

# New Canadian Dental Care Plan

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As part of the 2023 Federal Budget, the federal government introduced the New Canadian Dental Care Plan, which will provide dental coverage to uninsured Canadians with annual family income of less than \$90,000, with no co-payments for those with family incomes under \$70,000. In 2023 the plan will cover those 18 and under, seniors and those living with a disability; the plan will be fully implemented in 2025.

The PBO estimates the Canadian Dental Care Plan will increase federal program spending by \$10.1 billion over five years.<sup>1</sup> This estimate is based on the assumptions that existing programs, notably at the provincial and territorial level, will continue to provide coverage for dental services. Should provinces reduce or eliminate their coverage, it would increase federal cost by up to almost \$5 billion over five years (see the "Existing dental programs" row in the table below for the annual profile).

## 5-Year Cost

\$ millions

Fiscal year	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	Total
Total cost	2,798	1,202	2,762	1,618	1,751	10,132

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<sup>1</sup> Our estimate is \$2.9 billion lower than that included in [Budget 2023](#).

## Detailed 5-Year Cost

\$ millions

Fiscal year	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	Total
Program Cost	4,281	2,475	4,231	2,952	3,097	17,035
Administration	68	39	66	46	48	268
<b>Total Cost</b>	4,349	2,514	4,297	2,998	3,145	17,303
Co-payments	-558	-319	-541	-386	-400	-2,205
Existing dental programs	-992	-993	-993	-994	-994	-4,966
Cost recovery	-1,551	-1,312	-1,535	-1,379	-1,394	-7,171
<b>Total cost after recovery</b>	2,798	1,202	2,762	1,618	1,751	10,132

### Notes

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.
- A positive number implies a deterioration in the budgetary balance (lower revenues or higher spending). A negative number implies an improvement in the budgetary balance (higher revenues or lower spending).
- Totals may not add up due to rounding.

## Estimation and Projection Method

The eligible population was estimated using Statistics Canada Social Policy Simulation Database and Model (SPSD/M) Health, based on information provided by Finance Canada. Disease prevalence data was obtained from the Canadian Health Measures Survey and procedure costs were obtained from Telus Health.

The costing methodology is that used by the PBO for previous cost estimates of a federal dental care plan and procedures covered are analogous to those offered under the Non-Insured Health Benefits.<sup>2</sup>

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<sup>2</sup> See [Cost estimate of a federal dental care program for uninsured Canadians \(pbo-dpb.ca\)](https://pbo-dpb.ca/cost-estimate-of-a-federal-dental-care-program-for-uninsured-canadians) for more details on costing methodology and treatment assumptions.

Procedure costs were grown using historical fee increases relative to inflation rates. Administration costs were accounted for in the estimate. A behavioural response is included in the cost estimate in the form of increased utilization rates.

## **Sources of Uncertainty**

The cost estimate does not account for retreatments. Changes to the eligibility criteria, utilization rates, disease prevalence, service coverage and frequency, or forecasted inflation rates will influence costs. It is assumed provincial/municipal dental care services are maintained; the cost to the federal government will increase if that is not the case. Administration costs have been estimated at the average provincial cost for similar programs; federal administration costs could be higher depending on the exact design of the program.

## **Note prepared by**

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## **Data Sources**

### **Eligibility criteria, co-payment rates**

Department of Finance Canada (Information request: IR0688)

### **Dental disease prevalence**

Canada Health Measures Survey

### **Demographic information, dental insurance coverage by income levels**

Statistics Canada Social Policy Simulation Database and Model (SPSD/M)

### **Disability prevalence**

Statistics Canada

### **Procedure costs**

Telus Health

### **Dental practitioner fee increases**

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### **Inflation rates**

PBO's Economic and Fiscal Outlook (March 2023)

### **Provincial administration, public spending on dental services**

Canada Institute for Health Information

