



# A Better Approach to Drug Plan Management





## It's not easy being a drug plan sponsor these days

You want to provide for your plan members' health needs. But drug costs continue to rise and it's difficult to manage the growing financial risks. Plus, some plan design options are complex and can be confusing to navigate. It's hard to know which approach balances your risk tolerance with plan members' needs.

But drug plan management doesn't need to be complicated. We will work closely with you to understand your unique needs and simplify the complex to find the best fit for your plan.

## The importance of active drug plan management

It's never been more important to take an active approach to drug plan management. High-cost "specialty" drugs for rare or less common conditions, typically with an annual cost of \$10,000 or more, are no longer the primary risk to drug plan sustainability. An influx of high-cost specialty drugs and higher-cost regular drugs for common conditions is also compounding risk and increasing drug spend. Overall, a plan sponsor with a traditional open plan and 100 employees has a near 100% probability of a high-cost drug claim.\* And claims for higher-cost "regular" drugs is the norm, even for plan sponsors with only a few employees.

The good news is there are also more opportunities to reduce risk, many of which have little or no impact on most plan members.

\* Based on Equitable data on file.

# A better approach to drug plan management

At Equitable®, we take a progressive but balanced approach to drug plan management, allowing you to effectively manage costs while still providing your plan members with safe and effective medications.

Our full suite of drug plan solutions includes:

- 1 Standard drug plan controls to help ensure the sustainability of your plan and protect it from unreasonable and avoidable costs.
- 2 Voluntary drug plan options to customize your plan to your objectives and the needs of your plan members.
- 3 Tailored insights, decision tools and custom reporting to help you determine your objectives and make informed choices for your drug plan.
- 4 Communication support to help ensure your plan members understand their coverage and all their reimbursement options, especially if you make plan changes.

## Standard Drug Plan Controls

Our standard drug plan controls help support the sustainability of your plan and protect it from drug spend volatility. Just as the drug world will continue to evolve, we will update and adapt these controls to ensure they provide the protection you need.

Some examples of our Standard Drug Plan Controls include:	
Specialty Drug Management Program (SDMP)	This prior authorization program ensures high-cost “specialty” drugs and their indications are only eligible for coverage if supported by clinical evidence and if more cost-effective alternatives have been tried first, where appropriate.
Specialty Drug Preferred Pharmacy Network (PPN)	We partner with BioScript Pharmacy®, one of Canada’s leading specialty pharmacies, to offer cost savings on most specialty drugs while providing comprehensive, best-in-class patient care.
Usual and customary price and quantity limits	Both TELUS Health, our Pharmacy Benefit Manager, and Equitable set specific controls on what amount pharmacies can charge your plan and your plan members when they use our Pay-Direct Drug program.
Alternative and additional sources of reimbursement	We help ensure all sources of reimbursement share in the cost of an eligible drug where possible.
National Biosimilar Program	Over the past few years, many provinces introduced policies to delist some originator biologic drugs. They require most patients to switch to biosimilar versions of those drugs to be eligible for coverage under their public drug plans. Equitable’s National Biosimilar Program simplifies your drug plan coverage by protecting you from additional drug costs while offering access to lower cost biosimilars deemed equally safe and effective by Health Canada.
Comprehensive Drug Evaluations	We take an evidence-based approach to evaluating new drugs prior to making them eligible for coverage.

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## Voluntary Drug Plan Options

In addition to our standard features, we offer additional options so you can customize your drug plan to align with your risk management objectives and the coverage you wish to provide plan members. We constantly update and evolve voluntary options available.

In general, options enable customization of what drugs are covered and/or how much is covered—the two pillars of drug plan management.

### A few examples of our many Voluntary Drug Plan Options include:

<b>Managed formularies</b>	Managed formularies focus mostly on controlling what is covered by limiting eligibility to a specific list of drugs. Our suite of formularies, many of which are unique to Equitable, range from more aggressive (i.e. fewer drugs are eligible for coverage) to less aggressive. For example, we have numerous formularies specific to high-cost drugs which optimize alternative sources of reimbursement. Combining an open plan with a managed formulary and different levels of co-insurance can be effective in maintaining what is covered while still generating savings.
<b>Mandatory generic pricing</b>	<p>Often misnamed “mandatory generic substitution,” this plan feature maintains eligibility of the brand drug but limits the eligible ingredient amount to that of the lowest cost, interchangeable product, typically a generic drug. This option remains the “lowest hanging fruit” for all plan sponsors, especially given the rapid increase in the number of high and higher cost brand drugs for which there is a generic version.</p> <p>Cost savings can be significant and, with financial support programs provided by brand drug manufacturers, there is little or no plan member out-of-pocket impact for most common brand drugs that have interchangeable generics.</p>
<b>Drug category eligibility</b>	With this feature, plan sponsors can add coverage for specific categories of drugs, such as drugs approved by Health Canada for smoking cessation and fertility, and preventative vaccines. Conversely, options are available to remove coverage for various categories of drugs.
<b>Deductibles and Coinsurance</b>	These plan features allow plan sponsors to have employees share in the responsibility for drug plan sustainability. Co-insurance can encourage the prescribing of equally safe and effective lower cost drugs. It also helps ensure that all sources of reimbursement share in the cost of the drug.
<b>Dispensing fee caps</b>	This is a limit on the maximum dollar amount paid by the drug plan for the pharmacy dispensing fee, also known as the pharmacy professional fee.
<b>Lifetime/annual drug maximums</b>	A total eligible dollar amount per plan member or certificate for the benefit year (annual) or lifetime.

# A better approach to drug plan management

## Insights, Decision Tools and Reporting

We know how difficult it is to make the best decisions for your drug plan. The first step is to understand the key drivers of drug plan costs and your objectives for managing them. We provide tailored insights, decision tools and custom reporting to help you determine your objectives and make informed choices about the best options for your drug plan.

Some examples of our decision tools and reporting include:	
Assessment Tools to Determine Your Objectives	Our simple drug plan strategy decision tool helps you determine your appetite for change and your attitudes towards the role that plan members play in helping to manage drug plan costs.
Custom Reports**	Our proprietary, user-friendly custom reports, available at no charge, provide actionable insights specific to your drug plan to guide a fact-based conversation around drug plan options that are best suited to your organization's demographic, cultural, disease prevalence and drug utilization characteristics.
Access to Subject Matter Experts**	Data alone does not generate the insights required to make appropriate decisions. Our pharmacy benefits team can interpret the facts and provide actionable plan design advice on best-fit solutions while identifying potential advantages and risks.

## Communication Support

A change in carrier and/or drug plan design can be difficult for plan members. We clearly communicate coverage changes to affected plan members and support them through the transition with ongoing education and information.

## Questions?

For more information about Equitable drug plan management options, talk to your advisor. They can help you navigate the options and identify the best fit for your plan.

\*\* Not available for some types of groups, or groups under a certain size.

# About Equitable

At Equitable we believe in the power of working together. This guides how we work with each other. How we help our clients and partners. And how we support the communities where we live and work.

Together, with partners across Canada, we offer Individual Insurance, Group Insurance and Savings and Retirement solutions. To help our clients protect today and prepare tomorrow.

We believe the world is better when we work together to build an Equitable life for all.



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