

Cost estimate of Election Campaign Proposal

Publication date:	2019-09-18	
Short title:	Dental care for uninsured Canadians	
Description:	<p>Provide dental care to uninsured Canadians with household income below \$90,000. The coverage will be similar to that of the Non-Insured Health Benefits program currently offered by the federal government. Furthermore, existing provincial programs that provide the same services are assumed to continue.</p> <p>There will be no cost-sharing for individuals with a household income under \$70,000. Co-payments are required for those with a household income between \$70,000 and \$90,000. The proportion of co-payment would increase linearly with each dollar of income up to 100% contribution by the individual at \$90,000 of household income. These income thresholds are indexed to inflation. By default, the program will be administered by the federal government, or by provinces upon agreement. The proposal would start on January 1, 2020.</p>	
Operating line(s):	Operating and Capital Expenses, Other Transfer Payments	
Data sources:	<u>Variable</u>	<u>Source</u>
	Number of eligible individuals	Statistics Canada's Social Simulation Database/Model (SPSD/M)
	CPI Inflation	PBO
	Oral conditions	Canadian Health Measures Survey (CHMS)
	Procedure costs	Telus Health
	Administration costs	Non-Insured Health Benefits program
	Procedure costs' inflation	Canadian Health Care Trend Survey by Buck (2016, 2018)
Estimation and projection method:	<p>Uninsured individuals by age, household income, and province were extracted from SPSPD/M for 2020 to 2025, then projected to 2030 using Statistics Canada's population projections.</p> <p>Data on oral conditions, disease prevalence, utilization and treatment were obtained from the CHMS and were assumed unchanged throughout the estimation period. Procedure costs by province were obtained from custom data from Telus Health and were projected to grow in line with average fee increases calculated using the results of Canadian Health Care Trend Survey.</p> <p>PBO modelled contributions for beneficiaries with household incomes between \$70,000 and \$90,000 (roughly 22% of beneficiaries), with an average contribution rate of 63 percent. PBO forecasted indexation in the income thresholds using PBO's forecast for CPI growth.</p>	

A behavioural response was modelled by assuming utilization rates for eligible individuals reach those of high-income families.

Uncertainty
assessment:

The estimate has moderate uncertainty. It was derived using a microsimulation model. The estimate is sensitive to projections and assumptions for population age and growth, disease prevalence, utilization rates, procedure costs' inflation. It is also possible that dental insurance providers (private or public) reduce or cancel their existing insurance coverage as a result of the proposed federal program, which would increase the cost to the federal government.

Cost of proposed measure

\$ millions	2019- 2020	2020- 2021	2021- 2022	2022- 2023	2023- 2024	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029
Total cost	560	1,884	824	831	833	834	844	848	847	856

Supplementary information

\$ millions	2019- 2020	2020- 2021	2021- 2022	2022- 2023	2023- 2024	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029
Cost	553	1,863	814	822	824	825	835	839	838	847
Administration	6	21	9	9	9	9	9	9	9	10
Total cost	560	1,884	824	831	833	834	844	848	847	856

Notes:

There are relatively higher one-time costs in calendar year 2020 because we assume that untreated oral diseases occurring prior to 2020 are treated in 2020.

Estimates are presented on an accruals basis as would appear in the budget and public accounts.

Negative numbers contribute to the budget balance, positive numbers subtract from the budgetary balance.