Cost estimate of Election Campaign Proposal

Publication date:	2019-09-21
Short title:	Dental care for low-income Canadians
Description:	Providing free dental care to Canadians with a family before-tax income below $30,000. The program will be effective starting January 1, 2020 to be administered by provinces and funded through the Canada Health Transfer. Coverage will be consistent with that of the Non-Insured Health Benefits program.
Operating line(s):	Canada Health Transfer

Data sources:

Variable	Source
Number of eligible individuals	Statistics Canada's Social Simulation Database/Model (SPSD/M)[1]
Oral conditions	Canadian Health Measures Survey (CHMS)
Procedure costs	Telus Health
Procedure costs' inflation	Canadian Health Care Trend Survey by Buck (2016, 2018)
Health programs administration costs	Provincial Public Accounts

Estimation and projection method:

The number of eligible individuals by age and province was extracted from SPSD/M for 2020 to 2025, then projected to 2030 using Statistics Canada's population projections. The income threshold used to extract eligible population data was not indexed and remained constant over the projection period.

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 Telus Health and were projected to grow in line with average fee increases calculated using the results of Canadian Health Care Trend Survey.

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

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[1] This analysis is based on Statistics Canada's Social Policy Simulation Database and Model. The assumptions and calculations underlying the simulation results were prepared by PBO and the responsibility for the use and interpretation of these data is entirely that of the author.

| Uncertainty assessment: | The estimate has moderate uncertainty. It was derived using a microsimulation model. The data are of good quality and it was complemented by some assumptions. The estimate is sensitive to disease prevalence, utilization rates, procedure costs' inflation. A behavioural response is anticipated and was possible to model. |

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	963	3,343	1,810	1,794	1,782	1,764	1,761	1,792	1,802	1,819

Supplementary information

$ millions	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Cost	954	3,310	1,792	1,776	1,764	1,746	1,744	1,774	1,784	1,801
Administration	10	33	18	18	18	17	17	18	18	18
Total cost	963	3,343	1,810	1,794	1,782	1,764	1,761	1,792	1,802	1,819

Notes:
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.
"-"   = PBO does not expect a financial cost.