



# Drug Costs Matter

## INTRODUCING PRIOR AUTHORIZATION

*The cost of offering a drug plan to your employees is rising. It appears that it will keep rising as new, more expensive specialty and biologic drugs make up a significant percentage of the drugs under development.*

*We want to make sure you can manage drug costs while still offering coverage for plan members for the right treatments.*

### **THAT'S WHY WE'RE OFFERING PRIOR AUTHORIZATION**

We are recommending prior authorization to all plan sponsors as a standard plan design – there is no extra cost to you or to your plan members.

**PRIOR AUTHORIZATION REQUIRES THAT COVERAGE FOR CERTAIN DRUG THERAPIES IS PRE-APPROVED BASED ON MEDICAL CRITERIA.**

### **WHY IS PRIOR AUTHORIZATION IMPORTANT?**

It was forecast that in 2017, Canadians would spend approximately \$33.9 billion on prescription drugs, 57.3% of which would be financed by the private sector.\* Generally speaking, this isn't only because of the number of claims; it's also because a small number of claims are very expensive. For example, only 2% of claims are for specialty drugs, but this actually represents 27% of total drug costs.\*\*

Prior authorization can help manage the costs in a small number of cases where very expensive drugs are used. That keeps your drug plan more affordable in the long term, and your plan members still get the health care coverage they need.

### **WILL THIS IMPACT THE QUALITY OF HEALTH CARE MY PLAN MEMBERS RECEIVE?**

Prior authorization aims to manage costs while providing your plan members with coverage for the right treatment for them.

Prior authorization only applies to some drugs within selected categories, not every prescription your plan members and their dependents may seek reimbursement for.

We recommend that you choose the "grandfathering" option so that plan members taking one of the drugs included in the prior authorization program in the 120 days before the program starts, won't have to apply for authorization; they'll be considered pre-approved for reimbursement if they are reimbursed now.

They can still have a choice of drugs for their condition; however, not all drugs are eligible for reimbursement.

The approval period may vary for each drug - this allows for us to check-in with the plan member to see if the current treatment is effective.

## **WHICH DRUGS ARE INCLUDED IN THE PROGRAM?**

The prior authorization program is dynamic and changes as the market evolves. In collaboration with our pharmacy benefits manager, TELUS Health, Sun Life constantly reviews the list of drugs requiring approval and adds, removes or makes other changes as necessary. Our program focuses on monitoring high-cost specialty drugs and drugs with high utilization for which less costly alternatives are available, such as some diabetes and anti-cholesterol drugs.

## **HOW DOES PRIOR AUTHORIZATION WORK?**

If the drug prescribed by the plan member's doctor needs prior authorization, the plan member needs to send Sun Life a prior authorization form completed by their doctor before filling their prescription. Sun Life will review the request and let the plan member know in writing if they are approved and the duration of their approval period.

For some categories of drugs, there are specific criteria that need to be met for the prescribed drug to be eligible for approval.

As an example, a plan member may need to have tried preferred therapies (unless unable to due to a medical reason or intolerance).

The criteria are developed by Sun Life's internal team of specialists, often in conjunction with TELUS Health. Criteria are based on factors like efficacy, cost, clinical guidelines, and recommendations from health technology assessment organizations.

## **COMMUNICATION TO PLAN MEMBERS IS KEY**

It's important that plan members understand the primary reason behind prior authorization – plan sustainability – and that they know the steps to take when speaking to their doctor or applying for prior authorization. We can provide a series of plan member communications to help plan members understand and support this process.

# YOUR FREQUENTLY ASKED QUESTIONS

### **Q: WILL PREMIUMS CHANGE IF MY PLAN INCLUDES PRIOR AUTHORIZATION?**

A: No. We consider this feature very important to plans, so we recommend it as a standard feature for all Pay-Direct Drug plans. We incorporate it at no extra cost to you or to members.

### **Q: WILL THERE BE ANY COSTS TO MY PLAN MEMBERS?**

A: Plan members may have to incur a cost to have their doctor complete and submit the form. However, this can generally be claimed through a Health Spending Account (HSA) if one is offered either through this Sun Life benefits plan or any other plan under which the plan member is covered. If the plan member is not approved for reimbursement for a drug they were prescribed, they can choose to pay for the drug out of pocket or speak with their doctor to find an alternative drug.

### **Q: WHO REVIEWS THE PRIOR AUTHORIZATION FORM?**

A: Sun Life reviews the prior authorization forms.

### **Q: HOW LONG WILL THE REVIEW TAKE?**

A: Provided that we have all of their information, Sun Life will review each request typically within five business days, and let the plan member know in writing if they are approved. In the case of a few especially high-cost drugs, the review may take longer than the usual five days while additional adjudication processes are followed at Sun Life.

**Q: HOW DO YOU SELECT THE DRUGS AND CATEGORIES THAT ARE IMPACTED, AND CHOOSE THE PREFERRED DRUGS?**

A: In conjunction with TELUS Health, Sun Life evaluates prescription drugs on factors such as cost, efficacy and the potential volume of utilization and determines which drugs or categories of drugs should have prior authorization. Within the prior authorization categories, some have preferred drugs based on cost-effectiveness evaluations. Preferred drugs are ones that have the potential to maximize outcomes at the most reasonable cost.

**Q: HOW WAS THE PRIOR AUTHORIZATION PROGRAM DEVELOPED?**

A: Sun Life has an internal team of specialists in pharmacy and pharmaeconomics that works in conjunction with TELUS Health to develop and maintain the prior authorization program. On some occasions, Sun Life also consults with external organizations for further insight.

**Q: CAN I OPT OUT OF THE PRIOR AUTHORIZATION PROGRAM?**

A: We strongly encourage all plan sponsors to adopt this updated claims administration process. It will help manage your drug costs and still allow plan members to receive reimbursement for the appropriate drugs for their disease state. If you wish to discuss opting out, please contact your Sun Life Financial group benefits representative.



**DID YOU KNOW?**

- New rheumatoid arthritis practice guidelines encourage use of biologic drugs earlier in the disease state and for a longer time. This could increase claims for biologics.
- A single claim can be as high as \$1 million.\*\*\*
- In 2017, 97% of Sun Life's clients had prior authorization on their plans.
- Drugs on the prior authorization program are usually prescribed by specialists who know that these drugs typically require a form to be completed on behalf of the plan member.

*You can find a list of the drugs and forms by going to [mysunlife.ca/priorauthorization](https://mysunlife.ca/priorauthorization)*

## **PAY-DIRECT DRUG CARDS – A FAST AND EASY WAY TO COVER PLAN MEMBERS’ ELIGIBLE PRESCRIPTION DRUGS**

- No claim forms to complete once a drug is approved.
- No waiting for a cheque in the mail.

Plan members simply present their card each time and their pharmacist will send us their claim electronically. Sun Life pays the covered amount directly to their pharmacy, so plan members only have to pay the balance. If their spouse also has a benefit plan that includes a Pay-Direct Drug card, the pharmacist can send claims electronically to both plans at the same time – to make the initial claim and then claim the unpaid balance from the other plan. This is called “coordination of benefits” and it could mean that your plan members have no out-of-pocket costs at all!

## **START TAKING ADVANTAGE OF THE MANY BENEFITS OF THE SUN LIFE PREFERRED PHARMACY NETWORK TODAY!**

Your plan members are eligible to take advantage of the benefits of the Sun Life Preferred Pharmacy Network (PPN)—a network of participating pharmacies across Canada, excluding Quebec. It is designed to reduce claim costs for plan members when they fill prescriptions for most **specialty drugs that require prior authorization** at one of the Sun Life PPN pharmacies using their Sun Life Drug card.

Additionally, they can take advantage of a few benefits that are not sponsored by Sun Life. These include:

- A range of services that may be offered by the pharmacies participating in the Sun Life PPN, e-refills, 24/7 access to a pharmacist, home delivery and more.
- Plan members may choose to speak with Express Scripts Canada, our PPN partner, about co-pay assistance counselling which includes assistance with navigating and applying for government and manufacturer financial assistance programs. This benefit is available in Quebec. Any information that plan members share with Express Scripts Canada regarding co-pay assistance will not be shared with Sun Life or their plan sponsor.

If a plan member or someone in their family is currently taking a drug on the prior authorization program and would like to find out if they can benefit from the Sun Life PPN, they can either:

- Speak with a PPN agent at 1-855-885-6425 between 8 a.m. and 8 p.m. EST, Monday to Friday, or
- Visit the Sun Life PPN website at **[mysunlife.ca/sunlifepharmacynetwork](https://mysunlife.ca/sunlifepharmacynetwork)**

### **QUESTIONS?**

**PLEASE CONTACT YOUR SUN LIFE FINANCIAL GROUP BENEFITS REPRESENTATIVE.**

\* Source: Prescribed Drug Spending in Canada, 2017, Canadian Institute for Health Information, 2017.

\*\* Source: Sun Life Financial, 2017.

\*\*\* Source: Insurers to share costs of high-priced drugs, Benefits Canada, April 3, 2012.

**Life’s brighter under the sun**

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