

Pharmaceutical Benefits: A look back and the year ahead in 2016

As a leader in the Canadian pharmaceutical benefits space, Sun Life Group Benefits continually strives to create value for clients through a number of strategic initiatives. In the last couple of years, there have been several successes in terms of savings for plan sponsors and plan members. In 2016, there will be a continued focus on initiatives that offer options for plan sponsors and plan members, and deliver cost management and thought leadership.

A look back

Over the last year, we have focused on shaping and adapting to the Quebec drug benefits landscape. Some of our efforts are listed below:

- By being an active and engaged partner in the industry leaders group, Sun Life has been influencing on behalf of our clients for modernization of the laws, regulations and practices in the province of Quebec.
- Since October 1, 2015, our generic equivalent substitution calculations have been updated to reflect recent successful changes allowing plan sponsors to benefit fully from generic savings.
- As of December 1, 2015, Quebecers have easier healthcare access to prescribing and other services through professional pharmacy services offered in the province's drug stores. The eligible services are now reimbursed under private drug plans just like drugs and at the same price as those negotiated for the public provincial plan.
- We continue to work collaboratively with all stakeholders to find solutions and improve delivery of care at a sustainable cost. As examples, this includes better alignment with political decision-makers, the RAMQ administration and the pharmacy partners, including advocating for greater transparency of the claims in pharmacy.

The introduction to the market of managed plan design options has been well received. This includes our **Evidence-Based Drug Plan**. By encouraging the use of drugs that provide the best value, this tiered plan design has offered many plan sponsors a more cost effective option to manage their drug plans while benefiting from negotiated savings from the pharmaceutical industry.

Other initiatives were implemented nationally, but could not apply identically to Quebec members. As an example, plan sponsors with plan members outside Quebec benefited from the following:

- **Specialty Preferred Pharmacy Network (PPN)**—Negotiations on the pharmacy mark-up of high cost drugs and auxiliary services through our 2,500 PPN pharmacies.
- **The Remicade® arrangement**—The agreement between Sun Life and Janssen (the first of its kind in Canada), has provided increased value and access through reduced costs.

Overall, the successful execution of these initiatives resulted in lowering claim costs to plan sponsors and plan members in 2015.

2016—The year ahead

As part of our ongoing commitment to creating robust and sustainable programs for our plan sponsors, our 2016 strategic focus will include the following:

- **Continued improvement of baseline drug claims adjudication**, including constant monitoring of business practices and revision of the price file controls in place to adapt to the market reality.
- **Continuous enhancements to our Prior Authorization (PA) program**—In 2016, we are continuing to invest in our PA program to ensure that we apply industry-leading clinical criteria in the assessment process. To that end, we have hired a clinical pharmacist, formerly of the Canadian Agency for Drugs and Technologies in Health (CADTH), who has a Ph.D. in Health Economics. From a good plan governance perspective, for the minority of our clients who have pay-direct drug cards (PDD) but who do not yet have PA enabled, we will be promoting the adoption of PA to help protect their benefits program. Furthermore, we are planning to implement PA on non-refund clients who currently have a PDD but do not have PA enabled, and to move non-refund clients with Reimbursement or Deferred plans to PDDs, which will enable better claims control and the adoption of PA.
- **Continuing to negotiate savings with manufacturers**—Building on our success in pharmaceutical negotiations, we continue to negotiate new savings agreements with pharmaceutical companies, which will help to make drug plans more cost-effective for plan sponsors and plan members. Clients with plan members on drugs for which we have negotiated agreements will see a claims adjustment where applicable*.
- **Monitoring and influencing Public Policy** – Sun Life is committed being a credible thought leader and will continue to participate in shaping the drug benefits landscape in Canada both alone and in partnership with our industry association.

* For clients with eligible drug claims covered by agreements under which credits are not applied at the point of sale, credits will be applied as a claims adjustment.

Questions?

Contact your Sun Life Financial group benefits representative.