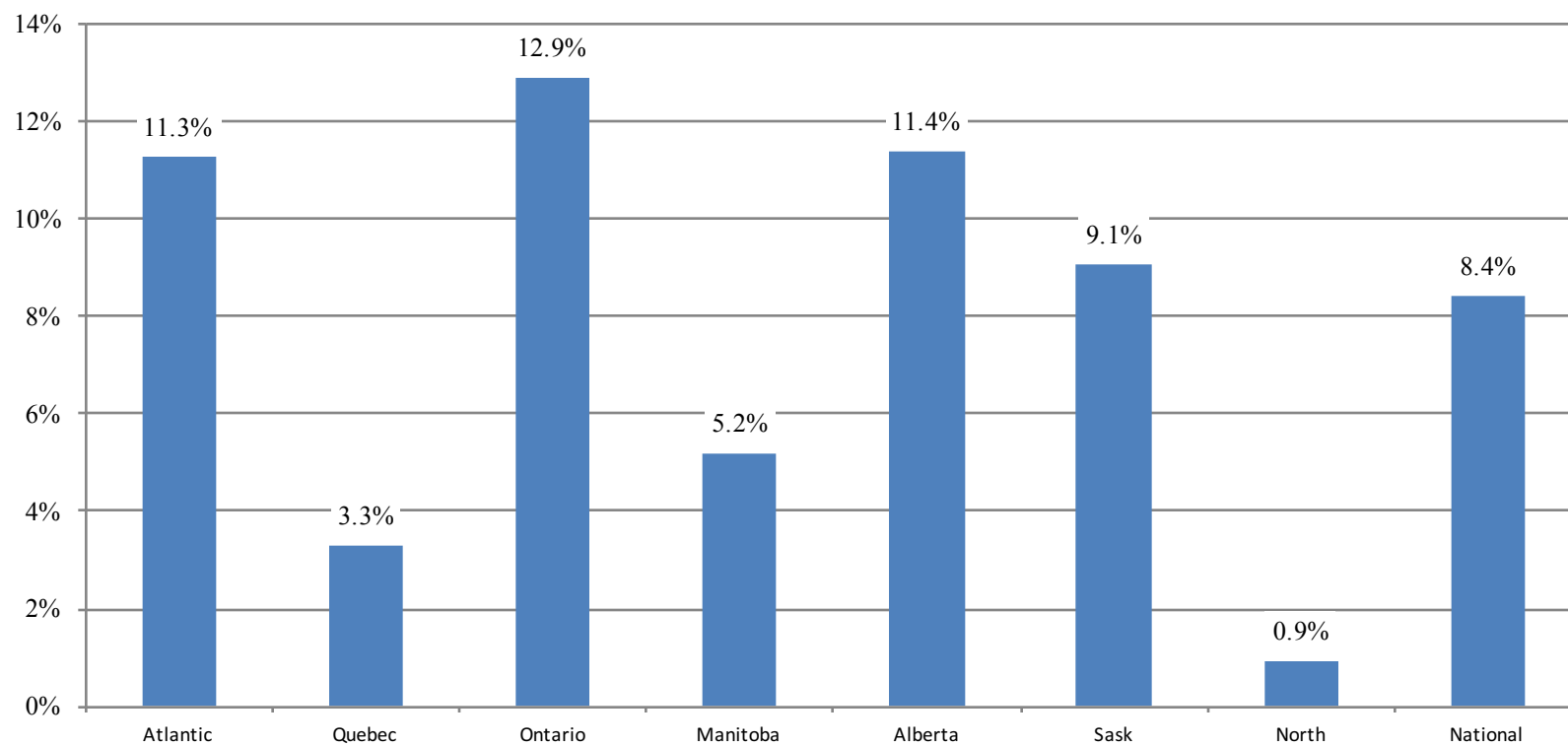
Per Capita Expenditures MS&E 2015/16

NIHB Per Capita MS&E Expenditures

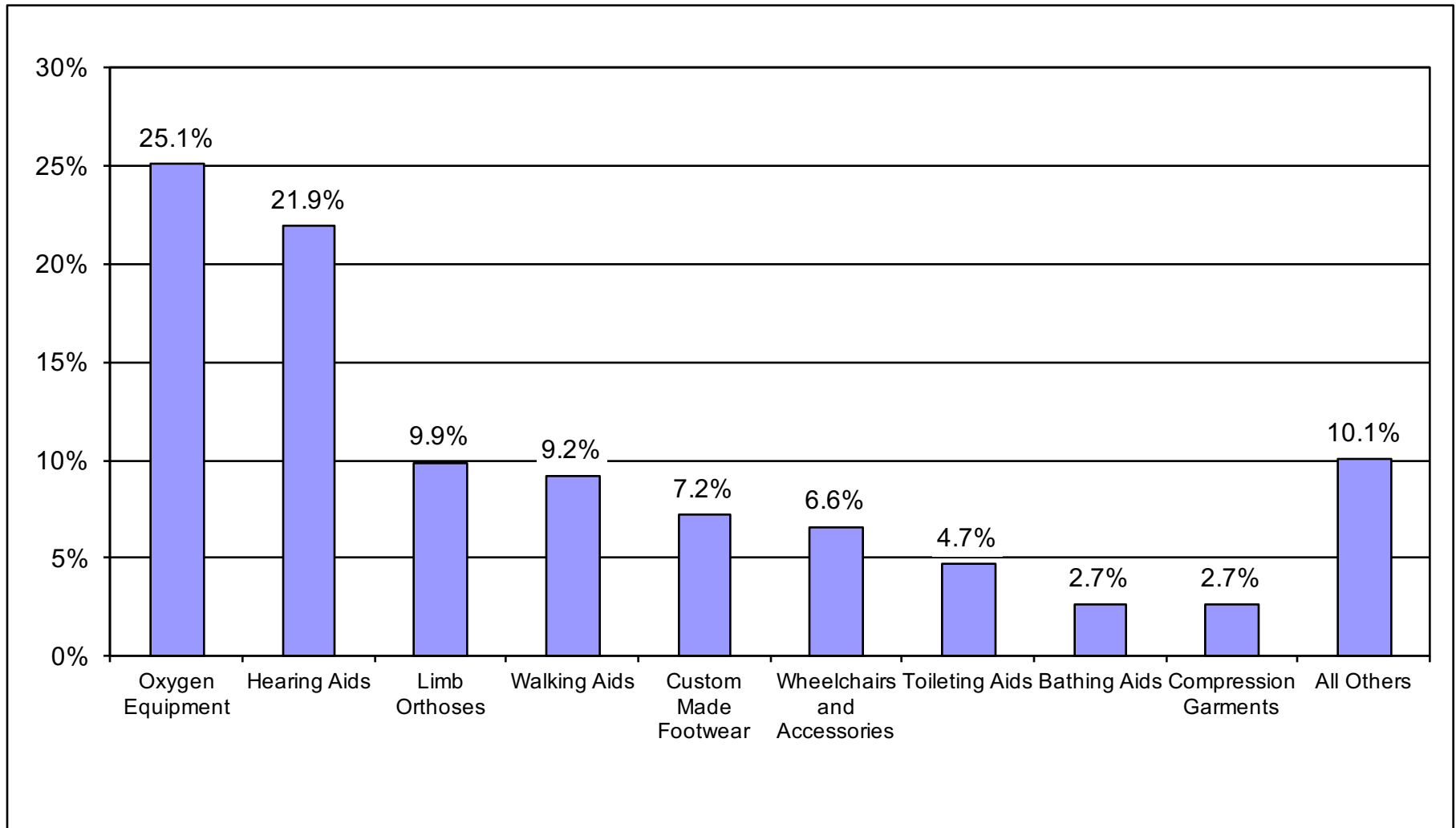


Growth in MS&E Claimants 16/17

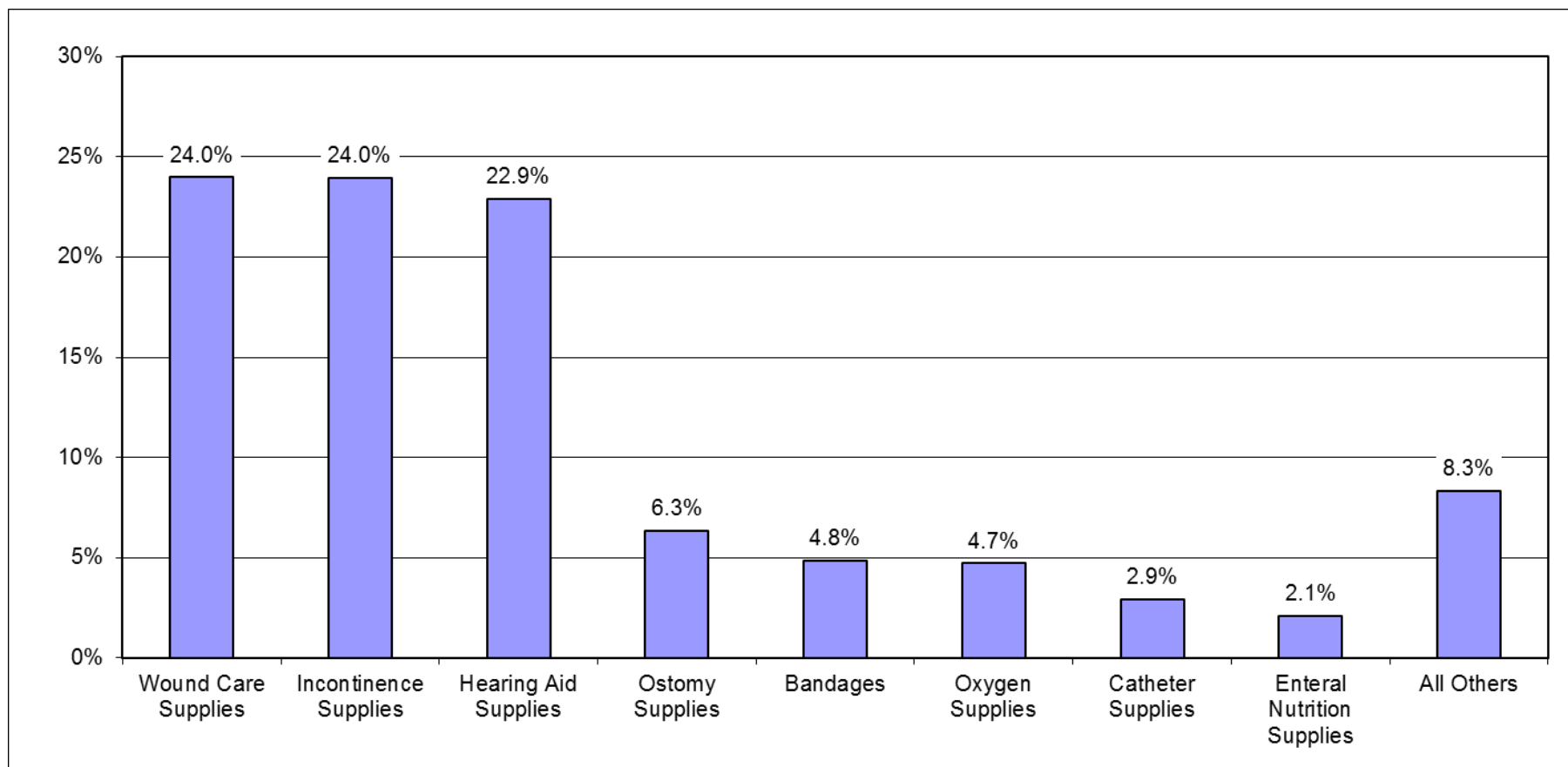
FY 2016/17 YTD Growth in MSE Distinct Claimants



Medical Equipment Claims 2015-16



NIHB Medical Supply Claims 2015-16



PROVIDER AUDIT PROGRAM

- Scope:
 - The Provider Audit Program is administrative in nature and is aimed at detection, prevention and settlement of inappropriate billing practices.
- Objectives:
 - Prevent and detect inappropriate billing practices
 - Validate active licensure of registered providers
 - Confirm paid services were received by eligible NIHB program clients
 - Ensure that providers have retained appropriate documentation to support submitted claims

Inappropriate Billing Practices

- Charging maximum rate in lieu of actual acquisition cost plus applicable regional schedule mark-up
- False claims
- Billing for items requiring a prior approval (PA) that were not submitted to the FNIH Regional Office for review and approval
- Offering incentives in return for NIHB claims
- Charging “bonus sizes” to the Program instead of original pack size
- Billing non benefits under codes which are covered
- Coordination of Claims: When an NIHB-eligible client is also covered by another public or private health care plan, claims must be submitted to the client's other health care/benefits plan first. The NIHB Program will then coordinate payment with the other payer on eligible benefits.

Program Improvements

- Price files have been developed for the following Medical Supply benefits
 - Incontinence Supplies
 - Hearing Aid Supplies
 - Ostomy Supplies
 - Negotiated agreements or price maximums exist now in most regions related to Oxygen Supplies and Equipment
- New Price files have also been developed in the Medical Equipment Benefit for Custom Made Foot Orthotics and negotiated agreements are in place for Hearing Aid Equipment
- Price files now exist for about 60% of expenditures in Medical Supplies and covering 54.3% of Medical Equipment expenditures.
- Established pricing allows us to automate adjudication of the benefit and reduce administrative burden on providers, speeding service delivery.

Future Changes

Modernization Efforts continue

- New Price files are currently under development for the Wound Care Benefit and for Catheters.
- Looking to negotiate agreements on Mobility Aids with CADA.

- **HICPS Contract**

- Reprourement for the claims processing contract is underway
- Several rounds of engagement with industry
- MS&E will be a separate benefit area under new contract
 - Looking to have Alpha-numeric functionality for product coding.
 - Greater automation of adjudication for MS&E Benefits.
- HICPS contract will be expanded to include Vision Care Benefit
- Audit program will be retooled in the new contract.

NIHB Pricing Rules

- Follow NIHB Price Files where these exist (Incontinence, Ostomy)

NIHB Pricing Rules for MS&E Products	
Region	Allowed Mark-up
BC	AAC+66%MU or NIHB Price File
Alberta	AAC+ 50% MU or NIHB Price File
Sask	AAC+ 50% MU or NIHB Price File
Manitoba	AAC ≤\$28.00=66%MU, AAC≤\$75.00=50%M, , AAC≥\$75.01=40%MU or NIHB Price File
Ontario	AAC+50% MU or NIHB Price File
Quebec	AAC+30% MU or NIHB Price File
New Brunswick	AAC+45% MU or NIHB Price File
Nova Scotia	AAC+45% MU or NIHB Price File
PEI	AAC+45% MU or NIHB Price File
Newfoundland	AAC+45% MU or NIHB Price File

NIHB Medical Supply and Equipment Audit Program

- As a MS&E service provider you should be familiar with the following important information:
- The Provider Guide for MS&E Benefits
- The Provider Claims Submission Kit
- <http://provider.express-scripts.ca/medical-supplies-and-equipment/provider-information>
- The above information provides you with the Terms and Conditions of the Program including policies and claim submission requirements.
- Information on the NIHB Program or MS&E Benefits can be found at: canada.ca/nihb

- **Questions?**