

**LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
6TH COUNCIL, 39TH SESSION**

SESSIONAL PAPER NO. 5-39

TABLED ON JUNE 20, 1969

Sessional Paper 539
Tabled on June 20, 1969
June 19, 1969



CONFIDENTIAL-
Not for release before
1st reading during the
39th Session of Council

SESSIONAL PAPER NO. 5
(Second Session, 1969)

PROPOSED MEDICARE PLAN
FOR THE NORTHWEST TERRITORIES

DISPOSITION

Tabled	To Committee	Accepted as Read	Accepted as Amended	Deferred (to Session)	Rejected	Noted not Considered

PROPOSED MEDICARE PLAN FOR NORTHWEST TERRITORIES

Commencement Date

It is proposed that a Medicare Plan, based on the recommendations of the Federal Government, be introduced into the Northwest Territories on April 1, 1970.

Universal Coverage

It is proposed that the Plan would cover all residents who are covered under the Territorial Hospital Insurance Plan, i.e., all persons who have resided in the Territories for a period of three months, excepting the following:-

- (a) Serving members of the Armed Forces and the Royal Canadian Mounted Police.
- (b) Workmen receiving treatment for a compensable injury under Workmen's Compensation Board.
- (c) Veterans in receipt of a War Disability Pension while undergoing treatment at Department of Veterans Affairs expense.
- (d) Inmates of Federal penitentiaries.
- (e) Residents of Canada who have retained residence in another Province or Territory while engaged in short term employment in the Northwest Territories.

Camp employees, for whom physician services are the responsibility of the employer under existing legislation (Part II, Public Health Ordinance, Northwest Territories) will be covered if residency requirements are met.

In other words, if a patient is entitled to benefits under Territorial Hospital Insurance Services, he will also be entitled to benefits under the Medicare Plan and vice versa. This arrangement allows for simple administration.

Scope of Insured Benefits

It is proposed that initially only physicians services, both general practitioner and specialist services, be covered, i.e., accounts would only be accepted from qualified and licensed practitioners and specialists in the jurisdiction where the services are rendered. Outpatient nursing services provided at nursing stations and health centres would be available at public expense to qualified residents as would also be emergency treatment provided by community aides.

It would be necessary to restrict certain strictly non-necessary benefits to avoid abuses but provision would be made to permit these services with the prior approval of a Zone or Area Director or a named consultant, e.g. plastic surgery for a hare lip or severe scarring would be insured but plastic surgery to remove "wrinkles" would not be approved. It is proposed that the following physician services be covered or denied as follows:

- (a) Cosmetic surgery would be covered with prior approval of a Zone or Area Director or named consultant.

- (b) Refractions would not be covered whether performed by an ophthalmologist or optometrist.
- (c) Preventive procedures (not associated with actual treatment) would not be covered, e.g. routine immunizations. Most services in this category are already provided under the Public Health Program of the Northwest Territories.
- (d) Physical examinations would not be covered. An increasing number of these are covered under the Public Health Program.
- (e) Physician services in respect of Tuberculosis and Mental Disease would be covered except where such services are rendered in Tuberculosis and Mental Hospitals which have an inclusive medical care and maintenance rate. The normal residency requirement of three months may be waived if the patient is not covered by one of the Provincial Medicare Plans.
- (f) Physician services in respect of Venereal Disease would be covered and no residency requirement would be necessary for such services. This would eliminate the need to submit the name of the patient on the account in respect of this category of disease. The cases, however, would be reported to the Medical Health Officer on the Notifiable Disease Report Forms.
- (g) Dental services would not be covered whether performed by a physician or a dentist. Fractures and traumatic injuries of the face and mouth would not be considered as dental services from this standpoint.
- (h) Occupational health examinations would not be covered.
- (i) Immigration medical examinations and examinations to determine the presence or absence of infectious diseases would not be covered.
- (j) The periodic examination of food handlers and other examinations required by the law would not be covered.
- (k) Examinations for employment would not be covered.
- (l) Insurance examinations would not be covered.

In some provinces, necessary x-rays and laboratory procedures are commonly performed in the offices of radiologists or pathologists in which case they cannot be covered by the Territorial Hospital Insurance Services. Medicare benefits would cover such necessary procedures when performed by an appropriate specialist in a non-listed facility.

Portability (Transferability) of Benefits

Benefits would be portable from province to province within Canada and also to countries other than Canada with the proviso that the scale of fees paid to registered medical practitioners outside Canada would not exceed those which would be paid if the services were rendered in the Northwest Territories.

Territorial Responsibility for Plan

As previously stated the proposed residency requirements for Medicare are exactly the same as for insured hospital benefits for

and it is therefore feasible and desirable to operate the Plan through an expansion of the existing Territorial Hospital Insurance Services (T.H.I.S.). In this way, the residency qualifications of a person for both hospital and medicare coverage can be checked at the same time, thereby saving both time and re-duplication of records.

Scale of Fees for Services Rendered

The scale of fees paid to physicians must be clearly of the private patient category and it is recommended that the British Columbia fee schedule be used as a reference basis. It has been accepted for many years that the northern fee schedule should be 20% higher than southern fees in order to cover the extra costs of medical practice in the Territories.

It is therefore proposed that, in accordance with this practice, the scale of fees in the Northwest Territories be approximately 20% higher than those which will be paid by the British Columbia Government for services rendered under the Provincial Medicare Plan, i.e. if the British Columbia Government opts to pay 90% of the B.C. Schedule, the Territorial Plan will pay approximately 108% of the B.C. Schedule for services rendered in the Territories by practitioners licenced in the Territories.

The scale of benefits paid for services rendered outside of the Territories but within Canada will be the same as those appropriate in the host province. If the host province does not have a Medicare Program as such, it seems likely that a private insurance scheme offered by approved carriers and providing standard benefits paid by the Northwest Territories Medicare Plan will be equal to those paid by the standard carriers.

Where insured services are rendered to a Northwest Territories' resident outside of Canada, the maximum rate of payment will be that which would be made for similar services in the Northwest Territories.

Specialist fees will be paid only when the patient has been referred to the specialist by another physician. However, the specialist treating a self-referred patient will be paid at the general practitioner rate for the same service. In order to be paid specialist fees, the specialist must be registered as such in the province in which the service is provided. Where the service is provided in the Northwest Territories the specialist must be registered as such in a province of Canada. It is also recommended that legislation should allow specialists and physicians to be paid on a sessional basis when approved by the Area or Zone Director.

Legislation

In preparing legislation for a Territorial Medicare Plan it should be noted that it will be necessary to amend Part II of the Public Health Ordinance of the Territories and to include within the legislation a provision to prohibit private insurance companies from covering the same benefits offered by the Plan. Private companies would, of course, still be allowed to provide health insurance for benefits not provided in the Plan.

Proposed Financial Arrangements

The Federal Government has agreed to contribute 50% of the national per capita cost of medicare to Provincial and Territorial Plans. The per capita cost for the N.W.T. is estimated at \$40 a year and is slightly higher than the national average. The share to be met by the Territories will be approximately 55% and based on a

population of 32,000 will amount to \$704,000.

This amount of \$704,000 is a formidable figure but does not mean it is new or extra money. There will be substantial reductions in the net cost of other programs particularly our Northern Health Services. There are few doctors in private practice, and medical services for two-thirds of the residents will continue to receive medical services from Northern Health Services. Medicare payments for these people will reduce the cost of Northern Health Services an estimated \$470,000 based 55% of the \$40 per capita cost for two-thirds of the residents. In addition, the Territorial Government will reduce medical expenditures for indigents and special free medical programs by approximately \$50,000. As a result of these savings the amount of new money we will look for, for medicare, is (\$704,000 - \$470,000 and \$50,000) \$184,000.

It is proposed that the Plan be tax supported rather than on a premium basis. This is the only way to ensure universal coverage in the Northwest Territories where nearly 70% of the population is socially or medically indigent. A premium based plan would be difficult to administer and it would be very difficult to educate the large native proportion of the population in the use of identity cards.

Consideration will also be given to the practicality of a co-insurance feature to the plan whereby the resident will pay part of the charge for doctors' visits in the home and office. Although the co-insurance charge under our hospital insurance scheme has resulted in increased bookkeeping and raised little revenue, we propose to investigate possible payment of part of the doctors' fees by the patient.

Preparation for Northwest Territories Medicare Plan

If the Territorial Government wishes to be ready to introduce a Medicare Plan on April 1, 1970, it is necessary to start planning now.

- (1) An agreement must be reached with the Federal Government that the necessary extra funds required will be included in the 1970-71 budget.
- (2) The required legislation must be prepared and passed at the Winter Session of Council (October 1969)
- (3) Regulations must be prepared and approved by the Commissioner.
- (4) Forms must be designed which will be suitable for both accounting and statistical procedures which can be computerized.
- (5) The Territorial Health Insurance Services (T.H.I.S.) must recruit and train the necessary staff to administer the Plan.
- (6) Medical Practitioners must be educated in the use of the claim forms.

The Northern Health Service has recommended that both the Yukon and the Northwest Territories Government use the same agency to administer the Plans of both Territories as this will reduce the administration costs. It is therefore necessary that a decision be made on the proposed organization and/or relocation of the Territorial Hospital Insurance Services Board Office so that they may get on with the necessary work associated with the implementation of an insured Medicare Plan.

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SCALE OF FEES FOR SERVICES RENDERED

The scale of fees paid to physicians must be clearly of the private patient category and it is recommended that the British Columbia fee schedule be used as a reference basis. It has been accepted for many years that the northern fee schedule should be 20% higher than southern fees in order to cover the extra costs of medical practice in the Territories.

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approved
[Signature]

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LAND OTT
JUNE 16/1969

ATTN COMMISSIONER S M HODGSON

CONFIDENTIAL

NT 530 RE PROPOSED SESSIONAL PAPER ON MEDICARE PROPOSE FOLLOWING CHANGES

INTRODUCTION (NEW)

THIS PAPER WILL IDENTIFY SOME OF THE PROBLEMS OF INTRODUCING A MEDICARE SERVICE IN THE TERRITORIES AND OUTLINE SOME FEATURES OF A PLAN PROBABLY COULD QUALIFY FOR FEDERAL SHARING UNDER THE MEDICAL CARE ACT WHICH REQUIRES THAT A PLAN MUST

- A. BE NON-PROFIT
- B. PROVIDE INSURED SERVICES ON UNIFORM TERMS AND CONDITIONS TO ALL INSURABLE RESIDENTS
- C. COVER AT LEAST 90 PERCENT OF INSURABLE RESIDENTS AND 95 PERCENT BY 3RD YEAR
- D. NOT HAVE RESIDENCE REQUIREMENT OVER 3 MONTHS
- E. SEVERAL LESS GENERAL REQUIREMENTS

BECAUSE FINANCIAL ARRANGEMENTS ARE A MAJOR CONSIDERATION ANY PLAN SHOULD START ON APR 1ST IT WOULD BE VIRTUALLY IMPOSSIBLE TO ARRANGE THE NECESSARY FINANCING AND ADMINISTRATION BY APR 1/70 BUT A START SHOULD NOW BE MADE TO PLAN FOR THESE BECAUSE THERE ARE SPECIAL PROBLEMS IN THE NWT RELATING TO ISOLATED POPULATION CENTRES RELATIVELY FEW DOCTORS AND LIMITED FINANCIAL RESOURCES

COMMENCEMENT DATE (DELETE)

FINANCING OF PLAN (DELETE AND TREAT LATER UNDER FINANCIAL ARRANGEMENTS)

UNIVERSAL COVERAGE CHANGE (WILL COVER) TO (WOULD COVER)
SCOPE OF INSURED BENEFITS (WOULD THIS ENTIRELY ACCEPTABLE TO NH AND N USE WORD 'WOULD')

PORTABILITY OK BUT USE 'WOULD'

TERRITORIAL RESPONSIBILITY FOR PLAN OK

SCALE OF FEES FOR SERVICES RENDERED OK BUT ADD INFORMATION ON WHETHER NH AND N DOCTORS WOULD BE PAID AT THESE RATES AND GENERALLY HOW NH AND N STAFF SERVICES WOULD BE AFFECTED AND WHAT REFERRAL SERVICE FOR ACCOUNTS

LEGISLATION OK IF THIS IS WHAT MEDICAL CARE ACT REQUIRES

PROPOSED FINANCIAL ARRANGEMENTS

PARA 1. OK

PARA 2. DELETE AND SUBSTITUTE APPROXIMATELY AS FOLLOWS
THE QUESTION OF HOW THE REMAINING FUNDS CAN BE RAISED IS A MAJOR PROBLEM AND DISCUSSIONS WITH IA AND ND ON THIS SUBJECT WILL HAVE TO BE WITHIN THE CONTEXT OF ARRANGEMENTS FOR THE FINANCIAL AGREEMENT A BASIC DECISION IS WHETHER IT BE REVENUE SUPPORTED OR BE FINANCED ON A PREMIUM BASIS THE ONLY INDICATIONS TO DATE ARE THAT THE FEDERAL GOVT WOULD EXPECT THE TERRITORY OR SUBSCRIBERS TO MAKE A SUBSTANTIAL CONTRIBUTION AND THAT THOROUGH STUDY OF ALL REVENUE SOURCES WILL BE NEEDED AND EVEN OF ALTERNATIVES TO MEDICARE AS A MEANS OF BRINGING THE COST FACTOR INTO LINE WITH THE AVAILABLE FINANCING (WOULD HAVE NO OBJECTION TO ADDING BACKGROUND INFORMATION ON PROBLEMS OF PREMIUM OR REVENUE FINANCING WITHOUT SETTING POLICY)

TOTAL ESTIMATES COST OF NWT PLAN OK EXCEPT PROBABLY TOO LOW

PREPARATION FOR NWT PLAN DELETE AS GIVEN BUT NO OBJECTION TO LISTING STEPS TO BE COVERED WITHOUT GIVING DATES LAST PART ABOUT COMMON SERVICE WITH YUKON SHOULD NOT APPEAR IN ANY PAPER UNTIL YUKON AGREES

A D YATES DIRECTOR TERRITORIAL RELATIONS BRANCH

4TH LINE INTRODUCING THIS

REMARKS 5TH LINE A PLAN WHICH PROBABLY COULD

LAND OTT

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

6TH COUNCIL, 39TH SESSION

RECOMMENDATIONS TO COUNCIL INDEX

- 1-39** **Provincial Insurance Companies**
- 2-39** **Standard Time Zone**
- 3-39** **Transfer of Jurisdiction of Fishing**