



Government of
Saskatchewan

Annual Statistical Report 2004-05

Saskatchewan Health

Drug Plan and Extended
Benefits Branch

Preface

This document is a statistical supplement to the Annual Report of Saskatchewan Health for the fiscal year 2004-05. It contains statistical data concerning the programs administered by the Drug Plan and Extended Benefits Branch, including the Drug Plan, Supplementary Health Program, Family Health Benefits and Saskatchewan Aids to Independent Living.

Comments or questions concerning the material in this document may be addressed to:

Drug Plan and Extended Benefits Branch
Saskatchewan Health
3475 Albert Street
Regina, Saskatchewan
S4S 6X6

Contents

Mission Statement	2
Eligibility for Coverage	3
Highlights for 2004-05	4
The Drug Plan	6
Background	6
History of Deductibles	8
Objectives	9
Types of Drug Plan Coverage	10
Drugs Covered by the Drug Plan	17
Saskatchewan Formulary Process	19
Encouraging Appropriate Drug Use.....	23
Pharmacy Claims Processing	24
Formulary and EDS Drug Utilization.....	25
2004-05 Utilization Trends	39
Supplementary Health & Family Health Benefits	44
Background	44
Objectives	45
Eligible Beneficiaries.....	45
Saskatchewan Aids to Independent Living (SAIL)	54
Background	54
Eligible Beneficiaries	55
Objectives	55

Tables and Figures

Figure 1	Prescriptions Dispensed by Age Groups, Eligible and Active Beneficiaries	25
Figure 2	Prescriptions Volume by Pharmacologic - Therapeutic Classification	34
Table 1	Prescription Use and Drug Plan Payment	9
Table 2	Prescription Drug Utilization by Age and Sex of Active Beneficiary	26
Table 3	Prescription Drug Utilization by Over/Under 65	28
Table 4	Prescription Cost to Families Approved Under Special Support Program	30
Table 5	Prescription Cost to Families Exempt from paying a Deductible	31
Table 6	Prescription Cost to Families Under a Deductible Program	32
Table 7	Prescriptions by Pharmacologic - Therapeutic Classification	33
Table 8	Pharmacies by Location	35
Table 9	Pharmacies by Type of Ownership	35
Table 10	Drug Acquisition Cost by Manufacturer	36
Table 11	Prescription Drug Utilization Trend by Age of Active Beneficiary	40
Table 12	Prescription Trend by Pharmacologic - Therapeutic Classification	42
Table 13	Prescription Drug Plan Payments Summary	43
Table 14	Supplementary Health Program & Family Health Benefits Payments.....	47
Table 15	Caseloads and SAIL Payments	55
Table 16	Special Needs Equipment Program – Loans	61
Table 17	Orthopaedic Services – Appliances Issued.....	61
Table 18	Orthopaedic Services – Appliances Repaired.....	61

Drug Plan & Extended Benefits Branch

The Drug Plan and Extended Benefits Branch was formed on April 1, 1996 by amalgamating the Drug Plan program, the Supplementary Health program, the Saskatchewan Aids to Independent Living program, and the Income testing for Special Care Homes.

MISSION STATEMENT

Drug Plan and Extended Benefits Branch provides benefits to the eligible Saskatchewan population by:

- promoting optimal, cost-effective drug therapy and extended benefits
- subsidizing qualifying residents and
- facilitating the use of the database

The following kinds of activities contribute to achieving the Mission:

- leading policy development on Drug Plan, SAIL, Supplementary Health and Family Health Benefits related issues
- providing Drug Plan benefits to the eligible Saskatchewan population
- providing non-insured health benefits to residents nominated for Supplementary Health benefits by the Department of Community Resources and Employment, and for residents receiving Family Health Benefits
- providing Saskatchewan Aids to Independent Living (SAIL) Program benefits to eligible residents
- administering, on behalf of Health Regions, income-tested resident charges for residents of Special Care Homes
- providing case management services in appropriate areas
- improving program delivery and accountability to the public and the Legislature through trends analysis and annual statistical reports
- providing funds for various initiatives that encourage appropriate use of drugs, e.g. RxFiles Academic Detailing Program
- using the claims paid database for various studies to promote appropriate use of drugs

Eligibility for Coverage

Drug Plan

Eligible

All Saskatchewan residents with valid Saskatchewan Health coverage unless coverage is provided by another federal or provincial government or non-government agency.

Active beneficiaries

A resident of Saskatchewan who received an eligible prescription.

Not Eligible

Beneficiaries eligible under the First Nations and Inuit Health Branch of Health Canada, Department of Veteran Affairs, Royal Canadian Mounted Police, Canadian Forces, Workers' Compensation, and inmates of a federal penitentiary.

Supplementary Health

Eligible

People nominated for coverage by the Department of Community Resources & Employment (eg. persons receiving social assistance), inmates of provincial correctional institutions, nominated seniors in special care homes or hospitals whose incomes are below the Saskatchewan Income Plan level.

Family Health Benefits

Eligible

Families who receive the Saskatchewan Child Benefit and/or the Saskatchewan Employment Supplement.

Saskatchewan Aids to Independent Living (SAIL)

Eligible

People with long term disabilities or illnesses, which leave them unable to function fully, may receive specialized benefits to help them achieve more independent and active lifestyles.

Saskatchewan residents with valid Saskatchewan Health coverage.

Not Eligible

Beneficiaries eligible under departments or agencies of the Government of Canada, the Workers' Compensation Board and Saskatchewan Government Insurance.

Highlights for 2004-05

Drug Plan

- One in every four families that received a prescription received a financial benefit.
- At June 30, 2004 a total of 917,543 individuals, representing approximately 528,002 family units were eligible to receive Drug Plan benefits.
- A total of 625,924 individual beneficiaries representing 440,307 family units, purchased eligible prescriptions. This represents 68.2% of eligible individuals.
- Tendering of certain high volume interchangeable drug groups helped to keep Formulary drug prices low. Estimated savings for Saskatchewan residents and the Drug Plan in 2004-05 were approximately \$12.9 M.
- Terminally ill patients covered under the Palliative Care Program received 89,047 prescriptions at no charge. The Drug Plan payment for Palliative Care totalled \$4.2 million.
- **The Special Support Program:**
 - helped 56,374 families (68% were senior families).
 - provided benefits in the amount of \$101.0 million.
 - dispensed an average of 41.4 prescriptions to each active beneficiary.
 - dispensed an average of 58.5 prescriptions to each family unit.
 - assisted on average 68.5% of the total prescription costs.
- **Active beneficiaries exempt from being income-tested:**
 - helped 54,413 families.
 - provided benefits of \$51.3 million.
 - dispensed an average of 15.1 prescriptions to each active beneficiary.
 - dispensed an average of 19.3 prescriptions to each family unit.
 - assisted on average 98.8% of the total prescription costs.
- **Active beneficiaries receiving income supplements and not income-tested:**
 - provided benefits of \$12.1 million.
 - dispensed an average of 9.6 prescriptions to each active beneficiary.
 - dispensed an average of 13.8 prescriptions to each family unit.
 - assisted on average 8.2% of the total prescription costs.
- **Drug claims processed for Formulary and Exception Drug Status drugs:**
 - processed 8.9 million prescriptions during April 1/04 to March 31/05.
 - provided benefits in the amount of \$164.4 million.
 - average drug acquisition cost per prescription was \$29.28.
 - average mark-up paid to pharmacies was \$2.63.
 - average dispensing fee paid to pharmacies was \$6.97.

Supplementary Health

- The average number of eligible beneficiaries under the program was 41,889.
- Net payments for the program were \$14.93 million during the fiscal 12-month period.
- Program expenditures per eligible beneficiary rose from \$222.52 in 1999-00 to \$356.31 in 2004-05. These figures do not include Formulary Drugs (covered by the Drug Plan).

Family Health Benefit Program

- The average number of eligible beneficiaries under the program in 2004-05 was 61,624 (26,303 adults and 35,321 children). This is an increase of 1,945 beneficiaries from the previous year. The number of eligible families was 20,189.
- Net payments for the program were \$4.43 million from April 1, 2004 to March 31, 2005. This is an increase of \$336,366 from the previous year. These figures do not include Formulary Drugs (covered by the Drug Plan).

Saskatchewan Aids to Independent Living (SAIL)

- Net payments during the 12-month period were \$2.47 million for Orthopaedic services and \$3.95 million for Special Needs Equipment.
- The SAIL Oxygen program was changed in 1996-97 to provide benefits according to medical criteria. The program cost in 2004-05 was \$8.93 million.
- Net payments for approved beneficiaries were \$8.69 million for non-formulary drugs and \$0.87 million for ostomy supplies.
- A total 20,953 orthopaedic issues were made in 2004-05, a slight increase from the previous year. The number of repairs was 3,068, also a slight decrease from the previous year.
- A total 20,953 wheelchairs and other special needs equipment aids were loaned to beneficiaries in 2004-05, a small increase over the previous year.

The Drug Plan

Background

- Enabling legislation for the Drug Plan, The Prescription Drugs Act, was assented to on May 10, 1974.
- The Drug Plan began providing benefits on September 1, 1975. A review process was established to recommend which drugs should be covered under the Drug Plan. The actual acquisition cost plus a dispensing fee comprised the total cost of a Formulary drug. During the first full year, \$14.9 million was paid in benefits; the average prescription cost was \$6.04; and the average consumer share was \$1.96 per prescription.
- On July 1, 1987, a mark-up on the cost of a drug was added. Mark-up was calculated on the acquisition cost before the dispensing fee was added.
- On July 1, 1987, the Drug Plan was changed from a fixed co-payment coverage program to a basic deductible* and percentage co-payment program. Those residents entitled to special health benefits were exempted.
- On July 1, 1987, Palliative Care coverage was introduced.
- On January 1, 1989, Point of Sale terminals were installed for each pharmacy to submit claims information electronically for adjudication on-line real time.
- On January 1, 1989, eligible drugs purchased anywhere in Canada by all eligible Saskatchewan residents became a benefit.
- On March 8, 1991, beneficiaries in Special Care Homes who previously paid a maximum \$3.95 for each prescription, became part of the deductible plan.
- On July 1, 1991, the coverage policy for drugs in an interchangeable group was changed. The actual acquisition cost of every product in the interchangeable group is covered only up to lowest listed price in the group.
- In October 1997, implemented a Managed Care Fee for community-based pharmacies that provide monitoring, supervision and other required activities to administer the Methadone Program.
- In December 1997, the Task Force on High Cost Drugs was appointed to determine improvements that would be appropriate to the way government evaluates new pharmaceuticals such as bringing greater transparency to the process; review the implications of providing new drugs in the scope of the Saskatchewan Prescription Drug Plan; and identify actions Saskatchewan should take at the federal, provincial and territorial level, including approaches to a National Pharmacare Program.

-
- In August 1999, implemented a Trial Prescription Program.
 - In 2000, the Prescription Drug Plan, in partnership with the Saskatoon Health District (SHD) implemented the RxFiles Academic Detailing Program as an educational program aimed at assisting physicians in selecting the most appropriate and cost-effective drug therapy for their patients. This program is an extension of the Community Drug Utilization Program, established in 1997 as a pilot project in the SHD.
 - In July 2002, the Income-based program was implemented to replace the \$850 semi-annual deductible.
 - Only July 1, 2004 the Maximum Allowable Cost policy was implemented with one group of drugs, the Proton Pump Inhibitors. Under this policy, the price of the most cost effective drugs is used as a guide to set the maximum price the Drug Plan will cover for other similar drugs used to treat the same condition.
 - On September 15, 2004, the enhanced prescription data collection program began collecting information on all prescriptions dispensed in Saskatchewan. This is an important step in developing systems to improve the use of medications, and to prevent dangerous or inappropriate use of drugs.

* Refers to *History of Deductibles*.

History of Deductibles:

- **July 1, 1987**
 - Annual deductible of \$125 (regular family), then a co-payment of 20%.
 - Annual deductible of \$75 (senior family), then a co-payment of 20%.
 - Annual deductible of \$50 (single senior), then a co-payment of 20%.

- **March 8, 1991**
 - Annual deductibles as above (1987), then a co-payment of 25%.
 - Residents of Special Care Homes became part of the deductible program.

- **May 19, 1992**
 - Semi-annual deductible of \$190 (regular family), then a co-payment of 35% to a \$375 maximum, then 10% co-payment.
 - Single Senior and Senior family deductibles at 1987 level but became semi-annual, with a co-payment of 35% to a \$375 maximum, then 10% co-payment.

- **March 19, 1993**
 - Families became eligible for the Special Support program, where families and the Drug Plan share the cost of prescriptions if the cost for covered drugs exceeds 3.4% of the family income. The family co-payment for each covered prescription is set based on the relation between family income and eligible drug cost.
 - Family Income Plan recipients, Saskatchewan Income Plan recipients, and Guaranteed Income Supplement recipients in special care homes, a semi-annual deductible of \$100 then a co-payment of 35%.
 - All other Guaranteed Income Supplement recipients, a semi-annual deductible of \$200 then a co-payment of 35%.
 - All other family units subject to a deductible and not approved for Special Support, a semi-annual deductible of \$850, then a co-payment of 35%.

- **December 1, 1997**
 - The \$50,000 family income cap for the Special Support program was removed.

- **August 1, 1998**
 - The Family Health Benefits program was introduced to replace the Family Income Plan. The program provides adults with a semi-annual deductible of \$100 then a co-payment of 35%, and children no charge.

- **July 1, 2002**
 - The Income-based program replaced the semi-annual deductible of \$850 that began in 1993.

OBJECTIVES

The Drug Plan has been established to:

- provide coverage to Saskatchewan residents for quality pharmaceutical products of proven therapeutic effectiveness;
- reduce the direct cost of prescription drugs to Saskatchewan residents;
- reduce the cost of drug materials;
- encourage the rational use of prescription drugs.

Table 1 - Prescription Use & Drug Plan Payment

Type of Beneficiary	Active Beneficiaries ¹	Number of Prescriptions ²	%	Total Drug Plan Payment ³	%
April 2004 - March 2005					
Saskatchewan Assistance Plan Recipients					
-Prescription Charge Subsidized, (Plan One)	18,043	305,056	3.4	\$ 13,617,262	8.3
-Prescription Charge Fully Covered					
Special Drugs for Plan One	1,936	40,030	0.4	1,397,333	0.8
Plan One Dependents to Age 18	7,710	38,161	0.4	1,151,363	0.7
Plans Two and Three	9,876	336,784	3.8	12,851,570	7.8
Special Beneficiaries					
-Paraplegics	1,281	42,035	0.5	1,648,905	1.0
-Cystic Fibrosis	85	2,831	0.0	742,414	0.5
-Chronic Renal Disease	835	59,797	0.7	4,635,796	2.8
-Others for Certain Drugs ⁴	3,431	44,084	0.5	8,222,679	5.0
Family Health Benefits					
-Children	23,973	96,310	1.1	2,776,162	1.7
-Adults	17,682	116,674	1.3	1,181,033	0.7
Palliative Care	2,647	89,047	1.0	4,234,071	2.6
Emergency Assistance	184	972	0.0	48,969	0.0
Special Support	79,647	3,298,273	37.0	101,026,965	61.4
Income Supplement Recipients					
-Saskatchewan Income Plan	5,001	119,319	1.3	1,940,624	1.2
-Guaranteed Income Supplement					
Special Care Home	1,927	81,054	0.9	1,342,420	0.8
Community	19,246	400,558	4.5	5,104,162	3.1
Other Drug Plan Beneficiaries	<u>432,420</u>	<u>3,848,105</u>	43.1	<u>2,488,380</u>	1.5
Total	625,924	8,919,090	100.0	\$ 164,410,108	100.0

1 Active Beneficiaries are more than in other tables as a beneficiary can appear in more than one type in the same year.

2 Refers to Formulary and Exception Drug Status drugs.

3 Drug Plan Payment is the total of the Drug Material Cost and Dispensing fee, less the portion paid by consumers; such as deductibles, co-payments, prescription charges and the full cost if not income tested.

4 Prescriptions for certain drugs have been restated to show under Special Beneficiaries to conform with co-payments policies established when approving coverage of new high cost MS drugs.

Types of Drug Plan Coverage

1. Saskatchewan Assistance Plan Coverage

Residents receiving benefits through the Saskatchewan Assistance Plan (SAP) are entitled to Drug Plan benefits at a reduced charge, or at no charge depending on their level of coverage. Deductibles are waived for these beneficiaries.

a. Plan One

Plan One beneficiaries 18 years or older are entitled to receive insulin, oral hypoglycemics, injectable vitamin B12, allergenic extracts, oral contraceptives and some products used in megavitamin therapy at no charge. These beneficiaries pay a reduced charge, to a maximum of \$2.00, for all Formulary and approved Exception Drug Status drugs.

Dependents under 18 years of age are entitled to receive the above benefits at no charge.

b. Plan Two

Beneficiaries receiving Plan Two coverage are entitled to receive the same benefits as Plan One patients at no charge.

Plan One beneficiaries requiring several Formulary drugs on a regular basis can be considered for “Plan Two” drug coverage. Plan Two drug coverage may be initiated by contacting the Drug Plan. The request can be made by the patient or a health professional (i.e. physician, social worker).

c. Plan Three

Plan Three beneficiaries are entitled to receive all Formulary drugs and certain non-Formulary drugs at no charge.

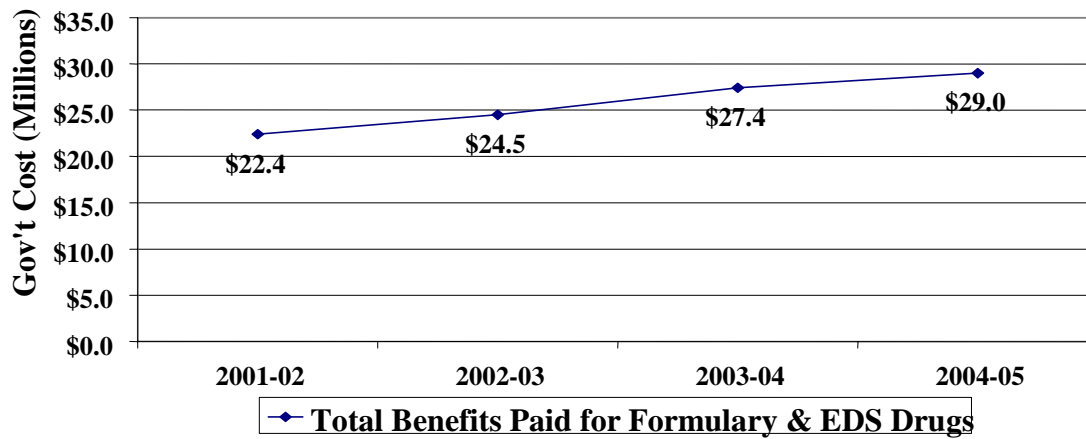
The Supplementary Health program covers the cost of certain non-Formulary drugs as well as the cost of megavitamins and allergenic extracts for Plan One and Plan Two beneficiaries.

Plan Three beneficiaries are residents receiving supplementary assistance who live in Special-Care homes licensed under *The Housing and Special-Care Homes Act*, Approved Homes licensed under *The Mental Health Act*, wards of the province and inmates of provincial correctional institutions.

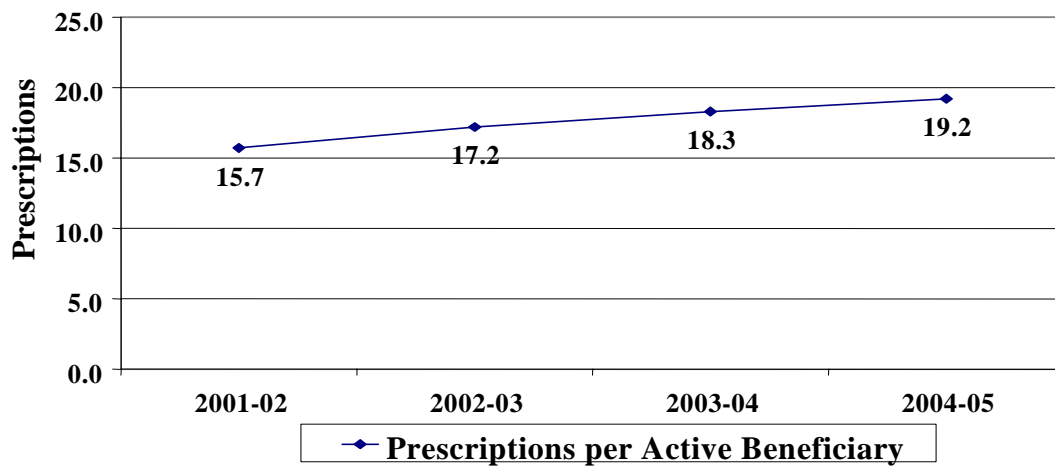
Saskatchewan Assistance Plan Coverage (Continued)

	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Number of SAP Active Beneficiaries	43,143	39,586	38,693	37,565

Saskatchewan Assistance Plan Drug Coverage



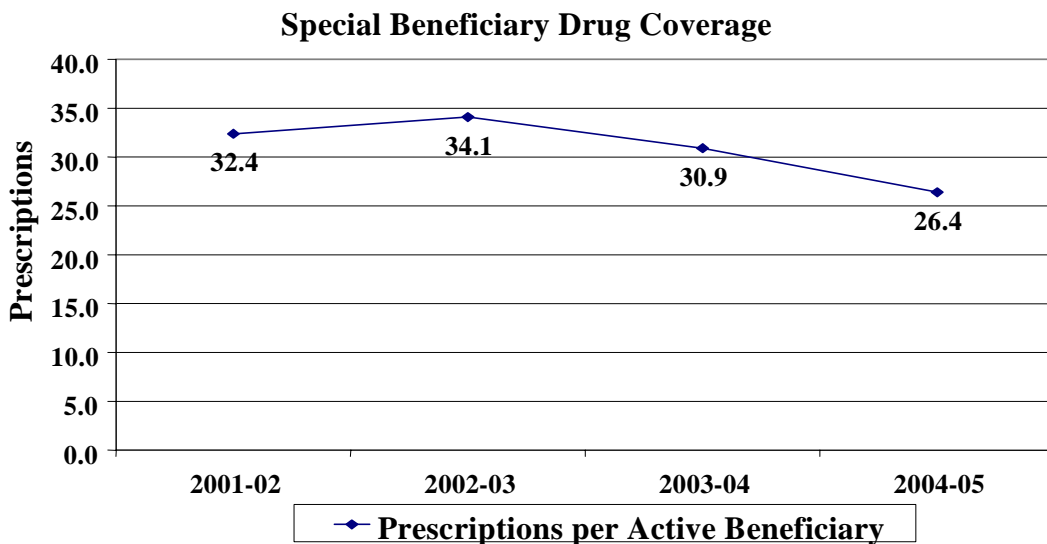
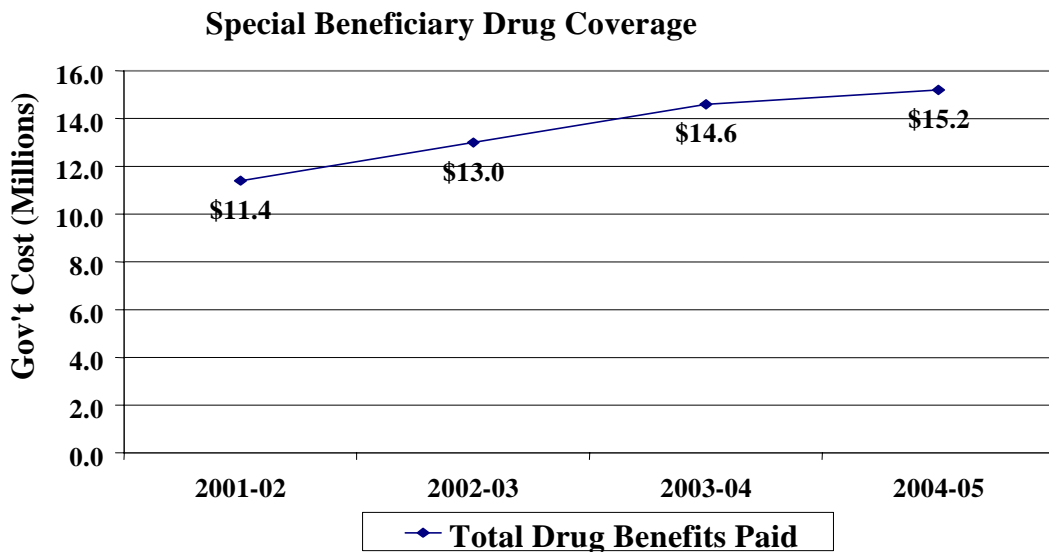
Saskatchewan Assistance Plan Drug Coverage



2. Special Beneficiaries

Special Beneficiaries include persons approved for coverage under the paraplegic program, cystic fibrosis program, chronic end-stage renal disease program, and users of certain no charge high cost drugs. These beneficiaries are entitled to receive certain non-Formulary drugs, Exception Drug Status drugs, and all prescribed Formulary drugs at no charge under the Drug Plan.

	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Number of Active Beneficiaries	3,785	3,912	4,647	5,632

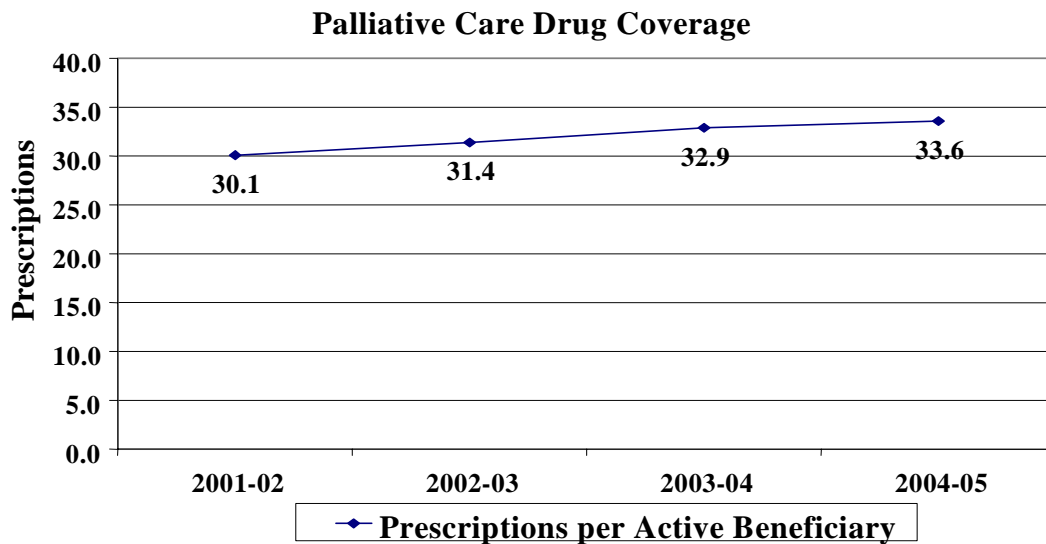
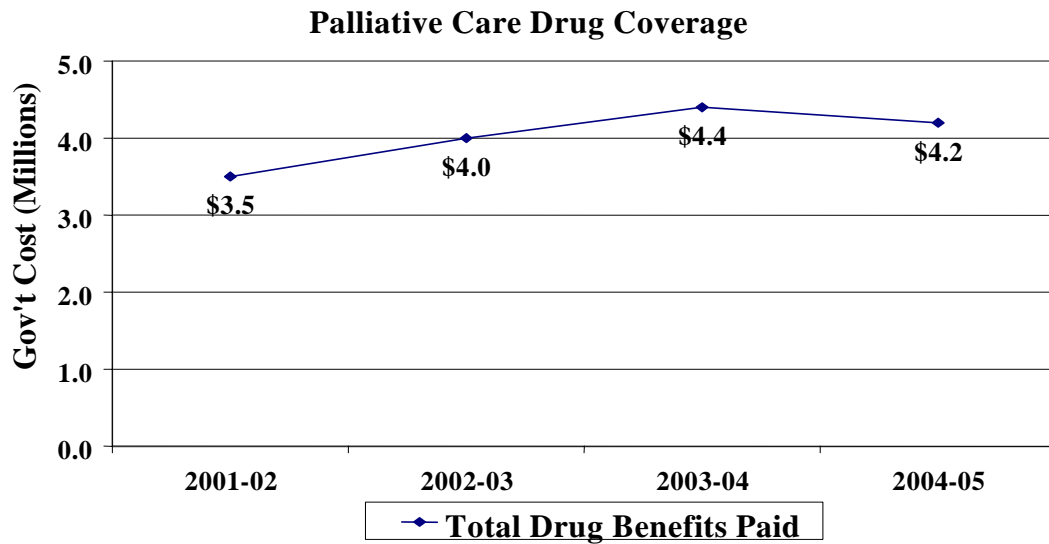


3. Palliative Care Coverage

Persons in late stages of terminal illness are entitled to receive at no cost:

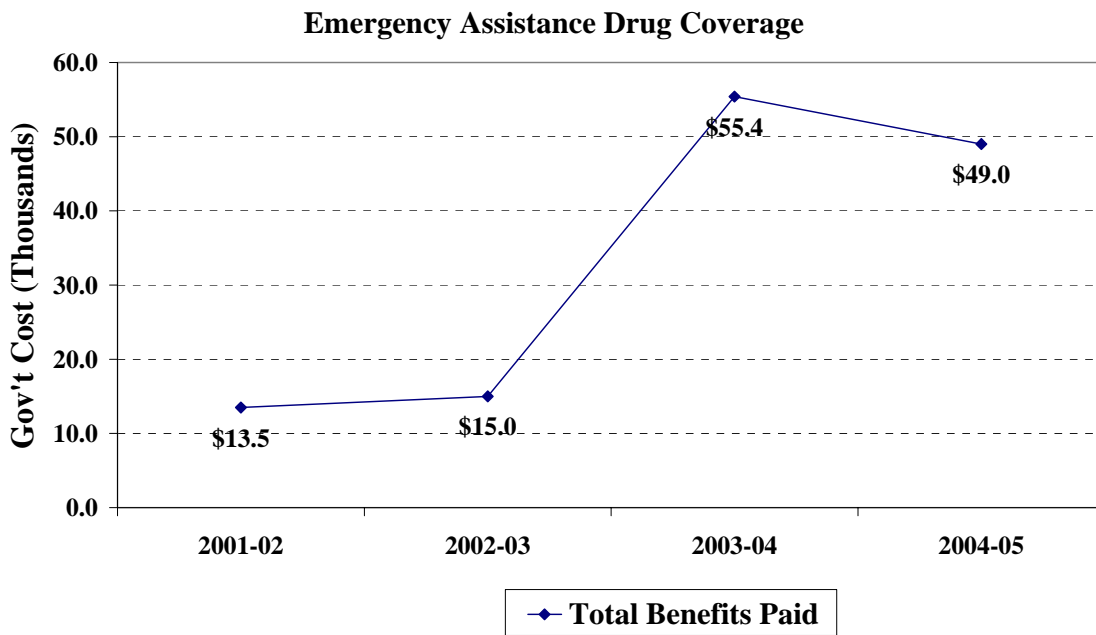
- regular Formulary drugs;
- Exception Drug Status drugs where prior approval has been granted;
- most laxatives.

	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Number of Active Beneficiaries	2,528	2,605	2,664	2,647



4. Emergency Assistance

Residents who require immediate treatment with covered prescription drugs and who are unable to cover the cost, may access emergency assistance. An eligible beneficiary may obtain a limited supply of covered prescription drug(s) at a reduced cost. The level of assistance provided will be in accordance with the consumer's ability to pay. Emergency assistance is available on one occasion, after which the beneficiary is then encouraged to apply for Special Support.



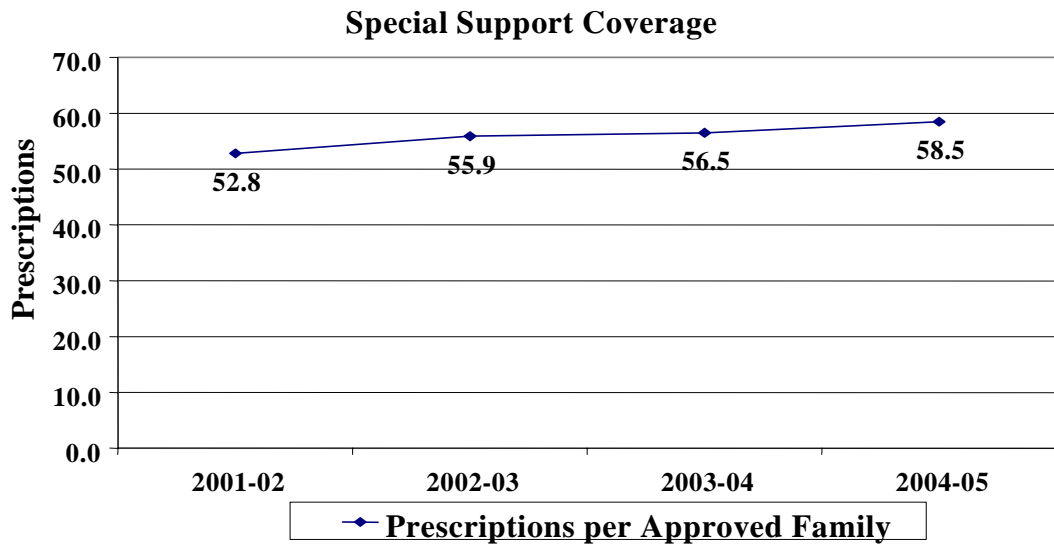
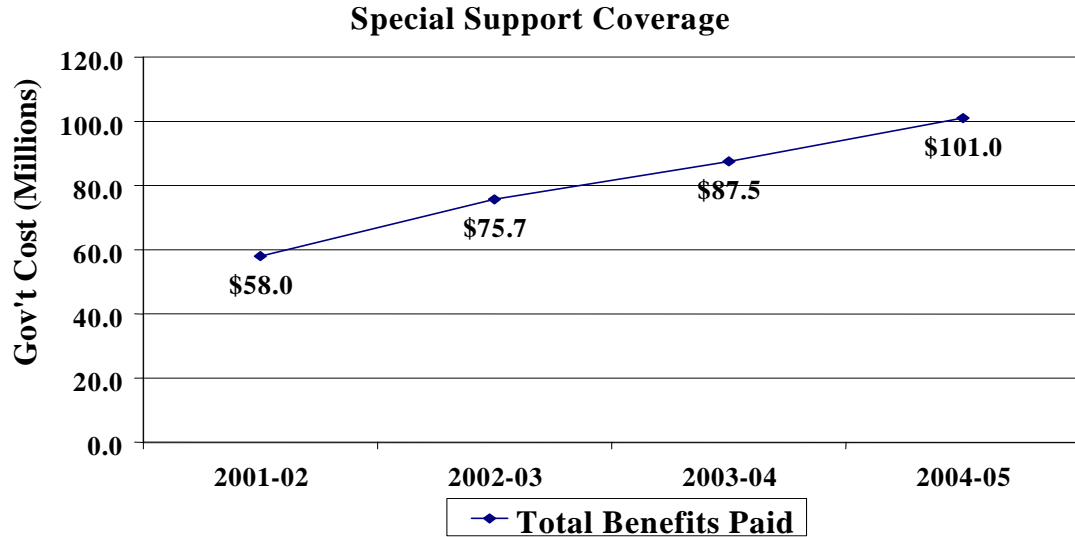
5. Income-based program - Special Support Coverage

The Special Support program helps **those families whose drug costs are high in relation to their income**. If the annual drug costs exceed 3.4% of the family adjusted income (income after adjusting for the number of dependents), the family is eligible for Special Support benefits. Residents must apply for the Special Support Program as the Drug Plan does not have access to the required income information.

If a family is eligible for Special Support, the family and the Drug Plan share the prescription cost. The family co-payment is calculated using drug costs and adjusted family income.

Income-based program - Special Support Coverage (Continued)

	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Number of Approved Special Support Families	42,508	48,455	52,854	56,374

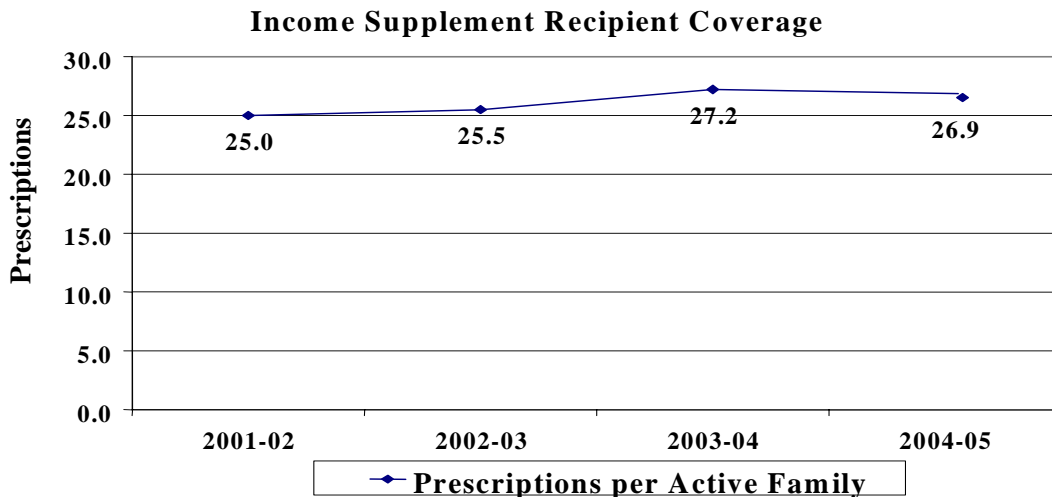
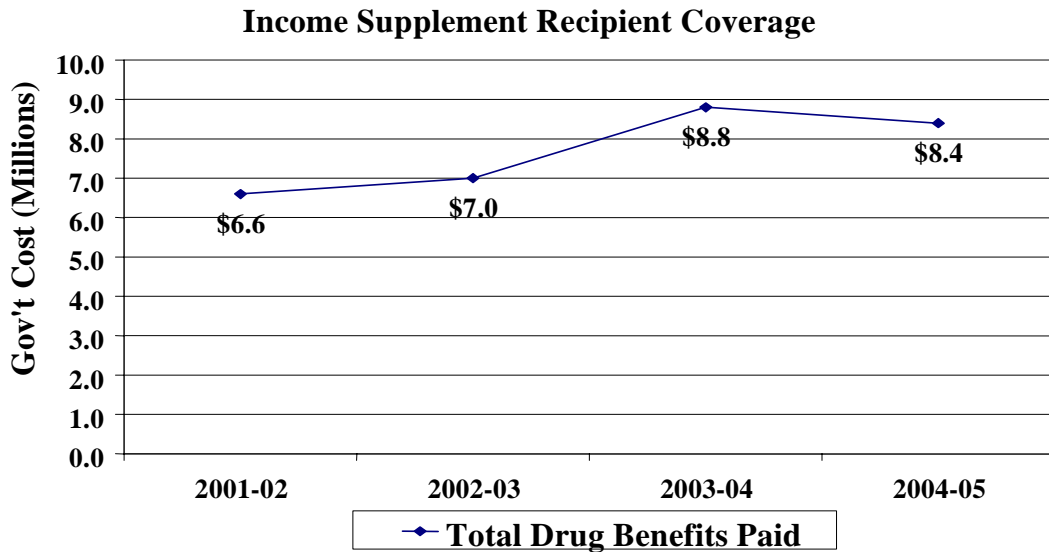


6. Income Supplement Recipients

Single seniors and senior families receiving the Saskatchewan Income Supplement (SIP) or receiving the federal Guaranteed Income Supplement (GIS) and residing in a nursing home have a \$100 semi-annual deductible. Other single seniors and senior families receiving GIS have a \$200 semi-annual deductible. The number of active families continues to decline as more income supplement families begin to incur high drug costs, and apply for Special Support. Other seniors who have higher incomes paid the full cost of their prescriptions up to the regular \$850 semi-annual deductible until June 30, 2002. Starting July 1, 2002, these seniors became eligible for benefits under the income based program.

Note: Families approved for Family Health Benefits are not included in this chart.

	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Number of Active Families	24,849	23,284	23,088	22,331



Family Health Benefit Program

Effective August 1, 1998, families who received the Saskatchewan Child Benefit, and/or the Saskatchewan Employment Supplement were eligible for the new Family Health Benefits.

Comprehensive Supplementary Health Benefits became available to children under the age of 18 who qualified (dental, optical, Formulary drugs, medical supplies and appliances and ambulance services).

Partial benefits became available for adults in qualifying families (eye examinations, chiropractic co-payments, \$100 semi-annual Family Drug Plan deductible with a 35% consumer co-payment thereafter).

	2001-02	2002-03	2003-04	2004-05
Number of Active Children Beneficiaries	26,423	24,471	23,558	23,973
Average Number of Prescriptions per Child	3.7	3.8	4.0	4.0
Cost of the Program	\$2.4M	\$2.4M	\$2.6M	\$2.8M

	2001-02	2002-03	2003-04	2004-05
Number of Active Adult Beneficiaries	18,927	17,430	16,553	17,682
Average Number of Prescriptions per Adult	6.0	6.1	6.4	6.6
Cost of the Program	\$0.9M	\$1.0M	\$1.1M	\$1.2M

Note: Not included in the above chart is the program cost for Active Adults approved for Special Support. This program cost \$2,045,756 in 2003-04 and \$2,217,378 in 2004-05.

Drugs Covered by the Drug Plan

With the exception of insulin, blood testing agents and urine testing agents, syringes, needles, lancets, and swab used by diabetic patients, a prescription is required from a licensed prescriber for all drugs eligible for coverage under the Drug Plan.

The Formulary

The Drug Plan and Extended Benefits Branch prepares, maintains, and distributes the Saskatchewan Formulary. The Formulary is a listing of therapeutically effective drugs of proven high quality that have been approved for coverage under the Drug Plan.

Drugs listed in the Formulary are periodically reviewed and additions and deletions are recommended when necessary. Revised editions of the Formulary are published yearly in July, followed up with updates approximately every quarter. The goal of the Formulary is to list a range and variety of drugs that will enable prescribers to select an effective course of therapy for most patients. The July 2005 Saskatchewan Formulary lists 2,917 Formulary drug products and 681 published Exception Drug Status products.

Exception Drug Status

Certain drugs are reviewed and recommended by the Saskatchewan Formulary Committee for coverage under Exception Drug Status (EDS). All recommendations must be approved by the Minister of Health. The drugs usually fall into one of the following categories:

1. The drug is ordinarily administered only to hospital in-patients but is being administered outside of a hospital because of unusual circumstances.
2. The drug is not ordinarily prescribed or administered in Saskatchewan, but is being prescribed because it is required in the diagnosis or treatment of an illness, disability, or condition rarely found in Saskatchewan.
3. The drug is infrequently used since therapeutic alternatives listed in the Formulary are usually effective, but are contraindicated or found to be ineffective due to the clinical condition of the patient.
4. The drug has been deleted from the Formulary but is required by patients previously stabilized on the drug.
5. The drug has potential for use in other than approved indications.
6. The drug has potential for the development of widespread inappropriate use.
7. The drug is more expensive than listed alternatives and offers an advantage in only a limited number of indications.

Most drugs approved for Exception Drug Status coverage are subject to the same co-payment as the patient's Formulary drugs.

Over-the-Counter Products

Over-the-counter (OTC) products are generally not included as benefits under the Drug Plan.

Saskatchewan Formulary Process

Product Selection

The Minister of Health relies on the recommendations of two expert committees; the Drug Quality Assessment Committee, and the Saskatchewan Formulary Committee in order to decide which products will be listed as benefits under the Drug Plan.

The Drug Plan and Extended Benefits Branch provides resources and staff support to the Committees in the review of products for listing in the Saskatchewan Formulary. This support includes forecasting drug costs and preparing use/cost analysis reports.

Saskatchewan is participating in the Common Drug Review (CDR). The CDR provides participating federal, provincial and territorial drug benefit plans with a systematic review of the available clinical evidence, a critique of manufacturer-submitted pharmaco-economic studies and a formulary listing recommendation made by the Canadian Expert Drug Advisory Committee (CEDAC).

Note: The Drug Review process described below is in transition and will be changing to reflect the CDR process.

- **Drug Quality Assessment Committee**

The Drug Quality Assessment Committee (DQAC) is appointed by the Minister of Health to:

- evaluate manufacturer submissions for consideration for coverage of new drugs and report its findings to the Saskatchewan Formulary Committee.
- review available manufacturing documentation including clinical documents, reports of scientific studies and published literature.
- evaluate comparative bioavailability studies and/or comparative clinical studies to determine compliance with accepted standards for interchangeability.

Saskatchewan Formulary Committee

The Saskatchewan Formulary Committee (SFC), appointed by the Minister of Health, has the following functions:

- recommends to the Minister of Health additions and deletions to the Saskatchewan Formulary. The SFC considers economic information including utilization patterns as well as the clinical assessment of the DQAC.
- provides advice in compiling and maintaining the Saskatchewan Formulary.
- identifies those products which are “interchangeable”. Interchangeable products are different brands of the same drug that are equivalent in therapeutic effectiveness and quality.
- conducts reviews of new drug products and re-evaluation of listed products based on new information about use, efficacy and cost.

Product Interchangeability and Pricing

One function of the Saskatchewan Formulary Committee is to identify interchangeable drug groups. Interchangeable products are different brands of the same drug with the same strength and dosage form that are equivalent in therapeutic effectiveness and quality. The Formulary lists two types of interchangeable drug groups; Low Cost Alternative, and Standing Offer Contract.

- **Low Cost Alternative**

In order to ensure price stability for the Formulary period, the Drug Plan and Extended Benefits Branch requires drug manufacturers to provide guaranteed maximum prices for the period. The prices constitute the maximum price that the Drug Plan will allow for those products during the effective Formulary period.

Any drug in a Low Cost Alternative interchangeable group can be used to fill a prescription. The drug cost component in the approved prescription price is the actual acquisition cost of the drug up to the lowest price listed in the Formulary within that interchangeable group.

- **Standing Offer Contract (SOC)**

The Drug Plan tenders the drugs in certain interchangeable groups to obtain the lowest possible price. An accepted tender, called SOC, requires the manufacturer to guarantee delivery of the specific drug to pharmacies through approved distributors at the contracted price. In return, the manufacturer's product will be used almost exclusively. This tender process saved an estimated \$12.9M in 2004-05 for beneficiaries and government combined.

Only the accepted tendered drug can be used to fill a prescription in an SOC interchangeable group. If a prescription is ordered as "no substitution" for any brand other than the SOC brand listed, the Drug Plan will cover the actual acquisition cost up to the listed SOC unit price. The difference in acquisition cost between the brand dispensed and the cost covered by the Drug Plan is the responsibility of the consumer.

- **"No Substitution" Prescription Drug Coverage**

It is recognized that extremely rare cases may exist in which a person is not able to use a particular brand of product. In such cases, the physician may request exemption from full payment of incremental cost when a specific brand of drug in an interchangeable category is found to be essential for a particular patient. There is no provision for "blanket" exemptions. Each request must be patient and product specific.

- **Maximum Allowable Cost (MAC)**

MAC is a policy to encourage cost-effective prescribing without compromising the health of Saskatchewan residents. Under this policy, the price of the most cost effective drug(s) is used as a guide to set the maximum price the Drug Plan will cover for other similar drugs used to treat the same condition.

Under this policy, residents do not have to switch medications. They have the option of continuing to take the higher-priced prescription drug and paying the difference in cost over the MAC.

The policy was implemented in Saskatchewan on July 1, 2004 with one group of drugs, the Proton Pump Inhibitors (PPIs). These drugs are covered under the Exception Drug Status program and are used to treat various gastrointestinal disorders. The policy was implemented in a staged approach and when fully implemented (after June 30, 2005) is estimated to result in government savings of over \$1M annually.

Encouraging Appropriate Drug Use

The Drug Plan uses a number of activities to encourage appropriate use of drugs:

- Use of the claims processing system to perform various edit and assessment checks.
- Use of Exception Drug Status coverage where drugs are only intended for use in certain circumstances. e.g. products intended for second line use.
- Use of the Maximum Allowable Cost policy to encourage cost effective prescribing.
- Provides funding support for:
 - a) The College of Medicine Drug Evaluation Support - Roving Professorship Program to assist in the drug review process, to provide expert opinions on an ad hoc basis, and to deliver drug information to promote the optimal use of pharmaceuticals in the province.
 - b) The College of Pharmacy & Nutrition Drug Information Services provides a province-wide drug information service for health professionals and consumers.
 - c) The Triplicate Prescription Program operated by the College of Physicians and Surgeons, a two part written prescription to monitor prescribing for a select panel of prescription drugs with intent to reduce abuse and diversion.
 - d) The RxFiles Academic Detailing Program operated by the Saskatoon Regional Health Authorities (RHA's) as an educational program aimed at assisting physicians in selecting the most appropriate and cost-effective drug therapy for their patients.
- The Trial Prescription Program, started as a joint project with the Saskatchewan College of Pharmacists, and later came under the Drug Plan. The pharmacist is encouraged to dispense a seven to ten day supply for the initial prescription of certain drugs, monitor the effect on the patient and if the outcomes are positive, dispense the full prescription as directed by the physician. There is no additional cost to the resident for this service.

Pharmacy Claims Processing

An on-line computer network transmits prescription information from the pharmacy to the central computer where it is checked against stored data to determine whether it can be approved for payment. Checking includes: is the drug a benefit, does the beneficiary have health coverage and the type, is the quantity dispensed within appropriate levels, is the number of prescriptions for the beneficiary within limits, is the prescription a duplicate or possible duplicate of another dispensed prescription, is the prescriber authorized, are the unit costs within limits. The prescription claim is adjudicated and cost information is then transmitted back to the pharmacy, detailing the consumer share and Drug Plan share.

- **Pharmacy Reimbursements**

At March 31, 2005, there were 368 pharmacies providing Drug Plan eligible services.

According to the Agreement between Saskatchewan Health and pharmacy proprietors, the prescription cost is calculated by adding the acquisition cost of the drug material, the submitted mark-up and dispensing fee (up to a maximum).

The maximum dispensing fee was increased to \$7.97 on September 1, 2003. From March 1, 2003 to August 31, 2003, the maximum dispensing fee was \$7.74. The maximum mark-up allowance calculated on the prescription drug cost is: 30% for drug cost up to \$6.30, 15% for drug cost between \$6.31 and \$15.80, 10% for drug cost of \$15.81 to \$200.00, and a maximum mark-up of \$20.00 for drug cost over \$200.00.

For urine-testing agents the pharmacy receives acquisition cost along with the mark-up and a 50% mark-up in place of the dispensing fee. For insulin, the pharmacy receives acquisition cost plus a negotiated mark-up. For diabetic supplies, (syringes, needles, lancets and swabs) the pharmacy receives actual acquisition cost plus a mark-up not to exceed 50%. The tiered mark-up and dispensing fee do not apply for diabetic supplies.

- **Prescription Quantities**

The Drug Plan places no limitation on the quantities of drugs that may be prescribed. Prescribers shall exercise their professional judgment in determining the course and duration of treatment for their patients. However, in most cases, the Drug Plan will not pay benefits or credit deductibles for more than a 3-month supply of a drug at one time.

The pharmacist may charge one dispensing fee for each prescription for most drugs listed in the Formulary. The pharmacist is entitled to charge a dispensing fee for each 34-day supply, however, the Pharmacy Agreement does not prohibit the pharmacist from dispensing more than a 34-day supply for one fee. The Pharmacy Agreement also contains a list of 2-month and 100-day Maintenance drugs. Once a patient's therapy is stable, prescribing and dispensing of these drugs should be in quantities of 2-month or 100-days, unless there are unusual circumstances that require different quantities.

Formulary and EDS Drug Utilization 2004-05

At June 30, 2004, a total of 917,543 individuals, representing approximately 528,002 family units were eligible to receive Drug Plan benefits.

A total of 625,924 individual beneficiaries representing 440,307 family units, purchased eligible prescriptions. This represents 68.2% of eligible individuals.

1. Overall 2004-05 Utilization

Figure 1 compares active Drug Plan beneficiaries to the eligible population and shows the percentage of total prescriptions dispensed to each age group. This shows that the 65+ age group is 15.8% of the eligible population, represents 21.2% of Drug Plan active beneficiaries, and receive 47.1% of all prescriptions.

Table 2 presents prescription drug utilization by age and sex of the beneficiary. It also shows that drug utilization increases with age, with the larger increases beginning at age 45.

Figure 1
Prescriptions Dispensed by Age Groups, Eligible and Active Beneficiaries

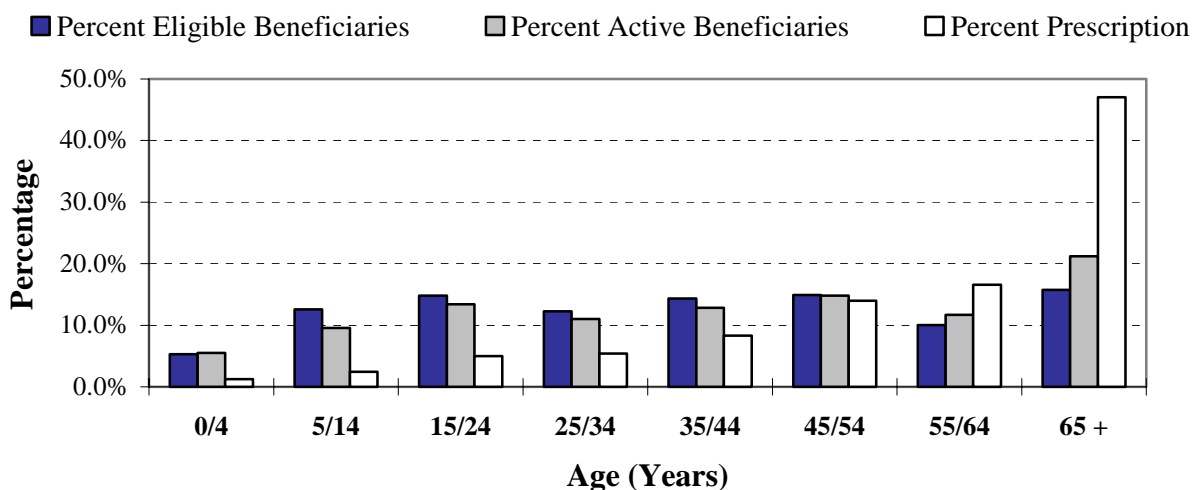


Table 2
Prescription Drug Utilization by Age and Sex of Active Beneficiary

Age of Consumer ¹	Active Beneficiaries	Number of Prescriptions ²	Drug Material Cost ³	Dispensing Fee ⁴	Total Drug Plan Payment ⁵
April 2004 - March 2005 (as submitted for all prescriptions to all beneficiaries)					
Male					
0 - 4	17,894	61,553	\$ 750,424	\$ 437,366	\$ 506,017
5 - 14	30,308	119,176	3,189,459	823,717	2,062,836
15 - 24	33,454	146,670	4,967,454	999,709	2,844,354
25 - 34	26,525	158,226	5,784,859	1,099,115	3,739,302
35 - 44	34,507	304,464	12,368,166	2,159,082	7,669,089
45 - 54	42,639	554,676	21,433,849	3,884,680	10,500,122
55 - 64	34,602	687,407	24,644,602	4,682,719	11,815,430
65 - 74	28,139	758,136	24,815,797	5,087,807	13,893,250
75 - 84	20,236	641,361	18,903,716	4,466,321	11,440,887
85 and over	6,821	237,905	5,969,338	1,752,898	4,111,438
Male Total	275,125	3,669,574	\$ 122,827,664	\$ 25,393,415	\$ 68,582,724
Female					
0 - 4	16,446	51,906	\$ 611,128	\$ 370,713	\$ 459,423
5 - 14	29,510	97,162	2,524,222	677,262	1,766,081
15 - 24	50,450	296,090	8,089,774	2,035,482	3,360,568
25 - 34	42,536	322,228	10,275,395	2,187,529	4,963,916
35 - 44	45,731	439,163	16,550,571	3,043,068	9,302,658
45 - 54	50,058	692,100	25,321,301	4,785,484	12,891,303
55 - 64	38,558	791,235	26,134,299	5,395,450	14,075,435
65 - 74	31,806	867,776	26,792,412	5,931,204	16,517,211
75 - 84	29,345	1,030,090	29,312,186	7,381,631	19,875,377
85 and over	16,359	661,766	16,146,934	4,965,709	12,615,411
Female Total	350,799	5,249,516	\$ 161,758,223	\$ 36,773,532	\$ 95,827,384
Both Sexes					
0 - 4	34,340	113,459	\$ 1,361,553	\$ 808,078	\$ 965,441
5 - 14	59,818	216,338	5,713,681	1,500,979	3,828,917
15 - 24	83,904	442,760	13,057,229	3,035,192	6,204,922
25 - 34	69,061	480,454	16,060,254	3,286,644	8,703,218
35 - 44	80,238	743,627	28,918,736	5,202,150	16,971,747
45 - 54	92,697	1,246,776	46,755,151	8,670,164	23,391,425
55 - 64	73,160	1,478,642	50,778,900	10,078,169	25,890,865
65 - 74	59,945	1,625,912	51,608,209	11,019,011	30,410,461
75 - 84	49,581	1,671,451	48,215,902	11,847,952	31,316,264
85 and over	23,180	899,671	22,116,272	6,718,608	16,726,849
Grand Total	625,924	8,919,090	\$ 284,585,887	\$ 62,166,947	\$ 164,410,108

1 Age of beneficiary as at March 31, 2005.

2 Refers to Formulary and Exception Drug Status drugs.

3 Includes mark-up on drug acquisition cost.

4 The Dispensing fee charged by pharmacy for the prescriptions dispensed.

5 Drug Plan Payment is the total of the Drug Material Cost and Dispensing fee; less portion paid by consumers; such as deductibles, co-payments, prescription charges and the full cost if not income tested.

2. 2004-05 Utilization by Type of Beneficiary

Drug Plan benefits are directed at families with low incomes, families with high drug costs and those with a combination of the two. Table 3 summarizes the beneficiaries into five main groups:

1. beneficiaries approved for an Income-based Special Support co-payment;
2. beneficiaries exempt from paying a co-payment, some of which are on Saskatchewan Assistance Plan (SAP), S.A.I.L. beneficiaries, palliative care, or receive certain high cost drugs grandfathered at 100%;
3. beneficiaries approved for Family Health Benefits;
4. beneficiaries approved for Income Supplement under Saskatchewan Income Plan (SIP), and Guaranteed Income Supplement (GIS);
5. other Drug Plan beneficiaries.

Table 3
Prescription Drug Utilization by Over/Under 65

April 2004 - March 2005

Type of Beneficiary	Active Beneficiaries	Number of Prescriptions ¹	Payment Patient Paid	Average Cost to Patient	Drug Plan Payment ²	Average Cost to Drug Plan
Beneficiaries approved under Income-based Special Support Program						
Under 65	32,814	950,814	\$ 18,396,431	\$ 560.63	\$ 47,736,441	\$ 1,454.76
65 and over	<u>46,833</u>	<u>2,347,459</u>	<u>28,054,092</u>	599.02	<u>53,290,524</u>	1,137.88
Sub-Total	<u>79,647</u>	<u>3,298,273</u>	<u>\$ 46,450,522</u>	\$ 583.20	<u>\$ 101,026,965</u>	\$ 1,268.43
Beneficiaries exempt from paying a Deductible (e.g. SAP, SAIL, Palliative Care)						
Under 65	41,265	774,658	\$ 609,588	\$ 14.77	\$ 39,533,970	\$ 958.05
65 and over	<u>4,579</u>	<u>183,167</u>	<u>19,635</u>	4.29	<u>8,967,422</u>	1,958.38
Sub-Total	<u>45,844</u>	<u>957,825</u>	<u>\$ 629,223</u>	\$ 13.73	<u>\$ 48,501,392</u>	\$ 1,057.97
Beneficiaries receiving Family Health Benefits (excludes prescriptions under Special Support)						
Under 65	41,606	212,233	\$ 2,304,851	\$ 55.40	\$ 3,946,857	\$ 94.86
65 and over	<u>49</u>	<u>751</u>	<u>12,650</u>	258.16	<u>10,339</u>	210.99
Sub-Total	<u>41,655</u>	<u>212,984</u>	<u>\$ 2,317,500</u>	\$ 55.64	<u>\$ 3,957,196</u>	\$ 95.00
Beneficiaries receiving Income Supplements (SIP & GIS not covered under Special Support)						
Under 65	1,988	31,360	\$ 600,609	\$ 302.12	\$ 384,827	\$ 193.57
65 and over	<u>24,186</u>	<u>569,571</u>	<u>9,654,711</u>	399.19	<u>8,002,379</u>	330.87
Sub-Total	<u>26,174</u>	<u>600,931</u>	<u>\$ 10,255,320</u>	\$ 391.81	<u>\$ 8,387,206</u>	\$ 320.44
Other Drug Plan Beneficiaries (families whose Income Supplement coverage or special support benefits ended by fiscal year end)						
Under 65	377,196	2,728,662	\$ 88,277,241	\$ 234.04	\$ 1,476,803	\$ 3.92
65 and over	<u>55,408</u>	<u>1,120,415</u>	<u>34,412,920</u>	621.08	<u>1,060,546</u>	19.14
Sub-Total	<u>432,604</u>	<u>3,849,077</u>	<u>\$122,690,160</u>	\$ 283.61	<u>\$ 2,537,349</u>	\$ 5.87
Grand Total	625,924	8,919,090	\$182,342,726		\$ 164,410,108	

1 Refers to Formulary and Exception Drug Status drugs.

2 Drug Plan Payment is the total of the Drug Material Cost and Dispensing fee, less the portion paid by consumers; such as deductibles, co-payments, prescription charges and the full cost if not income tested.

3. 2004-05 Utilization by Families

Tables 4, 5, and 6 show the breakdown of prescription utilization, family cost, and government cost for all families using one or more prescriptions in the fiscal year by three categories of families:

1. Families that applied for Special Support and were granted a reduced co-payment because their annual drug costs exceeded 3.4% of their annual family income;
2. Families exempt from a co-payment program. (e.g. some Saskatchewan Assistance Plan families, S.A.I.L. beneficiaries, Palliative Care, children of families approved for Family Health Benefits);
3. Families Receiving Income Supplements, and not income-tested. Families included in this table are:
 - Those that have a \$100 semi-annual deductible because they are adults of families approved for Family Health Benefits (FHB), single seniors and senior families receiving the Saskatchewan Income Supplement (SIP), or are receiving the federal Guaranteed Income Supplement (GIS) and residing in a nursing home.
 - Those that have a \$200 semi-annual deductible because they receive GIS.
 - Those that paid the full cost of prescriptions as they have not applied to be income tested by the Income-based Special Support Program.

In 'Families Approved under the Special Support Program' (Table 4), 56,374 families who had high drug costs in relation to their income received \$101 million in benefits, which equals an average payment of \$1,792.08 per family which is an increase of 8.3% over the previous year.

In 'Prescription Cost to Families Exempt from being Income Tested' (Table 5), the average payment on behalf of each active family was \$942.38 which is an increase of 2.3% over the previous year.

In 'Prescription Cost to Families Receiving Income Supplements, and Not Income Tested' (Table 6), the average payment on behalf of each active family was \$36.74.

Table 4**Prescription Cost to Families Approved Under Special Support Program**

April 2004 - March 2005

Cost to Family Unit	Number of Family Units	Number of Prescriptions ¹	Drug Material Cost ²	Approved Prescription Cost	Net Family Payments ³	Total Drug Plan Payment ⁴
\$ 00.01 - 25.00	1,343	14,906	\$ 461,294	\$ 566,501	\$ 6,258	\$ 560,243
25.01 - 50.00	733	13,968	503,790	601,960	26,994	574,966
50.01 - 75.00	616	13,007	489,226	582,545	38,567	543,978
75.01 - 100.00	617	12,836	467,354	554,177	53,849	500,328
100.01 - 125.00	561	13,161	454,759	548,828	63,224	485,604
125.01 - 150.00	606	15,684	597,879	709,358	83,256	626,103
150.01 - 175.00	572	15,531	615,406	725,006	93,119	631,887
175.01 - 200.00	665	20,026	822,806	965,741	124,832	840,908
200.01 - 250.00	1,490	47,508	1,871,614	2,205,355	336,080	1,869,275
250.01 - 300.00	1,793	65,902	2,246,394	2,715,964	495,136	2,220,828
300.01 - 350.00	2,224	90,772	2,800,931	3,457,437	725,599	2,731,838
350.01 - 400.00	2,856	132,052	4,204,857	5,161,194	1,074,961	4,086,233
400.01 - 450.00	3,382	169,942	5,164,459	6,403,759	1,438,540	4,965,219
450.01 - 500.00	3,350	178,570	5,452,857	6,751,792	1,590,279	5,161,513
500.01 - 600.00	5,580	315,462	9,989,684	12,266,058	3,059,193	9,206,865
600.01 - 725.00	5,586	338,230	11,442,399	13,850,288	3,684,687	10,165,602
725.01 - 850.00	4,555	304,279	10,353,785	12,514,915	3,575,049	8,939,866
850.01 - 1000.00	4,205	294,923	10,590,473	12,666,608	3,875,184	8,791,424
1000.01 - 1250.00	5,078	373,365	13,795,245	16,375,432	5,670,332	10,705,100
1250.01 - and over	10,562	868,149	41,900,253	47,854,568	20,435,383	27,419,185
All	56,374	3,298,273	\$ 124,225,466	\$ 147,477,487	\$ 46,450,522	\$ 101,026,965

1 Refers to Formulary and Exception Drug Status drugs.

2 Includes mark-up on drug acquisition cost.

3 Net Family Payments is the total cost paid by families granted a reduced co-payment.

4 Drug Plan Payment is the total of the Drug Material Cost and Dispensing fee; less portion paid by consumers; such as deductibles, co-payments, prescription charges and the full cost if not income tested.

Table 5
Prescription Cost to Families Exempt from being Income-tested

April 2004 - March 2005

Cost to Family Unit	Number of Family Units	Number of Prescriptions ¹	Drug Material Cost ²	Approved Prescription Cost	Net Family Payments ³	Total Drug Plan Payment ⁴
\$ NIL	35,390	630,465	\$ 29,296,167	\$ 34,007,872	\$ -	\$ 34,007,872
00.01 - 25.00	11,909	102,554	2,647,279	3,411,459	105,253	3,306,206
25.01 - 50.00	3,044	75,209	2,854,357	3,421,935	111,275	3,310,659
50.01 - 75.00	1,569	59,864	2,144,997	2,593,447	96,567	2,496,879
75.01 - 100.00	960	49,034	1,899,094	2,273,821	82,853	2,190,968
100.01 - 125.00	575	38,753	1,414,835	1,722,175	64,557	1,657,617
125.01 - 150.00	389	30,599	1,179,256	1,413,288	53,127	1,360,160
150.01 - 175.00	201	18,677	703,182	845,501	32,641	812,860
175.01 - 200.00	130	14,210	487,018	598,415	24,293	574,122
200.01 - 250.00	145	19,643	702,591	853,392	32,456	820,937
250.01 - 300.00	42	6,424	267,723	316,092	11,388	304,705
300.01 - 350.00	25	4,353	187,263	218,460	8,051	210,409
350.01 and over	34	4,350	198,610	231,315	7,154	224,161
All	54,413	1,054,135	\$ 43,982,371	\$ 51,907,171	\$ 629,617	\$ 51,277,554

1 Refers to Formulary and Exception Drug Status drugs.

2 Includes mark-up on drug acquisition cost.

3 Refers to the maximum \$2 per prescription charge paid by the family.

4 Drug Plan Payment is the total of the Drug Material Cost and Dispensing fee; less portion paid by consumers; such as deductibles, co-payments, prescription charges and the full cost if not income tested.

Table 6**Prescription Cost to Families Receiving Income Supplements, and Not Income-Tested ⁵**

April 2004 - March 2005

Cost to Family Unit	Number of Family Units	Number of Prescriptions ¹	Drug Material Cost ²	Approved Prescription Cost	Net Family Payments ³	Total Drug Plan Payment ⁴
\$ 00.01 - 25.00	46,264	53,320	\$ 299,929	\$ 659,476	\$ 639,974	\$ 19,502
25.01 - 50.00	36,267	83,200	771,135	1,343,530	1,315,530	28,000
50.01 - 75.00	23,476	83,732	916,777	1,487,901	1,453,370	34,531
75.01 - 100.00	17,184	80,524	982,610	1,529,855	1,494,063	35,792
100.01 - 125.00	14,557	81,754	1,135,052	1,686,281	1,628,306	57,975
125.01 - 150.00	12,286	81,041	1,211,952	1,754,426	1,686,079	68,347
150.01 - 175.00	11,181	83,579	1,334,145	1,883,269	1,816,336	66,933
175.01 - 200.00	10,185	84,927	1,421,610	1,979,480	1,906,443	73,038
200.01 - 250.00	19,232	181,030	3,305,673	4,521,987	4,312,060	209,927
250.01 - 300.00	14,639	165,020	3,154,482	4,273,578	4,003,991	269,587
300.01 - 350.00	11,353	151,370	2,972,376	3,998,933	3,682,707	316,226
350.01 - 400.00	9,671	144,232	3,011,042	3,982,476	3,622,967	359,509
400.01 - 450.00	8,835	145,518	3,187,623	4,168,082	3,752,135	415,947
450.01 - 500.00	7,779	140,759	3,201,380	4,148,524	3,691,958	456,566
500.01 - 600.00	13,963	283,956	6,764,986	8,695,440	7,654,103	1,041,337
600.01 - 725.00	13,632	326,722	8,172,749	10,396,644	8,995,807	1,400,837
725.01 - 850.00	10,596	286,871	7,631,629	9,585,758	8,317,219	1,268,539
850.01 - 1000.00	9,785	301,484	8,368,757	10,418,448	9,026,485	1,391,966
1000.01 - 1250.00	11,924	418,386	12,190,114	15,023,281	13,323,460	1,699,821
1250.01 - and over	26,711	1,389,257	46,344,032	55,830,807	52,939,595	2,891,211
All	329,520	4,566,682	\$ 116,378,050	\$ 147,368,176	\$ 135,262,587	\$ 12,105,589

1 Refers to Formulary and Exception Drug Status drugs.

2 Includes mark-up on drug acquisition cost.

3 Net Family Payments is the full cost of prescriptions for those families who are not income-tested, and is the net cost to an Income Supplement family for the total of the deductible and the family co-payment once the deductible has been met.

4 Drug Plan Payment is the total of the Drug Material Cost and Dispensing fee; less portion paid by consumers; such as deductibles, co-payments, prescription charges and the full cost if not income tested.

5 Includes beneficiaries covered under the semi-annual Income Supplement deductibles, and those families who are not income-tested to receive benefits

4. 2004-05 Utilization by Pharmacologic - Therapeutic Classification

Table 7 shows prescription volume and Drug Plan expenditures by Pharmacologic - Therapeutic Classification. Four categories; Central Nervous System (CNS) Drugs, Cardiovascular Drugs, Hormones and Substitutes and Anti-Infectives, accounted for 69.0% of all prescriptions and 57.6% of the Drug Plan payment.

Table 7
Prescriptions by Pharmacologic - Therapeutic Classification

Pharmacologic - Therapeutic Classification ¹	Number of Prescriptions ²	Drug Material Cost ³	Total Drug Plan Payment
April 2004 - March 2005			
As submitted for all beneficiaries			
8:00 Anti-Infectives	651,758	\$ 10,559,174	\$ 5,907,950
10:00 Antineoplastic agents	902	104,386	88,287
12:00 Autonomic Drugs	281,266	8,796,244	5,771,775
20:00 Blood Formation and Coagulation	202,144	8,331,325	6,340,816
24:00 Cardiovascular Drugs	2,558,227	89,371,241	39,545,389
28:00 Central Nervous System Drugs	1,836,431	57,759,777	37,225,513
36:00 Diagnostic Agents	120,039	9,106,956	4,848,318
40:00 Electrolytic, Caloric, and Water Balance	516,287	2,396,059	2,855,530
48:00 Cough Preparations	319	166,048	166,060
52:00 Eye, Ear, Nose and Throat Preparations	292,675	7,009,405	2,784,448
56:00 Gastrointestinal Drugs	449,324	18,069,249	10,971,351
60:00 Gold Compounds	278	13,117	7,366
64:00 Metal Antagonists	306	83,235	76,230
68:00 Hormones and Substitutes	1,105,952	25,538,254	11,871,384
84:00 Skin and Mucous Membrane Preparations	269,333	5,892,145	2,212,114
86:00 Spasmolytics	45,206	926,736	722,209
88:00 Vitamins	72,349	218,437	349,621
92:00 Unclassified and others	516,294	40,244,099	32,665,748
Total	8,919,090	\$ 284,585,887	\$ 164,410,108

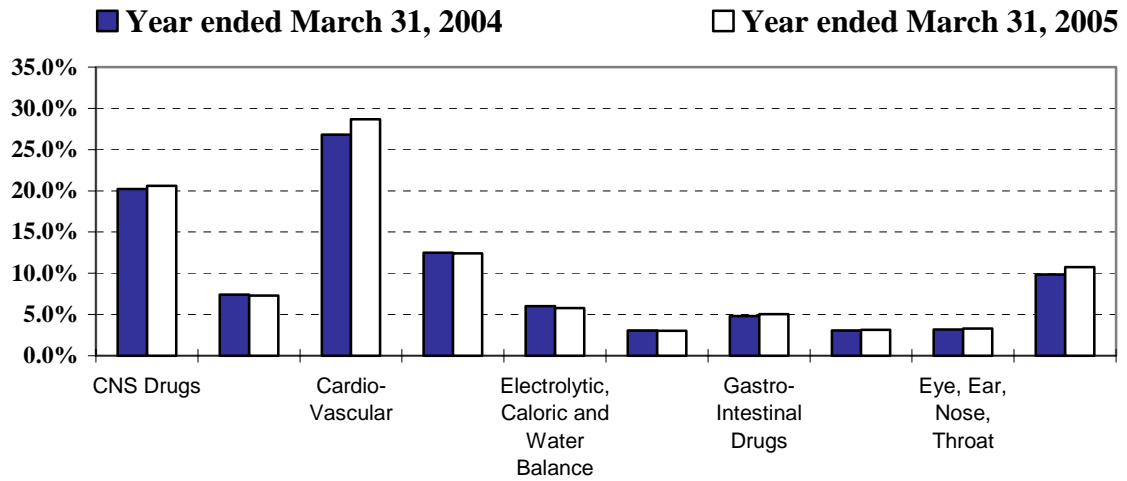
1 The drug classification system used is that of the American Society of Hospital Pharmacists.

2 Refers to Formulary and Exception Drug Status drugs.

3 Includes Mark-up on drug acquisition cost.

Figure 2 shows the Table 7 prescription volume by Pharmacologic – Therapeutic Classification.

Figure 2
Prescription Volume by Pharmacologic - Therapeutic Classification



Pharmacies

A total of 368 pharmacies held agreements with Drug Plan & Extended Benefits Branch on March 31, 2005. Of these, 63.9% were independent pharmacies, 28.2% were chain outlets, and 5.2% were co-operatives.

Table 8
Pharmacies by Location

April 2004 - March 2005

Location of Pharmacy	Number of Pharmacies ¹
Single Pharmacy Communities	93
2 - 5 Pharmacy Communities	59
Communities with More Than 5 Pharmacies	
Moose Jaw	12
North Battleford	7
Prince Albert	16
Regina	59
Saskatoon	72
Swift Current	7
Weyburn	7
Yorkton	7
Dispensing Doctors	7
Border Pharmacies	19
Hospital Outpatient	3
Total	368

¹ Includes all pharmacies operating under agreement with the Prescription Drug Plan on March 31, 2005.

Table 9
Pharmacies by Type of Ownership

Type of Ownership	Number of Pharmacies ¹	Percent
Independent	235	63.9%
Chain	104	28.2%
Co-operatives	19	5.2%
Dispensing Doctor	7	1.9%
Hospital Outpatient	3	0.8%
Total	368	100.0%

¹ Includes all pharmacies operating under agreement with the Prescription Drug Plan on March 31, 2005.

Manufacturers

Drug Acquisition Cost by manufacturer is presented in Table 10.

Table 10
Drug Acquisition Cost by Manufacturer

April 2004 - March 2005

Manufacturer	Drug Acquisition Cost
3M Pharmaceuticals, 3M Canada	299,967.79
Abbott Laboratories Ltd.	3,184,765.51
Actelion Pharmaceutiques Canada	362,050.80
Alcon Canada Inc.	523,896.83
Allerex Laboratory Ltd.	337,394.20
Allergan Inc.	905,171.70
Amgen Canada Inc.	3,621,374.22
Apotex Inc.	11,436,463.40
Astrazeneca	14,324,902.40
Autocontrol Medical	11,983.43
Axcan Pharma	600,175.16
Bayer Inc. - Consumer Care Division	23,614.69
Bayer Inc. - Healthcare Division	5,461,693.52
Becton-Dickinson Canada Inc.	684,859.19
Berlex Canada Inc.	2,244,041.52
Biogen Canada Inc.	593,205.49
Biomed 2002 Inc.	143,604.19
Biovail Pharmaceuticals Canada.....	1,729,454.47
Boehringer Ingelheim (Can.) Ltd.	4,557,960.58
Bristol Pharmaceutical Products	206,775.45
Bristol-Myers Squibb Canada Co.	6,596,967.86
Canderm Pharma Inc.	11,163.03
Celgene Corporation	24,596.42
Chiron Canada Ltd.	297,962.64
Church & Dwight Canada	14,043.86
Cobalt Pharmaceutucals Inc.	80,239.42
Cytex Pharmaceuticals Inc.	5,636.67
Dermik Laboratories Canada Inc.	113,909.26
Dominion Pharmacal	10,550,625.59
Duchesnay Inc.	285,639.14
Eli Lilly Canada Inc.	5,903,095.30
Enzon Inc.	171,447.84
ERFA Canada Inc.	23,875.53
Ferring Inc.	621,320.98
Fournier Pharma Inc.	7,828.60

Manufacturer	Drug Acquisition Cost
Fujisawa Canada Inc.	859,300.36
Galderma Canada Inc.	262,312.98
Genpharm Inc.	2,426,442.04
Genzyme Canada Inc.	315,178.18
Glaxosmithkline	12,052,936.56
Glaxosmithkline Consumer Health.....	240,326.11
Glenwood Laboratories Canada Ltd.	10,824.38
GMD Distribution Inc.	210,961.84
Hill Dermaceuticals, Inc.	15,438.81
Hoffman-La Roche Limited	4,388,226.85
ICN Canada Ltd.	912,404.24
Insight Pharmaceuticals Corp.	25,182.02
Jacobus Pharm Inc.	11,467.12
Janssen-Ortho Inc.	14,781,866.24
Key, Div. Of Schering Can. Inc.	1,183,735.10
Leo Pharma Inc.	601,388.59
Lifescan Canada Ltd.	4,415,674.12
Lundbeck Canada Inc.	546,809.78
Mayne Pharma (Canada) Inc.	203,716.42
McNeil Consumer HealthCare	19,485.47
Medicis Canada Ltd.	31,873.57
Medisense Products - Division of Abbott	738,698.62
Merck Frosst Canada Ltd.	15,639,025.89
Novartis Ophthalmics	51,008.47
Novartis Pharma Canada Inc.	9,260,822.44
Novo Nordisk Canada Inc.	1,930,176.18
Novopharm Ltd.	2,942,215.47
Nu-Pharm Inc.	15,460,191.58
Odan Laboratories Limited	109,077.31
Omega Laboratories Ltd.	41,946.62
Organon Canada Ltd.	1,131,601.90
Orphan Medical Inc.	25,116.52
ORYX Pharmaceuticals Inc.	8,524.93
Ova	7,872.46
Paladin Labs Inc.	438,833.82
Pangeo Pharma Inc.	18,033.42
Pfizer Canada Inc.	32,987,906.14
Pfizer Canada-Consumer Health Care	26,044.49
Pharmacia Canada Inc.....	5,337.48
Pharmascience Inc.	3,366,553.01
Pharmel Inc.	12,427.69
Prempharm Inc.	1,103,103.80
Princeton Pharmaceutical Products	9,867.14
Procter & Gamble Pharm. Canada, Inc.	3,455,081.11
Purdue Pharma	3,108,226.45
Ratiopharm	3,708,487.90
Rhodiapharm	70,749.32
Rhoxalpharma Inc.	176,251.25
Roche Diagnostics, Hoffmann-LaRoche	1,740,555.55

Manufacturer	Drug Acquisition Cost
Rougier Pharma Inc. -Div. Technilab	8,808.34
Sabex 2002 Inc.	409,653.44
Sanofi-Aventis	8,936,449.47
Sanofi-Synthelabo Canada Inc.	561,001.27
Schering Canada Inc.	7,872,865.25
Schircks Laboratories, Switzerland	6,865.23
Serono Canada Inc.	2,295,163.65
Servier Canada Inc.	1,213,406.31
Shire Biochem Inc.	367,108.48
Solvay Pharma Inc.	3,355,083.05
Squibb Pharmaceutical Products	48,005.20
Sterimax Inc.	13,046.73
Stiefel Canada Inc.	312,150.21
Taro Pharmaceuticals Inc.	754,046.21
TaroPharma Inc.	69,600.94
Teva Neuroscience	3,992,488.03
Theramed Corporation	90,855.96
Therasense Canada	293,637.29
TPT	6,842.38
Tyco Healthcare	110,829.96
Ucyclid Pharma	192,760.52
Valeant Canada Limited	719,392.09
Valeo Pharma Inc.	8,351.26
Virco Pharmaceuticals (Canada) Co.	592,829.66
Westwood Squibb Canada	61,435.43
Wyeth Pharmaceuticals	10,482,027.88
Extemporaneous Preparations ¹	1,232,632.51
Others (each under \$5000)	53,755.31
Total	261,112,086.48

¹ Extemporaneous Preparations are compounded by the pharmacist.

2004-2005 Utilization Trends

1. Cost to Beneficiaries

Trend information from Table 11 for the past four years shows that the number of active beneficiaries has remained fairly constant while the number of prescriptions and total prescription cost is increasing.

	<u>Active Beneficiaries</u>	<u>Number of Prescriptions</u>	<u>Total Cost of Prescriptions</u>	<u>Total Drug Plan Payment</u>
1995-96	633,333	5,798,090	\$157,194,207	\$ 59,492,033
1996-97	626,953	5,996,106	\$162,165,923	\$ 61,863,705
1997-98	620,258	6,261,167	\$171,208,698	\$ 65,199,190
1998-99	633,020	6,622,455	\$189,003,078	\$ 75,892,289
1999-00	633,259	7,014,580	\$204,982,067	\$ 85,368,696
2000-01	633,698	7,534,187	\$232,474,567	\$ 98,907,678
2001-02	629,090	7,979,826	\$261,413,126	\$114,865,694
2002-03	620,866	8,350,855	\$297,844,480	\$132,274,241
2003-04	623,914	8,641,855	\$327,787,913	\$149,163,934
2004-05	625,924	8,919,090	\$346,752,834	\$164,410,108

Table 11 was prepared to highlight three factors that might contribute to the increased growth: number of prescriptions per beneficiary; average prescription cost; and cost of prescriptions per beneficiary.

In Table 11, the total cost of prescriptions per active beneficiary has grown an average of 15.5% between 2002-03 and 2004-05 for all beneficiaries. The range of increases, based on age, was 12.8% to 15.4%.

The cost of prescriptions per beneficiary increased for all age groups from both an increased average prescription cost and increased number of prescriptions per beneficiary.

Table 11
Prescription Drug Utilization Trend by Age of Active Beneficiary
Information Source: Table 2

Age of Consumer	2002-03	2003-04	2004-05	% increase (decrease) 02-03 to 04-05
April 1- March 31				
Average Number of Prescriptions Per Active Beneficiary				
0 - 4	3.3	3.3	3.3	0.1%
5 - 14	3.4	3.6	3.6	6.4%
15 - 24	5.1	5.3	5.3	3.5%
25 - 34	6.6	6.8	7.0	5.4%
35 - 44	8.7	9.0	9.3	6.5%
45 - 54	13.0	13.2	13.5	3.5%
55 - 64	19.5	19.8	20.2	3.6%
65 - 74	25.9	26.3	27.1	4.7%
75 - 84	32.2	33.1	33.7	4.7%
85 and over	37.0	37.9	38.8	4.9%
Total	13.5	13.9	14.2	5.6%
Average Prescription Cost ¹				
0 - 4	\$ 17.22	\$ 18.50	\$ 19.12	11.0%
5 - 14	30.55	32.64	33.35	9.2%
15 - 24	33.52	35.08	36.35	8.4%
25 - 34	37.96	39.51	40.27	6.1%
35 - 44	42.65	45.09	45.88	7.6%
45 - 54	40.26	43.47	44.45	10.4%
55 - 64	37.27	39.95	41.16	10.4%
65 - 74	35.51	37.55	38.52	8.5%
75 - 84	33.25	35.27	35.94	8.1%
85 and over	29.16	31.22	32.05	9.9%
Total	\$ 35.67	\$ 37.93	\$ 38.88	9.0%
Total Cost of Prescriptions Per Active Beneficiary				
0 - 4	\$ 56.00	\$ 61.12	\$ 63.18	12.8%
5 - 14	104.56	117.05	120.61	15.4%
15 - 24	170.23	184.83	191.80	12.7%
25 - 34	250.17	270.62	280.14	12.0%
35 - 44	369.81	406.44	425.25	15.0%
45 - 54	522.24	572.28	597.92	14.5%
55 - 64	727.89	792.01	831.84	14.3%
65 - 74	918.22	989.23	1,044.74	13.8%
75 - 84	1,069.26	1,167.64	1,211.43	13.3%
85 and over	1,078.08	1,181.85	1,243.96	15.4%
Total	\$ 479.72	\$ 525.37	\$ 553.99	15.5%

¹ Includes Drug Acquisition Cost, mark-up and dispensing fees paid to pharmacies.

2. Costs by Therapeutic Classification

Table 12 shows the cost of drugs covered by the Drug Plan by therapeutic classification.

During the three-year period from 2002-03 to 2004-05, the total cost of all prescriptions increased from 1.3% to 21.7% for the following reasons:

- Autonomic Drugs increased the most due to a combination of a 15.2% increase in average prescription cost and a 5.7% increase in the number of prescriptions.
- The next greatest increase was for Diagnostic Agents due to a combination of a 12.6% increase in the number of prescriptions and a 7.9% increase in average prescription cost.
- Cardiovascular Drugs showed an increase of 18.6% as a result of a 12.6% increase in the number of prescriptions and an increase in average prescription cost of 5.3%.
- Eye, Ear, Nose, and Throat Preparations showed an increase of 16.1% in total prescription cost as well as increases in the average prescription cost and in the number of prescriptions.
- The total prescription cost of Central Nervous System Drugs increased by 11.7% as a result of a 7.1% increase in the number of prescriptions and a 4.3% increase in the average prescription cost.
- The total prescription cost of Anti-Infectives increased by 10.6% as a result of a 8.4% increase in average prescription costs and a 2.0% increase in the number of prescriptions.
- Gastrointestinal Drugs increased by 10.1% due to both an increase in the number of prescriptions and the average prescription cost of 6.6% and 3.3% respectively.
- Hormones and Substitutes, Skin & Mucous Membrane Preparations and Electrolytic, Caloric, and Water Balance showed an increase in total cost of prescriptions and average prescription cost while showing a decrease in number of prescriptions.

Table 12
Prescription Trend by Pharmacologic - Therapeutic Classification

Pharmacologic - Therapeutic Class	2002-03	2003-04	2004-05	% increase (decrease) 02-03 to 04-05
April 1 - March 31				
Total Cost of all Prescriptions				
Cardiovascular Drugs	\$ 90,463,405	\$ 98,390,048	107,309,800	18.6%
Central Nervous System Drugs	63,384,923	70,413,428	70,818,378	11.7%
Hormones and Substitutes	29,972,896	31,092,185	32,172,172	7.3%
Gastrointestinal Drugs	19,315,411	21,252,932	21,271,343	10.1%
Anti-Infectives	13,755,043	15,065,019	15,213,203	10.6%
Skin & Mucous Membrane Preparations	7,367,711	7,646,469	7,776,589	5.5%
Eye, Ear, Nose and Throat Preparations	7,805,343	8,526,012	9,065,145	16.1%
Autonomic Drugs	8,879,972	9,828,486	10,810,792	21.7%
Diagnostic Agents	8,139,325	9,005,335	9,892,566	21.5%
Electrolytic, Caloric, and Water Balance	6,078,687	6,257,171	6,159,877	1.3%
Others	42,681,406	50,310,821	56,262,968	31.8%
Total	\$ 297,844,122	\$ 327,787,913	\$ 346,752,834	16.4%
Number of Prescriptions				
Cardiovascular Drugs	2,271,413	2,391,878	2,558,227	12.6%
Central Nervous System Drugs	1,714,968	1,801,664	1,836,431	7.1%
Hormones and Substitutes	1,155,371	1,113,676	1,105,952	(4.3%)
Gastrointestinal Drugs	421,519	429,383	449,324	6.6%
Anti-Infectives	639,048	659,307	651,758	2.0%
Skin & Mucous Membrane Preparations	269,634	272,113	269,333	(0.1%)
Eye, Ear, Nose and Throat Preparations	270,729	285,127	292,675	8.1%
Autonomic Drugs	266,165	273,314	281,266	5.7%
Diagnostic Agents	106,611	113,314	120,039	12.6%
Electrolytic, Caloric, and Water Balance	582,745	537,391	516,287	(11.4%)
Others	652,652	764,688	837,798	28.4%
Total	8,350,855	8,641,855	8,919,090	6.8%
Average Prescription Cost				
Cardiovascular Drugs	\$ 39.83	\$ 41.14	\$ 41.95	5.3%
Central Nervous System Drugs	36.96	39.08	38.56	4.3%
Hormones and Substitutes	25.94	27.92	29.09	12.1%
Gastrointestinal Drugs	45.82	49.50	47.34	3.3%
Anti-Infectives	21.52	22.85	23.34	8.4%
Skin & Mucous Membrane Preparations	27.32	28.10	28.87	5.7%
Eye, Ear, Nose and Throat Preparations	28.83	29.90	30.97	7.4%
Autonomic Drugs	33.36	35.96	38.44	15.2%
Diagnostic Agents	76.35	79.47	82.41	7.9%
Electrolytic, Caloric, and Water Balance	10.43	11.64	11.93	14.4%
Others	65.40	65.79	67.16	2.7%
Total	\$ 35.67	\$ 37.93	\$ 38.88	9.0%

Table 13
Prescription Drug Plan Payments Summary
April 2004 - March 2005

Statistical Tables

Payments on behalf of families (exempt from deductible program)	
Drug Material Acquisition Cost.....	\$ 40,490,485
Mark-up.....	3,491,886
Dispensing Fee Subsidy.....	7,295,184
Pharmacy Discounts and others.....	<u>(1)</u>
Total Payments for families exempt from deductible.....	\$ 51,277,554
Payments to or on behalf of families (deductible and Special Support program)	
Drug Material Acquisition Cost.....	\$ 220,621,601
Mark-up.....	19,981,914
Dispensing Fees.....	54,242,150
Pharmacy Discounts and others.....	<u>(2)</u>
Total Approved Prescription Cost.....	\$ 294,845,663
Less: Deductible Credits.....	<u>146,179,462</u>
	\$ 148,666,201
Less: Family Co-Payment.....	<u>35,533,647</u>
Total Payments for families subject to deductible.....	\$ 113,132,554
Total Prescription Drug Plan Payments ¹	\$ 164,410,108
Manual Adjustments ²	956,828
Third Party payments ³	<u>2,207,540</u>
Net Payments by MIDAS System ⁴	\$ 167,574,476

1 Drug Plan payments refer to formulary drugs and exception status drugs. All Statistical Tables do not reflect manual adjustment expenditures.

2 Manual adjustments include year-end adjustments made in accordance with accounting policies and other adjustments.

3 Third Party payments includes payments to RHA's for visudyne and to pharmacies for the Methadone Managed Care Fee.

4 MIDAS is a central financial system.

Supplementary Health and Family Health Benefits

BACKGROUND

- On April 1, 1966 the Saskatchewan Assistance Plan was instituted. Several categories of beneficiaries under the Medical Services Division were combined into one program with the basis of need becoming the criteria to determine eligibility.
- On September 1, 1968, coverage for refractions was moved to the Saskatchewan Medical Care Insurance.
- On September 1, 1975, payment responsibility of formulary drugs and of prosthetic and orthotic appliances for Social Assistance beneficiaries was taken over by the Saskatchewan Prescription Drug Plan and by the Saskatchewan Aids to Independent Living respectively.
- On July 1, 1981, program eligibility was expanded to include benefits for non-recipients of Social Assistance receiving level 2,3,and 4 Special Care Home or long term hospital care and where incomes are at or below the Saskatchewan Income Plan level.
- On May 1, 1984, responsibility for emergency medical transportation costs by road ambulance and Saskatchewan Government air ambulance for Supplementary Health beneficiaries was transferred from the Department of Social Services.
- On June 1, 1992, eye examinations were added to coverage for Supplementary Health beneficiaries over the age of 17, and for adults receiving the Family Income Plan and the Saskatchewan Income Plan supplements.
- On September 8, 1992, services of chiropractors became fully covered for Supplementary Health, Family Income Plan, and Saskatchewan Income Plan beneficiaries.
- On June 30, 1993, Supplementary Health began providing dental coverage for children in families that received the Family Income Plan supplement.
- On May 1, 1997, began providing all Supplementary Health Benefits for children in FIP families.
- On August 1, 1998, began providing Family Health Benefits for families who received the Saskatchewan Child Benefit, and/or the Saskatchewan Employment Supplement. Family Income Plan recipients became part of Family Health Benefits.

OBJECTIVES

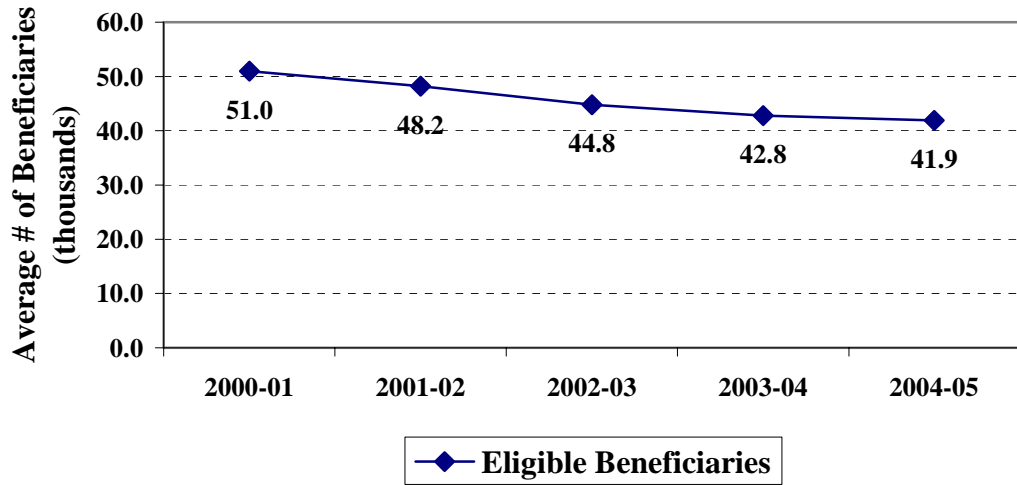
To provide for payment of accounts for non-insured health services to people nominated for coverage by Saskatchewan Community Resources and Employment.

ELIGIBLE BENEFICIARIES

The Supplementary Health program provides benefits for the following types of beneficiaries:

- Supplementary Health beneficiaries:
 - Saskatchewan Assistance Plan recipients nominated by Saskatchewan Community Resources and Employment.
 - Government Wards
 - Inmates of correctional institutions.
 - Nominated persons 65 years and older who are in special care homes or hospitals and whose income is at or below the Saskatchewan Income Plan level.
- The Family Health Benefits Program provides benefits for families with at least one child under the age of eighteen who may be receiving the Saskatchewan Child Benefit, the Saskatchewan Employment Supplement or the National Child Benefit.

Supplementary Health Program



The above chart shows on average, 41,889 persons receiving full Supplementary Health benefits. Families receiving Family Health Benefits or SIP income supplements receive only partial Supplementary Health benefits and are not included in the numbers above.

During 2004-05, the average number of families eligible for Family Health Benefits was 20,189. This includes 26,303 adults and 35,321 children.

Table 14
Supplementary Health Program and Family Health Benefits Payments

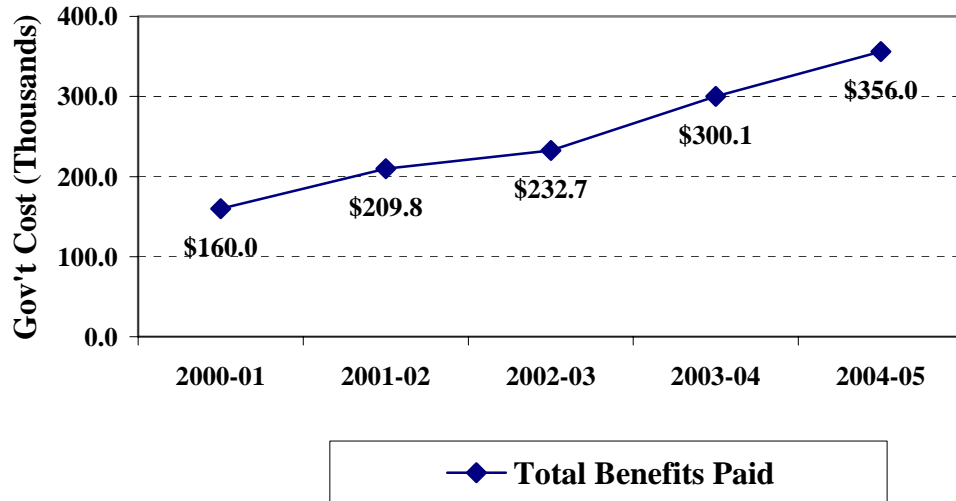
April 2004- March 2005

Services	Sask. Assistance Plan	Government Wards	Provincial Correctional Institutions	Sask. Income Plan Recipients in Special Care Homes	Family Health Benefits	Other Beneficiary Categories	Totals
Medical Examinations and Reports.....	\$ 347,523	\$ 4,805	\$ 564	\$ 17	\$ 2,307	\$ 805	\$ 356,021
Dental Services.....	\$ 3,969,025	\$ 267,957	\$ 255,943	\$ 23,639	\$ 2,452,372	\$ 119,520	7,088,456
Non-Formulary Drugs (Plan 3).....	\$ 1,513,759	\$ 171,301	\$ 184,135	\$ 655,841	\$ 204	\$ 6,663	2,531,903
Medical Appliances and Supplies.....	\$ 701,554	\$ 44,063	\$ 6,927	\$ 73,129	\$ 138,719	\$ 5,187	969,579
Optical Services.....	\$ 1,085,893	\$ 64,452	\$ 71,212	\$ 10,624	\$ 635,787	\$ 159,281	2,027,249
Chiropractic Services.....	\$ 595,021	\$ 5,344	\$ 16,634	\$ 2,286	\$ 996,974	\$ 168,931	1,785,190
Ambulance.....	\$ 1,645,250	\$ 54,378	\$ 27,093	\$ 45,835	\$ 140,531	\$ 18,112	1,931,199
Medical Transportation (Aircraft).....	\$ 492,282	\$ 2,088	\$ -	\$ -	\$ 14,996	\$ 5,887	515,253
Medical Transportation (Ground).....	\$ 2,022,506	\$ 31,084	\$ 224	\$ -	\$ 43,254	\$ 46,383	2,143,451
Totals: Supplementary Health and Family Health Benefits.....	\$ 12,372,813	\$ 645,472	\$ 562,732	\$ 811,371	\$ 4,425,144	\$ 530,769	\$19,348,301

1. Medical Services

Supplementary Health and Family Health Benefits pays the cost for non-insured third party medical examinations and reports requested by Saskatchewan Community Resources and Employment. These examinations are to determine the level of required nursing care, rehabilitation potential and employability.

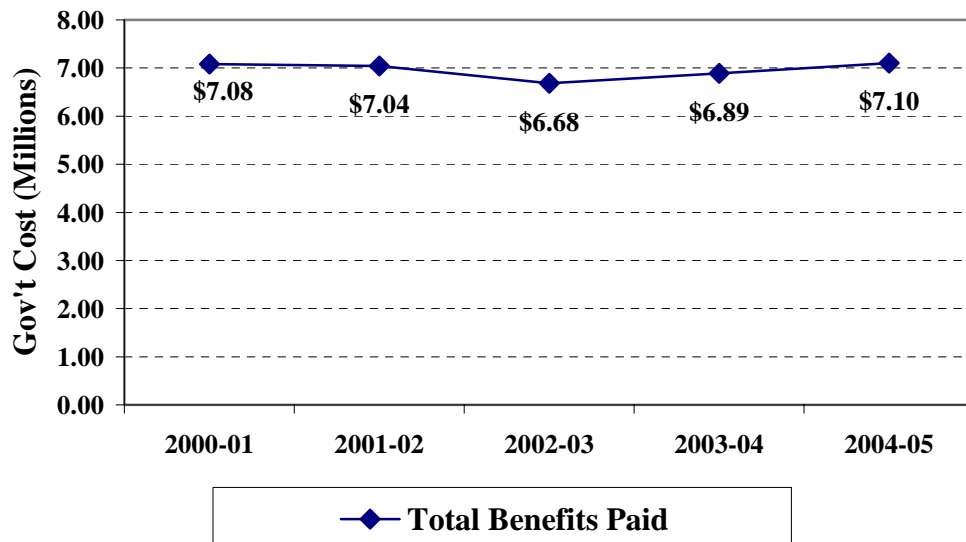
Medical Services



2. Dental Services

Coverage includes preventive, restorative, exodontic, and prosthetic dentistry for eligible beneficiaries. Coverage for Family Health Benefits is limited to children.

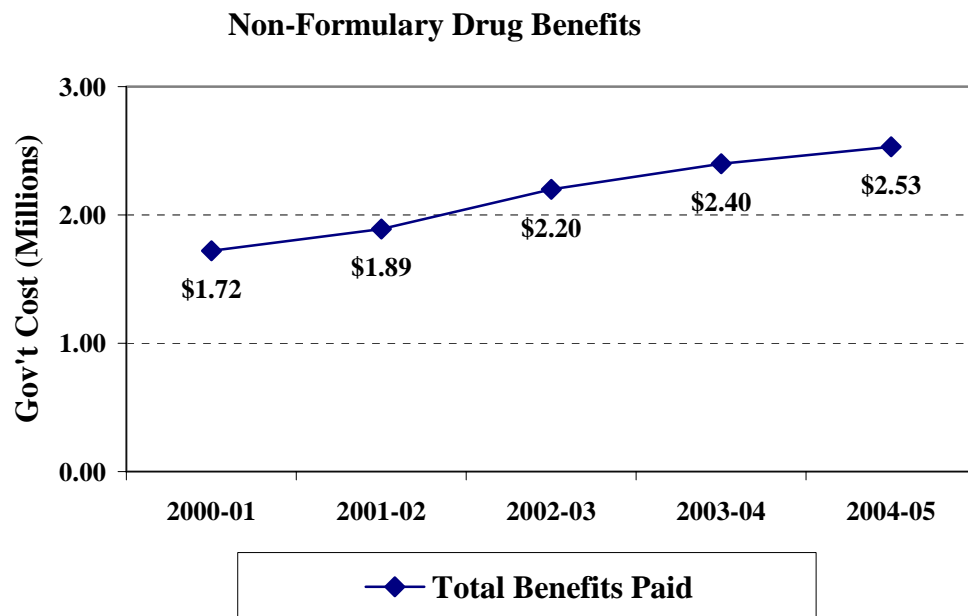
Dental Services



3. Non-Formulary Drug Benefits

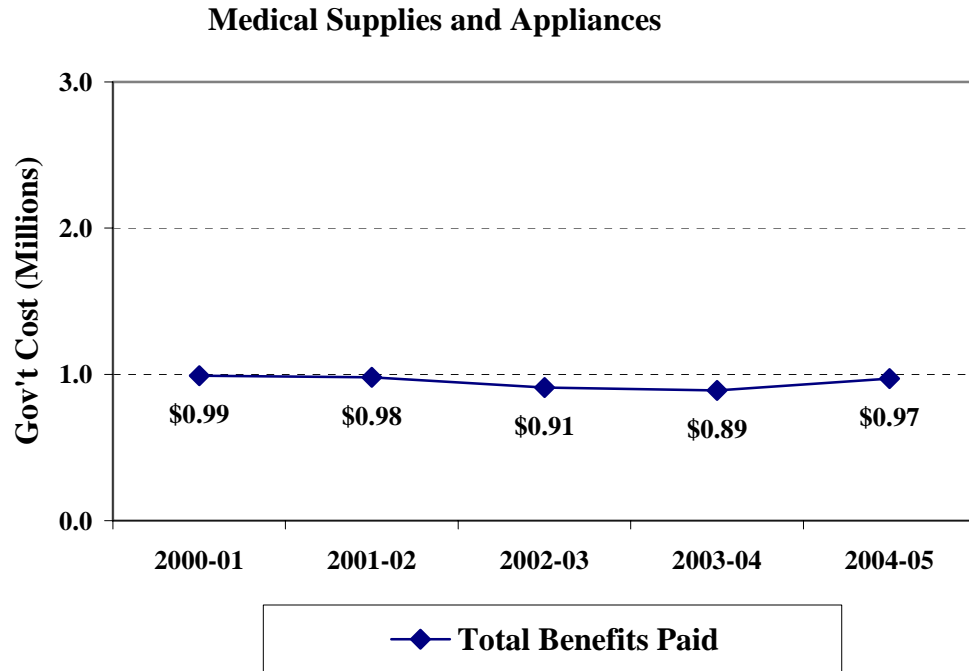
Supplementary Health provides certain non-Formulary drugs without charge for Plan Three residents in nursing and approved community homes, government wards and provincial correctional centre inmates. Formulary and non-Formulary drug benefits for the different levels of Social Assistance Plan coverage are outlined earlier in the report on page 9.

Coverage may also be granted in unusual circumstances for Plan One and Two beneficiaries where drug requirements are not met by Formulary drugs or products approved under Exception Drug Status.



4. Medical Supplies and Appliances

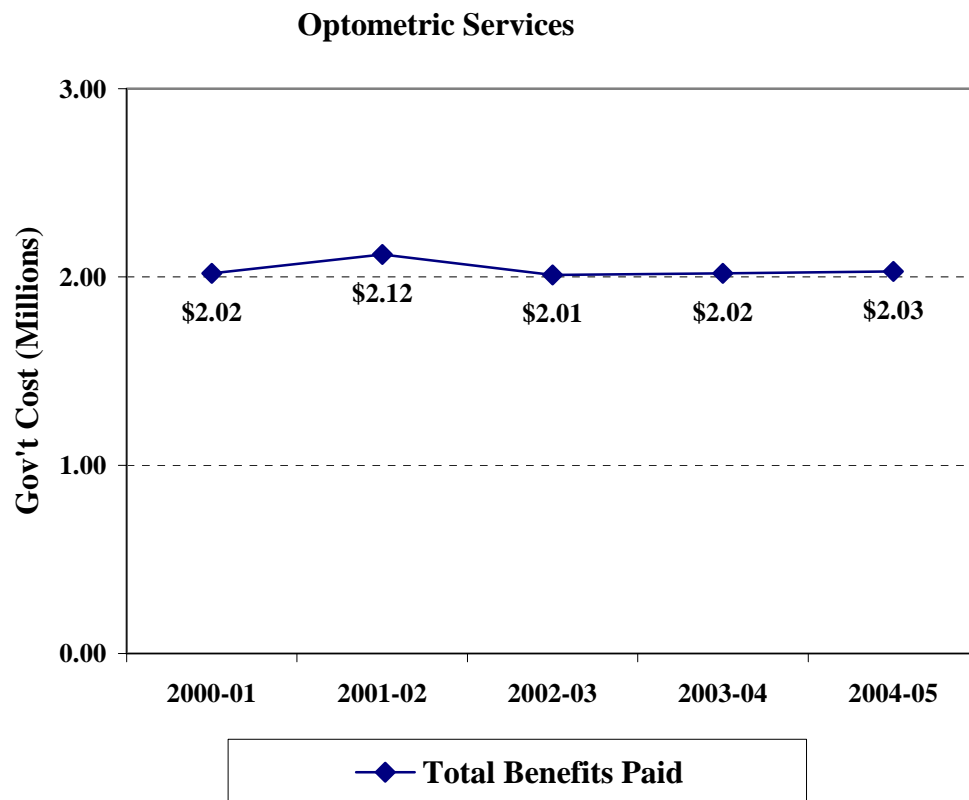
Supplementary Health and Family Health Benefits covers the full cost of most medical supplies and appliances prescribed by a physician for covered beneficiaries.



5. Optometric Services

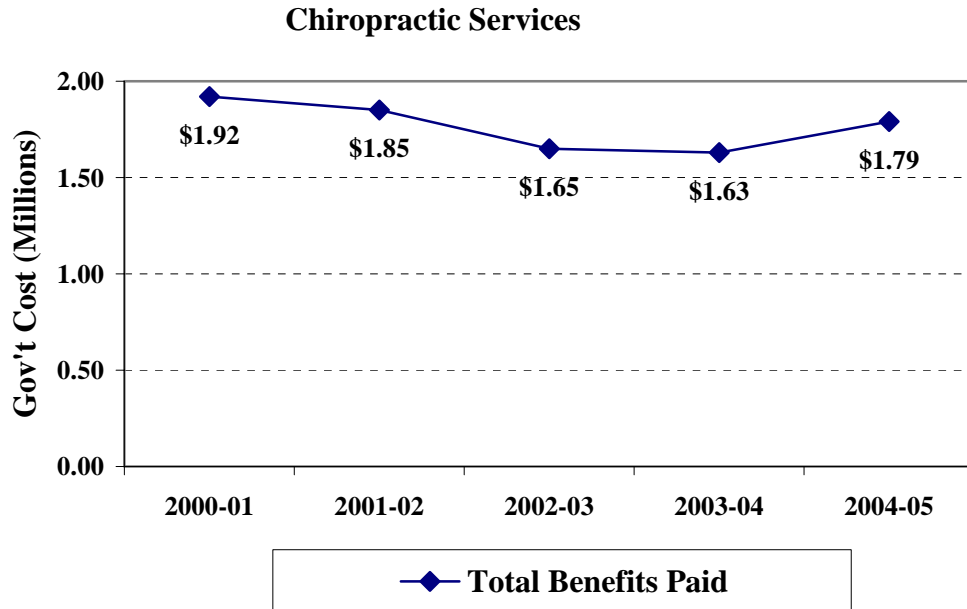
Eyeglasses are covered for Supplementary Health beneficiaries and children of families approved for Family Health Benefits, whether provided by an optometrist or ophthalmic dispensary. Payment is made on the basis of laboratory costs plus a dispensing fee. Fees are paid according to negotiated payment schedules. There is an upper limit on the amount paid for eyeglass frames.

The cost of eye examinations is covered for all Supplementary Health beneficiaries age 18 and over. Children are covered on a universal basis by the Medical Services Plan.



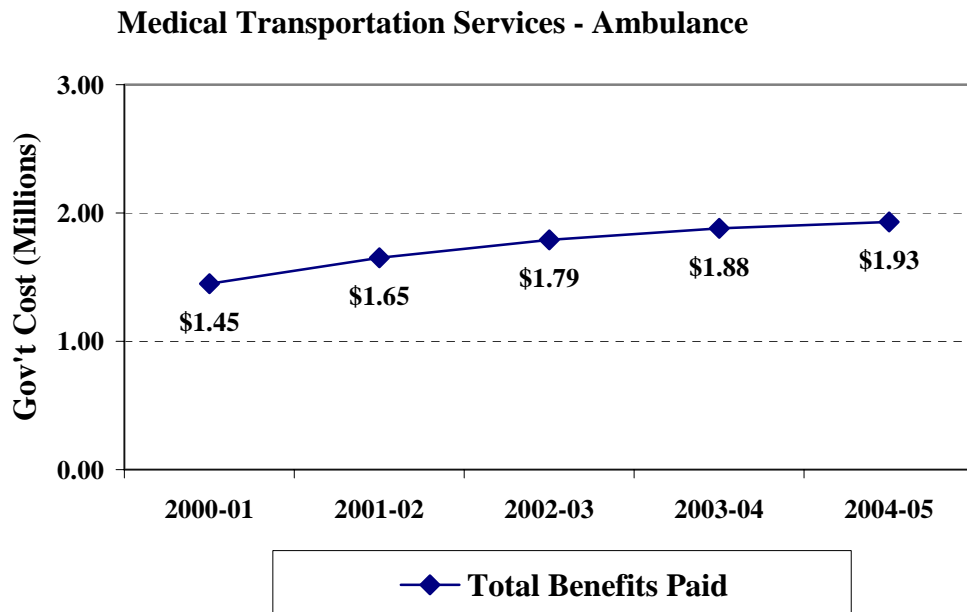
6. Chiropractic Services

The services of chiropractors are fully covered for Supplementary Health, Family Health Benefits and Saskatchewan Income Plan beneficiaries.



7. Medical Transportation – Ambulance

Benefits include coverage for emergency medical transportation by road ambulance.



8. Medical Transportation – Northern Medical Transportation Program

This Program supports:

- emergency medical evacuation from sites in the North for Saskatchewan residents; and
- non-emergent medical transportation for Supplementary Health beneficiaries and Family Health Benefits children, residing in the North.

During 2004-05, the costs of the medical transportation for the Northern Medical Transportation Program was \$2.7 million.

Saskatchewan Aids to Independent Living (SAIL)

BACKGROUND

- SAIL began providing benefits on April 1, 1975, providing eligible residents with prosthetic/orthotic devices.
- On August 1, 1975, SAIL benefits expanded to providing equipment loans and equipment repairs for all residents of the province.
- On April 1, 1976, SAIL took over responsibility for: the Paraplegia Program which covers the cost of appliances recommended by the attending physician; the Cystic Fibrosis Program which provides drugs and special appliances for certain beneficiaries; and the Chronic End Stage Renal Disease Program which provides assistance with the cost of necessary medications for certain beneficiaries.
- In 1979-80, the Ostomy and Home Hemophilia programs were added.
- In 1984-85, coverage expanded to include aids and services required by the blind residents in the province.
- In June 1987, the responsibility for the acquisition, distribution and repair of Special Needs Equipment (eg. wheelchairs, patient lifts, etc.) was transferred to the Saskatchewan Abilities Council. SAIL continues to fund the full cost of the program.
- In August 1987, took over administration of the Home Oxygen Program from the Drug Plan.
- In September 1987, transferred responsibility for the acquisition, distribution and repair of equipment required by the blind to the Canadian National Institute for the Blind (CNIB). SAIL continues to provide funding to CNIB for delivery of these services.
- In 1996-97, benefits of the Home Oxygen program were changed to provide benefits according to certain medical criteria.
- In 2003-04 the Nutritional Products program was added to assist with the incremental cost associated with using nutritional products in place of a regular diet.

ELIGIBLE BENEFICIARIES

People with long term disabilities or illnesses which leave them unable to function fully may receive specialized benefits through the SAIL program to help them achieve more independent and active lifestyles.

All Saskatchewan residents, with certain exceptions, are eligible for the Universal Benefits of Orthopaedic Services, Special Needs Equipment, Home Respiratory Services and Nutritional Products.

Beneficiaries with particular disabling conditions are eligible under the various Special Benefit Programs; Paraplegia, Cystic Fibrosis, End Stage Renal Disease, Ostomy, and Aids to the Blind.

PROGRAM OBJECTIVES

SAIL has been established to provide aids and services to the physically disabled residents of Saskatchewan.

Table 15
Caseloads and SAIL Payments

	2003-04		2004-05	
	Caseload	Expenditures	Caseload	Expenditures
Orthopaedic Services.....	6,190	\$2,391,728	5,790	\$2,465,926
Special Needs Equipment.....	n.a.	\$3,477,887	n.a.	\$3,948,593
Home Oxygen.....	2,509	\$8,712,418	2,646	\$8,930,800
Respiratory Equipment.....	n.a.	\$772,408	n.a.	\$957,456
Paraplegia.....	1,835	\$3,686,414	1,823	\$3,947,870
Cystic Fibrosis.....	107	\$244,961	108	\$269,483
Renal Disease.....	873	\$4,465,413	888	\$4,472,704
Ostomy.....	2,004	\$826,024	2,005	\$865,096
Aids to the Blind.....	n.a.	\$285,018	n.a.	\$292,791
Other Payments	n.a.	\$153,783	n.a.	\$214,153
Total		\$25,016,054		\$26,364,872

NOTE: n.a. is not available

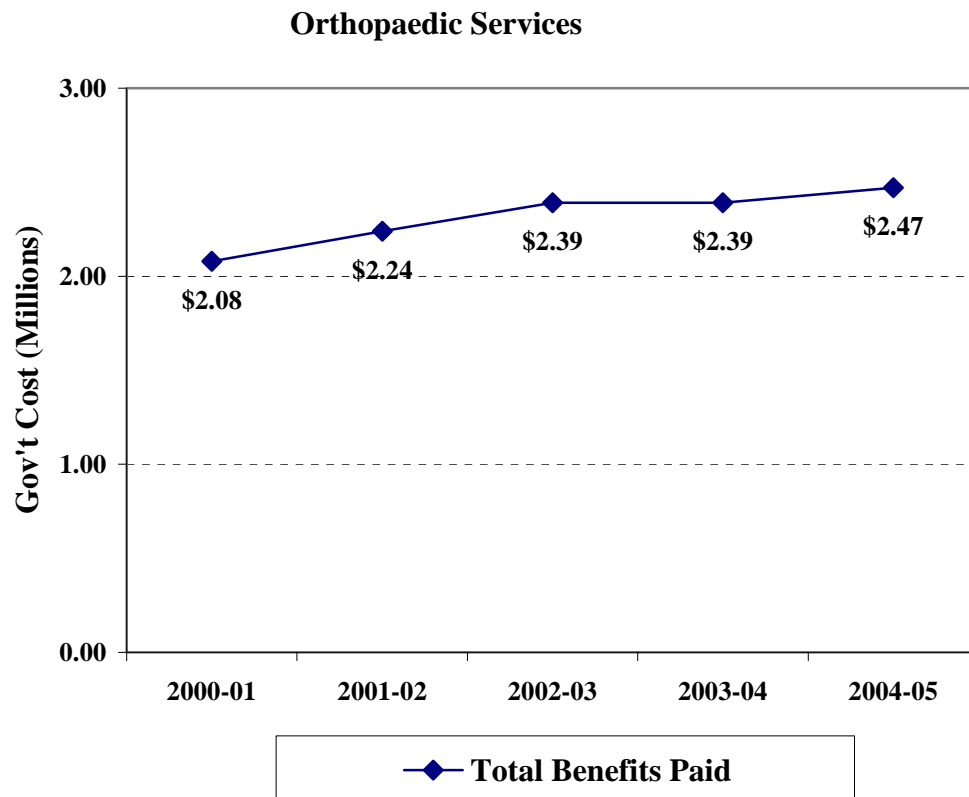
1. Orthopaedic Services

Prosthetic Appliances – Artificial limbs and accessories are supplied, fitted, adjusted and repaired without charge.

Orthotic Appliances – Higher-cost back braces, knee braces and splints are supplied, fitted, adjusted, and repaired without charge.

Specialized and adaptive seating, and custom-built footwear are also provided by SAIL. All of the above services are supplied by the orthotics and prosthetics departments of the Wascana Rehabilitation Centre in Regina and the Saskatchewan Abilities Council in Saskatoon.

Custom pressure or burn garments are supplied and fitted without charge. SAIL arranges for the supplier to provide garments.

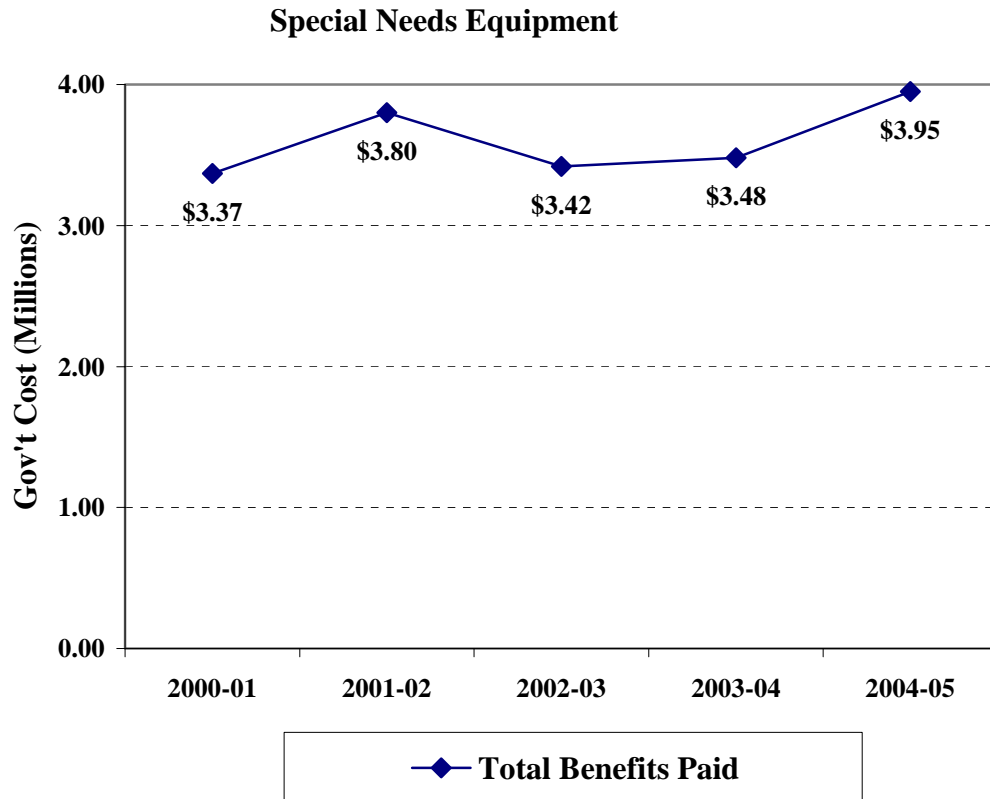


1. Special Needs Equipment

Mobility Aids – Wheelchairs, walkers, and specialized crutches are loaned, maintained and repaired without charge. Eligibility is based on assessed long-term need.

Environmental Aids – Higher-cost equipment such as hospital beds and accessories, transfer assists and commodes are loaned, maintained and repaired without charge. Eligibility is based on assessed long-term need.

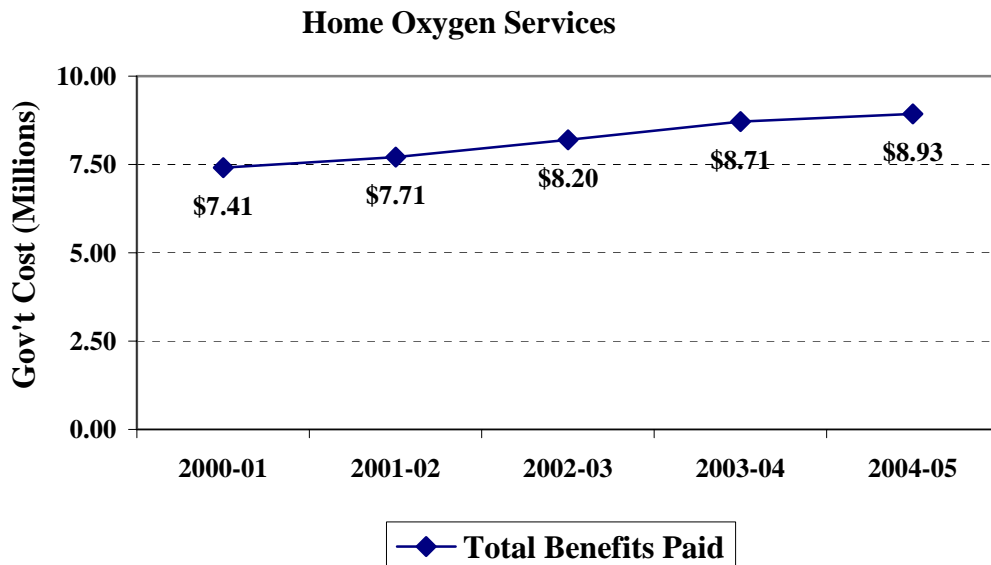
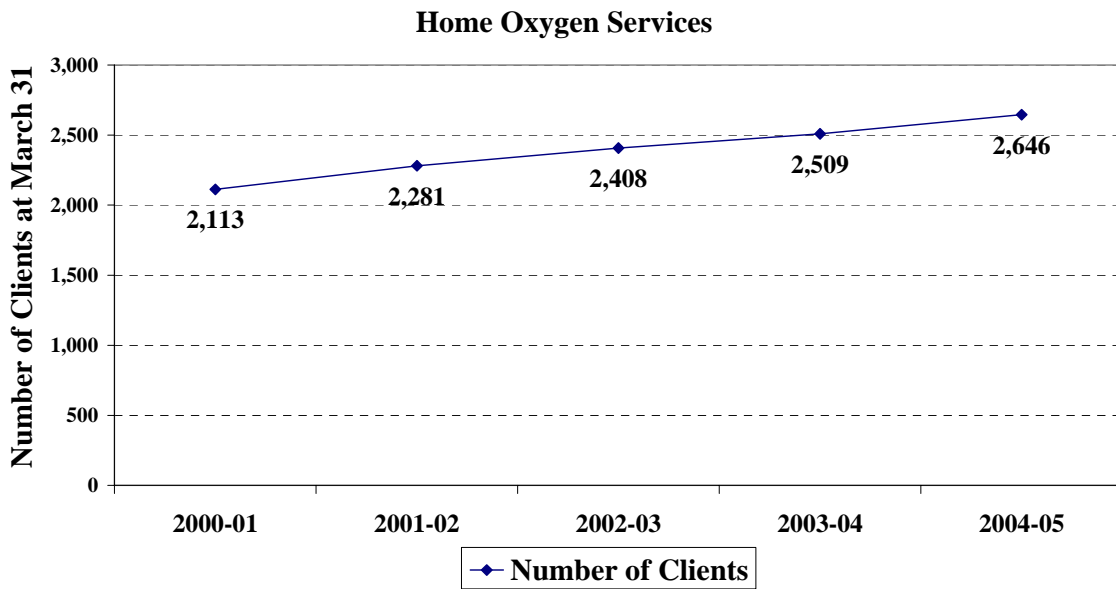
The Special Needs Equipment Program is operated by the Saskatchewan Abilities Council under contract with SAIL. Equipment depots are located in Prince Albert, Regina, Saskatoon, Swift Current and Yorkton.



3. Home Respiratory Services

Home Oxygen Therapy – Home oxygen and related equipment are benefits under SAIL for Saskatchewan residents who meet medical criteria. The systems are supplied by private medical oxygen supply firms under contract with SAIL.

Respiratory Equipment – SAIL shares the purchase cost of aerosol therapy compressors for eligible beneficiaries, who are responsible for maintenance and repairs. Home respiratory equipment such as ventilators, CPAP units, suction pumps, and tracheostomy humidification packs are loaned, maintained and repaired without charge. Eligibility is based on specific medical criteria.



4. Nutritional Products

The program assists with the cost of specialized nutritional products for persons with complex medical conditions who rely on those products as their primary nutritional source. Program benefits are cost shared between clients and Saskatchewan Health, with the patient's portion varying based on a number of factors, including family income.

The program commenced September 1, 2003. During 2004-05, 56 clients were receiving benefits with expenditures totaling \$57,787.

5. Special Benefit Programs

In addition to regular SAIL Program benefits, extended coverage is provided to beneficiaries with particular disabling conditions.

Paraplegia Program – Drugs listed in the Saskatchewan Formulary and certain drugs approved for coverage under the Drug Plan Exception Drug Status are available at no charge.

Incontinence management and dressing supplies for chronic conditions are available without charge.

Specialized rehabilitation equipment is loaned, maintained and repaired without charge. Financial assistance for vehicle hand controls, ramps and wheelchair lifts is also provided.

Cystic Fibrosis Program – Drugs listed in the Saskatchewan Formulary and certain drugs approved for coverage under the Drug Plan Exception Drug Status are available at no charge. In addition, food supplements and digestants are covered.

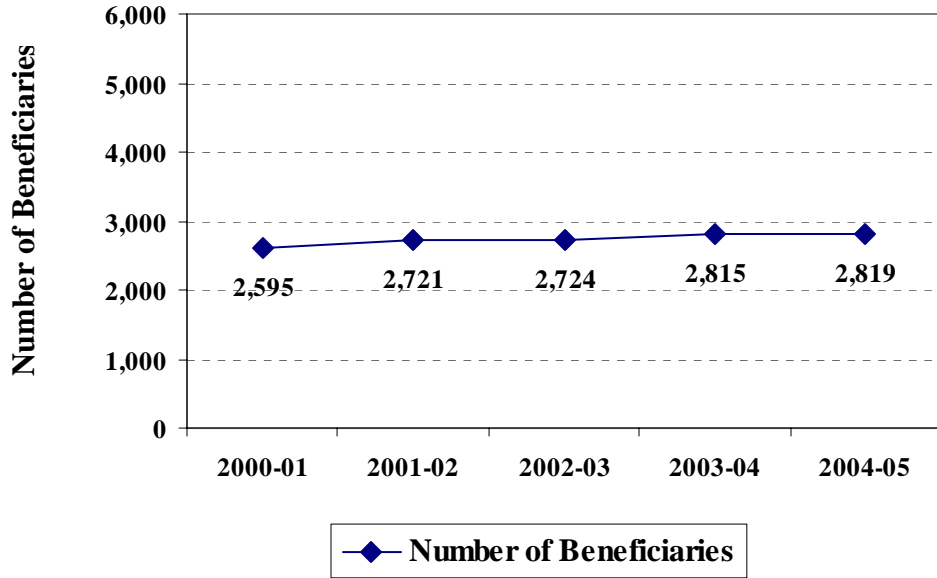
End Stage Renal Disease Program – Drugs listed in the Saskatchewan Formulary and certain drugs approved for coverage under the Drug Plan Exception Drug Status are available at no charge to persons with end-stage renal disease or renal transplant recipients.

Ostomy Program – SAIL provides 50% reimbursement of certain ostomy supplies, such as appliances, adhesives and adhesive removers, to eligible persons referred by enterostomal therapists.

Aids to the Blind Program – Financial assistance is provided for aids such as braille watches, talking calculators and low-vision eyewear. Brailers, talking book machines, tape players and recorders are loaned, maintained and repaired without charge. Magnifiers and telescopes are supplied without charge.

Low vision eyewear is provided through optometric/ophthalmic dispensers. Equipment services are provided by the Canadian National Institute for the Blind (CNIB) under contract with SAIL.

Special Benefit Programs



Note: The Special Benefits Programs charts show only the number of caseloads and program expenditures for Paraplegia, Cystic Fibrosis and Renal Disease.

Special Benefit Programs

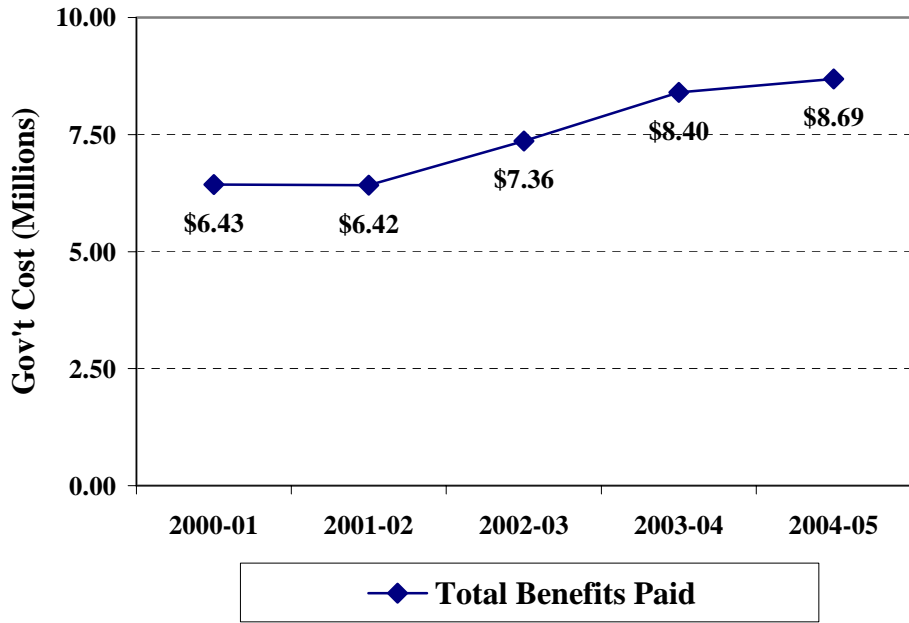


Table 16
Special Needs Equipment Program - Loans

April 1- March 31	2001-02	2002-03	2003-04	2004-05
Wheelchairs				
- Manual.....	4,216	4,084	4,303	4,028
- Power (electric).....	195	135	137	124
Other Aids.....	16,187	16,391	17,131	16,801
Total Loans	20,598	20,610	21,571	20,953

Table 17
Orthopaedic Services - Appliances Issued

April 1- March 31	2001-02	2002-03	2003-04	2004-05
Prosthetics.....	172	230	164	146
Orthotics.....	3,111	2,708	2,989	2,938
Footwear (braced).....	85	102	89	106
Adaptive and Specialized Seating for Wheelchairs.....	1,232	1,433	1,403	1,446
Total Issues	4,600	4,473	4,645	4,636

Table 18
Orthopaedic Services - Appliances Repaired

April 1- March 31	2001-02	2002-03	2003-04	2004-05
Prosthetics.....	1,227	1,278	1,219	1,110
Orthotics.....	1,508	1,399	1,345	1,322
Footwear (braced).....	105	82	92	78
Adaptive and Specialized Seating for Wheelchairs.....	589	535	544	558
Total Repairs	3,429	3,294	3,200	3,068