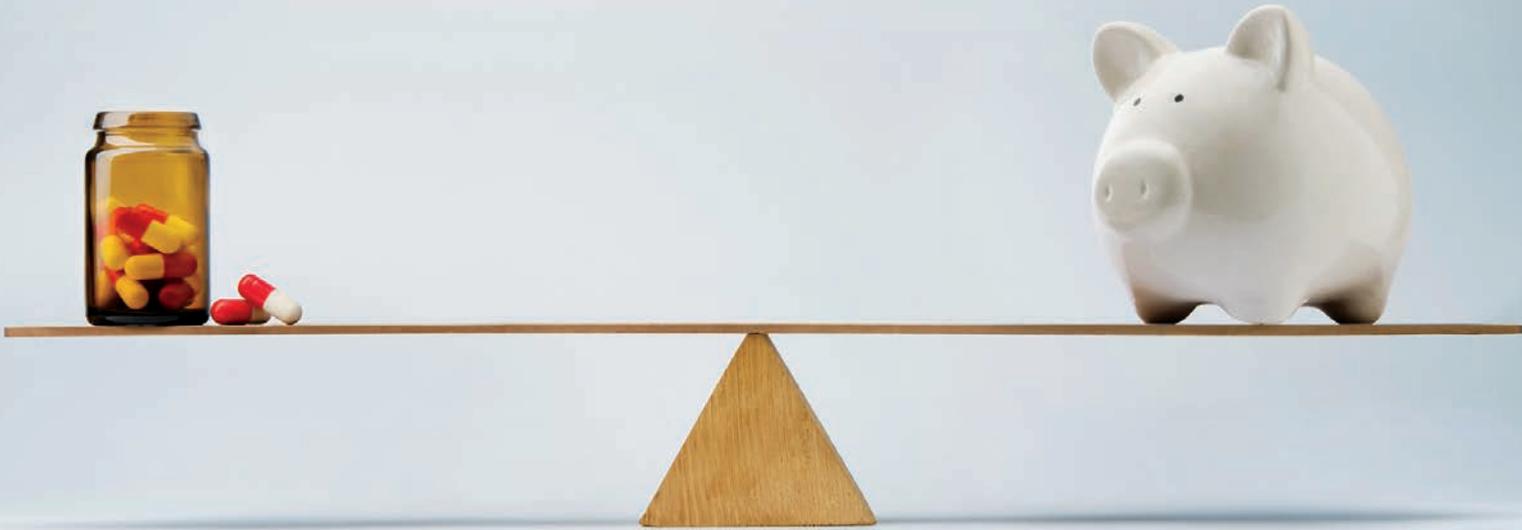




For the optimal use
of prescription drugs



Over the years, scientific research has allowed us to develop prescription drugs that have significantly improved our quality of life and even extended the life expectancy of countless individuals. As a result, the expenses associated with taking prescription drugs have grown considerably. Factors such as the aging population, increasing rates of chronic illness, and robust demand for specialized treatments mean that more and more people are taking prescription drugs, driving up the cost of prescription drug insurance premiums.

At SSQ, we believe that controlling prescription drug costs hinges on making sure the right benefits are paid to the right people. Our experience shows that applying stricter controls prior to a purchase is more effective than applying restrictive measures once the purchase is made.

We have our very own specialized medical team made up of consulting pharmacists and physicians who track the latest trends. They also implement measures and actions based on the best practices used in the pharmaceutical and medical industries in an effort to ensure people are making optimal use of their prescription drugs.

We put the health of our plan members first, every day!



**VALUES IN
THE RIGHT
PLACE**

PROACTIVE SOLUTIONS

Measures applied to all groups



1 Preauthorization Program

This program consists of managing a list of prescription drugs that are particularly expensive or that can pose a high degree of risk if not used properly. To receive reimbursement for this type of drug, plan members must have a form filled out by their attending physician and send it to SSQ for approval. The drug will be eligible for reimbursement once the application is approved.

Each file is analyzed by our consulting pharmacists. The duration of the authorization varies depending on the type of drug. Once authorization has been given, the plan member may submit a claim for reimbursement by using their insurance card at the pharmacy.

The eligibility of medical conditions is established according to the Health Canada guidelines for each medication. Once the conditions have been identified, SSQ's team of pharmacists establishes the preauthorization criteria based on a number of elements, including:

- The drug's therapeutic value in relation to its effectiveness and safety vs. other available treatments
- Available pharmaco-economic studies
- Recommendations from government organizations, including the *Institut national d'excellence en santé et en services sociaux* (INESSS) and the Canadian Agency for Drugs and Technologies in Health (CADTH) Common Drug Review
- The recognized treatment guidelines for the indication

The list of drugs that require preauthorization is reviewed by our team of pharmacists on a monthly basis.

2 Step Therapy

Step therapy is used in conjunction with the Preauthorization Program. In addition to helping control the costs associated with taking a drug, it can also help control associated risks. This approach allows patients to begin treatment with a less expensive drug that is also indicated for their condition. Depending on the effectiveness of the drug, they then progress to a more expensive drug. This step is repeated until the patients find the drug that works best for them. Rather than start with a new and very expensive drug, patients are able to use a medication that is just as effective but less expensive.

3 Major Claimant Management

There is no universal definition for major claimants. In general, a major claimant is a plan member who makes claims for either large amounts (by certificate or insured) or a large number of claims. Therefore, the term major claimant would apply to both a plan member who makes a large number of claims each year (several medications or frequent claims, etc.) and one who takes an expensive drug on an ongoing basis.

Major claimants generate significant costs for prescription drug plans. However, we need to take a holistic approach to analyzing each situation to ensure that health remains a top priority. We have therefore introduced the concept of *justified* major claimants, which applies to plan members who take expensive drugs to treat a chronic illness for which they have tried all other less costly alternatives without success. This means that **if such a drug allows the plan member to adequately manage their symptoms (assessed objectively via medical testing), improves their quality of life, or allows them to maintain their autonomy or remain at work, then its use can be considered as justified**. On the other hand, a plan member can be deemed to be an *unjustified* major claimant if they claim an expensive drug without having tried other less expensive solutions that have been proven effective for a majority of patients. A plan member who claims the same treatment without proof of its effectiveness and who remains on disability leave may also be deemed an *unjustified* major claimant.

Instead of analyzing claims after they have been reimbursed and discovering problems with potentially *unjustified* major claimants, we believe it is better to be proactive. A careful and effective preauthorization system paired with adequate control measures make it possible to limit *unjustified* major claimants. When properly managed and executed by healthcare professionals, preauthorization allows us to ensure that we are making optimal and efficient use of medications while accounting for efficiency and treatment costs. The goal is therefore not to deprive patients of an essential treatment, but to ensure that the right medication is being used by the right person in order to control the cost of prescription drug plans. This proactive approach to managing major claimants allows us to make decisions based on the well-being of our plan members.

OPTIONAL PROACTIVE SOLUTIONS

 **Measures offered on an optional basis**

1 Using generic drugs



Although it is but one of a number of potential strategies, encouraging plan members to use generic drugs can have a significant impact when it comes to reducing drug costs. We offer a number of incentive levels, from awareness campaigns targeted at plan members to generic drug substitution.



Awareness campaigns

Plan members are our first line of defense when it comes to limiting increases in prescription drug insurance costs. A plan member who is well-educated about the available options and aware of the impact of prescription drug decisions can significantly influence the cost of premiums. SSQ offers a variety of pamphlets and information capsules to its policyholders and plan administrators to educate plan members about these issues. For a look at the tools available upon request, please visit ssq.ca/healthinsightsolutions.

Coinsurance plan by prescription drug type

This measure aims to encourage plan members to use more generic drugs. The coinsurance plan by prescription drug type consists of reimbursing drugs using two different reimbursement percentages depending on whether the plan member buys the generic (where one exists) or brand-name version of a drug. For example, a generic drug is reimbursed at 80%, while a brand-name drug for which a generic version exists is reimbursed at 66%. For single-source drugs for which a generic version does not exist, the higher reimbursement percentage applies.

If a plan member is unable to use a generic drug due to a medical contraindication, they must have their attending physician fill out a form and submit it to SSQ. If the form is approved by SSQ, the higher reimbursement percentage will apply.

The coinsurance plan by prescription drug type encourages plan members to use generic drugs where appropriate. It's simple to understand: plan members can feel the impact of their decisions directly in their wallets.

Generic drug substitution

Generic drug substitution consists of reimbursing brand-name prescription drugs at the same cost as the lowest-priced generic equivalent. This means that when a plan member chooses a brand-name drug for which a generic exists, they are reimbursed based on the cost of the lowest-priced generic equivalent.

If a plan member is unable to use a generic drug due to a medical contraindication, they must have their attending physician fill out a form and submit it to SSQ. If the form is approved by SSQ, the reimbursement amount will be based on the cost of the brand-name drug.

2 Limiting Pharmacist Fees and Pharmacy Mark-Ups

The total cost of a prescription drug can be broken down as follows:



In addition to using generic substitution to keep drug costs down, we can also target the two other components of a prescription drug's total cost: the pharmacist fee and the pharmacy mark-up.

In Quebec there are no provincial regulations limiting the pharmacy mark-up and pharmacist fee that can be applied to prescription drugs. This means that for the same drug, the price may vary from one pharmacy to the next. To counter this, we can standardize eligible amounts and limit reimbursement by applying a reimbursement algorithm based on a maximum amount for the pharmacy mark-up and pharmacist fee. These amounts may vary depending on the type of drug: **generic, brand-name, or single-source**.

3 Managing a Drugs Exclusion Program

SSQ's exclusion list is dynamic and we continuously evaluate new drugs released on the Canadian market. The program allows us to reduce costs by excluding from the plan new drugs that have not been clinically proven to be more effective than existing treatments and that are priced higher than their therapeutic equivalents on the market.

How the drugs exclusion program works

All new drugs launched on the Canadian market are evaluated by our team of pharmacists based on the following criteria:

- Clinical dimension: safety and effectiveness of the treatment
- Human dimension: quality of life, improved adherence to treatment
- Price dimension: cost of treatment

New drugs evaluated as not being clinically superior to treatments already covered by the plan and which are more expensive are added to the exclusion list.

What's more, each year we revise the exclusion list based on any new information that becomes available. We also comply with the public prescription drug insurance plan list (RAMQ) at all times.

4 Analyzing Data [performed by our team of consulting pharmacists]

We offer various analyses based on the needs of our customers.

For example:

- **Prescription drug consumption profiles:** A retrospective analysis of drugs claimed based on the age and sex of a group's members. The results are compared with those of all SSQ plan members for the same period. We then use this analysis to provide personalized recommendations for optimal use of prescription drugs.
- **Evolution of prescription drug plans:** Discussions between the policyholder and our pharmacists to find innovative solutions for implementing prescription drug plans that meet our customers' needs.

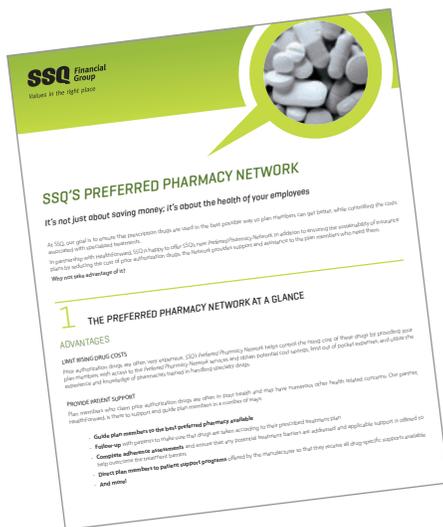
Certain costs may apply for this service depending on group size and complexity.

5 Partnering with a Preferred Pharmacy Network [available outside of Quebec only]

Together with our partner *HealthForward*, we have made a *Preferred Pharmacy Network* available to our plan members. The SSQ Preferred Pharmacy Network offers a number of advantages, including:

Limiting price increases for drugs subject to preauthorization

The *Preferred Pharmacy Network* helps control drug prices by giving plan members access to pharmacies that offer preferential pricing on drugs subject to preauthorization. This also lowers the price paid by plan members when they make a claim.



Offering patient support

Plan members who submit claims for drugs subject to preauthorization are often very ill and already coping with a great deal of stress. Our partners at *HealthForward* are on hand to provide support and guidance throughout this complex and often stressful process.

[Learn more about SSQ's Preferred Pharmacy Network](#)

NEXT STEPS

A look at the future!

Biologic Drugs: Here, There, and Everywhere

Developed using live cells instead of chemical products, these specialized drugs are playing an increasingly dominant role in managing symptoms, slowing the evolution of certain illnesses, and maintaining quality of life and autonomy for plan members with chronic illnesses. While these treatments are highly effective, they also come at a high price. To help control the costs of these drugs, it is important to ensure they are used by the right patients at the right time. What's more, medical adherence is crucial to ensuring that treatment is effective.

Keep an eye out for: Biosimilar drugs, another category of biological products that are highly similar to biologics already on the market and whose patents have expired, are set to become an increasingly popular option. Because they are less expensive than the biologic drugs on which they are based, they will likely relieve some of the pressure on group insurance plans.

Pharmaceutical Company Support Programs

Pharmaceutical companies are developing a growing number of support and training programs for plan members that provide access to a network of healthcare professionals. This approach offers close monitoring of how a drug is taken and tracks its effectiveness and the patient's adherence. By improving case management, the patients' autonomy and confidence may increase during the course of treatment. These support programs aim to educate patients on how to take their medications, such as by teaching them how to inject a drug. This new trend is in large part a response to the increasing availability of specialized drugs that are more expensive and more complex to administer.

Pharmacogenomics

Scientific advances now offer a deeper understanding of what causes illness. Molecular and genetic research allow researchers to better predict the effect of a drug on a specific individual based on his or her genetics. This means that doctors can prescribe a drug based on a person's DNA to create an individualized treatment. This personalized approach to medicine will afford healthcare professionals greater precision and allow them to be more proactive.

Although molecular medicine holds great promise for scientists and researchers, it also raises a number of ethical questions about data confidentiality—and eyebrows when it comes to costs. For now, these and other important questions remain unanswered.

Mobile Technology: Sophisticated and Omnipresent

It is estimated that by 2020, 80% of adults across the globe will have a smartphone.¹ And since smartphones are able to measure a number of physical parameters related to health, it's safe to bet that their presence will leave their mark on the way we approach our well-being. By measuring health indicators in real time 24/7, they will increase our mobility and likely improve the way we interact with our healthcare professionals.



Successfully controlling prescription drug insurance costs requires a group effort from physicians, patients, pharmacists, insurers, and government organizations. Fair and reasonable access to treatment combined with a variety of measures for the careful management of prescription drugs are the key to success. By working together, we can implement solutions that will make our group insurance plans sustainable.

THE HEALTH INSIGHT* PROGRAM, AN INVALUABLE TOOL FOR MEASURING PLAN MEMBER HEALTH



We can help you develop a formal plan for improving your employees' health. Based on an analysis of your organization, the Health *InSight* team analyzes cases of disability and frequency and the average duration of absences and assesses their relationship with your group's consumption of prescription drugs. The consumption profile for prescription drugs makes it possible to identify the drugs most frequently claimed by your employees, as well as use of generic drugs. These indicators can then be used to guide your efforts to improve your employees' health.

For help promoting healthy habits in your organization or to obtain information on our campaigns, please contact the Health *InSight* team:

healthinsight@ssq.ca

*The Health *InSight* program is included with Diagnosis+ coverage.

SOURCE

1. PLANET OF THE SMARTPHONES. *The Economist*. February 2015.

SSQ Financial
Group

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