

Feb. 7, 2002

Ministry of Finance

MEDICAL SERVICES PLAN

Monthly Premium Rates		
	Old Rate	New Rate
Single	\$36	\$54
Couple	\$64	\$96
Family	\$72	\$108

**Medical Services Plan Premiums
Financial Impact of Increase to Premiums**

	Annual Impact (millions)
Increase in premiums*	\$392
Increase to health and education budgets to fund premium increase for employees in those sectors	(\$52)
Net financial impact	\$340

* Net of premium assistance enhancements made to protect lower-income individuals and families from premium increases. This will result in a reduction or elimination of premiums for 230,000 premium assistance recipients.

Health and education sector protected from premium increases:

- Health sector (\$25 million)
- K-12 (\$18.3 million)
- Advanced education – colleges (\$5 million) and universities (\$3.3 million).

The cost to businesses that pay on behalf of their employees will be about \$180 million on a full-year basis. The net cost will be somewhat lower because MSP premiums are deductible for corporate income tax purposes.

The cost to direct government and public-sector agencies (except health and education) is \$23 million annually.