Private Health Insurance in Canada

What is private health insurance?

Insurance that covers medical expenses (such as drugs, dental expenses, vision expenses) or loss of income if you're sick or injured, often provided by employers.

Who are the key players in the Canadian private insurance marketplace?

- 107 life and health insurance carriers
- 6 pharmacy benefit managers
- 1,000,000 plan sponsors (employers / unions)
- 3000+ plan advisors
- 23 million plan members (employees / dependents / beneficiaries)

What is commonly covered under private extended health plans?

- Prescription drugs and medicines
- Vision care (eyeglasses and contact lenses)
- Dental care
- Semi-private or private hospital accommodation
- Hospital and medical expenses incurred outside Canada
- Wheel chairs and other durable equipment
- Special nursing services
- Ambulance services
- Artificial limbs, prostheses and medical appliances
- Specified medical or paramedical services that fall outside government plans (chiropractors, physiotherapists, podiatrists, osteopaths)

Who is covered?

- Approximately, 6 out of 10 Canadians have private health insurance for prescription drugs as part of an extended health plan.

A closer look at drug coverage

Private health insurance plans differ greatly in terms of what drugs are covered and how much of the drug cost is covered.

Plan coverage of non-core services by government plans varies from province to province.

Special Authorization

An insurance company may decide to establish criteria a patient must meet to be eligible for coverage of a medication. For some drugs the insurance company requires the patient's physician to submit a letter giving details of the patient's illness and explaining why the drug is needed. The insurance company may then grant special authorization for the drug to be covered by the group health plan.

Generic Substitution

When there is more than one brand of medication available, which contain identical medicinal ingredients, some insurance plans provide full coverage for the brand name drug; while other plans will only provide full coverage for the lowest cost generic version. If a patient is unable to tolerate or has failed treatment under a generic drug, the treating physician can indicate "No Substitution" when prescribing, and the cost of the brand-name drug may be covered by the plan.