

## Mass Contract Amendment – Drug Risk Management (DRM)

As of November 1, 2017, we will be introducing an additional layer of review for new drugs or new usages of existing drugs and we will be amending your contract to reflect this.

At Sun Life, we are dedicated to keeping your plan sustainable by implementing effective cost-management strategies.

Over the last several years, Sun Life has been closely monitoring new drugs approved by Health Canada and existing drugs approved for new usages. We have been doing so to assess their clinical efficacy and the impact these drugs can have on a plan's sustainability.

We have also developed a rigorous pharmacoeconomic assessment process for such drugs. As a result of this process, we determine which drugs should be subject to the Prior Authorization (PA) Program and ultimately, we develop clinical criteria for these drugs. However, as the volume of new high-cost drugs increases, the financial risk to your plan is on the rise.

Some of our competitors have already put in place a way of excluding certain drugs that are approved by Health Canada. This means that through the coordination of benefits (COB), Sun Life sometimes acts as the first payer on these excluded drugs, which represents an additional financial risk for our organization and for yours.

### Drug Risk Management (DRM)

To better mitigate the risks associated with new high-cost drugs coming to market and to better align us with those of the industry, we have enhanced our drug review process. We are amending your contract to reflect this change.

Through our pharmacoeconomic assessment, we will determine which drugs should be covered under your Extended Health Care (EHC) plan.

Our thorough review process is based on several factors (as listed in the contract wording below) that will help us determine whether these drugs should be:

- covered under the plan;
- covered under the plan but subject to the PA Program, if applicable; or
- excluded from the plan.

Review timelines will vary from an almost immediate decision to a couple of weeks/months for more complex drugs.

Our expert team of pharmacists leads this proactive governance and ensures members get access to the right drug, at the right time and for the right indication.

Your contract will be amended effective November 1, 2017.

## New Contract Wording

Drugs covered under this plan must have a Drug Identification Number (DIN) and be approved under *Drug evaluation*.

**Drug evaluation** – As of November 1, 2017, the following drugs will be evaluated and must be approved by Sun Life to be eligible for coverage:

- drugs that receive Health Canada Notice of Compliance for an initial or a new indication
- drugs previously covered under this plan and subject to a significant increase in cost.

Drug expenses are eligible for reimbursement only if incurred on or after the date of Sun Life's approval.

Sun Life will assess the eligibility of the drug based on factors such as:

- comparative analysis of the drug cost and its clinical effectiveness.
- recommendations by health technology assessment organizations and provinces.
- availability of other drugs treating the same or similar condition(s).
- plan sustainability.

## What you need to do

Keep this Focus Update as a record of this change and file it with your Sun Life group contract(s) for future reference – this serves as an amendment to your contract(s) effective November 1, 2017. At your next plan revision, we will update your contract to reflect the above change.

## Questions?

Contact your Sun Life Financial group benefits representative.