

Do you Really Need a Drug Plan in Ontario?

I spend a lot of time educating entrepreneurs about drug and dental benefit programs and the #1 question I get asked is:

“What happens if someone gets sick and they don’t have insurance?”

What few entrepreneurs know is that every province in Canada provides drug coverage for those who don’t have an insured drug plan. In Ontario it is called the Trillium Drug Plan.

Ontario’s Trillium Drug Program will reimburse a family’s drug expenses above and beyond a deductible equal to 4% of the family’s after-tax household income. (A deductible is the amount someone needs to pay before coverage kicks in). So, if your family has an after-tax income of \$100 000, Trillium will cover your family’s drug costs over \$4 000, or \$1 000 per quarter (Trillium is administered quarterly).

Let’s just say that one of your family members got sick and needed \$20 000 worth of drugs in one quarter (and no, this is not unheard of!), your family would pay \$1 000 out of pocket and Trillium would cover the rest. Good deal huh?

Now let’s compare that with a drug plan through your work. You would no longer have access to Trillium. Most group plans have an 80% co-pay, meaning the insurance company pays 80% and you pay 20%. Using the same example as above, the insurance company would cover \$16 000 of that \$20 000 drug cost, but that means you would need to come up with the remaining \$4 000!

You should also consider that if your family’s income is lower, your out-of-pocket costs would be lower as well because Trillium is based on income. Whereas, with a group plan, costs are based on the price of the drugs!

If you are interested in a frank discussion on how to cost effectively cover your health and dental costs as opposed to another sales pitch for health and dental insurance, set up your free 30-minute chat here <https://calendly.com/mjhfinancial/meeting>.



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