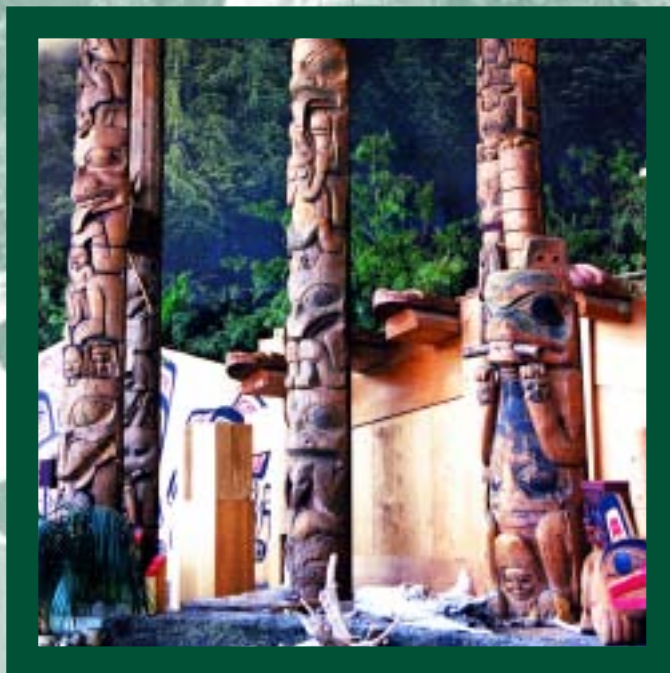


Non-Insured Health Benefits Program

ANNUAL REPORT



2003 / 2004



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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.: H33-1/2-2004E-PDF

ISBN: 0-662-39418-6

Publication Number: 3035



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Introduction

This is the tenth 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 Health Information and Claims Processing System (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

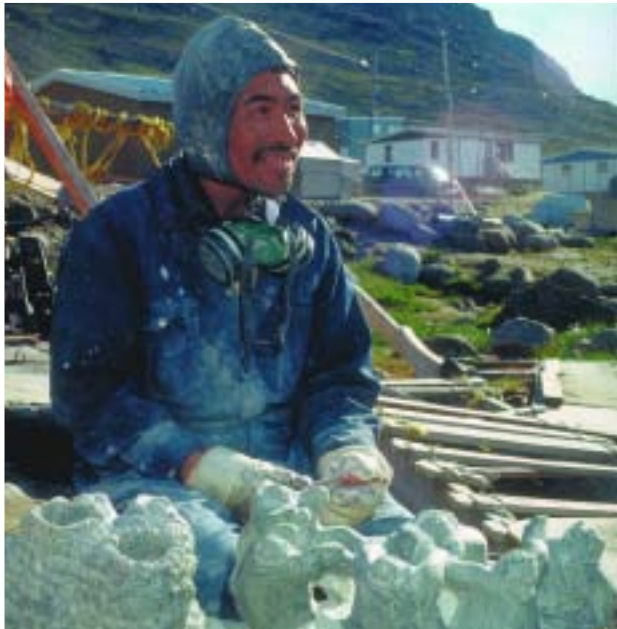
The Non-Insured Health Benefits (NIHB) Program provides approximately 750,000 registered First Nations and Inuit with a limited range of medically necessary health-related goods and services not provided through other private or provincial/territorial health insurance plans. The Program provides a range 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

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 750,000 as of March 31, 2004. 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 2004

The total number of eligible clients on the Status Verification System (SVS) at the end of March 2004, is 749,825, an increase of 2.0% from 2003.

The Ontario Region has the largest total population representing 21.7% of the national total, followed by the Pacific Region at 15.6%, the Manitoba Region at 15.5% and the Saskatchewan Region at 15.3%.



Client Population

Figure 2.2
Eligible Client Population by Type and Region,
March 2003 and March 2004

Of the 749,825 total eligible clients at the end of the 2003/04 fiscal year, 709,614 (94.6%) are First Nations clients while 40,211 (5.4%) are Inuit clients.

The number of First Nations clients increased by 2.0% while the number of Inuit clients increased by 2.2% in the past year.

The Manitoba, Saskatchewan and Alberta regions showed the same increase in total population from 2002/03 to 2003/04 at 2.5%, followed by the Atlantic Region and Nunavut both at 2.4%.

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.

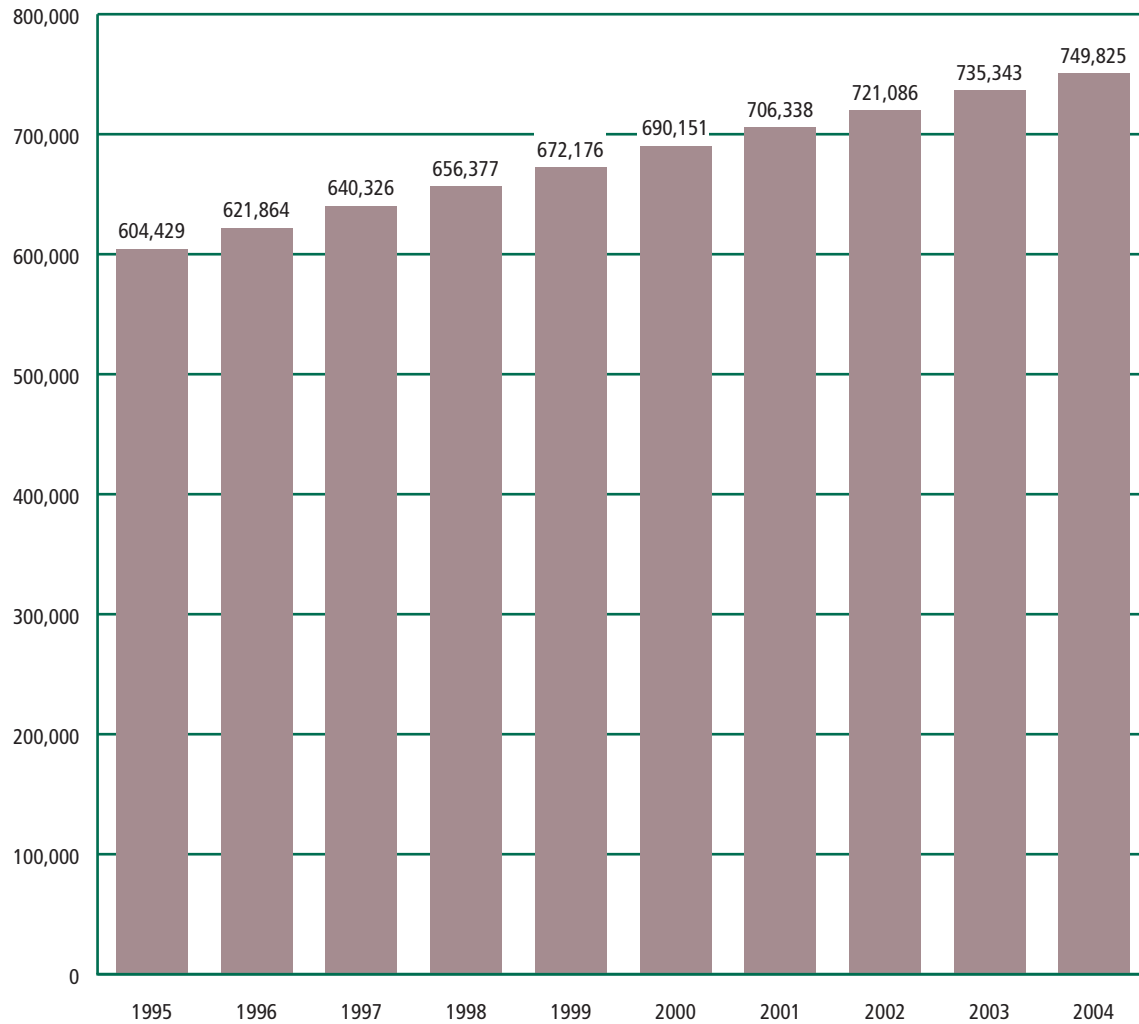
Regional population figures are based on the region of band affiliation of the eligible client as reflected by the Status Verification System.

REGION	First Nations		Inuit		TOTAL		% Change 2003 to 2004
	March/03	March/04	March/03	March/04	March/03	March/04	
Atlantic	29,821	30,524	5,568	5,708	35,389	36,232	2.4%
Quebec	52,486	53,300	628	654	53,114	53,954	1.6%
Ontario	160,043	161,991	453	482	160,496	162,473	1.2%
Manitoba	113,107	115,962	73	77	113,180	116,039	2.5%
Saskatchewan	112,300	115,064	25	29	112,325	115,093	2.5%
Alberta	90,074	92,340	282	307	90,356	92,647	2.5%
Pacific	114,997	116,937	207	222	115,204	117,159	1.7%
Yukon	7,507	7,578	64	69	7,571	7,647	1.0%
N.W.T.	15,648	15,918	7,225	7,228	22,873	23,146	1.2%
Nunavut	-	-	24,835	25,435	24,835	25,435	2.4%
Total	695,983	709,614	39,360	40,211	735,343	749,825	2.0%

Figure 2.3
Annual Eligible Client Population,
March 1995 to March 2004

The total number of eligible clients on the Status Verification System (SVS) has increased from almost 605,000 at the end of fiscal year 1994/95 to nearly 750,000 in March 2004, an increase of 24.1%.

Since March 1995, annual population growth has ranged between 2.0% and 3.4%.



Client Population

Figure 2.4
Eligible Client Population by Region,
March 2000 to March 2004

The total number of eligible clients grew by 8.6% from 690,151 in 2000 to 749,825 in 2004.

The Alberta Region had the largest increase in total eligible clients in the five-year period with a growth rate of 10.8%, followed by the Manitoba Region at 10.7% and the Saskatchewan Region at 10.5%.

The March 2000 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.

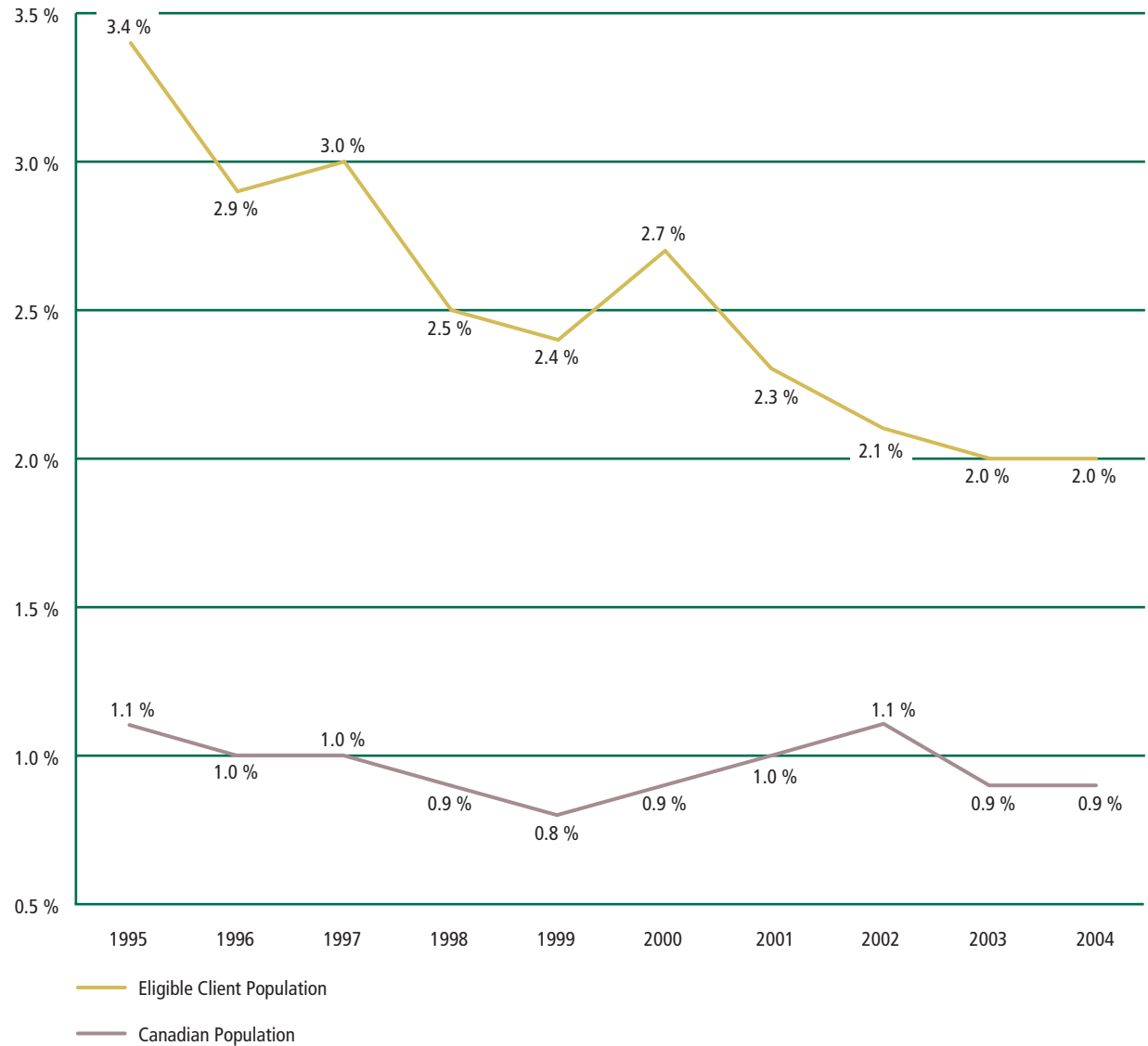
REGION	March/00	March/01	March/02	March/03	March/04
Atlantic	33,211	33,910	34,662	35,389	36,232
Quebec	50,745	51,593	52,365	53,114	53,954
Ontario	151,741	155,443	158,086	160,496	162,473
Manitoba	104,821	107,777	110,517	113,180	116,039
Saskatchewan	104,180	107,105	109,659	112,325	115,093
Alberta	83,596	85,908	88,160	90,356	92,647
Pacific	109,847	111,562	113,366	115,204	117,159
Yukon	7,272	7,373	7,477	7,571	7,647
N.W.T.	*21,430	*21,874	*22,414	22,873	23,146
Nunavut	*23,308	*23,793	*24,380	24,835	25,435
Total	690,151	706,338	721,086	735,343	749,825
Annual % change	2.7%	2.3%	2.1%	2.0%	2.0%

* March 2000 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
1994/95 to 2003/04

From 1994/95 to 2003/04, the Canadian population grew by 9.0% while the NIHB eligible First Nations and Inuit client population registered an increase of 24.1%. The First Nations and Inuit client population has grown at an average annual rate of 2.5% 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 N° 91-002.



Client Population

Figure 2.6
Eligible Client Population by Age Group,
Gender and Region, March 2004

Of the 749,825 eligible clients on SVS as of March 31, 2004, 51% are female (382,033) and 49% are male (367,792).

The average age of the eligible client population is 29 years. By region, this average ranges from a high of 33 years of age in the Quebec Region, Ontario Region and Yukon to a low of 24 years of age in Nunavut.

The average age of the male and female eligible client population is 28 years and 30 years respectively. The average age for males ranges from 24 years in Nunavut to 32 years in the Quebec Region. The average age for females varies from 25 years in Nunavut to 35 years in the Quebec Region.

The First Nations and Inuit client population is relatively young with almost three-quarters (71.0%) under the age of 40. Of the total population, 38.8% are under the age of 20. Seniors (clients 65 years of age and over) represent 5.4% 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	1,379	1,279	2,658	1,667	1,600	3,267	4,112	3,974	8,086	5,797	5,521	11,318
5-9	1,722	1,721	3,443	2,351	2,238	4,589	7,255	6,862	14,117	7,145	6,830	13,975
10-14	1,777	1,736	3,513	2,603	2,448	5,051	7,704	7,357	15,061	7,162	7,059	14,221
15-19	1,676	1,612	3,288	2,120	2,175	4,295	7,139	6,651	13,790	5,967	5,667	11,634
20-24	1,504	1,542	3,046	2,065	1,953	4,018	6,525	6,615	13,140	5,043	4,709	9,752
25-29	1,400	1,368	2,768	1,913	1,877	3,790	6,334	6,241	12,575	4,582	4,521	9,103
30-34	1,606	1,505	3,111	2,010	2,063	4,073	6,597	6,614	13,211	4,573	4,705	9,278
35-39	1,509	1,566	3,075	2,093	2,261	4,354	6,734	6,879	13,613	4,372	4,472	8,844
40-44	1,320	1,476	2,796	2,056	2,261	4,317	6,508	7,056	13,564	3,737	3,980	7,717
45-49	1,098	1,273	2,371	1,729	2,129	3,858	5,414	6,219	11,633	2,771	3,043	5,814
50-54	796	971	1,767	1,393	1,637	3,030	4,030	4,924	8,954	1,960	2,281	4,241
55-59	584	774	1,358	1,051	1,389	2,440	3,141	3,975	7,116	1,537	1,722	3,259
60-64	391	533	924	813	1,065	1,878	2,196	3,038	5,234	1,013	1,232	2,245
65+	888	1,226	2,114	1,876	3,118	4,994	4,968	7,411	12,379	2,037	2,601	4,638
Total	17,650	18,582	36,232	25,740	28,214	53,954	78,657	83,816	162,473	57,696	58,343	116,039
Average Age	29	32	30	32	35	33	31	34	33	26	27	27

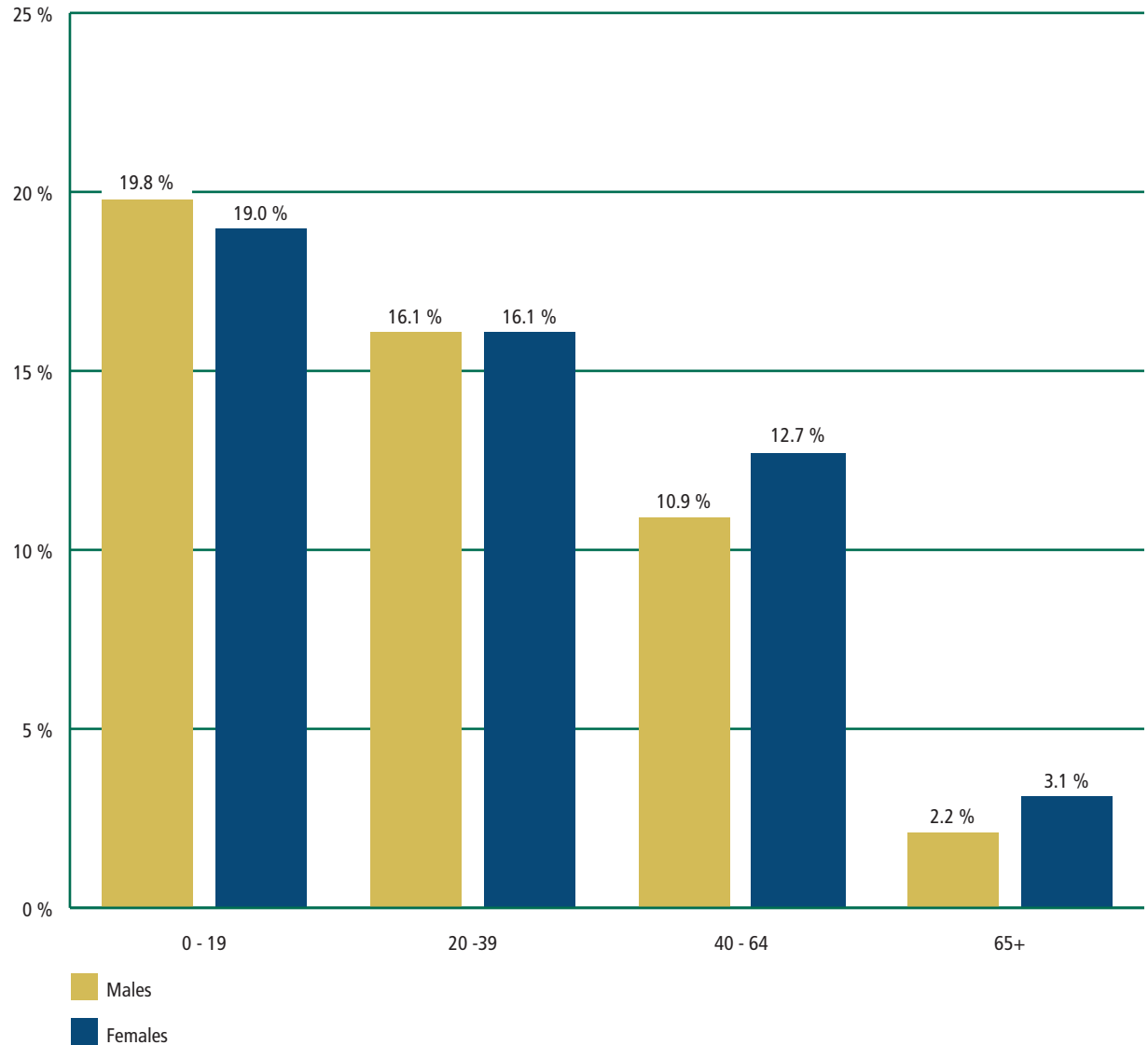
REGION Age Group	Saskatchewan			Alberta			Pacific			Yukon			N.W.T.			Nunavut			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	5,678	5,517	11,195	4,559	4,215	8,774	3,891	3,817	7,708	211	198	409	767	797	1,564	1,636	1,518	3,154	29,697	28,436	58,133
5-9	7,005	6,944	13,949	5,790	5,462	11,252	5,307	4,980	10,287	320	304	624	1,184	1,122	2,306	1,697	1,609	3,306	39,776	38,072	77,848
10-14	7,523	7,131	14,654	5,912	5,519	11,431	6,093	5,600	11,693	356	320	676	1,433	1,396	2,829	1,683	1,584	3,267	42,246	40,150	82,396
15-19	6,476	6,227	12,703	5,050	4,896	9,946	5,654	5,339	10,993	325	316	641	1,226	1,162	2,388	1,457	1,411	2,868	37,090	35,456	72,546
20-24	5,214	5,143	10,357	4,200	4,322	8,522	5,124	4,848	9,972	331	312	643	1,042	991	2,033	1,124	1,134	2,258	32,172	31,569	63,741
25-29	4,608	4,673	9,281	3,720	3,672	7,392	4,633	4,570	9,203	299	266	565	861	874	1,735	956	967	1,923	29,306	29,029	58,335
30-34	4,526	4,641	9,167	3,463	3,655	7,118	4,762	4,776	9,538	357	301	658	981	959	1,940	946	924	1,870	29,821	30,143	59,964
35-39	4,198	4,438	8,636	3,361	3,455	6,816	4,760	4,996	9,756	388	343	731	935	992	1,927	900	931	1,831	29,250	30,333	59,583
40-44	3,491	3,795	7,286	2,867	3,218	6,085	4,775	5,332	10,107	383	381	764	746	890	1,636	715	696	1,411	26,598	29,085	55,683
45-49	2,524	2,867	5,391	2,048	2,446	4,494	3,677	4,284	7,961	222	279	501	564	721	1,285	429	452	881	20,476	23,713	44,189
50-54	1,735	2,048	3,783	1,445	1,829	3,274	2,780	3,190	5,970	160	235	395	434	509	943	380	369	749	15,113	17,993	33,106
55-59	1,264	1,544	2,808	1,040	1,383	2,423	2,018	2,439	4,457	138	179	317	357	400	757	333	301	634	11,463	14,106	25,569
60-64	869	1,080	1,949	787	956	1,743	1,451	1,798	3,249	110	118	228	250	285	535	215	242	457	8,095	10,347	18,442
65+	1,674	2,260	3,934	1,422	1,955	3,377	2,624	3,641	6,265	196	299	495	584	684	1,268	420	406	826	16,689	23,601	40,290
Total	56,785	58,308	115,093	45,664	46,983	92,647	57,549	59,610	117,159	3,796	3,851	7,647	11,364	11,782	23,146	12,891	12,544	25,435	367,792	382,033	749,825
Average Age	25	27	26	25	27	26	30	32	31	31	34	33	28	30	29	24	25	24	28	30	29

Client Population

Figure 2.7
Proportion of Total Eligible Client Population,
Gender and Age Group, March 2004

Males and females under 20 years of age represent 19.8% and 19.0% of the total population, respectively.

Female clients age 65 years and over account for 3.1% of the total population, while males in this age range represent 2.2%.





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 has been set at 3%. The 2002 and 2003 Budgets approved resources to rebase the NIHB funding levels by approximately \$100 million in 2002/03 and by \$151.2 million in 2003/04.

The NIHB Program's expenditures account for over 46% 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

Figure 3.1
First Nations and Inuit Health Programs (\$ Million)
2003/04 to 2006/07

In 2003/04, resources within the First Nations and Inuit Health Programs totalled \$1,408.2 million. These resources are projected to grow to \$1,791.7 million by 2006/07.

Total resources, as shown in this report, vary slightly from those in the 2002/03 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.

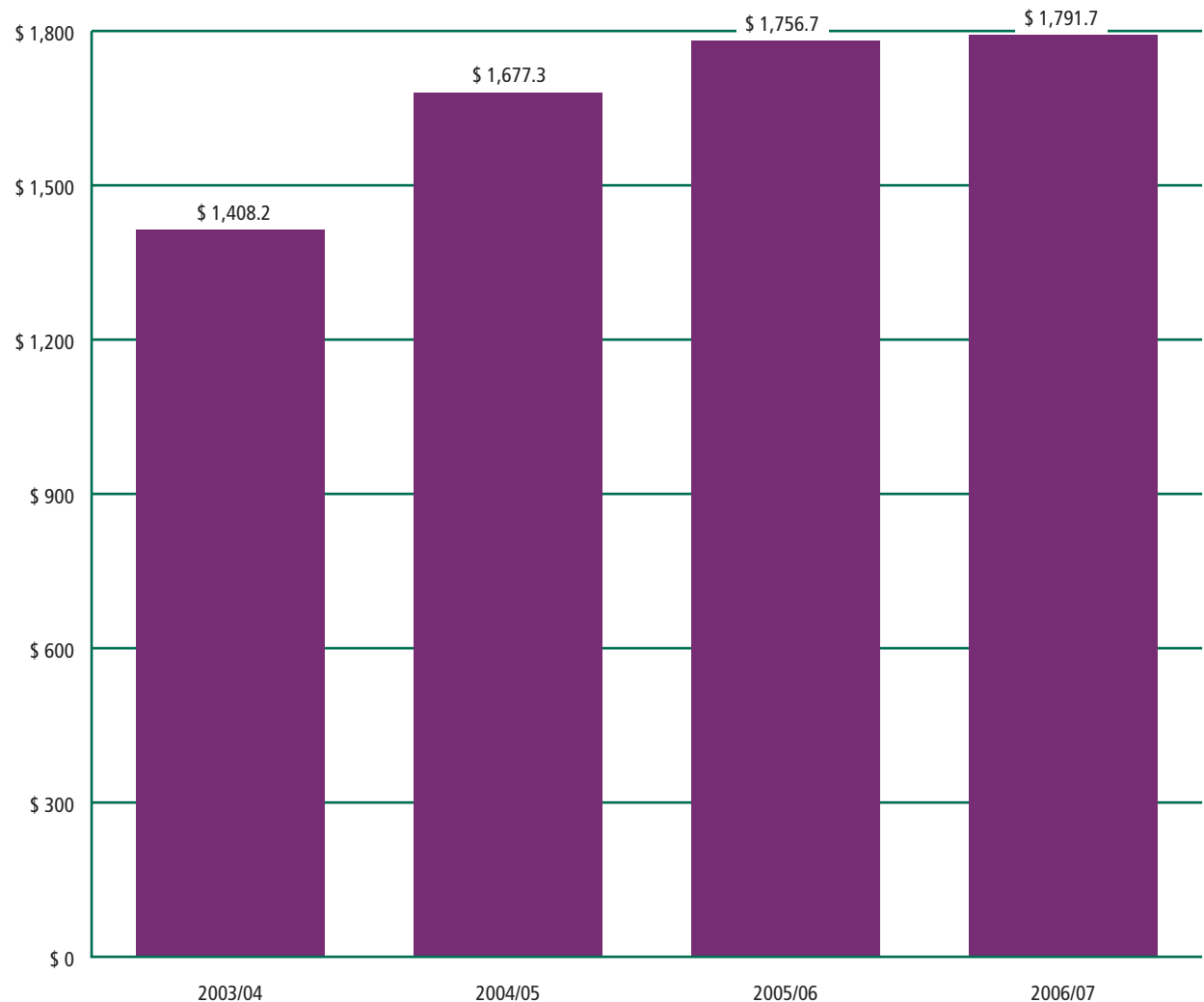
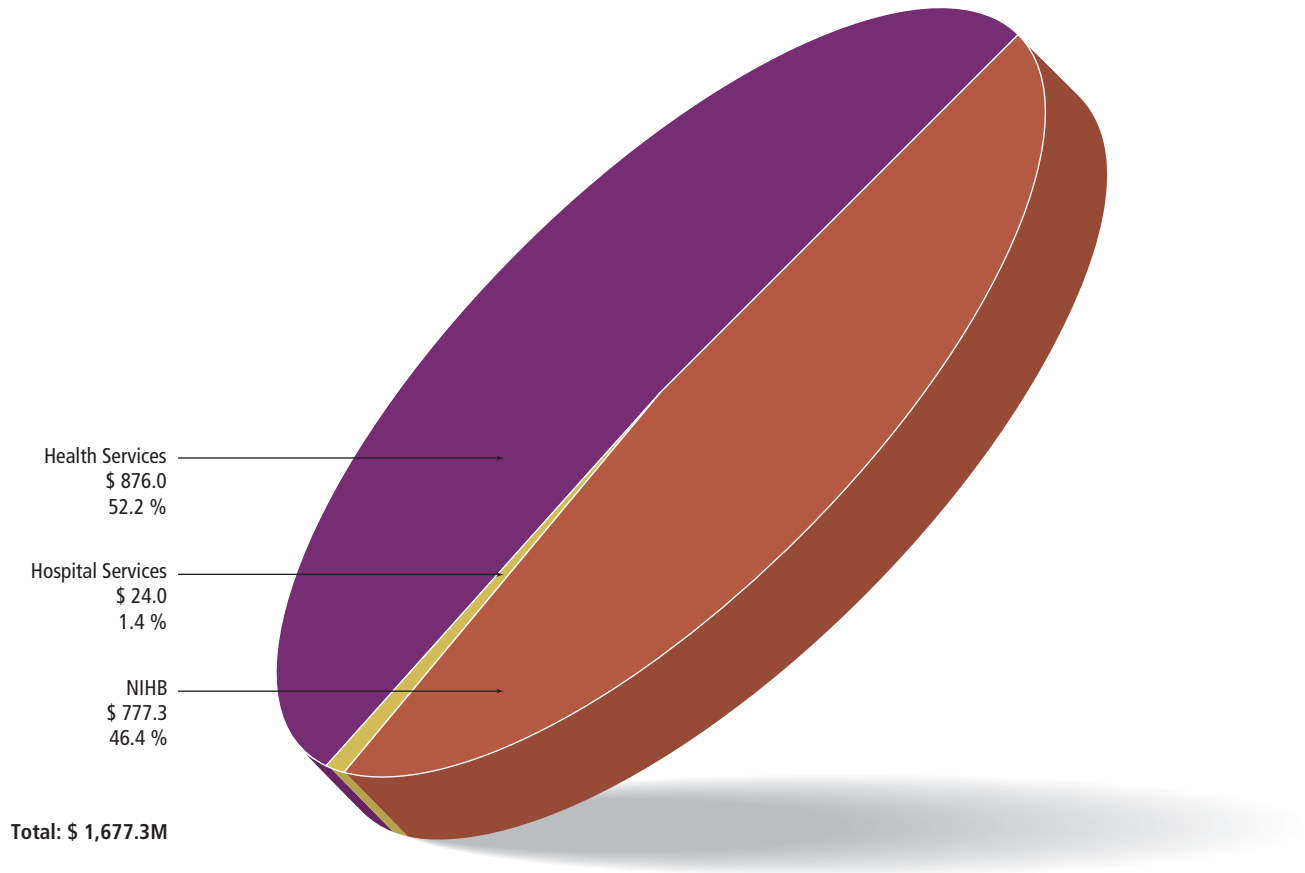


Figure 3.2
First Nations and Inuit Health Programs (\$ Million)
2004/05 (Estimates)

In 2004/05, the available resources for the First Nations and Inuit Health Programs Envelope are set at \$1,677.3 million. Total resources for the NIHB Program, both operating and contributions, account for \$777.3 million (46.4%) compared to \$876.0 million (52.2%) 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

PROGRAM ANALYSIS DIVISION • NON-INSURED HEALTH BENEFITS • 2003/2004 ANNUAL REPORT

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, the delisting of NIHB clients from provincial and territorial extended health care services, and de-insurance. 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 and 2002/03 expenditures increased by 3.8%, 1.6%, 5.7%, 5.7%, 9.0% and 9.6% respectively.

In 2003/04, expenditures increased by 7.1% to \$736.9 million from \$688.1 million in 2002/03 as a result of the following factors:

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

The rate of growth in Program expenditures declined over the past ten years from 8.3% in 1993/94 to 7.1% in 2003/04. This reduction is the result of NIHB management initiatives including:

- automation of client benefit claims payment processes;
- establishment of community funding for mental health and solvent abuse (Building Healthy Communities);
- 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; and
- improved audit and accountability measures.

NIHB Expenditure Trends

Figure 4.1
NIHB Annual Expenditures (\$ Million)
1993/94 to 2003/04

In 2003/04, NIHB expenditures were \$736.9 million, up 7.1% from \$688.1 million in 2002/03.

The 7.1% growth in 2003/04 expenditures is the lowest percentage increase experienced since 2000/01.

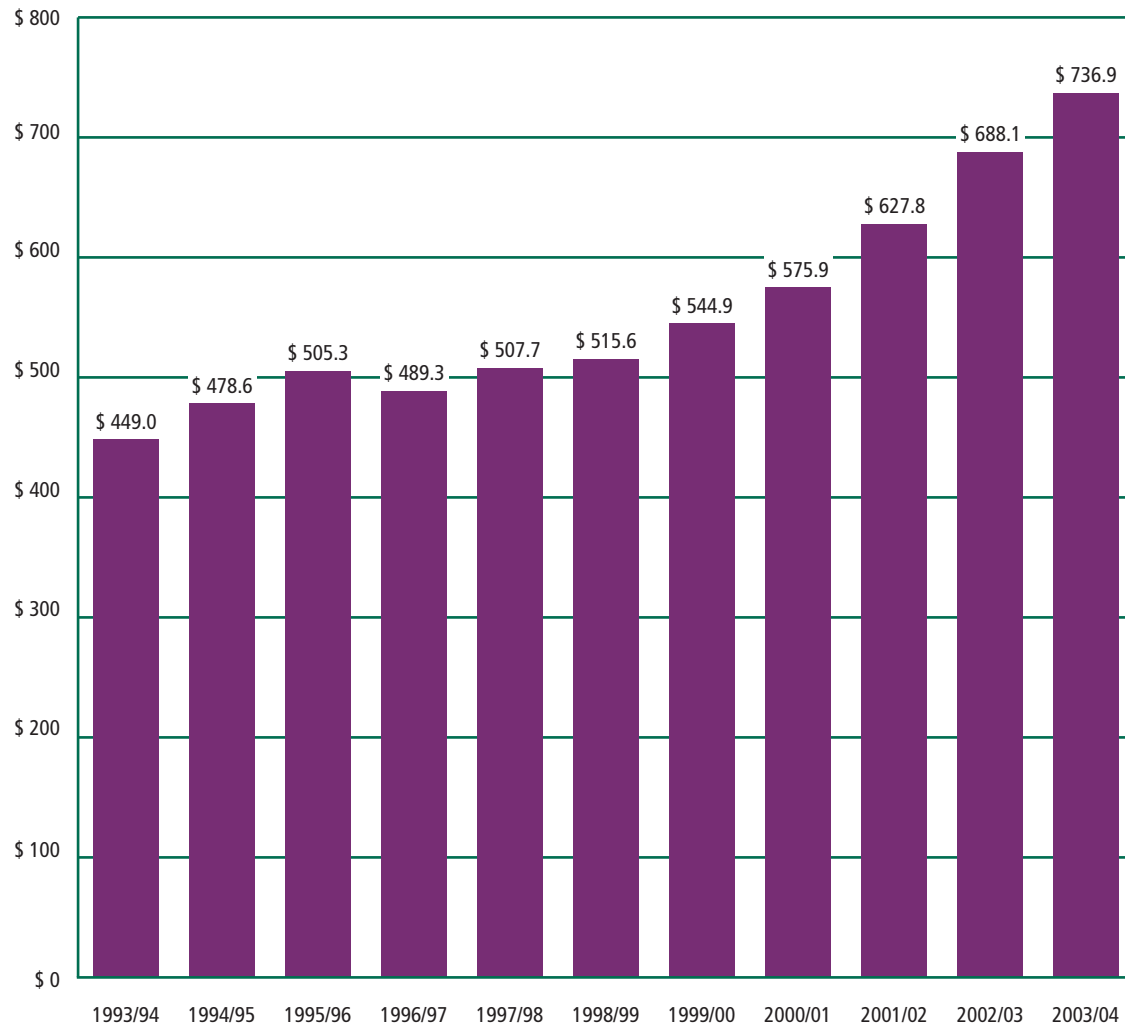


Figure 4.2
Percentage Change in NIHB Annual Expenditures
1993/94 to 2003/04

Expenditures on the Non-Insured Health Benefits Program totalled \$736.9 million in 2003/04. This represents a 7.1% increase from 2002/03.

NIHB expenditures have risen 64.1% from \$449.0 million in 1993/94 to \$736.9 million in 2003/04. Growth rates declined from 8.3% in 1993/94 to -3.2% in 1996/97 followed by a 3.8% increase in 1997/98. From 1998/99 to 2003/04, growth rates increased from 1.6% to 9.6% during the first four years and then declined to 7.1%.



NIHB Expenditure Trends

Figure 4.3
NIHB Annual Expenditures by Benefit (\$ 000's)
1993/94 to 2003/04

Expenditures on pharmacy benefits increased more than the other benefits in the period from 1993/94 to 2003/04. Pharmacy costs rose by 145% from \$133.5 million in 1993/94 to \$327.0 million in 2003/04. Vision care costs rose 73%. Transportation costs grew by 61%, while dental costs grew by 22% and premium costs by 9.0%. By comparison, other health care costs decreased by 55%.

From 2002/03 to 2003/04, premium expenditures grew by 20% followed by pharmacy expenditures, vision costs, dental costs and transportation costs at 13%, 10%, 3%, and 1% respectively. Other health care costs showed a decrease of 2%.

	All Regions										
BENEFIT	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Transportation	\$ 128,007	\$ 139,400	\$ 150,019	\$ 157,472	\$ 165,686	\$ 166,229	\$ 177,078	\$ 182,851	\$ 195,719	\$ 203,952	\$ 205,793
Pharmacy	133,481	146,131	157,297	166,541	180,105	187,105	206,869	228,861	252,846	290,112	326,982
Dental	110,346	116,273	123,303	104,302	104,420	106,417	106,975	109,852	124,468	131,021	134,504
Other Health Care	36,735	32,150	27,307	21,824	21,748	19,847	16,108	16,775	14,135	16,894	16,557
Premiums	26,350	28,610	30,094	22,125	17,131	17,476	18,030	17,779	18,596	23,902	28,614
Vision Care	14,101	16,040	17,242	17,017	18,576	18,490	19,843	19,748	22,020	22,259	24,420
Total	\$ 449,020	\$ 478,604	\$ 505,262	\$ 489,281	\$ 507,666	\$ 515,564	\$ 544,903	\$ 575,866	\$ 627,784	\$ 688,140	\$ 736,870
Annual % Change	8.3%	6.6%	5.6%	-3.2%	3.8%	1.6%	5.7%	5.7%	9.0%	9.6%	7.1%

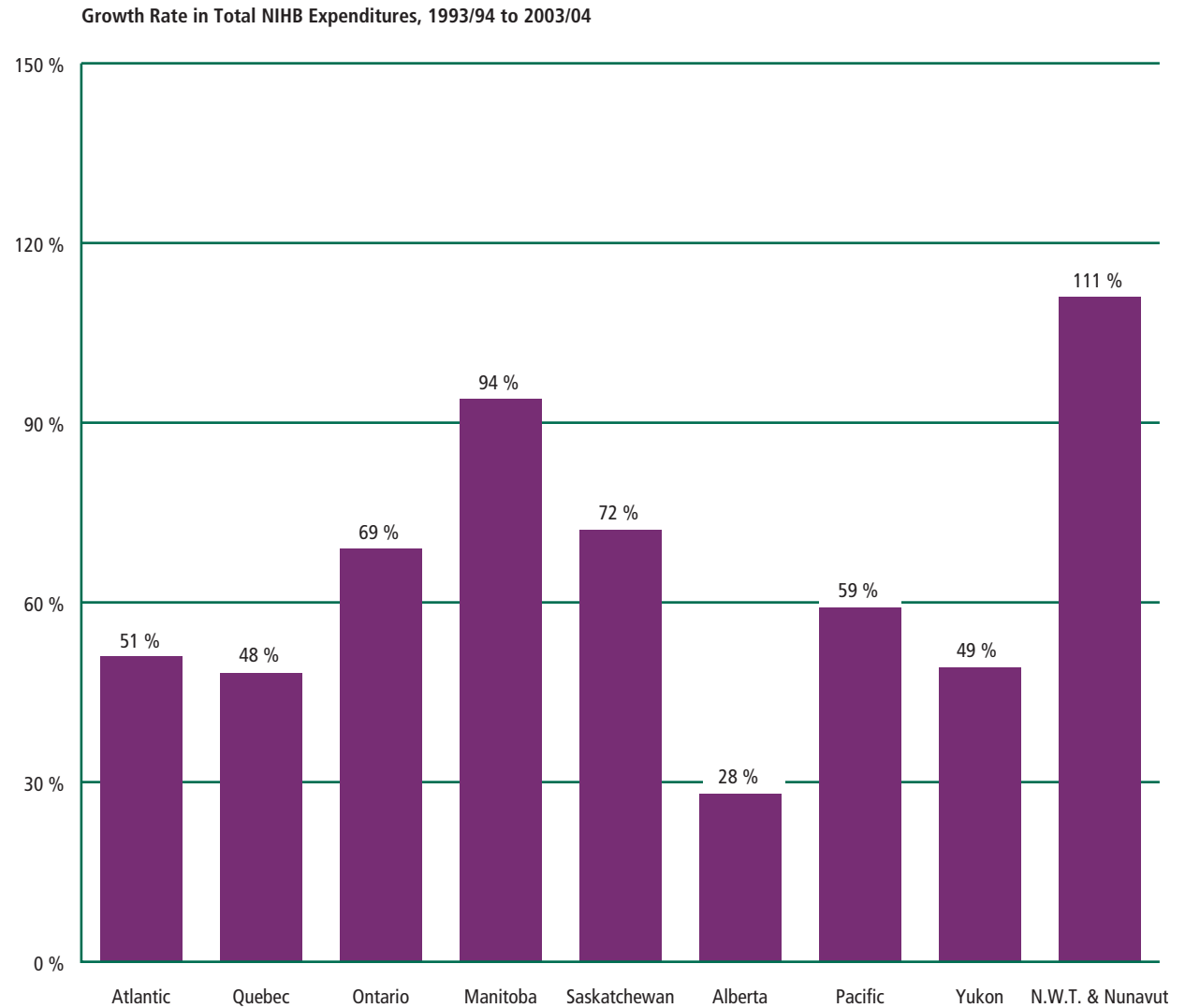
Figure 4.4
Percentage Growth in NIHB Expenditures by Region
1993/94 to 2003/04

In the period from 1993/94 to 2003/04, total NIHB expenditures have increased at a faster rate in the N.W.T./Nunavut (111%) than in any other region. The Manitoba Region (94%) and Saskatchewan Region (72%) had the next largest growth rates. The Alberta Region had the lowest increase at 28%, primarily the result of significant reductions in expenditures in premiums and other health care benefits. The Quebec Region registered the next lowest increase at 48%. Growth rates over the ten year period in other regions are: Ontario (69%), Pacific (59%), Atlantic (51%) and Yukon (49%).

Pharmacy expenditures in the Quebec Region rose by 172% in the ten year period ending in 2003/04. The next three largest regional increases occurred in the Ontario (158%), Manitoba (144%) and Pacific (137%) regions.

Expenditures in transportation grew most in the N.W.T./Nunavut (108%) and the Manitoba Region (82%), and least in the Quebec Region (3%).

Growth rates in dental expenditures are highest in the N.W.T./Nunavut (127%), followed by the Manitoba (65%), Saskatchewan (48%) and Atlantic (34%) regions. Two regions showed a small decrease in dental costs, the Pacific Region at -7% and the Yukon at -5%.



NIHB Expenditure Trends

Figure 4.5
NIHB Annual Expenditures in Atlantic Region
by Benefit 1993/94 to 2003/04

Total expenditures in the Atlantic Region were \$29.4 million in 2003/04, an increase of 8.3% from the previous year.

The largest increases were pharmacy costs (13.6%) and dental costs (3.5%).

Expenditures in transportation rose by 2.9% while vision care costs increased by 1.7% in 2003/04.

Other health care costs decreased by 28.9% in 2003/04.

Growth Rate in Total NIHB Expenditures, Atlantic Region 1993/94 to 2003/04



Figure 4.5
NIHB Annual Expenditures in Atlantic Region
by Benefit (\$ 000's) 1993/94 to 2003/04

	Atlantic Region										
BENEFIT	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Transportation	\$ 5,256	\$ 5,862	\$ 6,144	\$ 6,416	\$ 6,416	\$ 6,396	\$ 6,425	\$ 6,098	\$ 6,235	\$ 6,313	\$ 6,498
Pharmacy	7,474	8,253	8,954	9,543	10,165	9,572	10,126	11,371	12,667	14,322	16,265
Dental	3,626	4,113	4,564	4,199	4,636	4,663	3,819	4,511	5,196	4,691	4,857
Other Health Care	2,149	318	217	201	141	158	123	138	173	198	140
Vision Care	993	1,360	1,343	1,263	1,443	1,427	1,479	1,583	1,433	1,604	1,631
Total	\$ 19,498	\$ 19,906	\$ 21,222	\$ 21,622	\$ 22,801	\$ 22,216	\$ 21,972	\$ 23,701	\$ 25,704	\$ 27,128	\$ 29,391
Annual Percentage Change	13.3%	2.1%	6.6%	1.9%	5.5%	-2.6%	-1.1%	7.9%	8.5%	5.5%	8.3%

NIHB Expenditure Trends

Figure 4.6
NIHB Annual Expenditures in Quebec Region
by Benefit 1993/94 to 2003/04

Total expenditures in the Quebec Region were \$56.5 million in 2003/04, an increase of 4.6% from the previous year.

In comparison with other benefits in the region, pharmacy expenditures had the largest increase from the previous year at 9.7%, followed by other health care costs at 4.4% and transportation costs at 0.6%.

Vision care costs and dental costs both showed declines, at -6.4% and -0.1% respectively.



Figure 4.6
NIHB Annual Expenditures in Quebec Region
by Benefit (\$000's) 1993/94 to 2003/04

	Quebec Region										
BENEFIT	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Transportation	\$ 16,535	\$ 16,693	\$ 15,307	\$ 15,840	\$ 16,062	\$ 15,050	\$ 15,761	\$ 15,475	\$ 16,589	\$ 16,876	\$ 16,985
Pharmacy	10,086	10,483	11,961	11,312	15,017	16,611	17,388	19,680	22,209	25,005	27,436
Dental	9,446	9,928	10,237	8,906	9,494	8,831	9,015	9,574	10,505	10,292	10,277
Other Health Care	1,356	982	1,441	1,397	554	544	1,278	1,355	544	695	726
Vision Care	710	776	691	841	892	977	910	984	1,119	1,173	1,097
Total	\$ 38,133	\$ 38,862	\$ 39,637	\$ 38,296	\$ 42,019	\$ 42,013	\$ 44,352	\$ 47,068	\$ 50,966	\$ 54,041	\$ 56,521
Annual Percentage Change	9.4%	1.9%	2.0%	-3.4%	9.7%	0.0%	5.6%	6.1%	8.3%	6.0%	4.6%

NIHB Expenditure Trends

Figure 4.7
NIHB Annual Expenditures in Ontario Region
by Benefit 1993/94 to 2003/04

Total expenditures in the Ontario Region were \$134.8 million in 2003/04, an increase of 2.0% from the previous year.

Pharmacy costs had the largest increase at 8.7% in 2003/04, followed by vision care costs at 2.2%.

There were decreases in three benefit areas: other health care (-11.7%), dental (-4.4%) and transportation (-2.3%) expenditures.

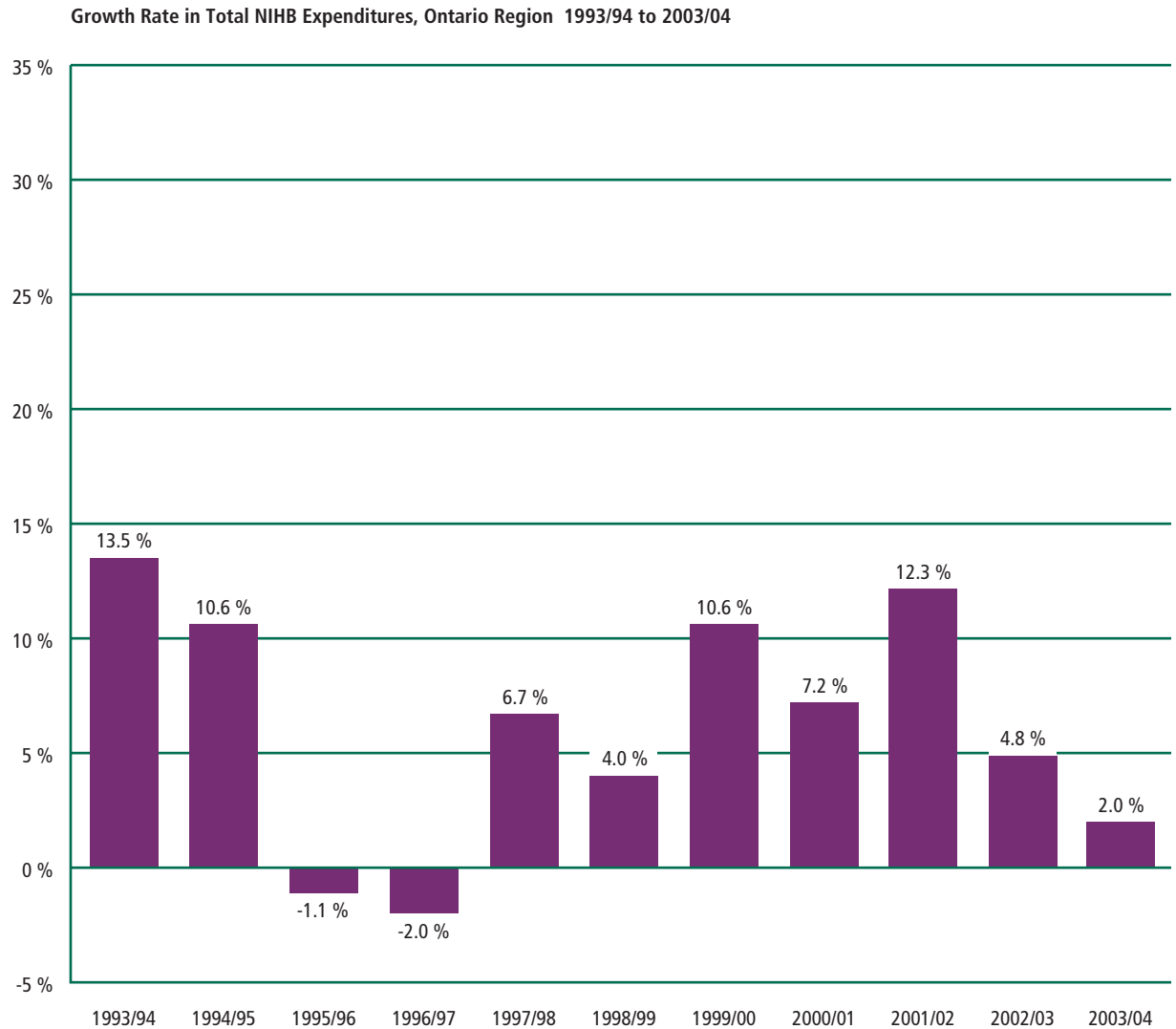


Figure 4.7
NIHB Annual Expenditures in Ontario Region
by Benefit (\$000's) 1993/94 to 2003/04

	Ontario Region										
BENEFIT	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Transportation	\$ 20,853	\$ 23,533	\$ 23,823	\$ 24,349	\$ 25,134	\$ 28,276	\$ 32,713	\$ 35,072	\$ 40,264	\$ 37,493	\$ 36,620
Pharmacy	24,397	27,525	29,356	31,967	35,237	36,518	40,346	45,244	51,167	57,929	62,953
Dental	23,378	25,330	26,187	22,498	22,902	22,244	23,558	23,255	27,568	29,042	27,760
Other Health Care	7,806	7,670	3,738	2,738	3,620	3,790	3,431	3,899	2,183	2,548	2,250
Vision Care	3,237	4,047	4,023	3,816	4,168	3,842	4,672	4,792	4,886	5,085	5,196
Total	\$ 79,671	\$ 88,105	\$ 87,127	\$ 85,368	\$ 91,061	\$ 94,670	\$ 104,720	\$ 112,262	\$ 126,068	\$ 132,097	\$ 134,779
Annual Percentage Change	13.5%	10.6%	-1.1%	-2.0%	6.7%	4.0%	10.6%	7.2%	12.3%	4.8%	2.0%

NIHB Expenditure Trends

Figure 4.8
NIHB Annual Expenditures in Manitoba Region
by Benefit 1993/94 to 2003/04

Total expenditures in the Manitoba Region were \$127.9 million in 2003/04, an increase of 8.7% from the previous year.

Other health care costs had the highest increase at 20.2% from the previous year, followed by pharmacy costs at 14.1%, vision care costs at 9.4%, transportation costs at 4.6% and dental expenditures at 4.3%.



Figure 4.8
NIHB Annual Expenditures in Manitoba Region
by Benefit (\$000's) 1993/94 to 2003/04

	Manitoba Region										
BENEFIT	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Transportation	\$ 29,345	\$ 32,431	\$ 37,672	\$ 40,379	\$ 43,520	\$ 40,499	\$ 44,413	\$ 46,089	\$ 48,320	\$ 51,199	\$ 53,533
Pharmacy	19,889	20,142	21,286	21,647	24,805	25,395	31,132	35,533	36,078	42,525	48,519
Dental	10,467	13,054	14,734	11,171	11,575	11,836	10,189	11,832	16,319	16,600	17,313
Other Health Care	4,721	5,431	6,099	6,330	7,164	6,624	4,399	3,218	4,023	4,675	5,621
Vision Care	1,551	1,305	2,114	1,788	2,128	2,034	1,899	1,748	2,860	2,639	2,888
Total	\$ 65,973	\$ 72,363	\$ 81,905	\$ 81,315	\$ 89,192	\$ 86,388	\$ 92,032	\$ 98,420	\$ 107,600	\$ 117,638	\$ 127,874
Annual Percentage Change	14.3%	9.7%	13.2%	-0.7%	9.7%	-3.1%	6.5%	6.9%	9.3%	9.3%	8.7%

NIHB Expenditure Trends

Figure 4.9
NIHB Annual Expenditures in Saskatchewan Region
by Benefit 1993/94 to 2003/04

Total expenditures in the Saskatchewan Region were \$98.8 million in 2003/04, an increase of 5.2% from the previous year.

Pharmacy expenditures increased by 10.3% followed by dental costs at 3.7%. Expenditures in vision care rose slightly by 0.4%.

Transportation costs remained the same while other health care costs decreased by 11.3% in 2003/04.



Figure 4.9
NIHB Annual Expenditures in Saskatchewan Region
by Benefit (\$000's) 1993/94 to 2003/04

	Saskatchewan Region										
BENEFIT	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Transportation	\$ 18,007	\$ 19,079	\$ 20,649	\$ 19,952	\$ 21,648	\$ 21,814	\$ 22,038	\$ 24,438	\$ 23,862	\$ 25,853	\$ 25,854
Pharmacy	20,762	22,919	23,563	26,053	26,645	28,450	30,983	34,926	38,240	44,394	48,952
Dental	12,389	12,196	13,701	11,813	11,703	11,980	12,307	12,731	15,708	17,649	18,296
Other Health Care	4,739	4,382	5,367	4,729	4,808	2,894	1,948	2,032	2,663	2,671	2,370
Vision Care	1,489	1,859	1,783	2,434	2,578	2,702	2,755	2,890	3,113	3,360	3,375
Total	\$ 57,386	\$ 60,435	\$ 65,063	\$ 64,981	\$ 67,382	\$ 67,840	\$ 70,031	\$ 77,017	\$ 83,586	\$ 93,927	\$ 98,847
Annual Percentage Change	14.1%	5.3%	7.7%	-0.1%	3.7%	0.7%	3.2%	10.0%	8.5%	12.4%	5.2%

NIHB Expenditure Trends

Figure 4.10
NIHB Annual Expenditures in Alberta Region
by Benefit 1993/94 to 2003/04

Total expenditures in the Alberta Region were \$114.4 million in 2003/04, an increase of 5.3% from the previous year.

Pharmacy costs had the highest increase at 9.6%, followed by vision care costs at 7.9%, dental costs at 4.7%, premium costs at 3.5% and transportation costs at 0.6%

Only other health care costs showed a decline (-1.6%).

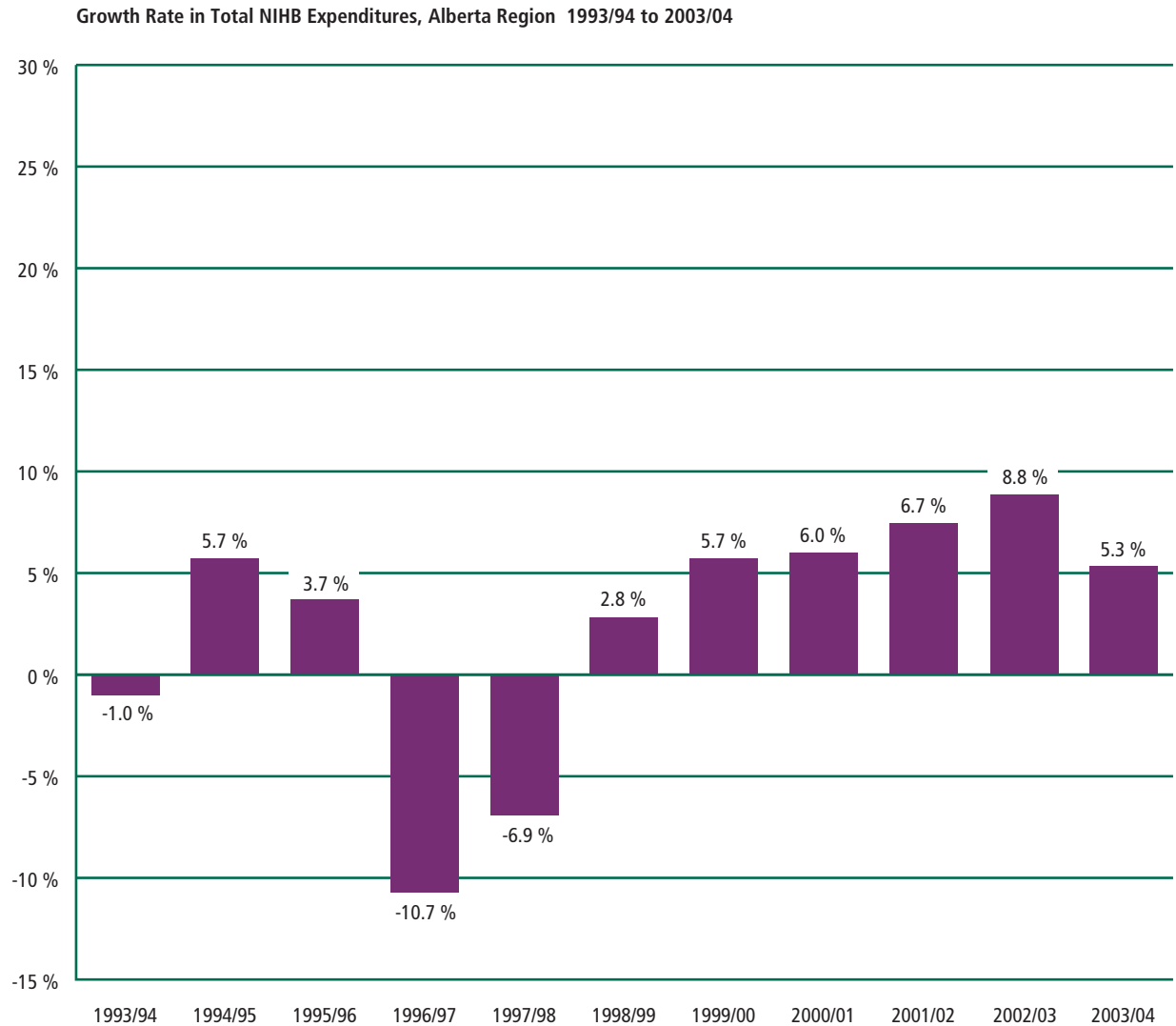


Figure 4.10
NIHB Annual Expenditures in Alberta Region
by Benefit (\$000's) 1993/94 to 2003/04

	Alberta Region										
BENEFIT	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Transportation	\$ 18,752	\$ 20,783	\$ 21,700	\$ 24,952	\$ 25,659	\$ 27,723	\$ 27,774	\$ 28,116	\$ 29,796	\$ 28,856	\$ 29,030
Pharmacy	23,525	24,563	26,195	26,541	25,741	26,373	28,843	33,365	36,781	41,590	45,588
Dental	16,274	17,697	19,265	16,215	15,540	14,319	16,455	15,527	16,680	18,375	19,237
Other Health Care	9,857	8,295	5,984	3,853	3,135	3,666	2,944	4,285	3,371	3,856	3,793
Premiums	18,119	20,105	21,297	12,638	7,579	8,004	8,480	8,689	8,914	11,790	12,203
Vision Care	2,758	2,966	3,439	3,233	3,707	3,570	3,894	3,696	4,397	4,239	4,576
Total	\$ 89,285	\$ 94,409	\$ 97,880	\$ 87,432	\$ 81,361	\$ 83,655	\$ 88,390	\$ 93,678	\$ 99,939	\$ 108,706	\$ 114,427
Annual Percentage Change	-1.0%	5.7%	3.7%	-10.7%	-6.9%	2.8%	5.7%	6.0%	6.7%	8.8%	5.3%

NIHB Expenditure Trends

Figure 4.11
NIHB Annual Expenditures in Pacific Region by Benefit
1993/94 to 2003/04

Total expenditures in the Pacific Region were \$100.2 million in 2003/04, an increase of 10.7% from the previous year.

Premium costs showed the largest increase at 35.5%, followed by other health care costs at 33.3%, vision care costs at 25.3% and pharmacy costs at 13.4%.

Transportation costs remained the same, while dental costs declined by 4.6%.

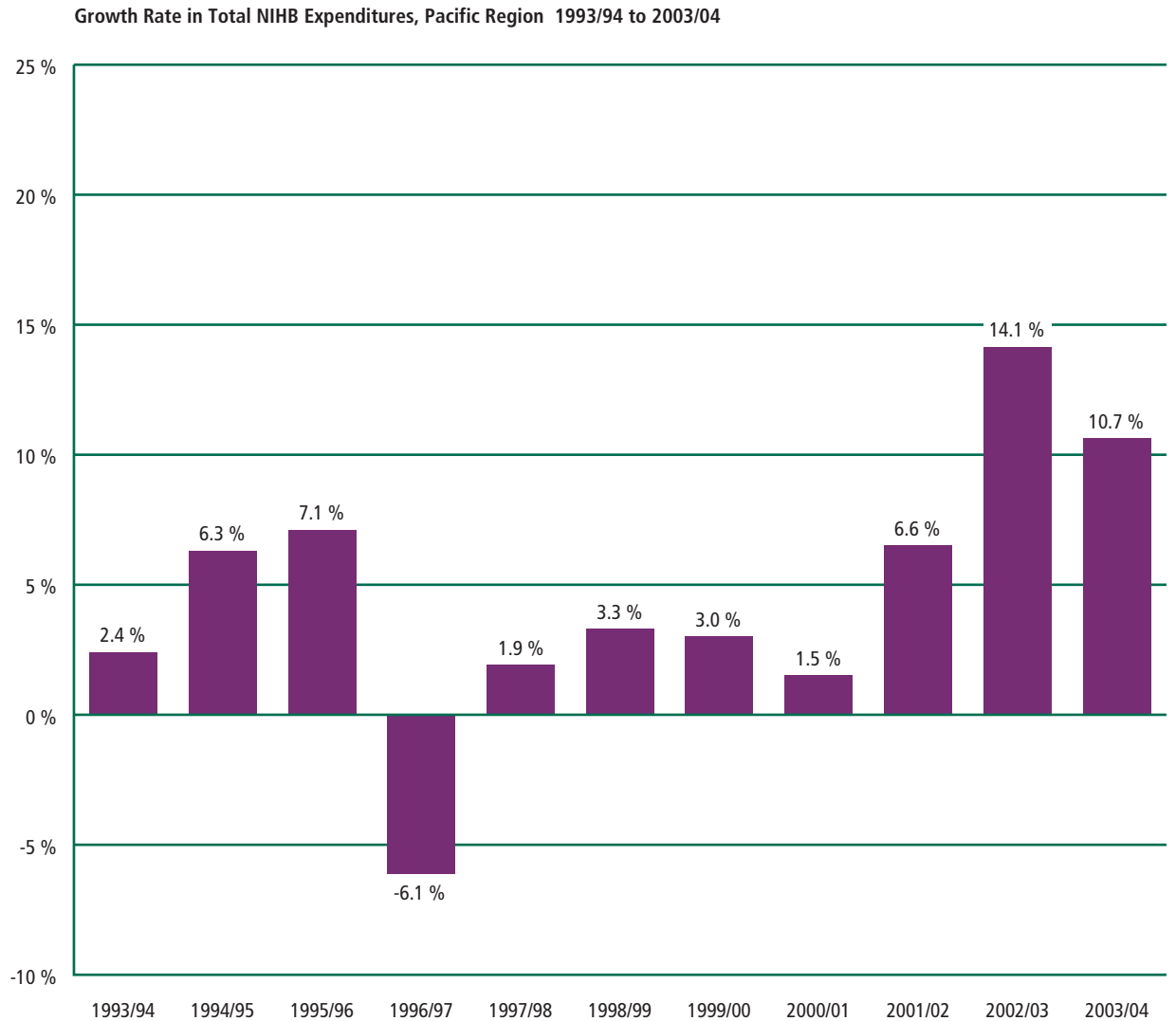


Figure 4.11
NIHB Annual Expenditures in Pacific Region by Benefit
 (\$000's) 1993/94 to 2003/04

BENEFIT	Pacific Region										
	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Transportation	\$ 9,921	\$ 10,655	\$ 12,520	\$ 11,930	\$ 13,046	\$ 12,284	\$ 12,954	\$ 12,718	\$ 14,039	\$ 16,410	\$ 16,408
Pharmacy	18,615	21,774	23,752	24,480	25,714	25,986	28,748	30,185	33,592	38,923	44,142
Dental	19,683	19,634	20,855	16,899	15,881	18,703	17,490	18,078	18,230	19,224	18,338
Other Health Care	4,512	4,218	3,627	2,387	2,134	2,048	1,903	1,831	1,165	1,240	1,654
Premiums	8,143	8,456	8,797	9,487	9,552	9,472	9,551	9,091	9,682	12,112	16,411
Vision Care	2,342	2,474	2,463	2,420	2,566	2,647	2,656	2,518	2,622	2,601	3,259
Total	\$ 63,216	\$ 67,211	\$ 72,014	\$ 67,603	\$ 68,893	\$ 71,140	\$ 73,302	\$ 74,421	\$ 79,330	\$ 90,510	\$ 100,212
Annual Percentage Change	2.4%	6.3%	7.1%	-6.1%	1.9%	3.3%	3.0%	1.5%	6.6%	14.1%	10.7%

NIHB Expenditure Trends

Figure 4.12
NIHB Annual Expenditures in Yukon by Benefit
1993/94 to 2003/04

Total expenditures in the Yukon were \$6.4 million in 2003/04, a decline of 1.0% from the previous year, the first drop since 1996/97.

Dental costs increased by 10.5%, followed by pharmacy costs at 5.4% and vision care costs at 2.2%.

Other health care costs and transportation costs declined by 77.4% and 18.2% respectively.



Figure 4.12
NIHB Annual Expenditures in Yukon by Benefit
 (\$000's) 1993/94 to 2003/04

	Yukon										
BENEFIT	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Transportation	\$ 1,175	\$ 1,275	\$ 1,308	\$ 1,452	\$ 1,513	\$ 1,490	\$ 1,865	\$ 1,852	\$ 2,020	\$ 1,957	\$ 1,600
Pharmacy	1,375	1,519	1,582	1,409	1,560	1,577	1,953	2,393	2,649	3,048	3,214
Dental	1,435	1,459	1,562	1,122	1,024	1,122	1,184	994	1,284	1,236	1,365
Other Health Care	219	177	90	32	22	123	82	16	13	11	3
Vision Care	87	166	195	183	201	191	229	208	199	218	223
Total	\$ 4,291	\$ 4,596	\$ 4,737	\$ 4,198	\$ 4,320	\$ 4,503	\$ 5,313	\$ 5,463	\$ 6,165	\$ 6,470	\$ 6,405
Annual Percentage Change	-12.7%	7.1%	3.1%	-11.4%	2.9%	4.2%	18.0%	2.8%	12.9%	4.9%	-1.0%

NIHB Expenditure Trends

Figure 4.13
NIHB Annual Expenditures in the Northwest Territories & Nunavut by Benefit 1993/94 to 2003/04

Total expenditures in N.W.T. and Nunavut were \$44.4 million in 2003/04, an increase of 8.4% from the previous year.

Vision care costs had the highest increase at 62.2% followed by dental costs at 23.1%, pharmacy costs at 11.4% and transportation costs at 1.4%

Growth Rate in Total NIHB Expenditures, Northwest Territories & Nunavut 1993/94 to 2003/04

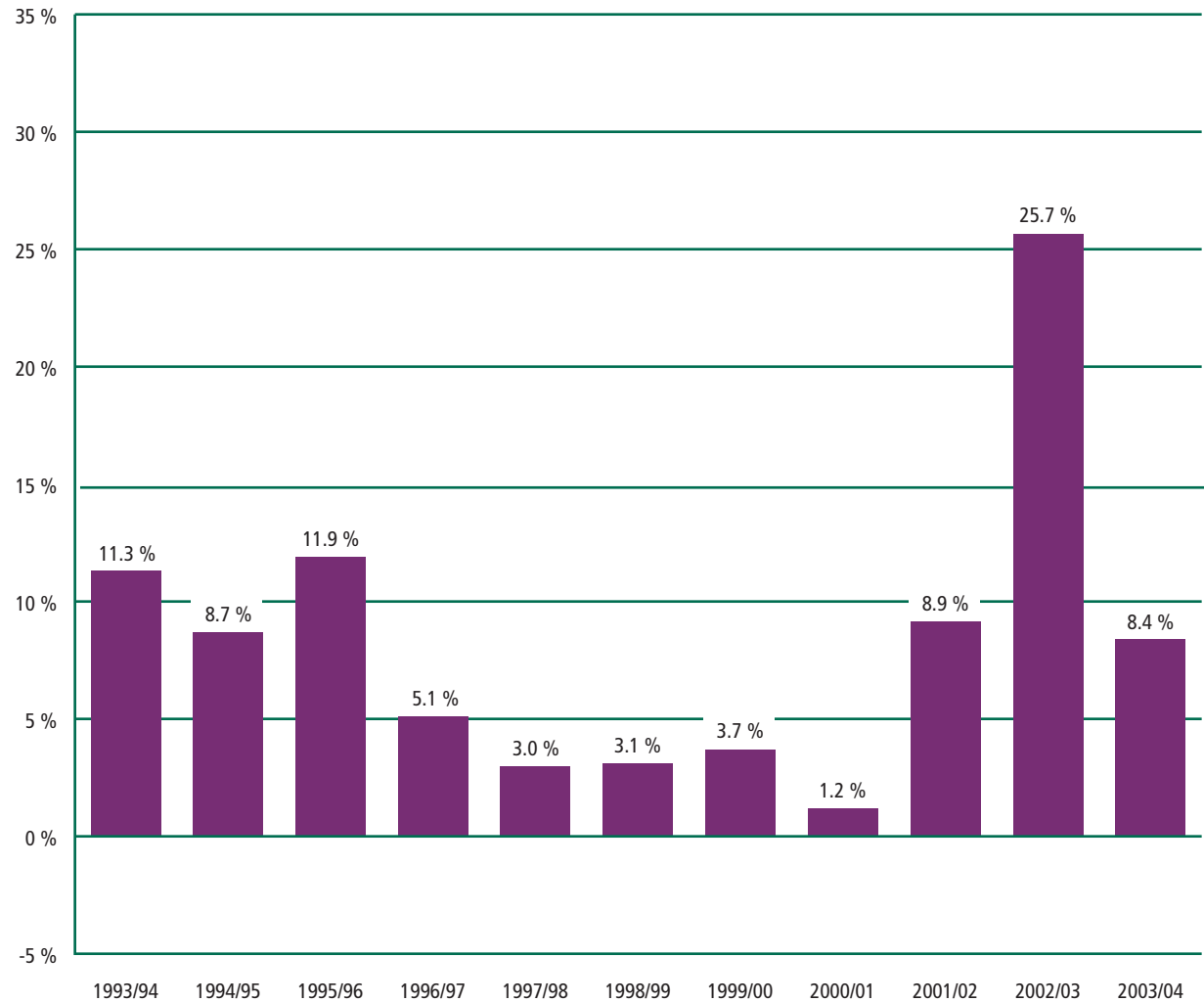


Figure 4.13
NIHB Annual Expenditures in the Northwest
Territories & Nunavut by Benefit (\$000's)
1993/94 to 2003/04

	Northwest Territories & Nunavut										
BENEFIT	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Transportation	\$ 9,246	\$ 9,087	\$ 10,895	\$ 12,200	\$ 12,688	\$ 12,697	\$ 13,136	\$ 12,993	\$ 14,594	\$ 18,995	\$ 19,265
Pharmacy	5,086	4,085	4,622	5,501	5,872	6,381	6,697	7,605	8,382	10,157	11,310
Dental	5,125	7,993	8,259	7,954	8,028	8,330	8,393	8,013	8,228	9,468	11,657
Other Health Care	577	585	580	158	170	0	0	0	0	1,000 ⁽¹⁾	0
Vision Care	982	1,088	1,191	1,041	893	1,100	1,349	1,329	1,391	1,340	2,175
Total	\$ 21,016	\$ 22,838	\$ 25,547	\$ 26,854	\$ 27,651	\$ 28,508	\$ 29,575	\$ 29,940	\$ 32,595	\$ 40,960	\$ 44,407
Annual Percentage Change	11.3%	8.7%	11.9%	5.1%	3.0%	3.1%	3.7%	1.2%	8.9%	25.7%	8.4%

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



Expenditure Analysis By Benefit Category

PROGRAM ANALYSIS DIVISION • NON-INSURED HEALTH BENEFITS • 2003 / 2004 ANNUAL REPORT

Information in Section 5 provides a breakdown of expenditures by benefit category and region in 2003/04. Comparisons are made to expenditures in 2002/03.

In the case of N.W.T./Nunavut, statistics were not separate until 2003/04 and the following text reflects this situation.

Overall expenditures increased in 2003/04 by 7.1% from the previous year.

Pharmacy expenditures increased from \$290.1 million in 2002/03 to \$327.0 million in 2003/04, an increase of 12.7%. The highest increase in pharmacy expenditures was in the Manitoba Region at 14.1%, followed by the Atlantic Region at 13.6%. The Pacific Region, N.W.T./Nunavut, Saskatchewan, Quebec, Alberta, Ontario and Yukon also registered increases in pharmacy expenditures at a rate of 13.4%, 11.4%, 10.3%, 9.7%, 9.6%, 8.7% and 5.4% respectively.

Expenditures for medical transportation were \$205.8 million, registering a small increase of 0.9% in 2003/04. The Manitoba Region had the highest growth rate at 4.6% followed by the Atlantic at 2.9% and N.W.T./Nunavut at 1.4%. Yukon and Ontario region registered decreases of 18.2% and 2.3% respectively.

Dental expenditures increased by 2.7% to \$134.5 million in 2003/04. The N.W.T./Nunavut had the largest increase at 23.1%, followed by Yukon at 10.5%. Three regions showed decreases: Pacific (-4.6%), Ontario (-4.4%) and Quebec (-0.1%).

Total expenditures in vision care increased by 9.7% in 2003/04. The N.W.T./Nunavut had the largest increase at 62.2% followed by the Pacific Region at 25.3%, the Manitoba Region at 9.4% and the Alberta Region at 7.9%. Only the Quebec Region recorded a decrease (-6.4%).

Other health care expenditures decreased by 2.0% in 2003/04. The costs in this benefit area increased by 33.0% in the Pacific Region, followed by 20.2% in the Manitoba Region and 4.4% in the Quebec Region. Decreases in other health care expenditures were recorded in the Yukon (-77.4%), the Atlantic (-28.9%), Ontario (-11.7%), Saskatchewan (-11.3%) and Alberta (-1.6%) regions.

Premium expenditures rose by 19.7% in 2003/04.

Expenditure Analysis By Benefit Category

Figure 5.1
NIHB Expenditures by Benefit (\$ 000)
2002/03 and 2003/04

All benefit areas, with the exception of other health care, registered an increase in expenditures in 2003/04 over 2002/03.

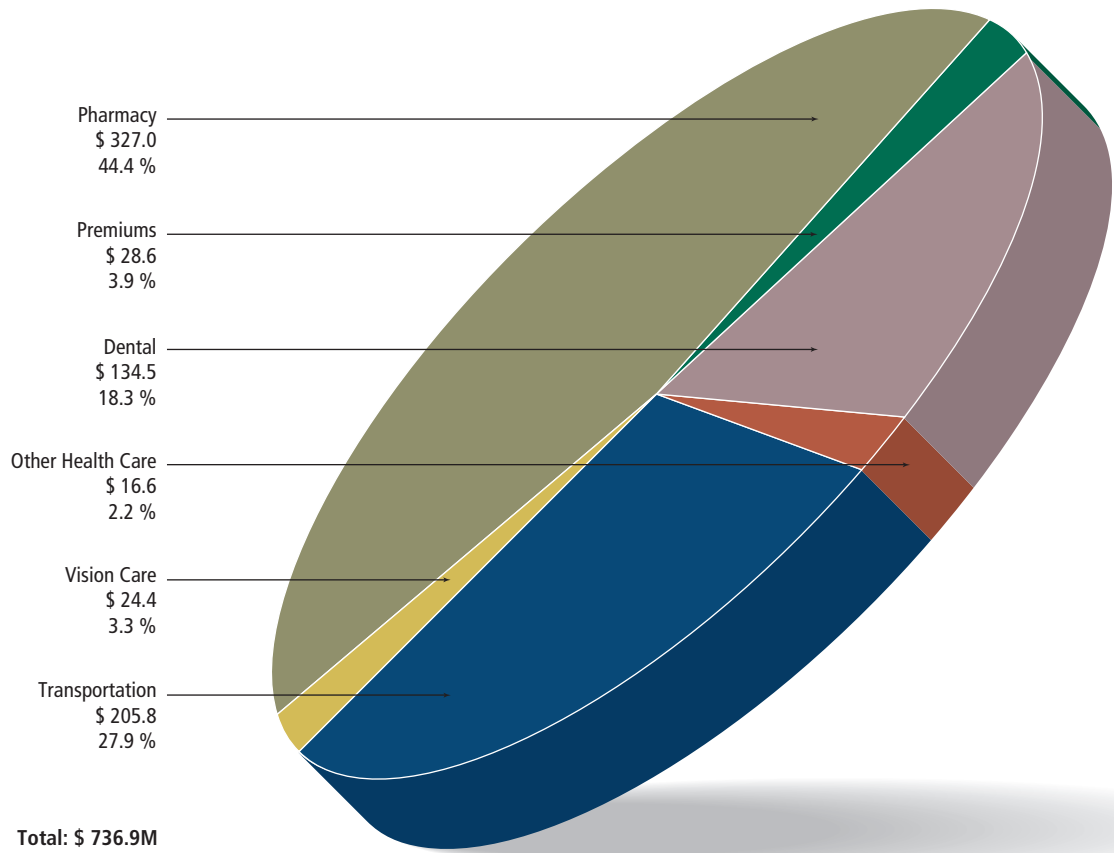
There were cost increases in premiums (19.7%), pharmacy (12.7%), vision care (9.7%), dental (2.7%) and transportation (0.9%).

By comparison, other health care costs decreased slightly (-2.0%).

BENEFIT	Total Expenditures 2002/03	Total Expenditures 2003/04	% Change From 2002/03
Transportation	\$ 203,952	\$ 205,793	0.9%
Pharmacy	290,112	326,982	12.7%
Dental	131,021	134,504	2.7%
Other Health Care	16,894	16,557	-2.0%
Premiums	23,902	28,614	19.7%
Vision Care	22,259	24,420	9.7%
Total Expenditures	\$ 688,140	\$ 736,870	7.1%

Figure 5.2
NIHB Expenditures by Benefit (\$ Million)
2003/04

Of the total Non-Insured Health Benefits (NIHB) expenditures in 2003/04 (\$736.9 million), pharmacy costs (\$327.0 million) represent the largest proportion at 44.4%, followed by transportation costs (\$205.8 million) at 27.9% and dental costs (\$134.5 million) at 18.3%.



Expenditure Analysis By Benefit Category

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Figure 5.3
NIHB Expenditures by Benefit and Region
2003/04

The Ontario Region accounts for the highest proportion of total expenditures at \$134.8 million, 18.3% of the national total, followed by the Manitoba Region at \$127.9 million (17.4%) and the Alberta Region at \$114.4 million (15.5%).

By contrast, the lowest expenditures are in the Yukon at \$6.4 million (0.9%) of the national total, followed by the Northwest Territories at \$19.4 million (2.6%).

Headquarters expenditures represent costs related to automated claims payments.

REGION	Transportation	Pharmacy	Dental	Other Health Care	Premiums	Vision Care	TOTAL
Atlantic	\$ 6,498,000	\$ 16,264,500	\$ 4,857,300	\$ 140,500	\$ —	\$ 1,631,100	\$ 29,391,400
Quebec	16,985,200	27,435,600	10,277,000	726,200	—	1,097,400	56,521,400
Ontario	36,620,000	62,953,100	27,759,800	2,250,100	—	5,196,400	134,779,400
Manitoba	53,533,200	48,518,900	17,313,400	5,620,600	—	2,887,600	127,873,700
Saskatchewan	25,853,700	48,952,000	18,296,500	2,370,000	—	3,374,600	98,846,800
Alberta	29,029,700	45,588,000	19,237,000	3,793,600	12,202,700	4,575,800	114,426,800
Pacific	16,408,400	44,141,200	18,338,000	1,653,400	16,411,300	3,259,400	100,211,700
Yukon	1,600,300	3,213,700	1,365,400	2,400	—	223,100	6,404,900
N.W.T.	6,856,400	7,160,700	4,725,700	0	—	700,000	19,442,800
Nunavut	12,408,500	4,149,600	6,931,600	0	—	1,474,800	24,964,500
Headquarters	—	18,604,700	5,402,000	—	—	—	24,006,700
Total	\$205,793,400	\$326,982,000	\$134,503,700	\$ 16,556,800	\$ 28,614,000	\$ 24,420,200	\$736,870,100

Figure 5.4
Proportion of NIHB Regional Expenditures by Benefit
2003/04

Just over one-quarter (26.0%) of the total transportation expenditures were spent in the Manitoba Region.

The Ontario Region accounts for 19.2% of total pharmacy expenditures and 20.6% of total dental costs in 2003/04.

The Manitoba Region (33.9%) and the Alberta Region (22.9%) account for over one-half of the total other health care expenditures in 2003/04.

Premium costs are paid only in the Pacific (57.4%) and the Alberta (42.6%) regions.

The proportion of vision care costs ranges from a high of 21.3% in the Ontario Region to 0.9% in the Yukon.

REGION	Transportation	Pharmacy	Dental	Other Health Care	Premiums	Vision Care	TOTAL
Atlantic	3.1%	5.0%	3.6%	0.9%	0.0%	6.7%	4.0%
Quebec	8.3%	8.4%	7.6%	4.4%	0.0%	4.5%	7.7%
Ontario	17.8%	19.2%	20.6%	13.6%	0.0%	21.3%	18.3%
Manitoba	26.0%	14.8%	12.9%	33.9%	0.0%	11.8%	17.3%
Saskatchewan	12.6%	15.0%	13.6%	14.3%	0.0%	13.8%	13.4%
Alberta	14.1%	13.9%	14.4%	22.9%	42.6%	18.7%	15.5%
Pacific	8.0%	13.5%	13.6%	10.0%	57.4%	13.4%	13.6%
Yukon	0.8%	1.0%	1.0%	0.0%	0.0%	0.9%	0.9%
N.W.T.	3.3%	2.2%	3.5%	0.0%	0.0%	2.9%	2.6%
Nunavut	6.0%	1.3%	5.2%	0.0%	0.0%	6.0%	3.4%
Headquarters	0.0%	5.7%	4.0%	0.0%	0.0%	0.0%	3.3%
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
2003/04

At the national level over two-thirds of total expenditures occur in two benefit areas: pharmacy (44.4%) and medical transportation (27.9%). Dental expenditures account for almost one-fifth (18.3%) of total costs in 2003/04.

Nunavut used 49.7% of its total expenditures in medical transportation compared to 16.4% in the Pacific Region. The Atlantic Region used 55.3% of its total expenditures in pharmacy compared to 16.6% in Nunavut. Nunavut used 27.8% of its total expenditures in dental care compared to 13.5% 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	22.1%	55.3%	16.5%	0.5%	0.0%	5.6%	100.0%
Quebec	30.1%	48.5%	18.2%	1.3%	0.0%	1.9%	100.0%
Ontario	27.2%	46.7%	20.6%	1.7%	0.0%	3.8%	100.0%
Manitoba	41.9%	37.9%	13.5%	4.4%	0.0%	2.3%	100.0%
Saskatchewan	26.2%	49.5%	18.5%	2.4%	0.0%	3.4%	100.0%
Alberta	25.4%	39.8%	16.8%	3.3%	10.7%	4.0%	100.0%
Pacific	16.4%	44.0%	18.3%	1.6%	16.4%	3.3%	100.0%
Yukon	25.0%	50.2%	21.3%	0.0%	0.0%	3.5%	100.0%
N.W.T.	35.3%	36.8%	24.3%	0.0%	0.0%	3.6%	100.0%
Nunavut	49.7%	16.6%	27.8%	0.0%	0.0%	5.9%	100.0%
Headquarters	0.0%	77.5%	22.5%	0.0%	0.0%	0.0%	100.0%
Total	27.9%	44.4%	18.3%	2.2%	3.9%	3.3%	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 2003/04. 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.

In 2003/04, separate expenditures were available for the Northwest Territories and Nunavut for the first time. As a result, per capita expenditures are now shown for these two Territories.

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

Figure 6.1
NIHB Per Capita Expenditures by Region
2003/04

The national per capita expenditure for all benefits in 2003/04 is \$951. This is an increase from the 2002/03 national per capita expenditure of \$913.

The Alberta Region has the highest per capita expenditure at \$1,235 in 2003/04. The Manitoba Region ranks second in per capita expenditure at \$1,102 followed by the Quebec Region at \$1,048.

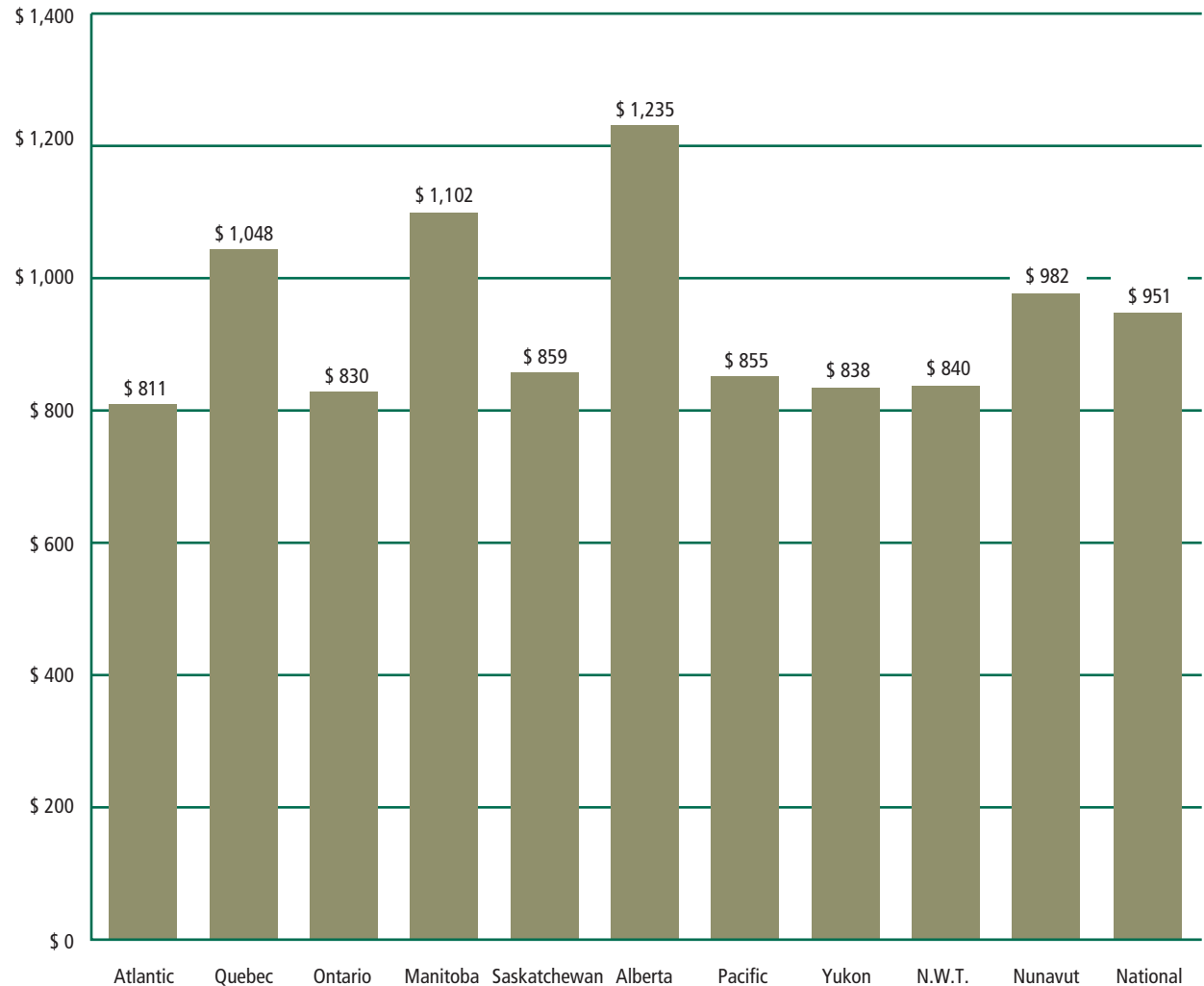
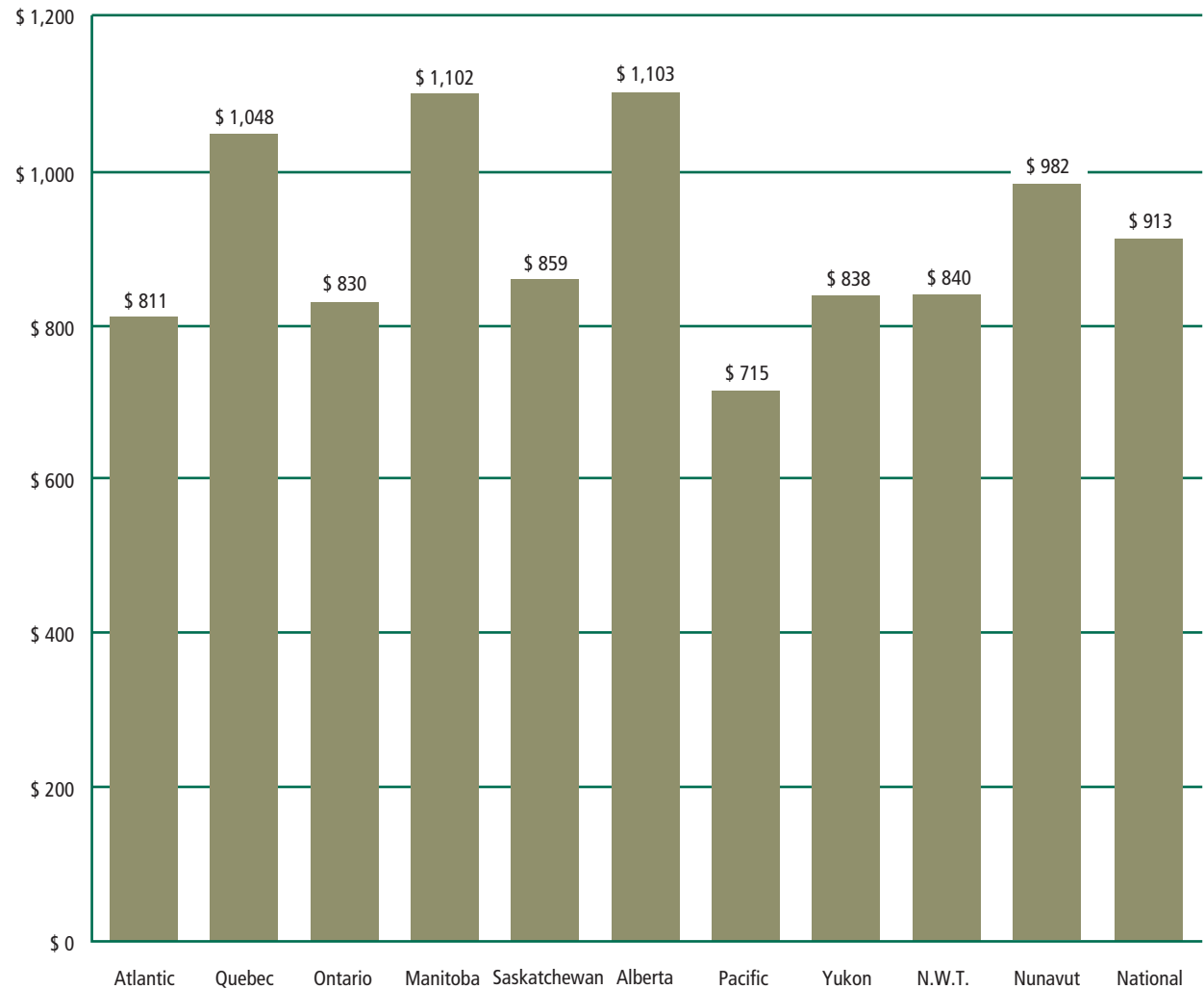


Figure 6.2
NIHB Per Capita Expenditures (Excluding Premiums)
by Region 2003/04

Excluding premiums, the national per capita expenditure in 2003/04 is \$913, an increase from the previous year's figure of \$881.

The Alberta Region shows the highest per capita expenditure, excluding premiums, at \$1,103 followed by the Manitoba Region at \$1,102 and the Quebec Region at \$1,048.



Per Capita Expenditures By Benefit Category

Figure 6.3
NIHB Per Capita Transportation Expenditures by Region
2003/04

In 2003/04, the national per capita expenditure in transportation is \$274. This is a decrease from the 2002/03 expenditure of \$277.

Nunavut recorded the highest per capita expenditure in transportation at \$488, followed by the Manitoba Region at \$461 and the Quebec Region at \$315. The Pacific Region had the lowest per capita expenditure at \$140.

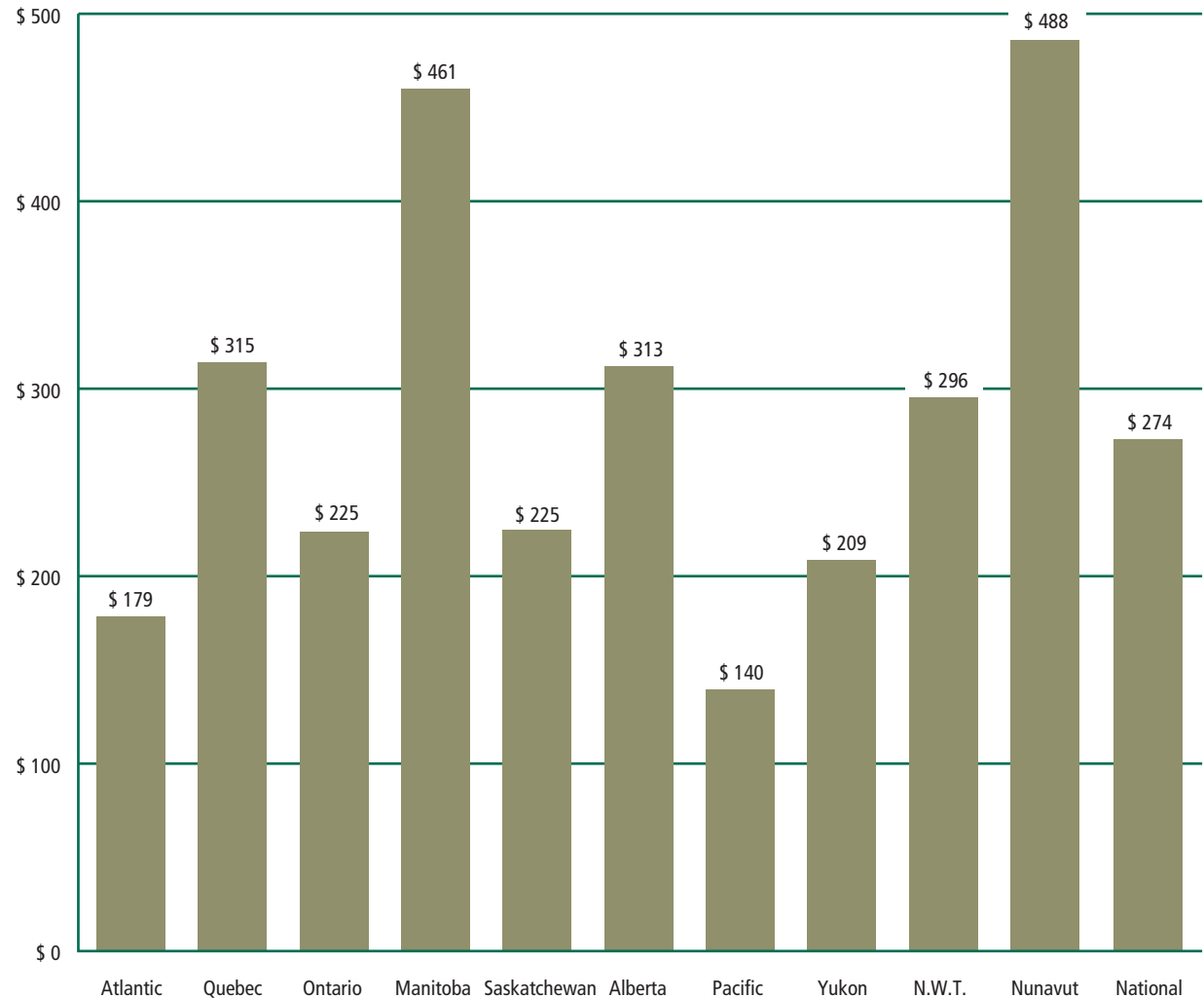
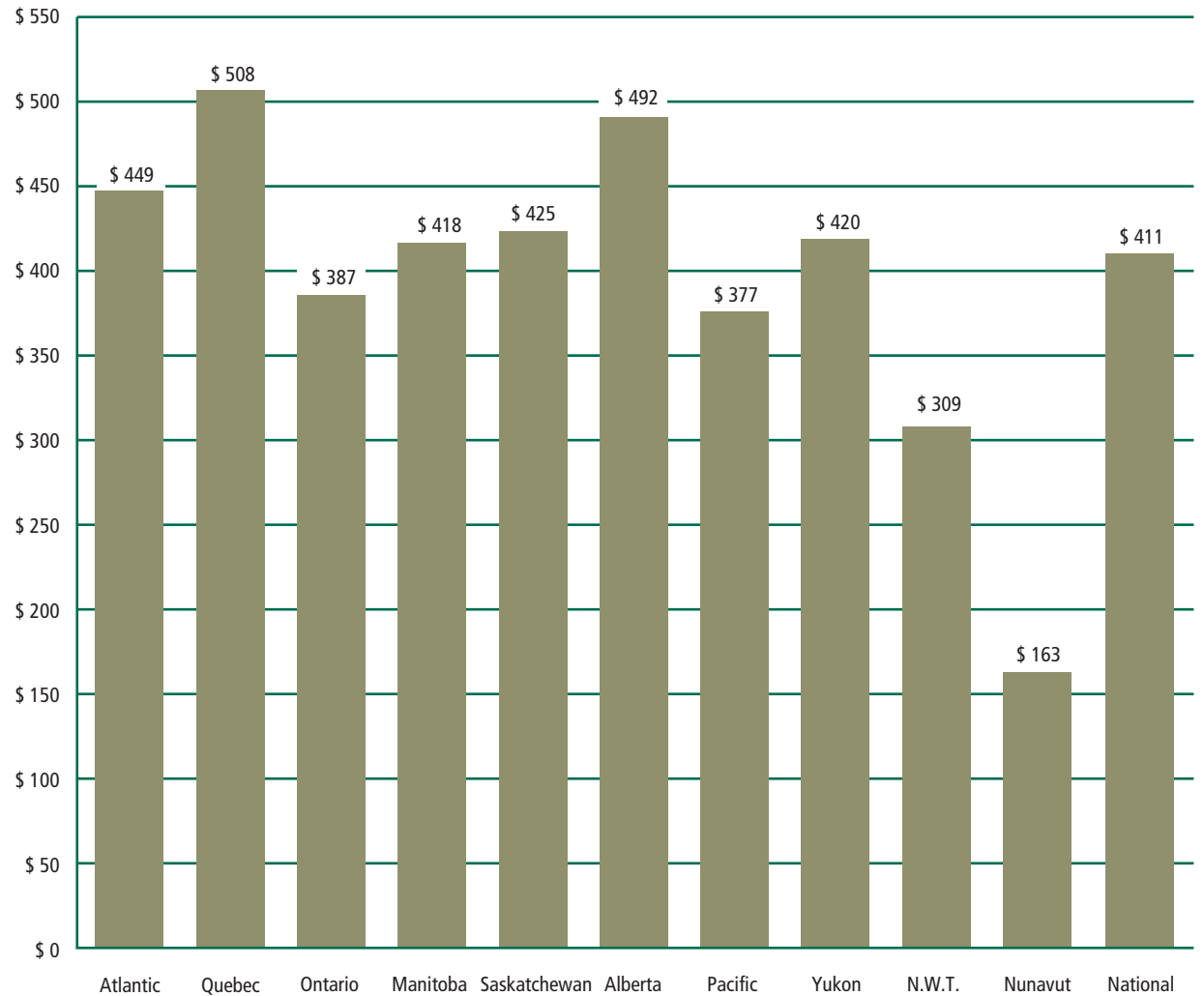


Figure 6.4
NIHB Per Capita Pharmacy Expenditures by Region
2003/04

In 2003/04, the national per capita expenditure in pharmacy is \$411. This is an increase from the previous year's figure of \$378.

The Quebec Region has the highest per capita pharmacy expenditure at \$508, followed by the Alberta Region at \$492 and the Atlantic Region at \$449. Nunavut has the lowest per capita expenditure at \$163.



Per Capita Expenditures By Benefit Category

Figure 6.5
NIHB Per Capita Dental Expenditures by Region
2003/04

In 2003/04, the national per capita dental expenditure is \$172, remaining at the same level as in 2002/03.

Nunavut has the highest per capita dental expenditure at \$273, followed by the Alberta Region at \$208 and the Northwest Territories at \$204. The Atlantic Region registered the lowest per capita expenditure at \$134.

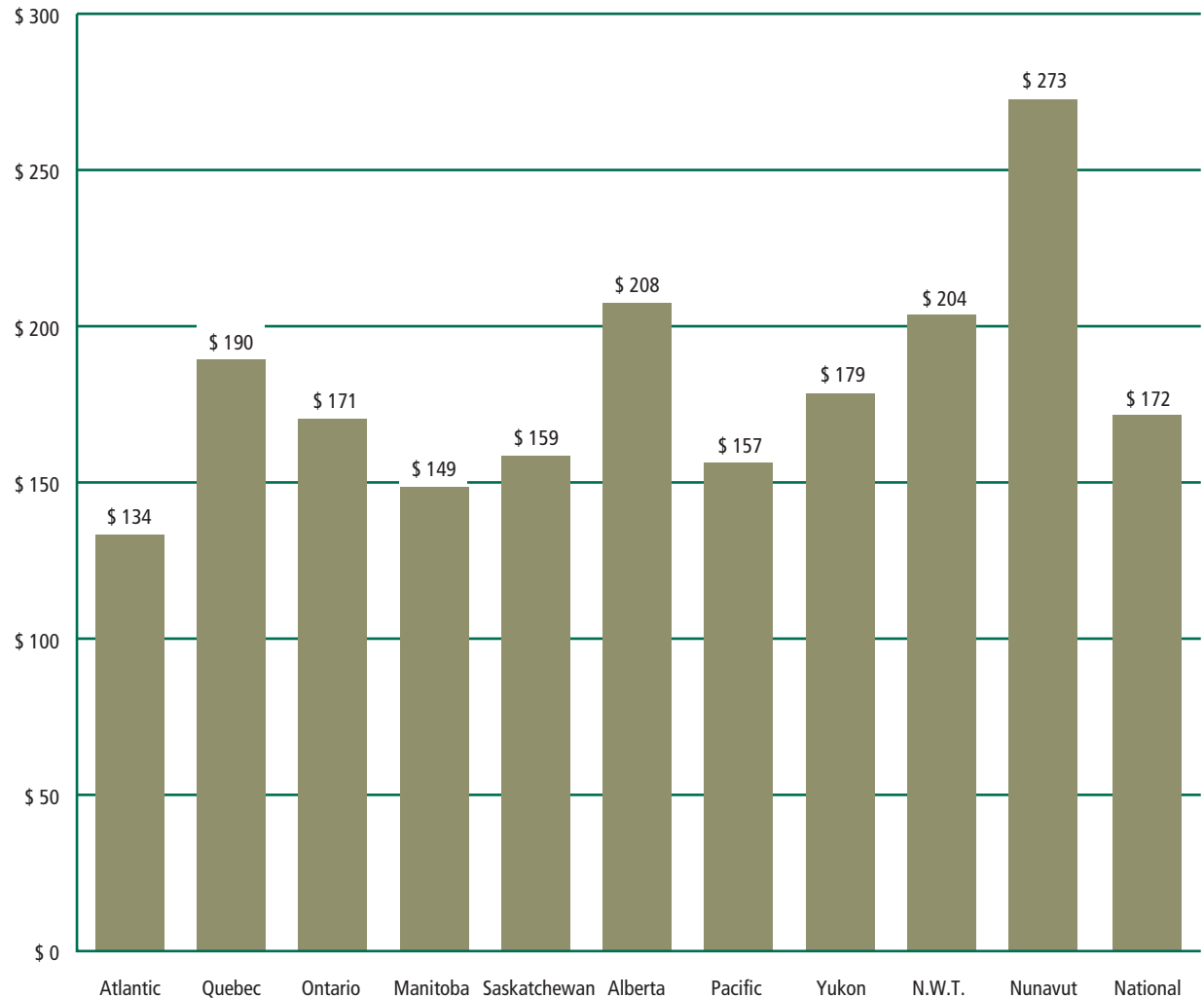
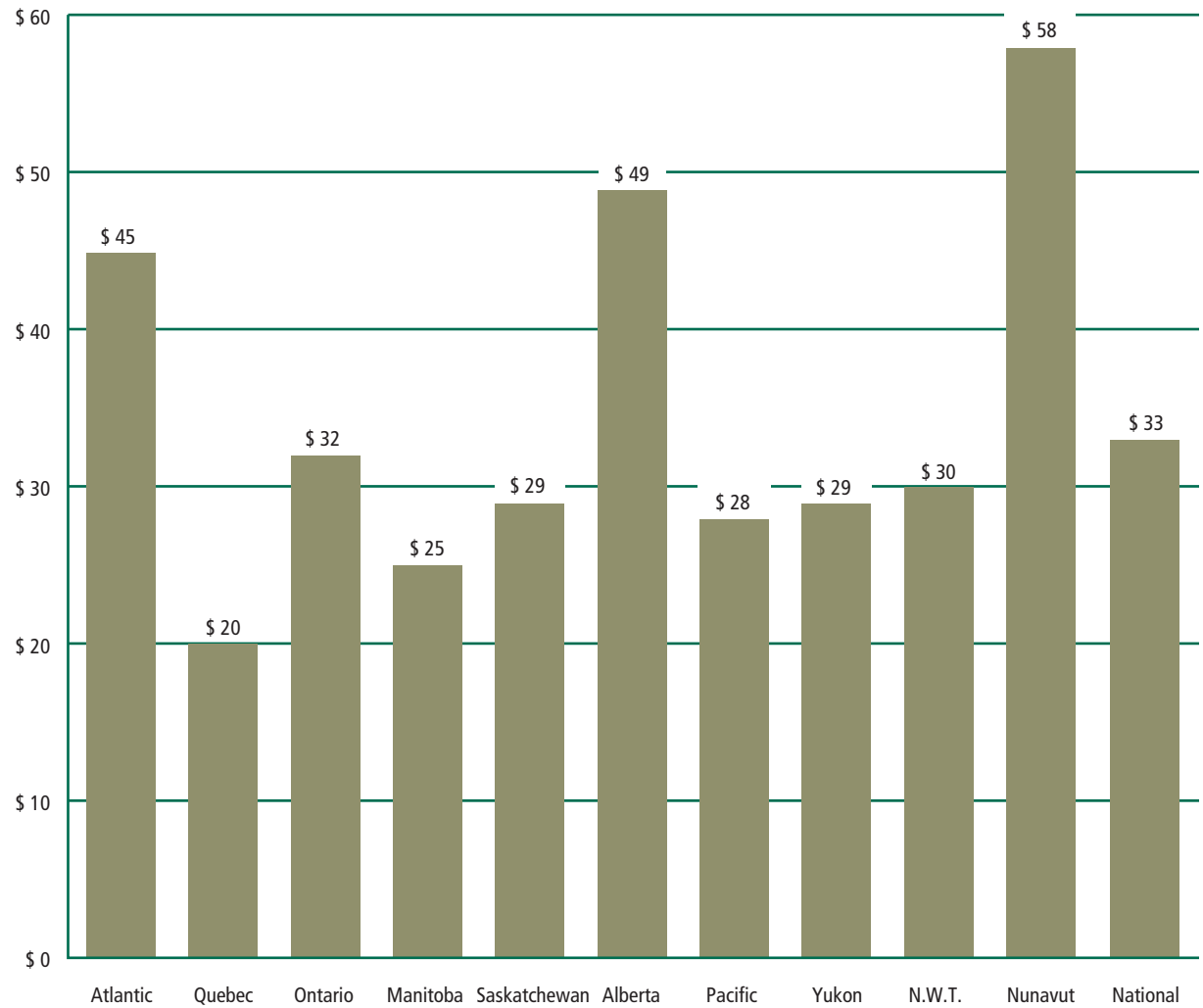


Figure 6.6
NIHB Per Capita Vision Care Expenditures by Region
2003/04

In 2003/04, the national per capita expenditure in vision care is \$33, up from the previous year's figure of \$30.

Nunavut has the highest per capita expenditure at \$58, followed by the Alberta Region at \$49. The Quebec Region registered the lowest per capita expenditure at \$20.

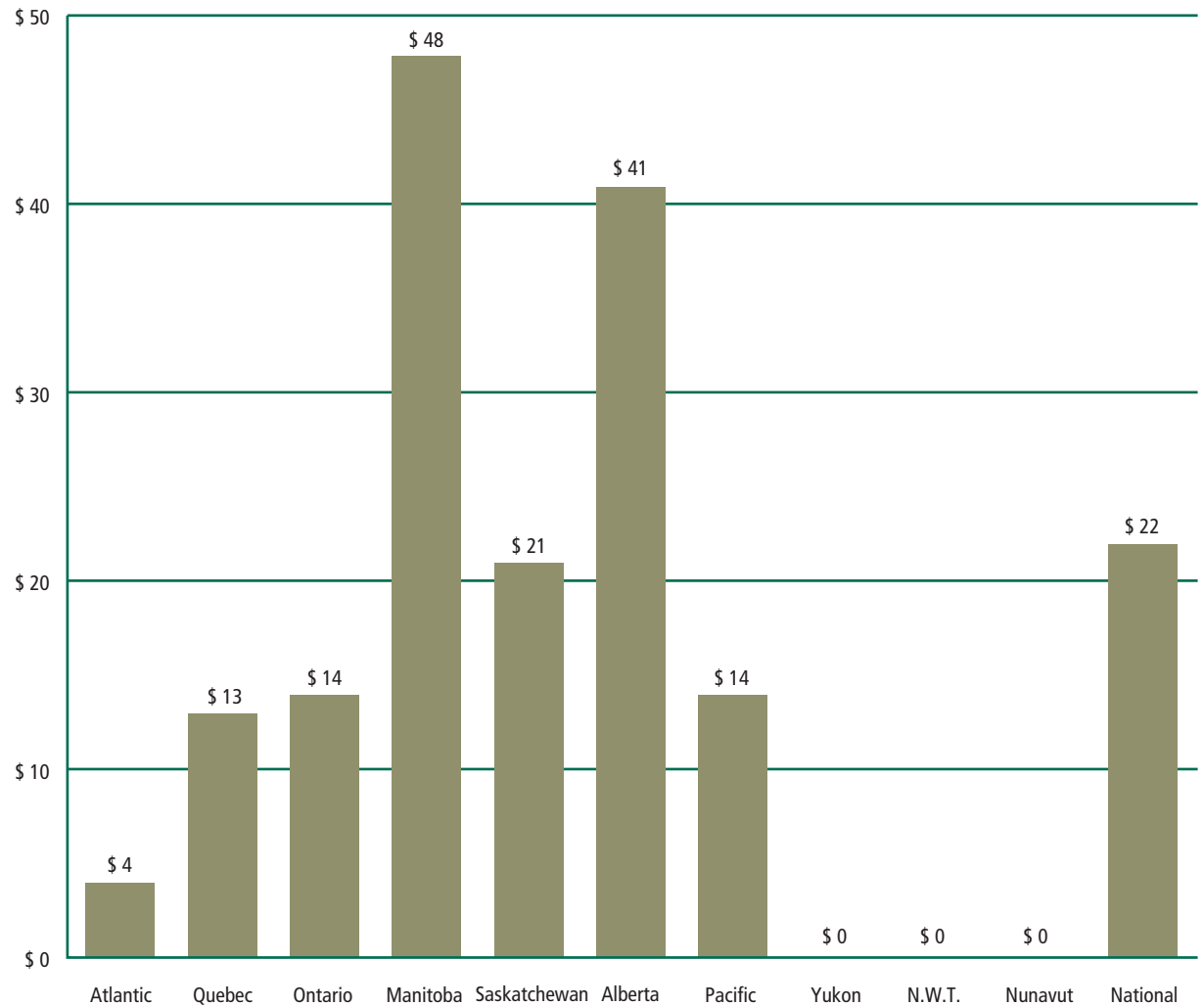


Per Capita Expenditures By Benefit Category

Figure 6.7
NIHB Per Capita Other Health Care Expenditures
by Region 2003/04

In 2003/04, the national per capita expenditure in other health care is \$22. This is a slight decrease from the 2002/03 total of \$23.

The Manitoba Region has the highest per capita expenditure at \$48, followed by the Alberta Region with a total of \$41.





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 Health Information and Claims Processing System (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
1999/00 to 2003/04

Utilization rates represent those clients who receive at least one dental service or pharmacy benefit paid through the Health Information and Claims Processing System (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				
	1999/00	2000/01	2001/02	2002/03	2003/04	1999/00	2000/01	2001/02	2002/03	2003/04
Atlantic	40%	39%	39%	36%	36%	60%	59%	58%	60%	61%
Quebec	49%	47%	48%	46%	46%	63%	63%	62%	61%	61%
Ontario	33%	31%	32%	33%	33%	57%	56%	56%	57%	57%
Manitoba	27%	23%	22%	21%	22%	70%	68%	68%	68%	68%
Saskatchewan	39%	38%	39%	38%	37%	82%	79%	78%	78%	77%
Alberta	46%	43%	43%	44%	42%	80%	78%	77%	76%	75%
Pacific	43%	39%	40%	39%	37%	69%	67%	66%	66%	66%
Yukon	39%	32%	36%	34%	33%	61%	61%	61%	63%	62%
N.W.T. & Nunavut	40%	40%	43%	44%	45%	44%	44%	45%	48%	49%
Total	38%	36%	36%	36%	35%	67%	65%	65%	*66%	66%

*Rate revised for fiscal year 2002/03

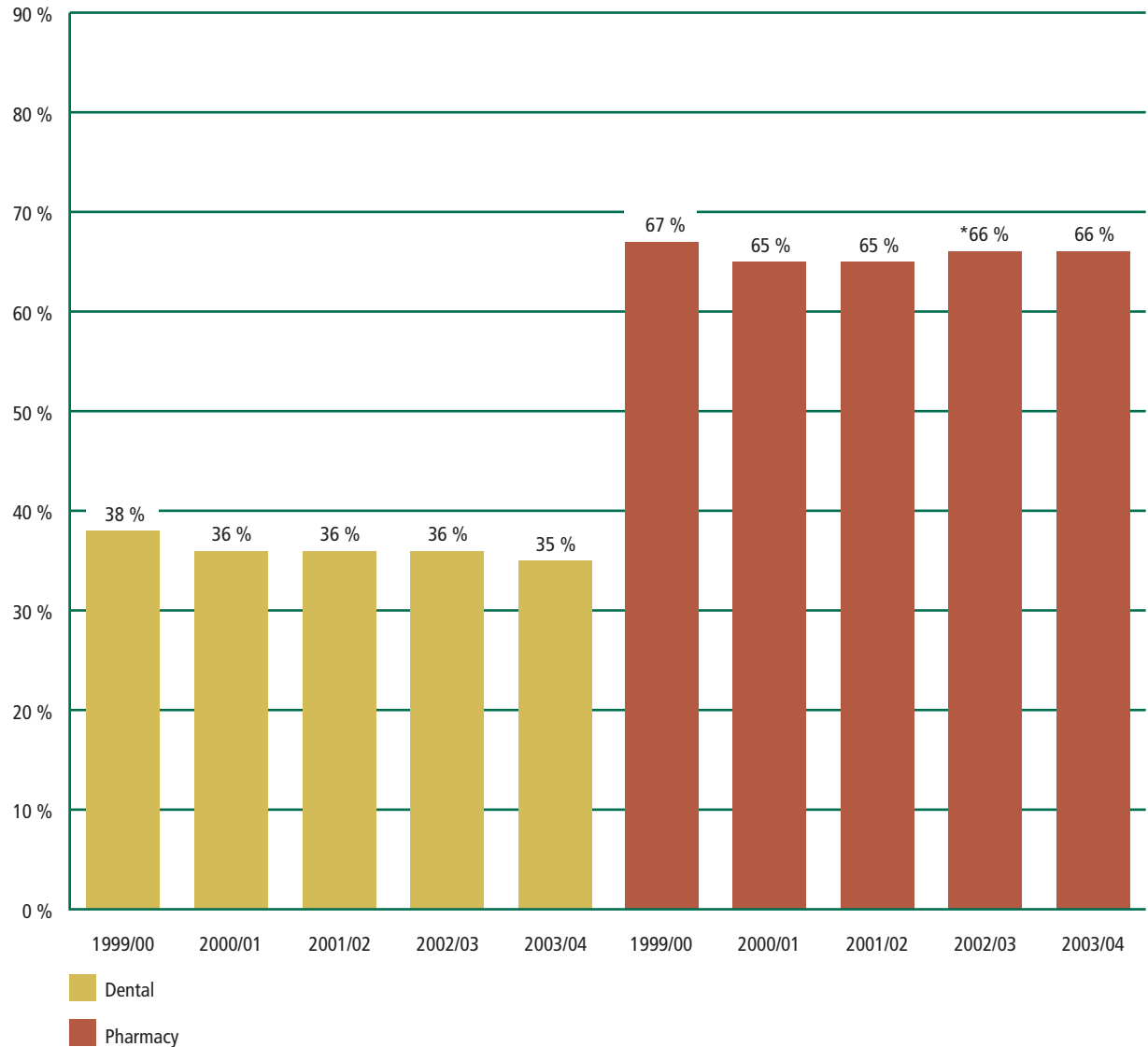
Figure 7.2
National Dental and Pharmacy Utilization Rates
1999/00 to 2003/04

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 2003/04 for dental benefits paid through the HICPS was 35%, a decrease of 1% over the previous year. The highest dental utilization rate (46%) was found in the Quebec Region, followed by N.W.T./Nunavut at 45%. The lowest rate was recorded in the Manitoba Region (22%). It should be noted that this region has the largest expenditure in 2003/04 for contract dentists.

In 2003/04, the national utilization rate at 66% for pharmacy benefits paid through the HICPS remains the same as in 2002/03. Regional rates ranged from 77% in the Saskatchewan Region and 75% in the Alberta Region to 57% in the Ontario Region and 49% in N.W.T./Nunavut.



* Rate revised for fiscal year 2002/03

Benefit Utilization And Expenditure Data

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Figure 7.3
Pharmacy Claimants by Age Group, Gender and Region 2003/04

Of the 749,825 clients eligible to receive benefits on the NIHB Program, 491,257 (66%) claimants received at least one pharmacy item paid through the HICPS in 2003/04.

Of this total, 274,159 were female (56%) while 217,098 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 29 years, two years younger, on average, than their female counterparts.

The highest average age of pharmacy claimants is found in the Yukon (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-nine percent of male claimants are in this age group while females account for 33%.

Over 6% of all pharmacy claimants are seniors (age 65 and over) in 2003/04.

REGION Age Group	Atlantic			Quebec			Ontario			Manitoba		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 - 4	884	874	1,758	1,053	982	2,035	2,490	2,313	4,803	3,790	3,571	7,361
5 - 9	1,150	1,135	2,285	1,239	1,221	2,460	3,619	3,596	7,215	4,134	4,142	8,276
10 - 14	1,006	995	2,001	1,158	1,205	2,363	3,366	3,425	6,791	3,801	3,999	7,800
15 - 19	822	1,055	1,877	883	1,549	2,432	3,026	4,130	7,156	3,075	3,962	7,037
20 - 24	710	1,141	1,851	899	1,520	2,419	2,761	4,714	7,475	2,745	3,847	6,592
25 - 29	734	982	1,716	894	1,510	2,404	2,863	4,460	7,323	2,660	3,732	6,392
30 - 34	855	1,041	1,896	1,050	1,579	2,629	3,175	4,572	7,747	2,759	3,882	6,641
35 - 39	789	1,048	1,837	1,122	1,654	2,776	3,435	4,658	8,093	2,838	3,608	6,446
40 - 44	700	924	1,624	1,160	1,605	2,765	3,433	4,681	8,114	2,622	3,313	5,935
45 - 49	637	854	1,491	1,032	1,484	2,516	2,985	4,098	7,083	2,056	2,590	4,646
50 - 54	502	671	1,173	847	1,166	2,013	2,395	3,211	5,606	1,522	1,995	3,517
55 - 59	342	494	836	723	1,016	1,739	1,979	2,659	4,638	1,249	1,526	2,775
60 - 64	228	330	558	566	788	1,354	1,429	2,058	3,487	825	1,093	1,918
65 +	410	661	1,071	1,111	2,001	3,112	2,638	4,130	6,768	1,567	2,133	3,700
Total	9,769	12,205	21,974	13,737	19,280	33,017	39,594	52,705	92,299	35,643	43,393	79,036
Average Age	29	31	30	34	36	35	33	35	34	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	4,427	4,344	8,771	3,416	3,141	6,557	2,629	2,530	5,159	111	105	216	362	335	697	643	616	1,259	19,805	18,811	38,616
5 - 9	5,170	5,370	10,540	3,926	3,830	7,756	3,137	3,069	6,206	137	134	271	464	420	884	511	461	972	23,487	23,378	46,865
10 - 14	5,107	5,071	10,178	3,758	3,607	7,365	3,227	3,225	6,452	149	129	278	465	446	911	392	409	801	22,429	22,511	44,940
15 - 19	3,917	5,025	8,942	3,039	3,758	6,797	2,989	3,903	6,892	140	205	345	428	644	1,072	362	747	1,109	18,681	24,978	43,659
20 - 24	3,270	4,586	7,856	2,538	3,740	6,278	2,661	3,872	6,533	145	247	392	347	753	1,100	360	803	1,163	16,436	25,223	41,659
25 - 29	3,095	4,194	7,289	2,427	3,244	5,671	2,573	3,644	6,217	158	217	375	333	676	1,009	338	690	1,028	16,075	23,349	39,424
30 - 34	3,183	4,128	7,311	2,449	3,214	5,663	2,674	3,703	6,377	210	230	440	395	694	1,089	370	622	992	17,120	23,665	40,785
35 - 39	3,037	3,866	6,903	2,481	3,000	5,481	2,820	3,799	6,619	217	234	451	387	682	1,069	368	606	974	17,494	23,155	40,649
40 - 44	2,609	3,310	5,919	2,193	2,801	4,994	2,912	3,983	6,895	234	293	527	394	639	1,033	308	434	742	16,565	21,983	38,548
45 - 49	1,973	2,534	4,507	1,592	2,179	3,771	2,396	3,209	5,605	146	201	347	311	485	796	205	324	529	13,333	17,958	31,291
50 - 54	1,415	1,851	3,266	1,206	1,637	2,843	1,836	2,404	4,240	94	183	277	238	376	614	202	270	472	10,257	13,764	24,021
55 - 59	1,076	1,404	2,480	893	1,267	2,160	1,429	1,840	3,269	94	142	236	218	319	537	202	225	427	8,205	10,892	19,097
60 - 64	767	982	1,749	687	873	1,560	1,061	1,390	2,451	85	104	189	169	228	397	150	195	345	5,967	8,041	14,008
65 +	1,458	1,995	3,453	1,240	1,714	2,954	1,896	2,683	4,579	158	241	399	437	551	988	329	342	671	11,244	16,451	27,695
Total	40,504	48,660	89,164	31,845	38,005	69,850	34,240	43,254	77,494	2,078	2,665	4,743	4,948	7,248	12,196	4,740	6,744	11,484	217,098	274,159	491,257
Average Age	26	28	27	27	29	28	31	33	32	35	37	36	32	34	33	29	30	30	29	31	31

Benefit Utilization And Expenditure Data

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Figure 7.4
Pharmacy Claimants and Non-Claimants
by Age Group and Gender 2003/04

Sixty-six percent of all eligible clients received at least one pharmacy benefit paid through the HICPS in 2003/04. Thirty-four percent of eligible clients did not access the Program through the HICPS for any pharmacy benefits.

Of the 258,568 non-claimants in 2003/04, 150,694 were male (58%) while 107,874 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	19,805	18,811	38,616	9,892	9,625	19,517	29,697	28,436	58,133
	67%	66%	66%	33%	34%	34%	100%	100%	100%
5 - 9	23,487	23,378	46,865	16,289	14,694	30,983	39,776	38,072	77,848
	59%	61%	60%	41%	39%	40%	100%	100%	100%
10 - 14	22,429	22,511	44,940	19,817	17,639	37,456	42,246	40,150	82,396
	53%	56%	55%	47%	44%	45%	100%	100%	100%
15 - 19	18,681	24,978	43,659	18,409	10,478	28,887	37,090	35,456	72,546
	50%	70%	60%	50%	30%	40%	100%	100%	100%
20 - 24	16,436	25,223	41,659	15,736	6,346	22,082	32,172	31,569	63,741
	51%	80%	65%	49%	20%	35%	100%	100%	100%
25 - 29	16,075	23,349	39,424	13,231	5,680	18,911	29,306	29,029	58,335
	55%	80%	68%	45%	20%	32%	100%	100%	100%
30 - 34	17,120	23,665	40,785	12,701	6,478	19,179	29,821	30,143	59,964
	57%	79%	68%	43%	21%	32%	100%	100%	100%
35 - 39	17,494	23,155	40,649	11,756	7,178	18,934	29,250	30,333	59,583
	60%	76%	68%	40%	24%	32%	100%	100%	100%

Age Group	Claimants			Non-Claimants			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
40 - 44	16,565	21,983	38,548	10,033	7,102	17,135	26,598	29,085	55,683
	62%	76%	69%	38%	24%	31%	100%	100%	100%
45 - 49	13,333	17,958	31,291	7,143	5,755	12,898	20,476	23,713	44,189
	65%	76%	71%	35%	24%	29%	100%	100%	100%
50 - 54	10,257	13,764	24,021	4,856	4,229	9,085	15,113	17,993	33,106
	68%	76%	73%	32%	24%	27%	100%	100%	100%
55 - 59	8,205	10,892	19,097	3,258	3,214	6,472	11,463	14,106	25,569
	72%	77%	75%	28%	23%	25%	100%	100%	100%
60 - 64	5,967	8,041	14,008	2,128	2,306	4,434	8,095	10,347	18,442
	74%	78%	76%	26%	22%	24%	100%	100%	100%
65 +	11,244	16,451	27,695	5,445	7,150	12,595	16,689	23,601	40,290
	67%	70%	69%	33%	30%	31%	100%	100%	100%
Total	217,098	274,159	491,257	150,694	107,874	258,568	367,792	382,033	749,825
	59%	72%	66%	41%	28%	34%	100%	100%	100%

Benefit Utilization And Expenditure Data

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Figure 7.5
Dental Claimants by Age Group,
Gender and Region 2003/04

Of the 749,825 clients eligible to receive benefits on the NIHB Program, 265,313 (35%) claimants received at least one dental procedure paid through the HICPS in 2003/04.

Of this total, 147,501 are female (56%) while 117,812 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 27 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 2003/04.

REGION Age Group	Atlantic			Quebec			Ontario			Manitoba		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 - 4	137	139	276	328	359	687	902	868	1,770	850	848	1,698
5 - 9	635	669	1,304	1,554	1,522	3,076	3,313	3,336	6,649	1,610	1,689	3,299
10 - 14	837	871	1,708	1,829	1,811	3,640	3,541	3,530	7,071	1,581	1,885	3,466
15 - 19	680	810	1,490	1,047	1,291	2,338	2,457	2,748	5,205	1,101	1,531	2,632
20 - 24	465	738	1,203	762	1,019	1,781	1,542	2,419	3,961	911	1,241	2,152
25 - 29	470	648	1,118	767	1,074	1,841	1,579	2,380	3,959	877	1,195	2,072
30 - 34	534	696	1,230	833	1,143	1,976	1,723	2,463	4,186	901	1,260	2,161
35 - 39	496	693	1,189	893	1,172	2,065	1,783	2,499	4,282	892	1,202	2,094
40 - 44	423	615	1,038	848	1,100	1,948	1,816	2,503	4,319	795	1,067	1,862
45 - 49	387	539	926	711	973	1,684	1,530	2,180	3,710	602	789	1,391
50 - 54	275	395	670	496	680	1,176	1,089	1,592	2,681	374	533	907
55 - 59	176	228	404	352	523	875	781	1,133	1,914	269	342	611
60 - 64	102	133	235	269	364	633	523	824	1,347	160	213	373
65 +	135	199	334	403	668	1,071	750	1,303	2,053	189	304	493
Total	5,752	7,373	13,125	11,092	13,699	24,791	23,329	29,778	53,107	11,112	14,099	25,211
Average Age	28	30	29	28	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	1,178	1,155	2,333	1,274	1,225	2,499	1,109	1,063	2,172	41	23	64	219	174	393	508	500	1,008	6,546	6,354	12,900
5 - 9	3,034	3,140	6,174	2,913	2,950	5,863	2,729	2,664	5,393	96	83	179	553	536	1,089	766	805	1,571	17,203	17,394	34,597
10 - 14	3,245	3,452	6,697	2,953	3,107	6,060	2,971	2,998	5,969	86	87	173	632	687	1,319	739	899	1,638	18,414	19,327	37,741
15 - 19	2,026	2,649	4,675	1,944	2,455	4,399	2,138	2,532	4,670	97	129	226	524	602	1,126	573	914	1,487	12,587	15,661	28,248
20 - 24	1,384	2,258	3,642	1,323	1,945	3,268	1,355	2,036	3,391	85	137	222	366	551	917	543	758	1,301	8,736	13,102	21,838
25 - 29	1,490	2,072	3,562	1,201	1,774	2,975	1,405	1,943	3,348	95	115	210	337	474	811	434	596	1,030	8,655	12,271	20,926
30 - 34	1,478	2,090	3,568	1,138	1,791	2,929	1,440	2,033	3,473	106	137	243	377	492	869	434	588	1,022	8,964	12,693	21,657
35 - 39	1,454	2,008	3,462	1,218	1,668	2,886	1,537	2,100	3,637	137	151	288	378	477	855	366	458	824	9,154	12,428	21,582
40 - 44	1,232	1,692	2,924	1,031	1,501	2,532	1,534	2,169	3,703	130	159	289	297	461	758	285	294	579	8,391	11,561	19,952
45 - 49	875	1,176	2,051	774	1,124	1,898	1,146	1,618	2,764	63	88	151	237	330	567	165	198	363	6,490	9,015	15,505
50 - 54	573	770	1,343	519	750	1,269	823	1,037	1,860	51	84	135	182	248	430	142	175	317	4,524	6,264	10,788
55 - 59	363	501	864	324	495	819	559	678	1,237	45	58	103	145	172	317	100	126	226	3,114	4,256	7,370
60 - 64	260	318	578	226	302	528	351	465	816	32	39	71	99	96	195	60	76	136	2,082	2,830	4,912
65 +	316	416	732	300	390	690	529	677	1,206	49	83	132	184	203	387	97	102	199	2,952	4,345	7,297
Total	18,908	23,697	42,605	17,138	21,477	38,615	19,626	24,013	43,639	1,113	1,373	2,486	4,530	5,503	10,033	5,212	6,489	11,701	117,812	147,501	265,313
Average Age	24	26	25	24	26	25	27	29	28	32	35	34	28	29	29	23	24	24	26	28	27

Benefit Utilization And Expenditure Data

PROGRAM ANALYSIS DIVISION • NON-INSURED HEALTH BENEFITS • 2003/2004 ANNUAL REPORT

Figure 7.6
Dental Claimants and Non-Claimants by Age Group and Gender 2003/04

Thirty-five percent of all eligible clients received at least one dental procedure paid through the HICPS in 2003/04. Sixty-five percent of eligible clients did not access the Program through the HICPS for any dental benefits.

Of the 484,512 non-claimants in 2003/04, 249,980 were male (52%), while 234,532 were female (48%).

Over one-third (37%) of all non-claimants were under 20 years of age, while over two-thirds (69%) were under 40 years of age.

Age Group	Claimants			Non-Claimants			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 - 4	6,546	6,354	12,900	23,151	22,082	45,233	29,697	28,436	58,133
	22%	22%	22%	78%	78%	78%	100%	100%	100%
5 - 9	17,203	17,394	34,597	22,573	20,678	43,251	39,776	38,072	77,848
	43%	46%	44%	57%	54%	56%	100%	100%	100%
10 - 14	18,414	19,327	37,741	23,832	20,823	44,655	42,246	40,150	82,396
	44%	48%	46%	56%	52%	54%	100%	100%	100%
15 - 19	12,587	15,661	28,248	24,503	19,795	44,298	37,090	35,456	72,546
	34%	44%	39%	66%	56%	61%	100%	100%	100%
20 - 24	8,736	13,102	21,838	23,436	18,467	41,903	32,172	31,569	63,741
	27%	42%	34%	73%	58%	66%	100%	100%	100%
25 - 29	8,655	12,271	20,926	20,651	16,758	37,409	29,306	29,029	58,335
	30%	42%	36%	70%	58%	64%	100%	100%	100%
30 - 34	8,964	12,693	21,657	20,857	17,450	38,307	29,821	30,143	59,964
	30%	42%	36%	70%	58%	64%	100%	100%	100%
35 - 39	9,154	12,428	21,582	20,096	17,905	38,001	29,250	30,333	59,583
	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	8,391	11,561	19,952	18,207	17,524	35,731	26,598	29,085	55,683
	32%	40%	36%	68%	60%	64%	100%	100%	100%
45 - 49	6,490	9,015	15,505	13,986	14,698	28,684	20,476	23,713	44,189
	32%	38%	35%	68%	62%	65%	100%	100%	100%
50 - 54	4,524	6,264	10,788	10,589	11,729	22,318	15,113	17,993	33,106
	30%	35%	33%	70%	65%	67%	100%	100%	100%
55 - 59	3,114	4,256	7,370	8,349	9,850	18,199	11,463	14,106	25,569
	27%	30%	29%	73%	70%	71%	100%	100%	100%
60 - 64	2,082	2,830	4,912	6,013	7,517	13,530	8,095	10,347	18,442
	26%	27%	27%	74%	73%	73%	100%	100%	100%
65 +	2,952	4,345	7,297	13,737	19,256	32,993	16,689	23,601	40,290
	18%	18%	18%	82%	82%	82%	100%	100%	100%
Total	117,812	147,501	265,313	249,980	234,532	484,512	367,792	382,033	749,825
	32%	39%	35%	68%	61%	65%	100%	100%	100%

Benefit Utilization And Expenditure Data

Figure 7.7
Distribution of Pharmacy Expenditures (\$ Million)
2003/04

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 Health Information and Claims Processing System (HICPS) is the largest component, accounting for \$234.6 million or 71.7% of all NIHB pharmacy expenditures followed by over-the-counter (OTC) drugs (paid through HICPS) which totals \$43.0 million or 13.2%. Medical supplies and equipment (paid through HICPS) is the third highest component at \$20.4 million or 6.2%. In total, the three components managed through automated claims processing account for over 91.1% of all pharmacy costs.

Drugs and MS&E (Regional) at \$3.3 million or 1.0% 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 \$7.1 million or 2.2% 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 \$18.6 million or 5.7% in 2003/04. Included in this total are Headquarters expenditures which represent costs related to automated claims payment.

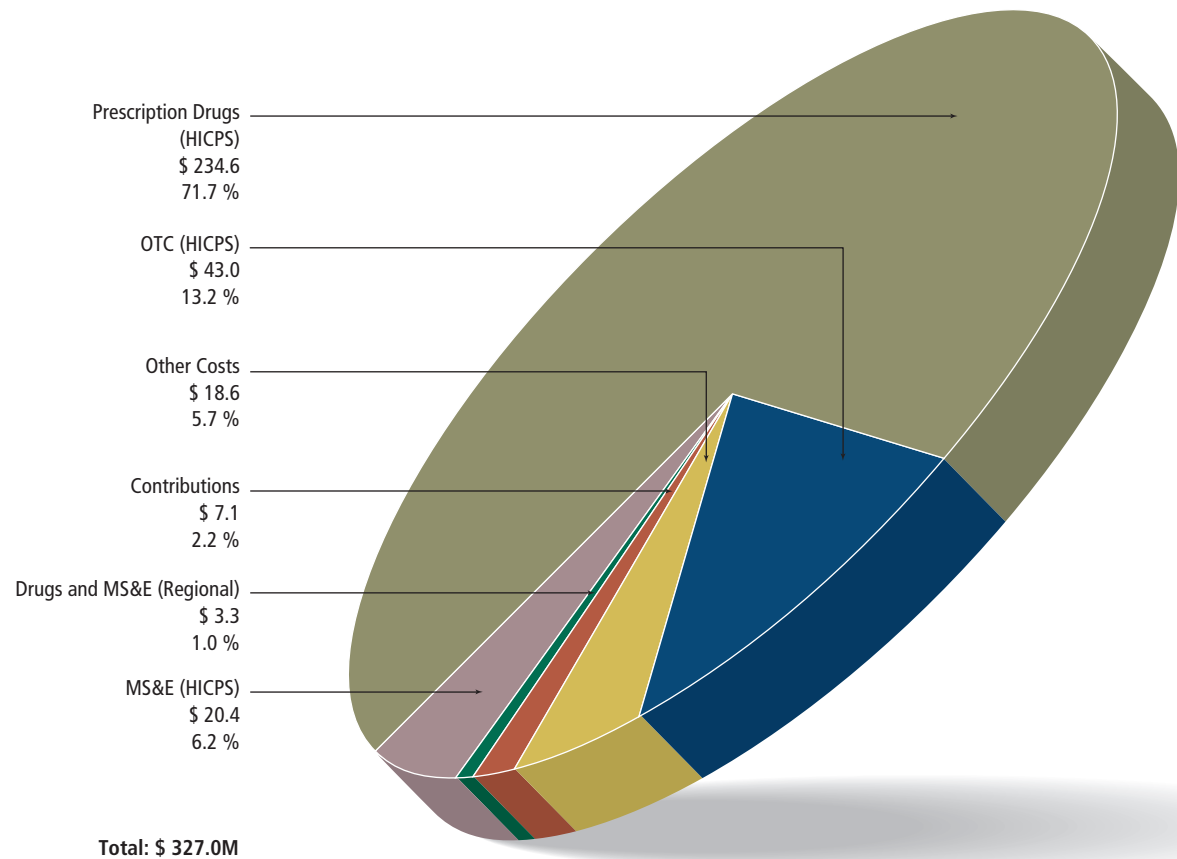


Figure 7.8
Total NIHB Pharmacy Expenditures by Type and Region
2003/04

Pharmacy expenditures totalled \$327.0 million in 2003/04.

Prescription drug costs paid through the Health Information and Claims Processing System (HICPS) represented the largest component accounting for \$234.6 million or 71.7% of all NIHB pharmacy costs. The Ontario Region (20.6%)

and the Manitoba Region (15.6%) had the largest proportion of these costs in 2003/04.

The next highest component of total costs was OTC drugs at \$43.0 million or 13.2%. The Ontario Region (21.5%) and the Saskatchewan Region (19.4%) had the largest proportion

of these costs in 2003/04.

The third highest component was medical supplies and equipment at \$20.4 million (6.2%). The Alberta Region (19.6%) and the Manitoba Region (17.1%) 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	\$ 11,398,300	\$ 2,400,000	\$ 23,900	\$ 376,900	\$ 615,100	\$ 0	\$ 14,814,200	\$ 1,450,300	\$ 16,264,500
Quebec	22,848,500	3,778,700	14,500	336,300	449,600	0	27,427,600	8,000	27,435,600
Ontario	48,384,000	9,244,500	52,000	947,000	2,487,200	0	61,114,700	1,838,400	62,953,100
Manitoba	36,648,800	8,227,000	10,200	1,333,700	2,152,200	0	48,371,900	146,900	48,518,800
Saskatchewan	35,901,500	8,322,500	1,467,100	1,173,600	2,051,000	0	48,915,700	36,300	48,952,000
Alberta	32,106,300	5,167,500	1,188,600	1,132,600	2,867,100	0	42,462,100	3,125,900	45,588,000
Pacific	35,460,800	4,460,200	497,100	882,200	2,400,200	0	43,700,500	440,700	44,141,200
Yukon	2,639,200	272,400	63,200	82,600	156,300	0	3,213,700	0	3,213,700
N.W.T.	5,710,900	702,900	500	283,000	453,400	0	7,150,700	10,000	7,160,700
Nunavut	3,473,500	428,300	0	76,000	139,500	0	4,117,300	32,100	4,149,400
Headquarters	—	—	—	—	—	18,604,700	18,604,700	—	18,604,700
Total	\$ 234,571,800	\$ 43,004,000	\$ 3,317,100	\$ 6,623,900	\$ 13,771,600	\$ 18,604,700	\$ 319,893,100	\$ 7,088,600	\$ 326,981,700

Benefit Utilization And Expenditure Data

Figure 7.9
NIHB Pharmacy Operating Expenditures Per Claimant
by Region 2003/04

In 2003/04, the national average expenditure per claimant in pharmacy is \$607.

The Quebec Region has the highest pharmacy expenditure per claimant at \$830, followed by the Atlantic Region at \$673 and Yukon at \$664. Nunavut has the lowest expenditure per claimant at \$359, followed by the Saskatchewan Region at \$532.

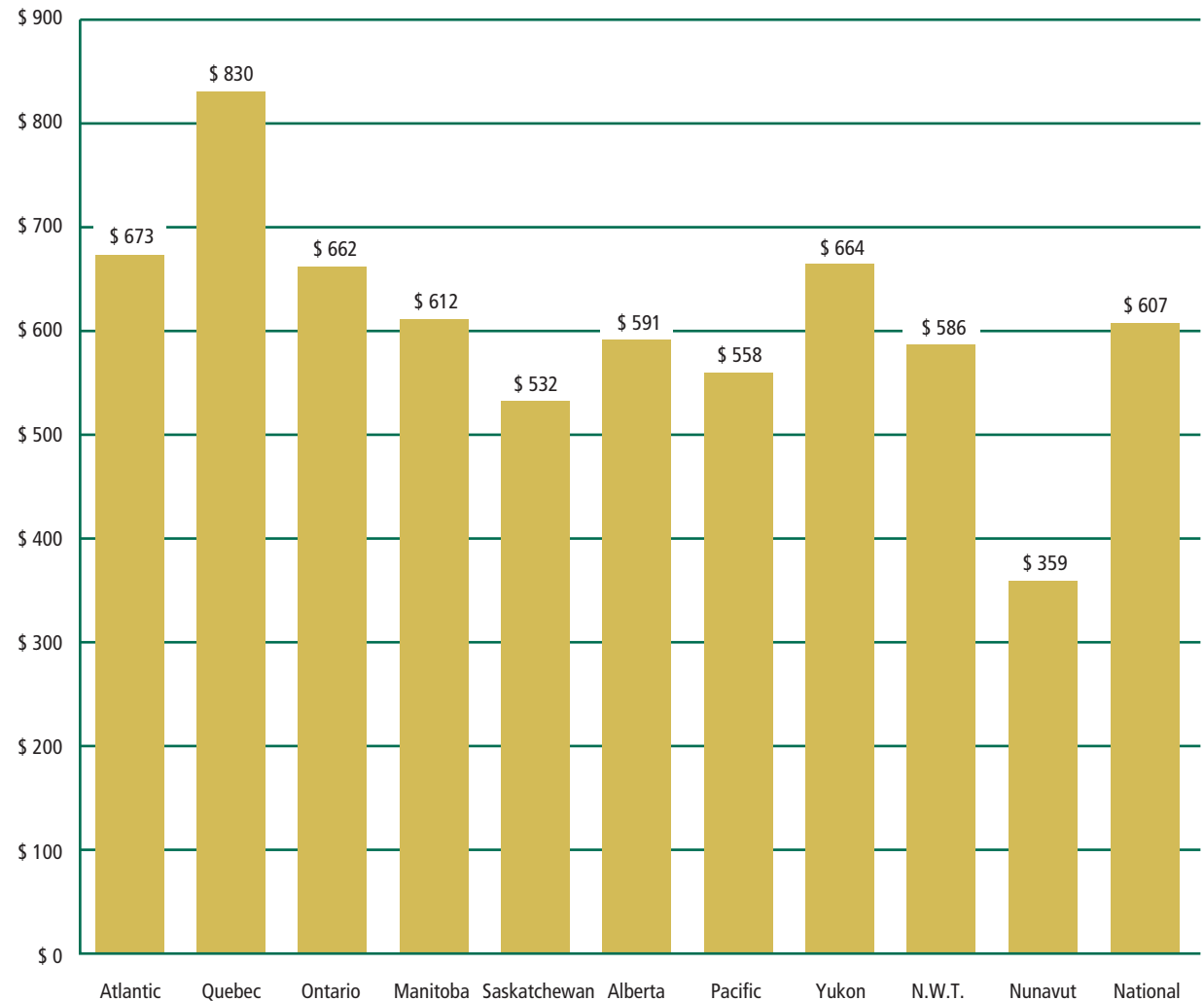
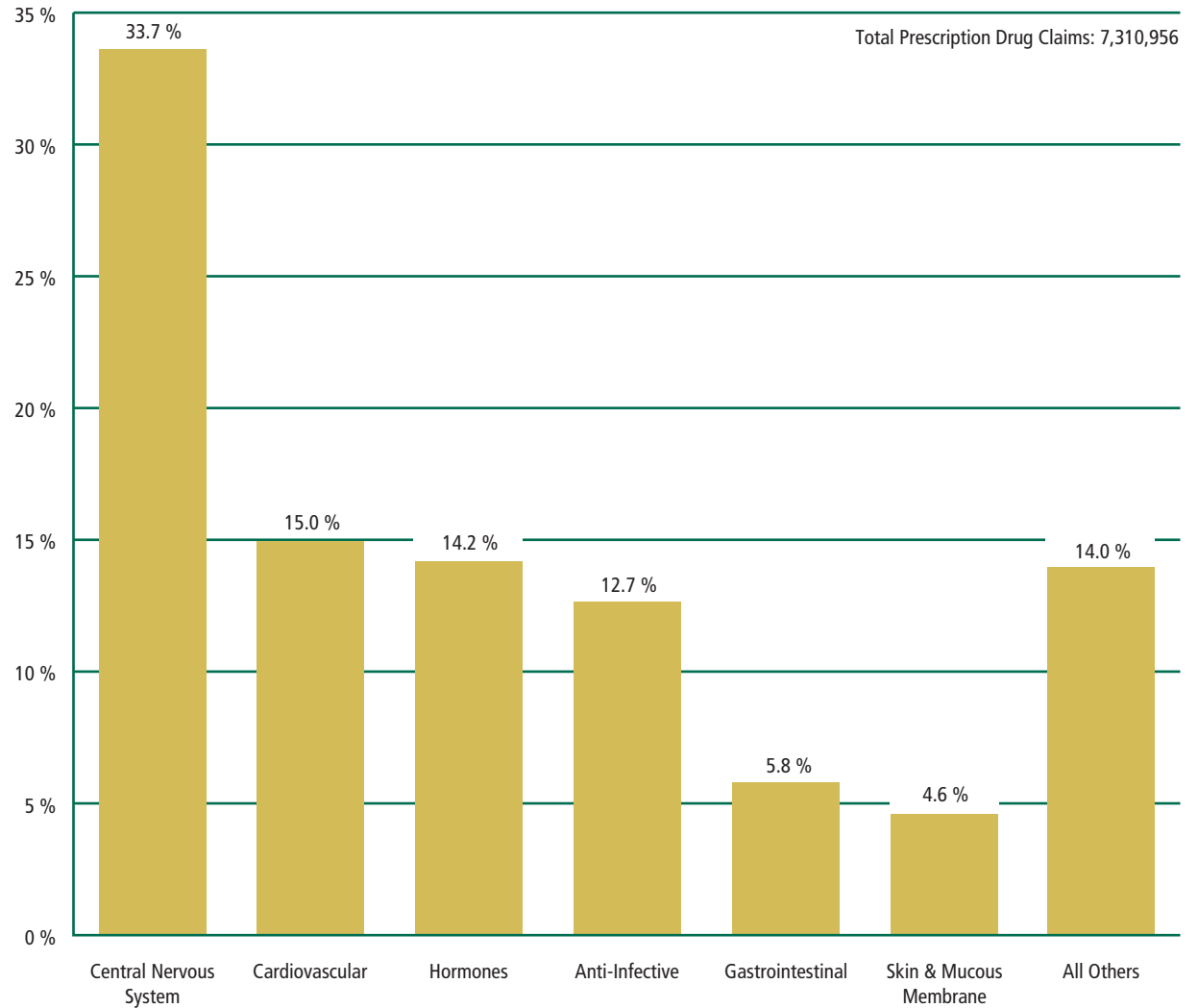


Figure 7.10
Prescription Drug Utilization by Therapeutic Category
2003/04

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 33.7% of all prescription drug claims.

Cardiovascular drugs are the next highest category of prescription drug claims at 15.0% followed by hormones, primarily oral contraceptives and insulin, at 14.2%.



Benefit Utilization And Expenditure Data

Figure 7.11
Over-the-Counter Drug (including Controlled Access Drugs - CAD) Utilization by Therapeutic Category 2003/04

Central Nervous System agents account for 31.1% of all OTC drug claims.

Gastrointestinal products such as antacids and laxatives are the next highest category of OTC medication at 11.3% followed by skin and mucous membrane agents, such as special skin creams and pediculicides, at 10.2%.

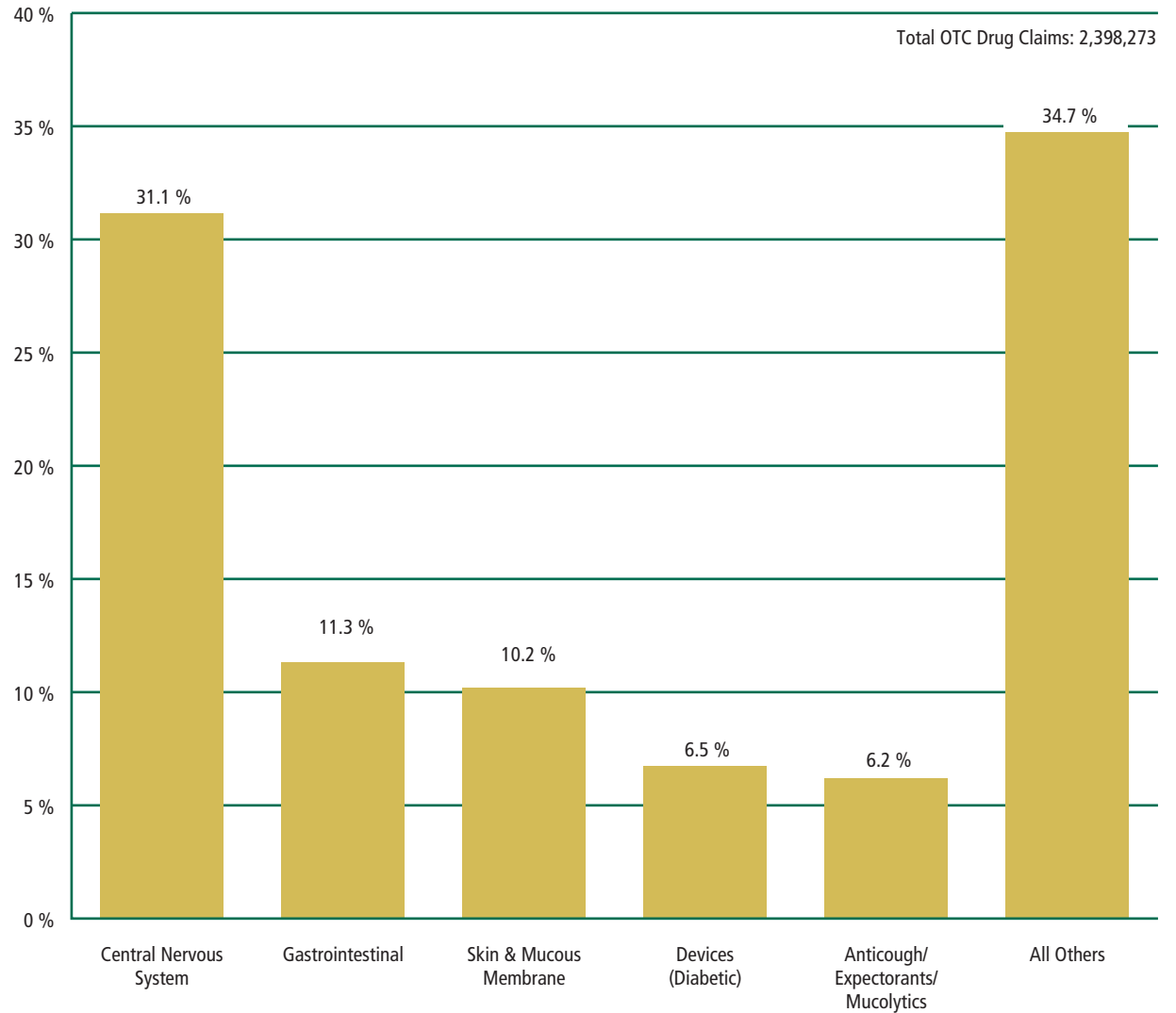


Figure 7.12
National Top 10 Drug Products (DINs) by Claims
Incidence 2003/04

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

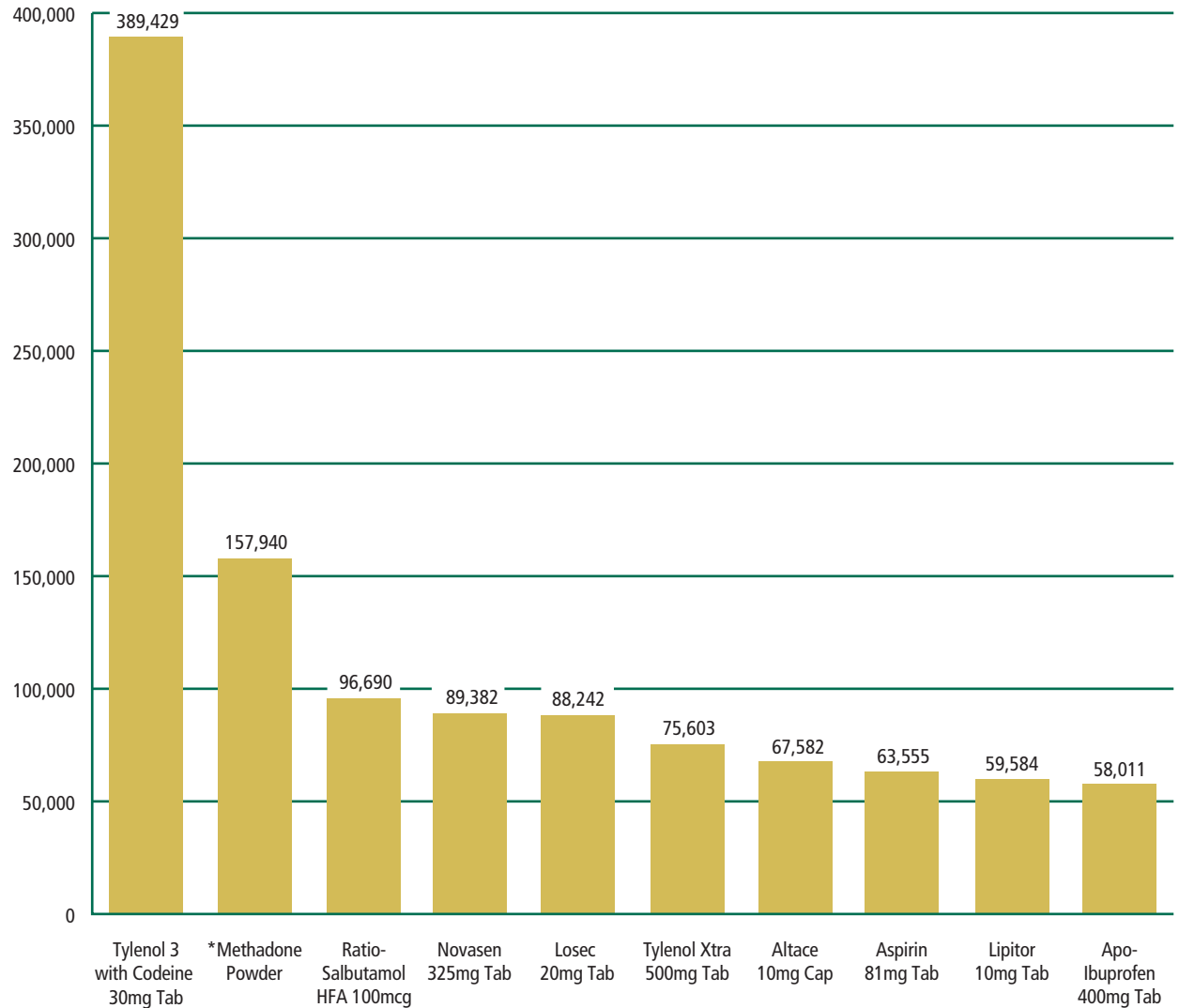
The data represent individual drug products (with distinct Drug Identification Numbers or DINs); therefore, brand name drugs and generic equivalents are shown separately.

Tylenol 3 with Codeine, 30 mg Tablets was the drug prescribed most often in 2003/04 with over 389,400 claims. Methadone Powder was the second most dispensed item at nearly 158,000 claims, an increase of 9.1% from the previous year.

Other drugs in the top 10 grouping by utilization are:

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

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



* Dispensed daily in accordance with regulations

Benefit Utilization And Expenditure Data

Figure 7.13
National Top 10 Drug Products (DINs) by Expenditures
(\$ Million) 2003/04

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

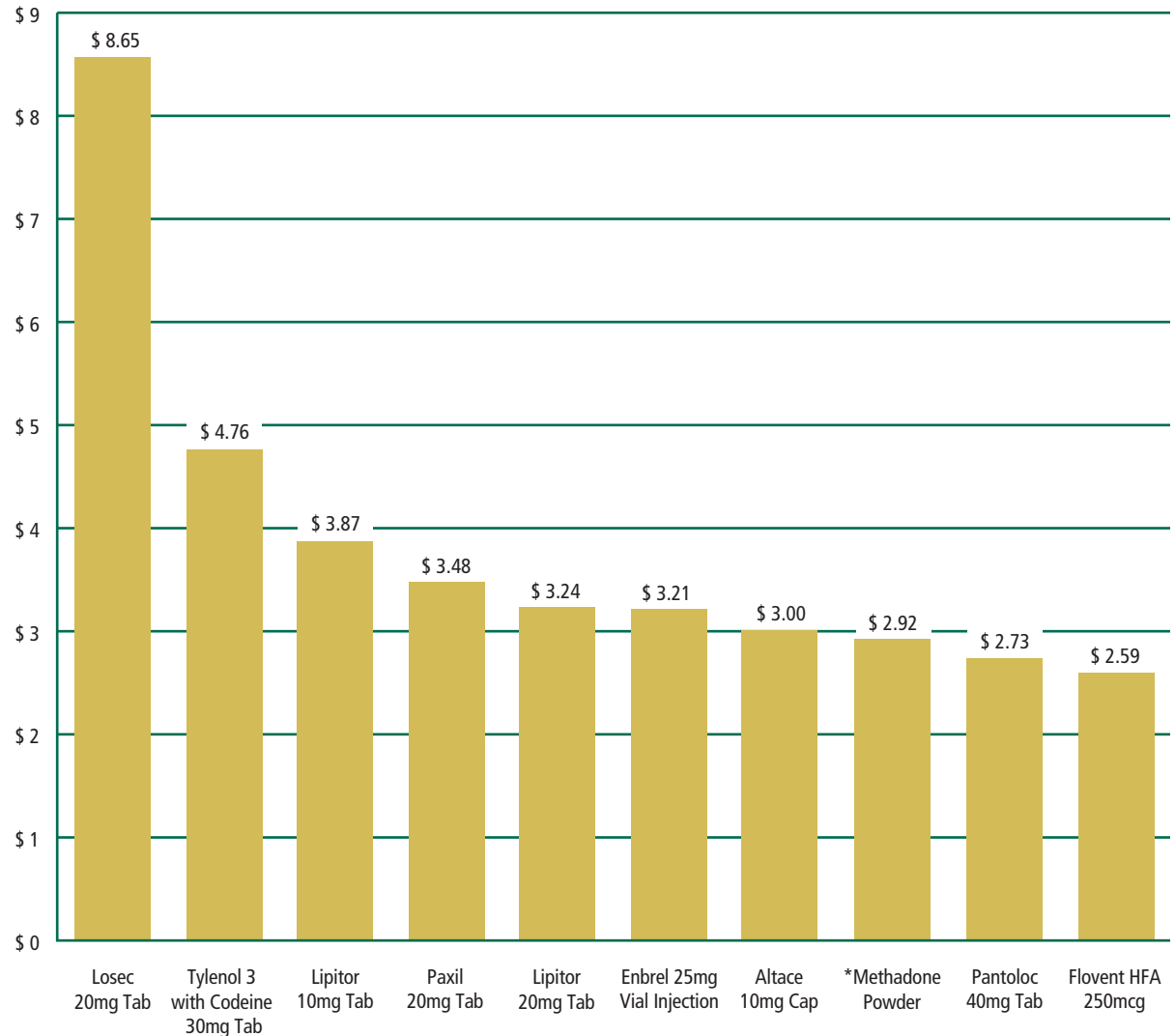
The data represent individual drug products (with distinct Drug Identification Numbers or DINs), therefore, brand name drugs and generic equivalents are shown separately.

The drug with the largest expenditure was Losec 20 mg Tablets. Almost \$8.7 million was spent on this drug in 2003/04. 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;
- Paxil 20 mg Tablets;
- Lipitor 20 mg Tablets;
- Enbrel 25 mg Vial Injection;
- Altace 10 mg Capsules;
- Methadone Powder;
- Pantoloc 40 mg Tablets; and
- Flovent HFA 250 mcg.

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



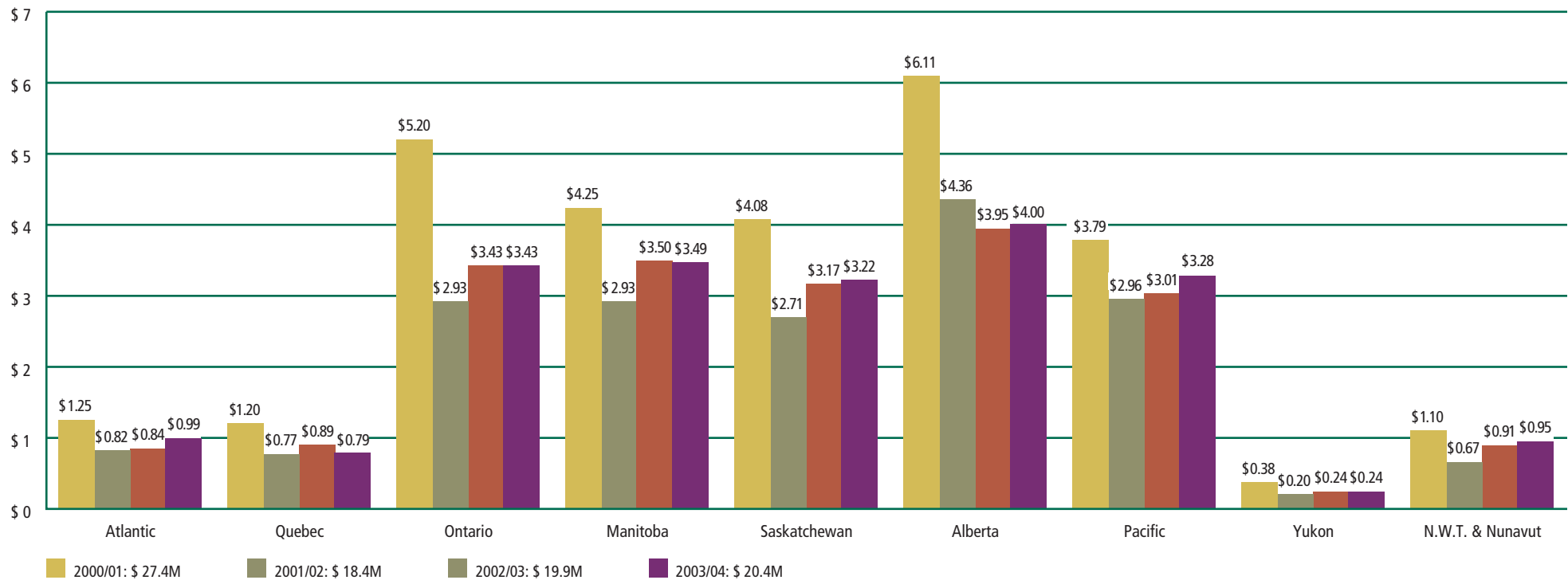
* Dispensed daily in accordance with regulations

Figure 7.14
Expenditures on Medical Supplies and Equipment
by Region (\$ Million)
2000/01, 2001/02, 2002/03, 2003/04

Expenditures on medical supplies/equipment (MS&E) totalled \$20.4 million in 2003/04, up 2.3% from \$19.9 million in the previous year.

The Atlantic Region (18.0%), the Pacific Region (9.0%) and N.W.T./Nunavut (4.7%) had the largest percentage increase in expenditures from 2002/03 to 2003/04. The Quebec Region (-12.0%), the Yukon (-2.3%) and the Manitoba Region (-0.3%) registered a drop in expenditures during this period.

The Alberta Region (\$4.0 million) and the Manitoba Region (\$3.5 million) recorded the largest expenditures.



Benefit Utilization And Expenditure Data

Figure 7.15
National Top 10 Medical Supplies and Equipment
by Claims Incidence 2003/04

Elastic tensor bandages were the most frequently dispensed medical supplies and equipment item in 2003/04. Nearly 11,000 claims were filed, followed by conforming gauze bandages at nearly 10,000 claims.

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

- 2 x 2 Gauze Sterile Dressing;
- Adhesive Tape, Hypoallergic;
- Hearing Aid Batteries, Left;
- Adhesive Suture Strips;
- Hearing Aid Batteries, Right;
- Medium Adult Disposable Diapers;
- Disposable Pants and Briefs; and
- Rental of Oxygen Concentrators.

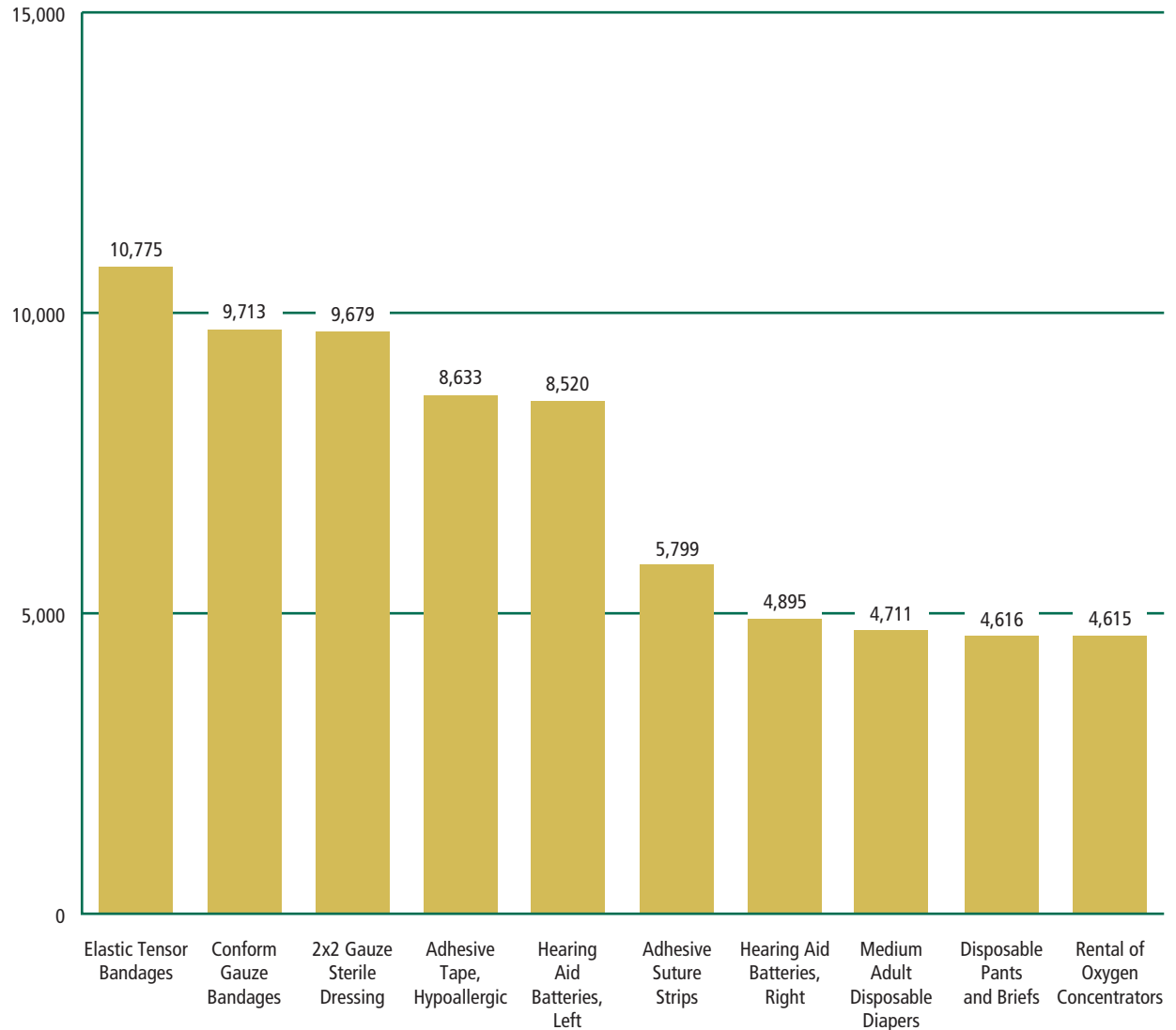


Figure 7.16
National Top 10 Medical Supplies and Equipment
by Expenditures (\$ Million) 2003/04

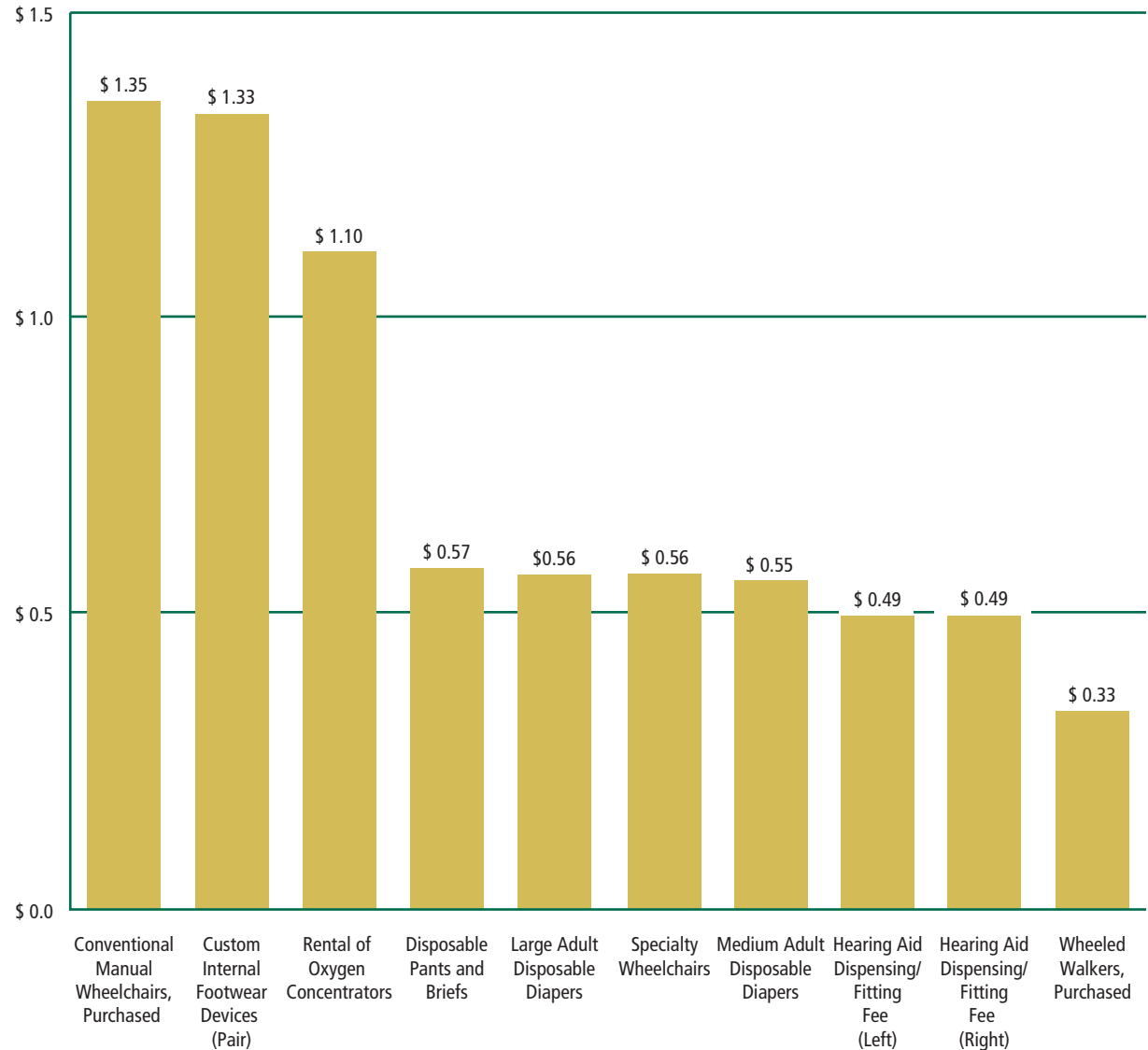
Figure 7.16 ranks the national top ten costs in medical supplies and equipment based on expenditures.

Purchases of conventional manual wheelchairs accounted for the highest costs in medical supplies and equipment at \$1.35 million in 2003/04.

The second highest expenditure was for custom internal footwear devices (pair) at \$1.33 million, followed by rental of oxygen concentrators at \$ 1.10 million.

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

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



Benefit Utilization And Expenditure Data

Figure 7.17
Distribution of Dental Expenditures (\$ Million)
2003/04

Dental expenditures totalled \$134.5 million in 2003/04. Fee-for-service dental costs paid through the Health Information and Claims Processing System (HICPS) represent the largest component accounting for \$110.7 million or 82.3% of all NIHB dental costs.

Contributions, which account for \$12.9 million or 9.6% 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 \$5.4 million or 4.0% of total costs.

Other costs totalled \$5.5 million or 4.1% in 2003/04. These include the purchasing of dental supplies and equipment, as well as Headquarters costs related to automated claims payment.

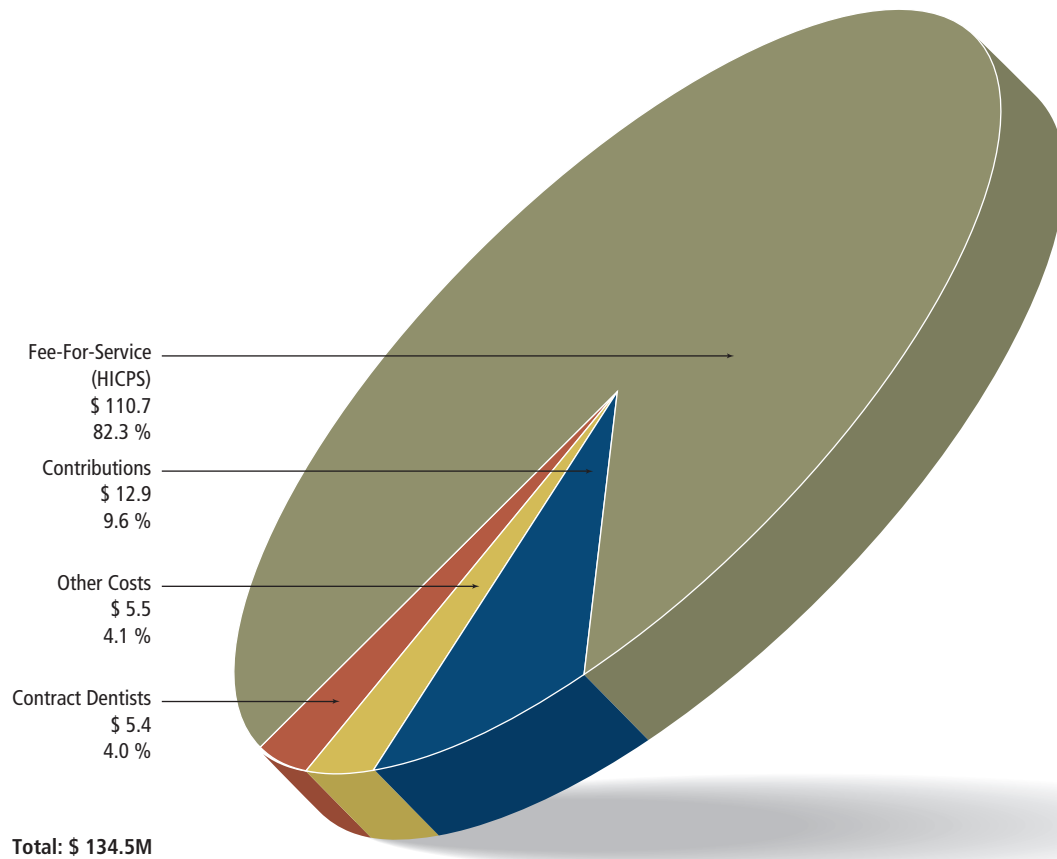


Figure 7.18
Total NIHB Dental Expenditures by Type and Region
2003/04

Dental expenditures totalled \$134.5 million in 2003/04. The Ontario (20.6%), Alberta (14.3%) and the Pacific and Saskatchewan Regions (each 13.6%) had the largest proportion of overall dental costs.

Of the \$134.5 million, \$121.6 million (90.4%) were operating expenditures, while \$12.9 million (9.6%) were contribution expenditures.

Fee-for-service costs accounted for \$110.7 million (82.3%) of total dental expenditures while contract dentist costs accounted for \$5.4 million (4.0%).

REGION	Operating				Contributions	Total Costs
	Fee-For-Service	Contract Dentists	Other Costs	Total Operating	Contribution Agreements	
Atlantic	\$ 4,847,500	\$ 0	\$ 1,500	\$ 4,849,000	\$ 8,300	\$ 4,857,300
Quebec	10,181,000	93,600	2,400	10,277,000	0	10,277,000
Ontario	22,504,300	1,433,500	53,100	23,990,900	3,768,900	27,759,800
Manitoba	10,663,200	3,265,100	700	13,929,000	3,384,400	17,313,400
Saskatchewan	16,488,900	224,200	500	16,713,600	1,582,900	18,296,500
Alberta	17,556,700	326,900	12,700	17,896,300	1,340,700	19,237,000
Pacific	17,464,100	87,000	600	17,551,700	786,300	18,338,000
Yukon	1,365,400	0	0	1,365,400	0	1,365,400
N.W.T	4,345,700	0	0	4,345,700	380,000	4,725,700
Nunavut	5,237,000	0	0	5,237,000	1,694,600	6,931,600
Headquarters	—	—	5,402,000	5,402,000	—	5,402,000
Total	\$ 110,653,800	\$ 5,430,300	\$ 5,473,500	\$ 121,557,600	\$ 12,946,100	\$134,503,700

Benefit Utilization And Expenditure Data

Figure 7.19
NIHB Dental Fee-For-Service Expenditures Per Claimant by Region 2003/04

In 2003/04, the national dental expenditure per claimant is \$417.

Yukon has the highest dental expenditure per claimant at \$549, followed by the Alberta Region at \$455 and Nunavut at \$448. The Atlantic Region registered the lowest dental expenditure per claimant at \$369.

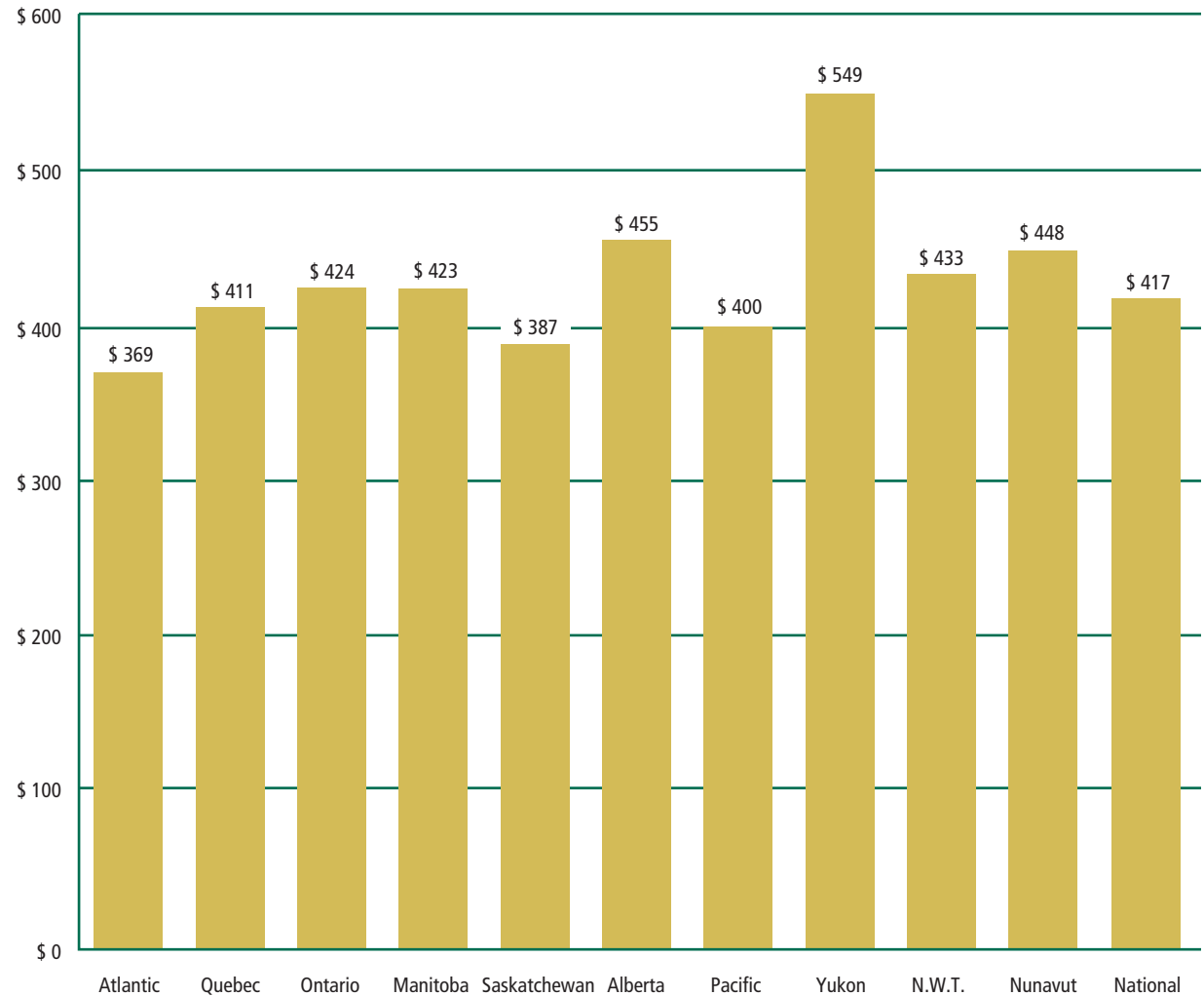
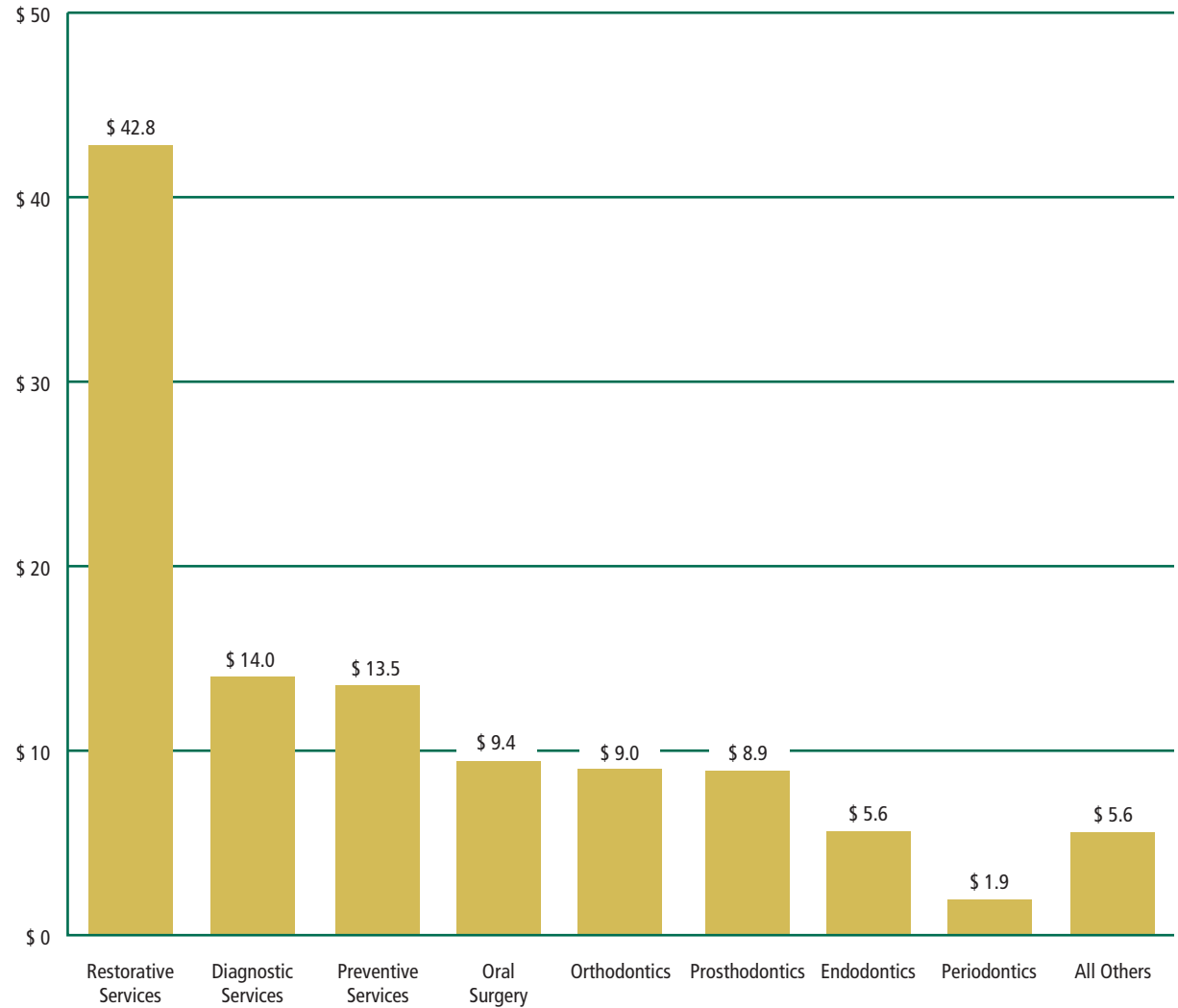


Figure 7.20
Fee-for-Service Dental Expenditures by Sub-Benefit
(\$ Million) 2003/04

Expenditures on Restorative Services (crowns, fillings, etc.) were the highest of all dental sub-benefit categories at \$42.8 million in 2003/04.

Diagnostic Services (examinations, x-rays, etc.) at \$14.0 million and Preventive Services (scaling, polishing etc.) at \$13.5 million were the next highest sub-benefit categories, followed by Oral Surgery at \$9.4 million.

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



Benefit Utilization And Expenditure Data

Figure 7.21
National Top 10 Dental Procedures by Claims Incidence
2003/04

Recall examination was the dental procedure performed most often in 2003/04 with almost 130,000 claims, followed by two bitewing films with over 98,000 claims.

One unit polishing was the next highest dental procedure at over 82,000 claims.

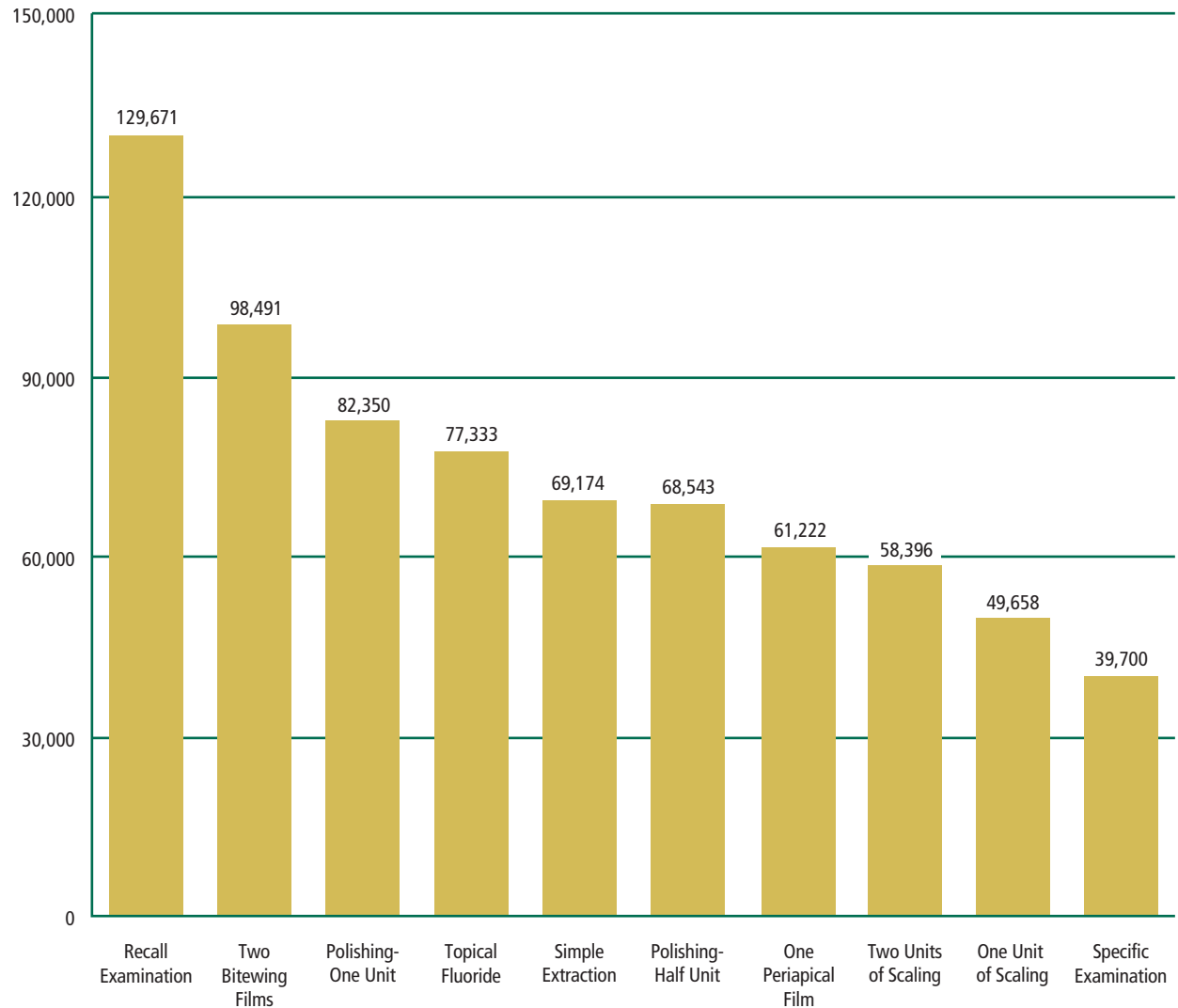
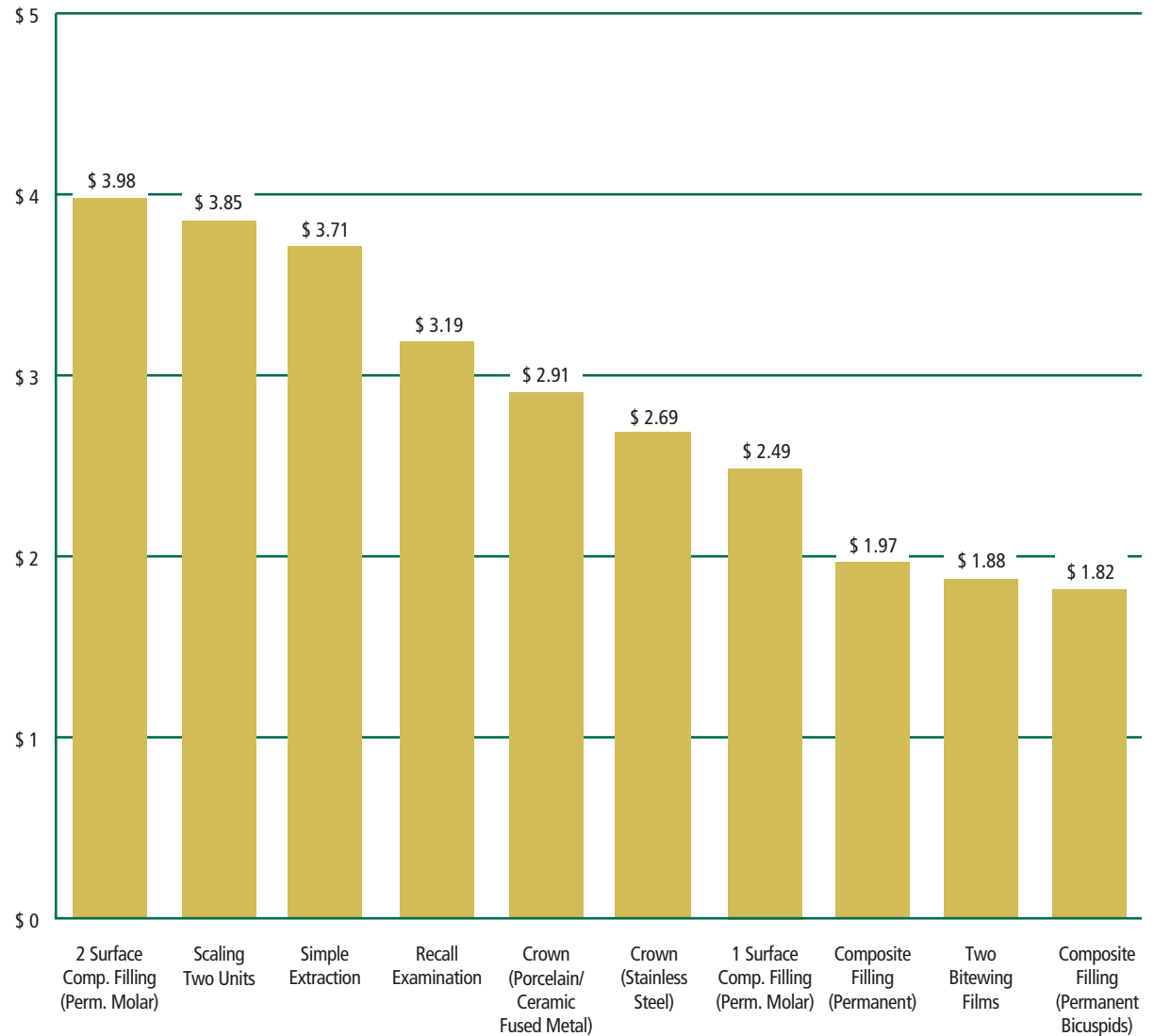


Figure 7.22
National Top 10 Dental Procedures by Expenditures
(\$ Million) 2003/04

Two-surface composite fillings (permanent molar) were the most costly dental procedure in 2003/04 at \$3.98 million, an increase of 10% from the previous year.

Two units of scaling were the next most costly dental procedure at \$3.85 million.

Simple extractions were the third most costly dental procedure at \$3.71 million, followed by recall examinations at \$3.19 million.



Source: HICPS adapted by Program Analysis Division

Benefit Utilization And Expenditure Data

PROGRAM ANALYSIS DIVISION • NON-INSURED HEALTH BENEFITS • 2003/2004 ANNUAL REPORT

Figure 7.23
NIHB Expenditures on Medical Transportation
by Type and Region 2003/04

Figure 7.23 provides expenditures by region and type of transportation.

Total transportation expenditures increased by 0.9% to \$205.8 million in 2003/04. The Manitoba (4.6%) and Atlantic (2.9%) regions had the largest proportional increases in transportation expenditures in 2003/04 from the previous year. The region with the largest decrease in transportation expenditures was Yukon at -18.2%.

The Manitoba Region had the highest overall medical transportation expenditure at \$53.5 million, largely as a result of air transportation which totalled over \$22.4 million. The Ontario Region at \$36.6 million and the Alberta Region at \$29.0 million had the next highest expenditures in 2003/04.

TYPE	Atlantic	Quebec	Ontario	Manitoba
Schedule Airline	\$ 300,400	\$ 308,100	\$ 5,941,000	\$ 11,009,600
Chartered Flights	19,200	19,100	4,520,000	11,354,800
Living Expenses	191,200	10,700	3,734,500	5,525,800
Land & Water	1,934,700	1,360,300	4,269,800	7,581,200
Outside Canada	0	0	14,500	1,200
Total Operating	\$ 2,445,500	\$ 1,698,200	\$ 18,479,800	\$ 35,472,600
Contributions	4,052,600	15,287,000	18,140,200	18,060,700
Total	\$ 6,498,100	\$ 16,985,200	\$ 36,620,000	\$ 53,533,300
% Change from 02/03	2.9%	0.6%	-2.3%	4.6%

(1) Calculation of % change from 2002/03 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	\$ 1,679,700	\$ 142,000	\$ 297,500	\$ 409,100	\$ 0	\$ 0	\$ 20,087,400
Chartered Flights	2,465,600	1,588,400	19,900	691,200	0	0	20,678,200
Living Expenses	1,126,300	1,340,500	320,000	312,700	0	0	12,561,700
Land & Water	14,801,800	11,816,800	899,800	187,300	0	0	42,851,700
Outside Canada	1,100	0	0	0	0	0	16,800
Total Operating	\$ 20,074,500	\$ 14,887,700	\$ 1,537,200	\$ 1,600,300	\$ 0	\$ 0	\$ 96,195,800
Contributions	5,779,200	14,142,000	14,871,200	0	6,856,400	12,408,500	109,597,800
Total	\$ 25,853,700	\$ 29,029,700	\$ 16,408,400	\$ 1,600,300	\$ 6,856,400	\$ 12,408,500	\$ 205,793,600
% Change from 02/03	0.0%	0.6%	-0.0%	-18.2%	1.4%	1.4%	0.9%

Benefit Utilization And Expenditure Data

Figure 7.24
Proportion of Medical Transportation Expenditures
by Operating and Contributions 1993/94 to 2003/04

Figure 7.24 shows a continuous increase in the proportion of contribution funding for medical transportation compared to direct operating costs. Contribution funding increased from 34% in 1993/94 to 54% in 1999/00, and then dropped to 51% in 2000/01. It has remained close to that level during the last three years. In 2003/04, contribution funds accounted for 53% while operating costs totalled 47%.

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

The Pacific Region medical transportation funding through contribution agreements is at 90.6%. The Quebec (90.0%), Atlantic (62.4%), Ontario (49.5%), Alberta (48.7%) and Manitoba (33.7%) 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.

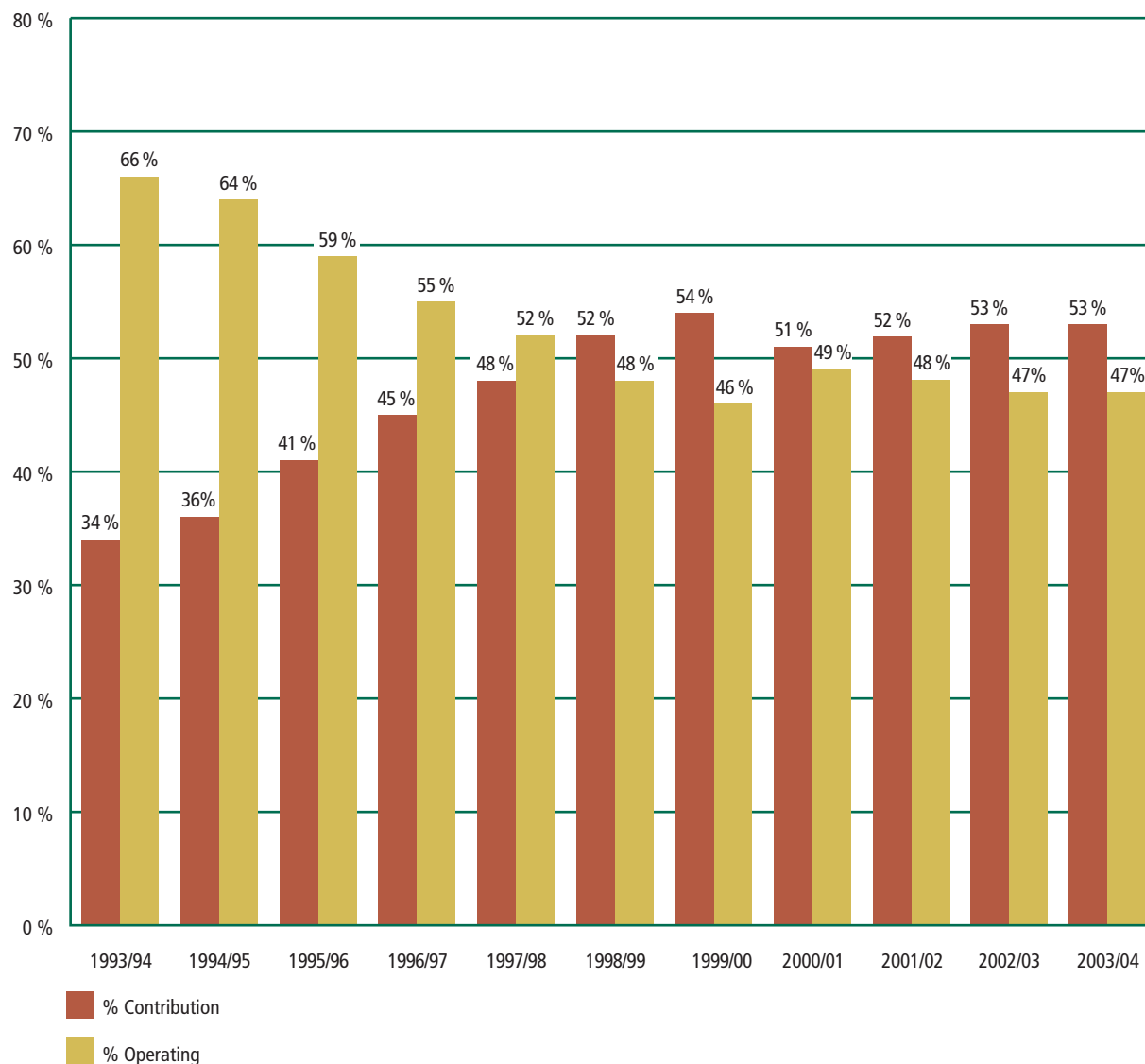
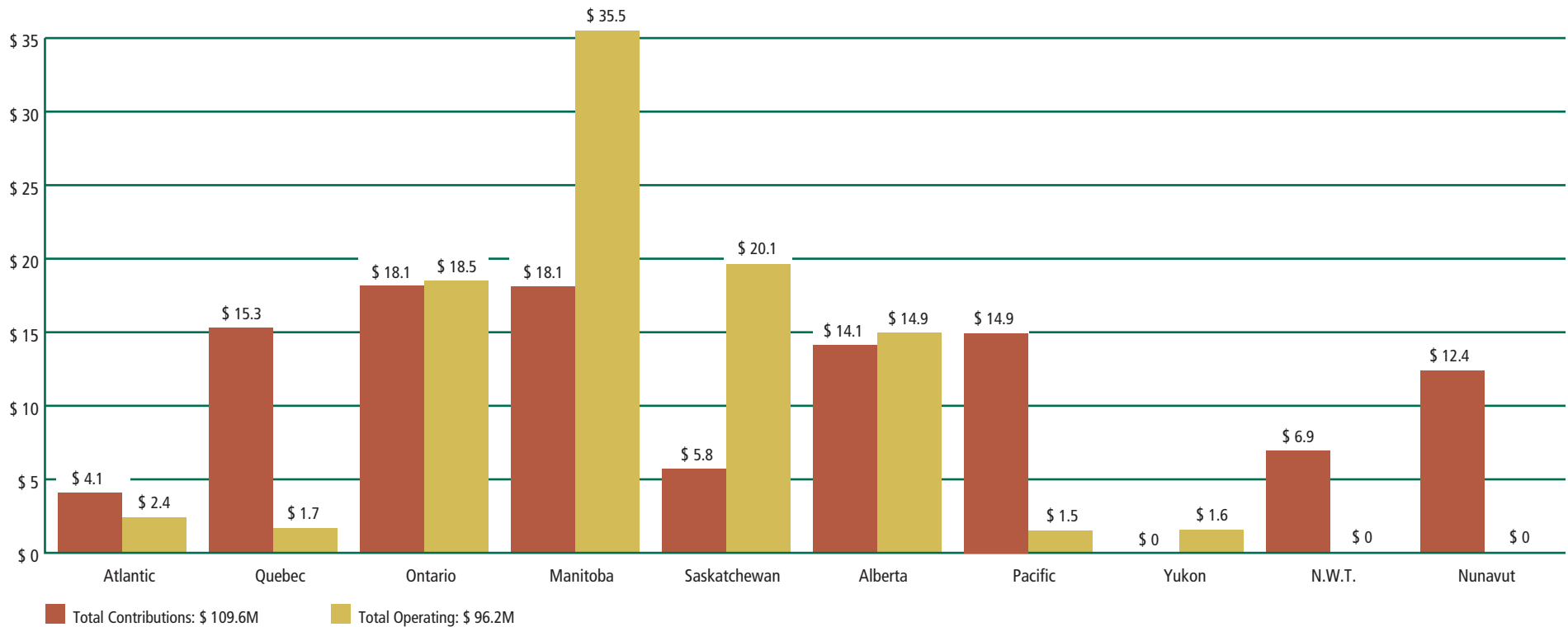


Figure 7.25
Medical Transportation Expenditures
2003/04

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 2003/04 at \$35.5 million. The Saskatchewan Region was the next largest at \$20.1 million. The largest contribution expenditures for transportation were registered as follows: the Ontario and Manitoba regions

(each \$18.1 million), the Quebec Region (\$15.3 million), the Pacific Region (\$14.9 million) and the Alberta Region (\$14.1 million). The smallest totals were recorded in Atlantic Region (\$4.1 million) and Saskatchewan Region (\$5.8 million).





Program Initiatives

This section provides a summary of the prominent initiatives of the Non-Insured Health Benefits (NIHB) Directorate in 2003/04. The program initiatives described in this section are outlined below.

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

Program Initiatives

8.1

Provider Audit Activities 2003/04

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.

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.

The primary audit observations for 2003/04 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; and
- items/services were claimed prior to provision to the client.

Completion of the on-site audit process often spans more than one fiscal year. For the purposes of the annual report, on-site audits that have been initiated in 2003/04 are reported in Table 8.1.1. The table identifies on-site audit recoveries or NDCV and CCP savings from all components of the FCH Provider Audit Program during the fiscal year 2003/04.

**Figure 8.1.1
Provider Audit Activities - All Components
2003/04**

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	4	\$ 4,255	\$ 15,674	\$ 19,929	0	\$ 0	\$ 0	\$ 0	0	\$ 0	\$ 4,612	\$ 4,612	4	\$ 4,255	\$ 20,286	\$ 24,541
Quebec	5	25,005	16,957	41,962	4	1,935	363	2,298	0	0	255	255	9	26,940	17,575	44,515
Ontario	3	42,681	90,006	132,687	5	28,560	2,240	30,800	5	908	27,860	28,768	13	72,149	120,106	192,255
Manitoba	6	21,804	62,207	84,011	1	735	2,003	2,738	1	3,412	6,444	9,856	8	25,951	70,654	96,605
Saskatchewan	13	219,860	50,597	270,457	6	529	521	1,050	0	0	8,245	8,245	19	220,389	59,363	279,752
Alberta	23	76,733	50,917	127,650	2	1,051	162	1,213	0	0	12,149	12,149	25	77,784	63,228	141,012
Pacific	3	68,002	47,915	115,917	1	0	27	27	1	31,177	13,803	44,980	5	99,179	61,745	160,924
Yukon	4	5,070	4,748	9,818	0	0	0	0	0	0	270	270	4	5,070	5,018	10,088
N.W.T.	0	0	8,637	8,637	0	0	538	538	0	0	1,984	1,984	0	0	11,159	11,159
Nunavut	3	24,925	6,307	31,232	0	0	966	966	1	1,625	7,935	9,560	4	26,550	15,208	41,758
Total	64	\$488,335	\$353,965	\$842,300	19	\$32,810	\$6,820	\$39,630	8	\$37,122	\$83,557	\$120,679	91	\$558,267	\$444,342	\$1,002,609

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

Program Initiatives

8.2

Health Information and Claims Processing System

Claims for dental services, pharmacy and medical supplies and equipment for all eligible First Nations and Inuit clients in Canada are processed through the national Health Information and Claims Processing System (HICPS).

The HICPS is currently in operation through a contract with First Canadian Health Management Corporation Inc. (FCH). The effective date of operations was December 1, 1998. The current FCH contract will be in effect until November 30, 2007.

As the claims administrator for the NIHB Program, FCH is responsible for the following dental, pharmacy and medical supplies and equipment functions:

- processing manual and electronic provider claims and client reimbursement claims;
- provider audit services;
- maintaining and managing the Toll-Free Inquiry Centres that registered NIHB providers use for client and benefit eligibility, billing and payment inquiries and other administrative purposes;
- maintaining benefit price files;
- planning, implementing and maintaining the HICPS, including making systems changes to respond to revised Program policies;
- maintaining and managing HICPS directives, processes and procedures documentation in accordance with the NIHB Program policy;
- maintaining and managing on-going NIHB provider communications on HICPS related subjects, including the production of quarterly newsletters;
- generating a standard reports package;
- referring suspended claims to the NIHB Program for resolution;
- maintaining an up-to-date client list from the Status Verification System (SVS) on a weekly basis;
- verification and registration of new NIHB providers; and
- maintaining and managing the NIHB provider databases.

Figure 8.2.1
Number of Claim Lines Settled through the Health Information and Claims Processing System 2003/04

REGION	DRUG	MEDICAL SUPPLIES AND EQUIPMENT	DENTAL	TOTAL
Atlantic	511,171	17,053	98,244	626,468
Quebec	1,054,485	16,063	144,775	1,215,323
Ontario	2,207,920	34,976	445,470	2,688,366
Manitoba	1,784,360	63,952	199,626	2,047,938
Saskatchewan	1,704,858	54,020	270,648	2,029,526
Alberta	1,876,415	50,439	388,858	2,315,712
Pacific	1,742,858	38,737	404,435	2,186,030
Yukon	77,879	3,424	15,298	96,601
N.W.T.	131,966	4,640	64,704	201,310
Nunavut	86,041	2,175	87,579	175,795
Total	11,177,953	285,479	2,119,637	13,583,069

Program Initiatives

Figure 8.2.2
Number of Provider Telephone Inquiries⁽¹⁾ Processed
Through the NIHB Toll-Free Inquiry Centres 2003/04

REGION	PHARMACY	MEDICAL SUPPLIES AND EQUIPMENT	DENTAL	TOTAL
Atlantic	1,316	112	3,412	4,840
Quebec	1,599	275	49,614	51,488
Ontario	12,027	1,447	37,880	51,354
Manitoba	4,373	281	16,173	20,827
Saskatchewan	2,670	49	33,331	36,050
Alberta	5,407	548	92,896	98,851
Pacific	3,470	440	34,559	38,469
Yukon	35	16	2,106	2,157
N.W.T.	288	12	5,777	6,077
Nunavut	43	19	6,867	6,929
Total	31,228	3,199	282,615	317,042

(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 handles all prior approval requests for drugs subject to the Limited Use Drug Policy, for drugs not on the NIHB Drug Benefit List and for prescriptions for which the physician has indicated “No Substitution”. The Centre is an important management component to ensuring a needs-based approach to the provision of drug benefits. Additional information on the NIHB Drug Exception Centre appears in Figure 8.3.1.

**Figure 8.3.1
Total NIHB Drug Exception Centre
Requests/Approvals 2003/04**

Status	Benefit	Exceptions	Limited Use	Total
Total Requested	1,563	45,203	156,515	203,281
Total Approved	1,440	37,074	147,412	185,926

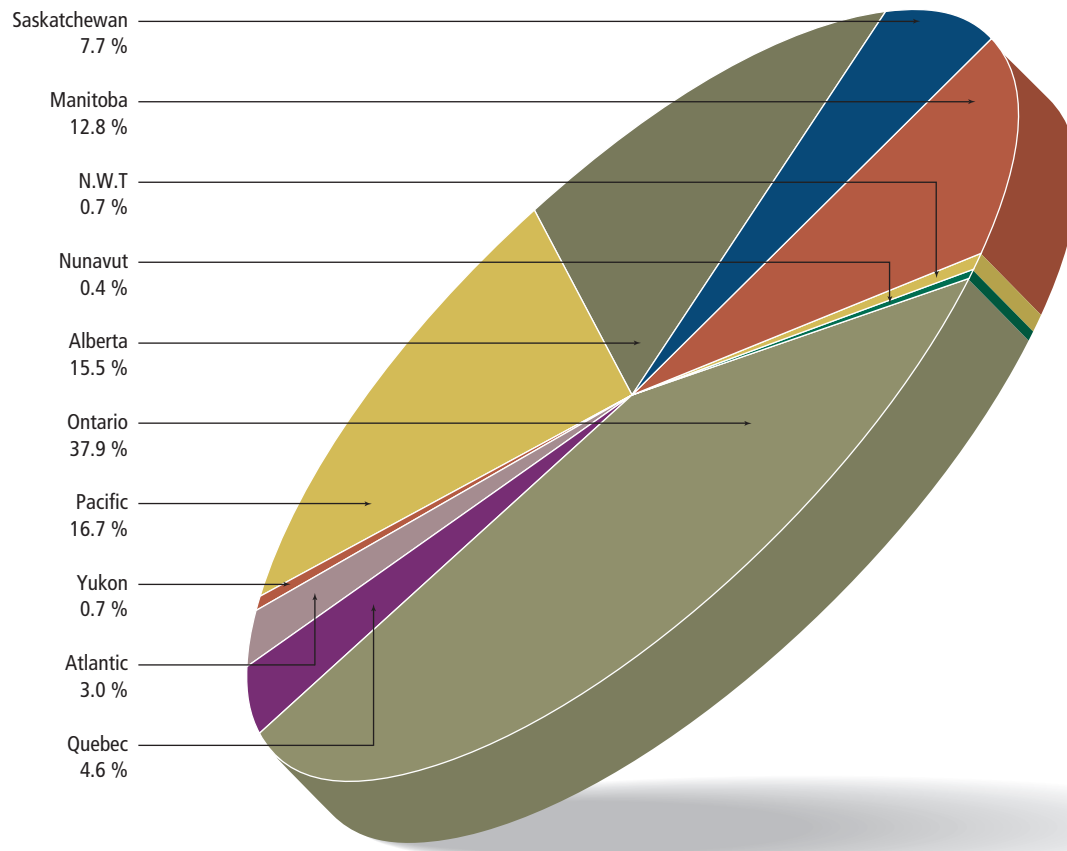
Benefit: Drugs included on the NIHB Drug Benefit List for which the total dollar value exceeds Point of Sale limit or for which more than a three-month supply is requested

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

Program Initiatives

Figure 8.3.2
Proportion of NIHB Drug Exception Centre Requests
by Region 2003/04



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/fnihb/nihb/pharmacy/bulletin/index.htm>

Program Initiatives

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/fnihb/nihb/dental/bulletin/index.htm>

8.6

Federal Health Partnership

The Federal Health 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.

Program Initiatives

8.7

Non-Insured Health Benefits Pilot Projects

The June 21, 1994, Cabinet decision established that management options for the transfer of the Non-Insured Health Benefits (NIHB) Program be tested on a pilot basis. The 1994 Cabinet Authority included all benefit areas of the NIHB Program except drugs and dental benefits. In 1997, Cabinet approved the phasing in of drug and dental benefits for pilot project management.

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. An extension to the Treasury Board authority was given until March 31, 2005 to enable NIHB pilot projects to continue testing various options and models for the management and delivery of NIHB under First Nations and Inuit control. 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 undertaken. 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 of the evaluation provides an in-depth case study of the remaining pilot and includes a Final Synthesis Report.

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 February 2004, with the announcement of a new approach to consent, the NIHB Program revised its Privacy Code. In the spring of 2004, the Code was posted on the Health Canada website and distributed widely to obtain comments. Valuable suggestions were taken into account for incorporation into version 5 of the Code. The Code will be reviewed on a regular basis and can be obtained by contacting your regional First Nations and Inuit Health Branch Office. It will also be available on the Health Canada website at:

<http://www.hc-sc.gc.ca/fnihb/nihb/index.htm>.

The NIHB Program also developed an on-line privacy training module for NIHB employees, which is available on the website or on CD-ROM. The CD-ROM provides information on privacy for those groups administering NIHB components under contribution agreements and tips on training the trainer. The CD-ROM can be obtained from regional First Nations and Inuit Health Branch Offices.

Program Initiatives

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.