

Clarifying group benefits coverage and underwriting issues relating to marijuana

Underwriting Issues relating to marijuana usage – and medical marijuana in particular – continue to gain media attention. Two developments in particular have raised questions by plan members:

1. In May 2016, you may recall our individual insurance division changed its definition of “non-smoker” to include marijuana users. This change attracted media coverage, primarily by the [CBC](#) and the National Post.
2. Recently, the Canadian Press published an article about a finding by the Nova Scotia Human Rights Commission that it was discriminatory to deny coverage for medical marijuana under a welfare trust plan. The article was widely republished. You can read the article [here](#).

In terms of group benefits underwriting for smoker status – and prescription drug coverage for medical marijuana – we want to clarify our approach to these issues.

Definition of smoker – Sun Life continues to classify marijuana users as non-smokers

Last May, Sun Life Financial’s individual insurance division changed its definition of “non-smoker” to include marijuana users.

While this generated a lot of press, and was a shift in policy for individual insurance, it did not represent a change for group benefits, as this definition of non-smoker was already standard practice for us. As a result, there were no changes needed to our processes.

For group benefits underwriting purposes, so long as the user does not mix marijuana with any tobacco usage and meets the underwriting guidelines, the applicant will be considered for non-smoker rates. On the Sun Life group benefits medical questionnaire, there is one question that relates to tobacco products and one question that relates to drug usage. It’s the drug usage question that captures an applicant’s cannabis usage.

Smoking status continues to be determined by tobacco usage only, and not cannabis, on the applicant’s response to their medical questionnaire.

Marijuana prescribed for medical purposes – is not covered under standard Sun Life group benefits plans

On January 30, 2017 the Nova Scotia Human Rights Commission (the “Commission”) found that it was discriminatory to deny coverage for medical marijuana under a welfare trust plan (the “plan”).

The decision is fact-specific, based on the information presented to the Commission.

In this case, the plan did not limit coverage to drugs with a drug identification number (DIN) assigned by Health Canada. The Board of Trustees (the “Trustees”), responsible for managing the plan, had the discretion to allow coverage, consistent with the financial viability of the plan. The Commission examined whether the Trustees’ refusal to exercise their discretion was discriminatory. Because the Trustees did not introduce sufficient facts to establish ‘undue hardship’, the Commission found that the Trustees indirectly discriminated against the member based on his disability.

Sun Life is required to adjudicate claims in accordance with the terms of the benefits plan. Although we do not pay claims for medical marijuana under our standard extended health care plan, this is consistent with the terms of the benefits plan. The drug benefit only covers prescription medications that have been assigned a DIN. Medical marijuana does not, at this time, have a DIN and we do not have the discretion to act outside the plan’s terms.

However, if a plan member has coverage under a Sun Life Health Spending Account (HSA), and has all the required documentation, expenses for medical marijuana can be reimbursed under their HSA plan.

In the Nova Scotia case, the Commission was very clear in stating that group benefits providers and their clients have a right to develop contract terms that specify and limit what future expenses are covered. Specifically, the decision provides that:

Like all benefits plans, the Welfare Plan does not cover everything. No benefits plan can cover the sun, moon, and the stars and expect to also be financially sustainable. The whole purpose of insurance is to allow beneficiaries to contract for a known loss (in the form of insurance premiums) in exchange for coverage in the event of an unknown future loss (e.g. prescription medication costs resulting from an unforeseen illness). In order for any insurance scheme to be efficient, sustainable, and affordable, insurers must be able to specify and limit what future losses are covered. Benefits plans are no different.

We continue to review our position on medical marijuana to determine how we could add it to a plan as a reimbursable expense should a plan sponsor want to provide this coverage. We expect to confirm our position within the next few months.

Group Benefits are provided by Sun Life Assurance Company of Canada, a member of the Sun Life Financial group of companies.



In the meantime, if you have any questions about either the drug coverage or our underwriting practices relating to marijuana, please contact your Sun Life Group Benefits Representative

Supporting Question and Answers

Qu: Does the Sun Life Extended Health Care plan cover expenses for medical marijuana?

The drug benefit under our standard EHC plans only covers prescription medications which have been assigned a DIN (drug identification number) by Health Canada. At this time, medical marijuana does not have a DIN, and is not covered under our EHC plans. However, if a plan member has coverage under a Sun Life Health Spending Account (HSA), and all the required documentation, expenses for medical marijuana can be reimbursed under their HSA plan.

Qu: My plan member's physician has prescribed medical marijuana as a treatment for their medical condition. Why isn't it covered under our EHC plan if the plan member's doctor prescribes it and it helps them?

Even though their doctor may have prescribed medical marijuana in the treatment of their condition, our EHC plans will only cover drugs which have a DIN. Medical marijuana is not recognized by Health Canada as a drug and therefore does not have a DIN.

Qu: I read the article in the paper on February 3, 2017 talking about the man in Nova Scotia winning his case at the Nova Scotia Human Rights Commission. The Commission said his insurance company had to pay for his medical marijuana. Doesn't that mean that Sun Life must pay for any member who has a prescription for medical marijuana from their doctor?

The decision of the Human Rights Commission is based on the facts relating to that plan member and his coverage. The group plan did not exclude drugs which do not have a Drug Identification Number (DIN). Sun Life plans exclude drugs which do not have a DIN. Since medical marijuana doesn't currently have a DIN, it is not covered under our standard drug plans.

Qu: If a group plan sponsor wanted to add coverage for medical marijuana, would Sun Life allow it?

Our current position is that we will not add medical marijuana to EHC plans. We are in the process of reviewing our position and will have a decision within the next few months.

Questions?

Contact your Sun Life Financial group benefits representative.

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