



THE PREMIER OF THE NORTHWEST TERRITORIES

MR. GLEN ABERNETHY
MLA, GREAT SLAVE

MAY 06 2010

Supplementary Health Benefits

I am writing in response to your e-mail of March 29, 2010 and follow-up letter of April 16, 2010, on the development of a new Supplementary Health Benefits (SHB) program for the Northwest Territories. It is clear that you have taken a great interest in this issue and I welcome your detailed and thoughtful observations and suggestions.

The Supplementary Health Benefits Policy was approved by Cabinet in September 2007. The intent of the Policy is to provide a means for ensuring that non-Aboriginal Northwest Territories (NWT) residents who are not covered for the cost of their uninsured (extended) health care needs through an employer program are able to receive assistance from the Government of the Northwest Territories (GNWT), similar to the kind of coverage a typical northerner might get through an employer insurance plan.

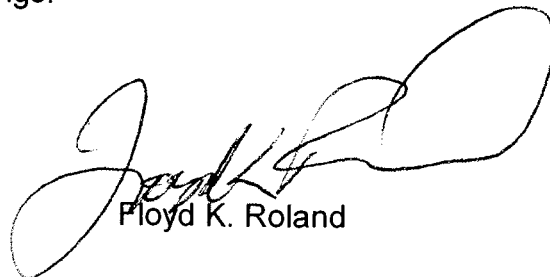
As with insurance plans generally, the new program would require beneficiaries to cover a portion of their own costs through a copayment amount. I realize that this represents a change from the old Extended Health Benefits programs, but it is more consistent with the principle of personal responsibility that the GNWT has long advocated. It is also exactly the way that thousands of working northerners with employer coverage currently manage the cost of their prescriptions, vision and dental care. Our intention is to develop a program that is comparable to the employer programs many Northerners already participate in, not to exceed that kind of coverage at the public's expense.

Unlike employer insurance plans however, the SHB program will include measures designed to make sure that Northerners in need or with lower incomes are able to receive greater levels of assistance with their extended health costs than those with higher levels of income. We believe this approach will be effective, providing even those Northerners with relatively high incomes with some coverage for their extended health costs if they do not have an employer plan, while increasing benefits up to the point of full coverage for those who earn less. This approach has been seen as the best way to ensure that NWT residents can continue to afford the cost of extended health care while making sure that the GNWT uses its limited resources as efficiently and effectively as it can.

Creating and administering health benefits insurance programs is a complicated task. The Government has worked hard to develop a program that will work for the majority of those Northerners who do not currently enjoy some sort of coverage for their extended health costs. While the GNWT's initial proposal for an SHB program was not well received, our forthcoming proposals improve on our initial work by incorporating suggestions we heard during our first round of consultation with NWT residents.

As befits an initiative of this complexity, Cabinet has reviewed this matter on several occasions. Not only has Cabinet clearly approved the SHB Policy, it has also provided frequent direction on program development and implementation to the Minister of Health and Social Services and will review program proposals again before anything is implemented. Collectively, we remain convinced that asking those who can afford it to contribute something to their own costs – as most NWT residents already do – is an approach that is fair to the greatest number of people.

The Department of Health and Social Services has done substantial research to understand how NWT residents currently pay for their extended health costs. This research, as well as information garnered from the public during the past few months, has been used in the development of new program proposals that respect the intent of the SHB Policy as approved by Cabinet. I am sure that Minister Lee would be more than willing to arrange a briefing for you and any other interested Members who wish to discuss the Department's findings.



Floyd K. Roland

- c. MLAs
A/Secretary to Cabinet
Deputy Minister, Health and Social Services