

2025 WORKPLACE
BENEFITS CONFERENCE

Pathways to Growth

Navigating Increased Government Intervention in Canadian Health Benefits



Jean-Simon Farrah

Head, Government Affairs

iA Financial Group



Kate Julien

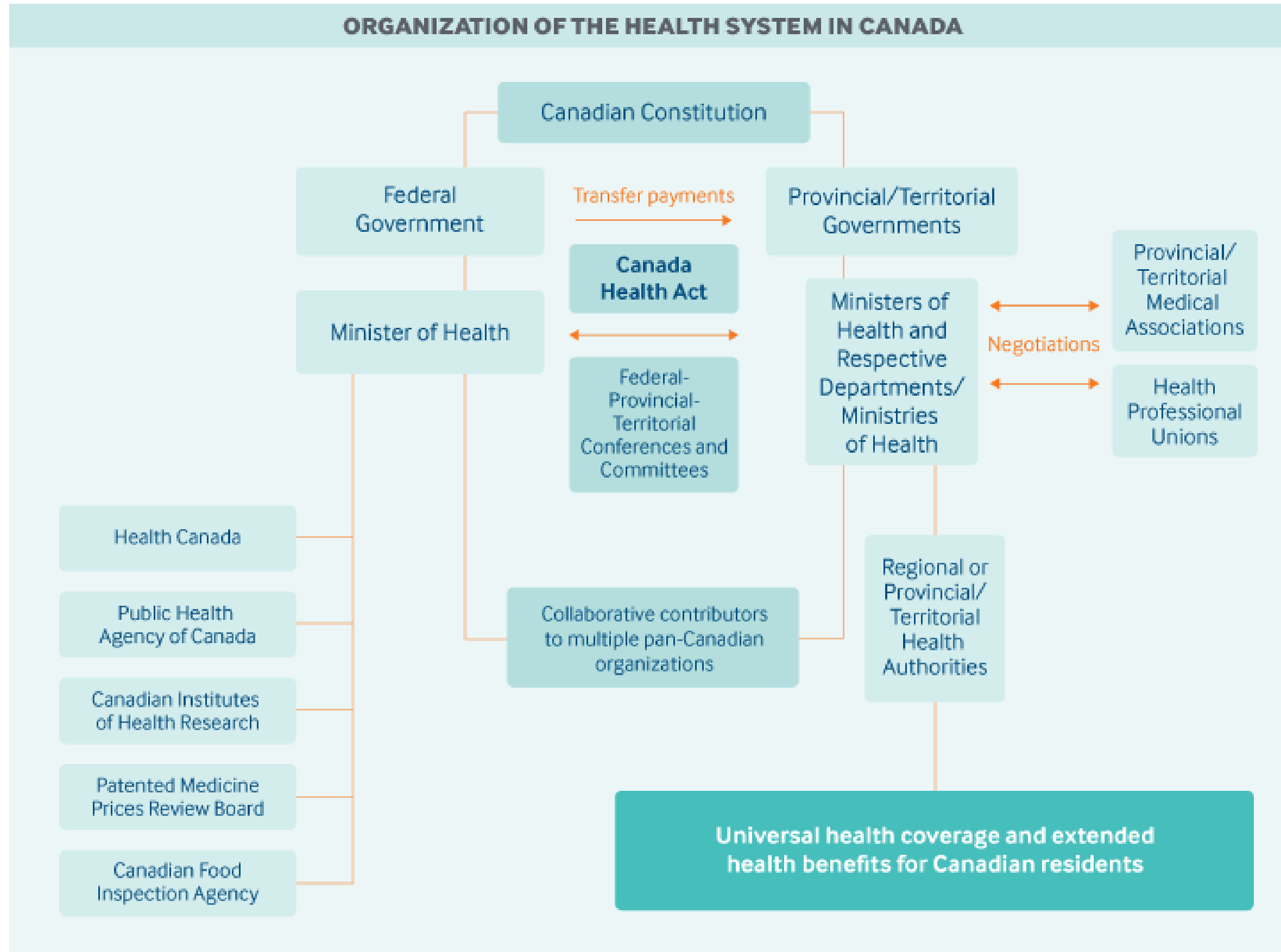
Director of Government Relations and Industry Affairs

Canada Life Insurance

Introduction

- Workplace benefit plans are an essential component of a well-functioning healthcare system across Canada as they offer wide-ranging coverage for millions of Canadians.
- Yet, the federal government is looking to play an increasingly important role in the provision of universally accessible healthcare services even when a majority of Canadian receives coverage through their workplace benefits plans.
- Our discussion today will focus on the impacts of increased government interventionism in Canadian healthcare in recent years, through the following elements:
 - **Overview of Canadian health care system principles**
 - **Areas of growing interventionism**
 - **Where do we go from here**

Overview of the Canadian Healthcare System



In Canada, provinces provide healthcare services to Canadians; the Federal government ensures that the principles of publicly funded services, universal access and portability are upheld coast to coast.

The Canada Health Act

- The Canadian Federal Government plays a significant role in financing healthcare in Canadian provinces through the Canada Health Act (CHA), which lays out the principles and conditions that provinces must adhere to in order to receive federal funding.
- The Act ensures that healthcare services provided in the provinces are **publicly funded, universal, comprehensive, accessible, and portable**.
- The Act also mandates that services provided by physicians, hospitals, and other healthcare providers must be covered under provincial healthcare plans.
- Over the years, as federal health transfers to provinces shrunk and healthcare costs exploded, private health insurance plans have played a major role in alleviating the public system by providing coverage to 27 millions Canadians.
- Despite these trends, we have witnessed a rise in interventionism from the federal government to protect the CHA and a perceived erosion of public healthcare in Canada.

The Quebec Model

The **Quebec healthcare** system has two unique features that set it apart from other provinces in Canada.

- 1. Public insurance plan:** Quebec has its own health insurance plan called the *Régie de l'assurance maladie du Québec (RAMQ)*, which provides coverage for medically necessary healthcare services. All residents of Quebec are eligible for coverage under the RAMQ, which includes services such as doctor visits, hospital stays, and diagnostic tests.
- 2. Pharmacare:** Quebec has a public drug insurance plan called the Public Prescription Drug Insurance Plan. This plan provides coverage for prescription medications for residents of Quebec who are not covered by private drug insurance plans. The program has different levels of coverage based on income and age, with many individuals paying a deductible and copayments for their medications.

As a result, Québec tends to go their own way when it comes to intervening in the delivery of healthcare services in the face of increasing interventionism from the federal government.

Federal Government Trends in Healthcare Policy

- Increasing use of “federal spending power” to intervene in provincial health policy, driven by:



Political agreements
with left-leaning parties



Poor understanding of
our industry



High cost of living



Populist politics

- Fill the gaps model:
 - Individuals with a family income under \$90, 000/yr without “access” to coverage.
 - Covers children, seniors, and those with a disability tax credit. Would need more funding to expand beyond current groups as planned.
- High co-pays, low fee guidelines.
- Conservatives have been silent on their future plans if they form government.
- New Liberal leader and Prime Minister, Mark Carney, has been vague.
- Our companies continue to monitor for plan dropping. Not seeing a lot because the benefit is not generous.

- *Pharmacare Act* passed in October 2024.
- “Single-payer” model for select contraceptives and diabetes meds creates uncertainty about employer plans.
- Lays the groundwork for future expansion into “essential medications”.
- Budget 2024 allocated only \$1.5B over five years – underfunded.
- Federal government rushed to sign deals with provinces.
 - Manitoba, British Columbia, Prince Edward Island and Yukon signed deals pre-election.
- Health insurance sector supports universal access to prescription drugs, but through a multi-payer system.
- Future of the program depends on the federal election.

- Health Canada interpretation of the *Canada Health Act*:
 - Calls on provinces to publicly insure medically necessary services from non-MD regulated health professionals when those services are physician-equivalent.
- Would impact all employer-funded virtual care platforms, and potentially many other areas covered by extended health benefits.
- It is unlikely that provinces will implement this requirement:
 - No new federal funding.
 - Delayed implementation date and enforcement.
- Sector advocates for protection of employer-funded VC through regulation.
- Working with the Conservatives to revoke or not enforce this approach to avoid interruption among plan members, support employers with this tool.

Where Do We Go From Here

Short Term Trends

- The next federal election will be key in setting direction on issues like pharmacare and virtual care
- With the economy as a top priority, we expect more economic prudence and a shift away from funding new large-scale national social programs
- Higher likelihood that social policy approaches will involve more strategic spending for the highest impact, i.e. “fill the gap” approach

Where Do We Go From Here

Longer Term Trends

- Increasing frustration with the public healthcare system is shifting Canadians' attitudes about delivery modes
- As the public system struggles, workplace benefit plans will become even more crucial to provide access and flexibility for Canadians' medical needs
- For our industry, this means that it is vital to act as partners to government and convey our story around the value that our plans bring to Canadians and employers
 - Supporting the health and wellness of Canadians
 - Promoting innovation in the delivery of healthcare
 - Tools for economic productivity
 - Helping Canada sustain a universal healthcare system coast to coast to coast

We Want to Hear From You. Leave a Rating & Review.



Module Option

2025 Workplace Benefits Co...

Event Feed

Agenda

Community Engagement

Conference Resources

Speakers

Attendees

Exhibitors

Sponsors

Ratings & Reviews

Leaderboard

Agenda Option

Detail

General Session - Workplace Benefits Industry Overview

April-23-2025 02:00 PM-02:30 PM

★★★★★ (no ratings yet)

Sean O' Donnell, LLIF

Location

Session Chat

Add To Calendar



Thank You



Navigate With Confidence