

ACTIVELY MANAGED DRUG SOLUTIONS

for maintenance and
specialty medication

Product Guide



Actively Managed Drug Solutions is not
available in the province of Quebec





WHAT'S THE PROBLEM?

Chronic disease is on the rise and, surprisingly, more so among younger, working-age Canadians¹

Between 2003-2013:

- Annual increase in Canadians aged 65 and up reporting two or more chronic conditions: 0.2%
- Annual increase in Canadians aged 12-64: 5.2%

More medications are being charged to customers' drug benefit plans²

272 million to 483 million: prescriptions filled at retail pharmacies nearly doubled between 1999 and 2009

Half of all Canadian adults take at least one prescription drug³

- Approximately 15% take four or more drugs
- For those with chronic diseases, 37% take four or more drugs

New specialty drugs that radically improve treatment are coming to market – in greater number⁴

- Number of specialty drugs in Canada in 2010: 310
- Number in 2015: 412

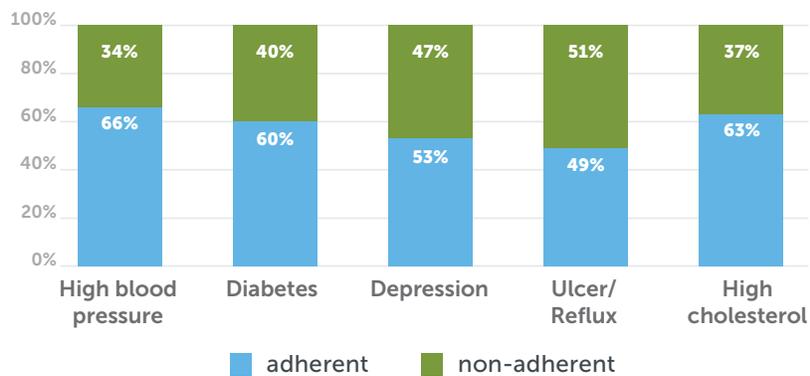
And they are increasingly costly⁵

- According to Express Scripts Canada, specialty drugs accounted for just 1% of the claims they adjudicated in 2014, but 26% of the drug benefit dollars reimbursed to employees
- They predict this will rise to 35% by 2019

Year	Specialty drug	Annual treatment cost*
2000	Remicade (rheumatoid arthritis, psoriatic arthritis, ulcerative colitis, Crohn's disease, ankylosing spondylitis)	\$31,538
2015	Harvoni, Galexos, and Sovaldi (Hepatitis C) Soliris (Paroxysmal nocturnal hemoglobinuria)	\$55,900-\$141,400 \$525,868-\$701,064

*Ingredient cost in Ontario excluding pharmacy markup and fee, Express Scripts Canada data 2015

Many employees do not take their maintenance medicine as prescribed, which can cause unnecessary and costly complications⁶



Poor adherence can lead to:

- Increased disability costs
- Additional drug therapies
- Increased absenteeism
- Loss of productivity

Poor choices at the pharmacy cost benefit plans a lot of money⁷

- Express Scripts Canada reports that \$5 billion is paid out every year to cover poor drug choices and unnecessarily expensive pharmacy services
- 1 in 3 dollars is spent without improving health outcomes



ACTIVELY MANAGED DRUG SOLUTIONS CAN HELP

Actively Managed Drug Solutions is a complimentary service offered to Empire Life customers with pay direct drug plans. Powered by Express Scripts Canada and designed for employees who take maintenance and/or specialty drugs, it provides a range of personalized services—including education, coaching, delivery of medication and treatment facilitation—that improve adherence to medication and promote better cost management.

THE ACTIVE PHARMACY DIFFERENCE

Empire Life is delighted to bring you Actively Managed Drug Solutions, powered by Express Scripts Canada. Three capabilities combine to create Express Scripts Canada's unique platform of Active Pharmacy Management:



Health decision science

When they leave the doctor's office, employees usually intend to follow the doctor's instructions. So why don't they? Why don't they remember to refill prescriptions after the first month? Why do they forget to take their medications when their daily routine gets shaken up? Express Scripts Canada has gained advanced insights into employee decision-making about healthcare through its proprietary Health Decision Science®. As a result, they make it easy and intuitive for employees to choose options that improve overall health outcomes, minimize waste, and lower-costs. Employee tools, messaging, Member Contact Centre discussions and program structure are all built around the employee experience. They inform employees about their benefits and opportunities, and influence them to act in ways that are clinically beneficial and cost effective.



Experienced clinical team

Express Scripts Canada pharmacists have extensive experience in community pharmacies, research and academia. Some have doctorates in pharmacy and many are certified educators in diabetes and asthma, for example. They also hold certification in infectious diseases and other medical conditions. With their combined expertise, they have developed proven strategies to drive healthy outcomes and drug plan cost savings. They also have access to a wealth of clinical data from Express Scripts, Inc. Pharmacy and Therapeutics Committee in the United States.



Actionable data

You can only manage what you measure. Express Scripts Canada delivers enhanced reporting that gives you and your customers the insights needed to understand what's going on with the drug benefit — and better control costs.

Sustainable drug plans that actively promote better health outcomes

Cutting back, cost-shifting, or capping drug plans can help control costs in the short-term, but may be counterproductive in the longer term. That's because when employees can't afford to fill their prescriptions, they go without. This can lead to further illness, the need for more medication, and disability absences. Actively Managed Drug Solutions can help customers better manage drug plan costs while helping employees achieve better health outcomes.



MAINTENANCE MEDICATION

Maintenance medications are prescribed to control chronic health conditions, not to cure them. They're taken regularly over long periods of time. Examples include drugs to treat cholesterol, diabetes, heart disease, and high blood pressure. According to the Express Scripts Canada 2014 Drug Trend Report, maintenance medication accounts for 74% of customers' annual drug spend. So it's important to manage this well.

Convenient and personalized service to help employees improve adherence to medication and eliminate waste from the plan

- 1 Employees have a personal pharmacy advocate**

The Express Scripts Canada Pharmacy team works with employees to help them get the best health outcomes and the most value from their benefits. They respect the employee-doctor relationship and save employees time by working directly with physicians to confirm that lower cost alternatives are appropriate. Then they recommend these to employees, along with 90-day supplies.
- 2 A pharmacist is there for them 24/7**

Employees can get advice or talk to a pharmacist about their prescriptions at any time, from the privacy of their home—even in the middle of the night. They just call 1 (855) 550-MEDS (6337), toll-free.
- 3 Express Scripts Canada helps make sure employees don't run out of the medications they take regularly**

With their auto-refill service, employees get timely refill and renewal reminders, so they can place their orders before they run out.
- 4 Employees save time and money by making fewer trips to the drug store**

A 90-day supply of medication can be delivered anywhere in Canada. Packaging is discreet; there is nothing to indicate what's inside.
- 5 All prescription information is right there at their fingertips**

Employees can see all their prescriptions and request refills and renewals online at www.member.express-scripts.ca.



SPECIALITY MEDICATION

Specialty medications are prescribed to people with serious chronic conditions such as cancer, multiple sclerosis, rheumatoid arthritis, and hepatitis C. These drugs may cause side effects that require monitoring by a pharmacist. Many are taken by injection and require special storage and handling. So employees need training and support.

With Actively Managed Drug Solutions, employees are guided and supported throughout their treatment

The Express Scripts Canada team reviews employees' plan details, claims history, and the drugs they are taking. Then they engage with employees to understand their experience and what's needed in the way of education, training, funding assistance, and support. Employees benefit from an extra level of care and attention. The team:

- handles all paperwork related to treatment funding by the various provincial and pharmaceutical drug programs.
- develops comprehensive health action plans to address each facet of employees' health condition, medication, and training needs.
- delivers medication to employees' preferred locations, including their homes, perfusion clinics or doctors' offices. They also make refill reminder calls to help employees stay adherent.
- monitors employees' progress, answers questions and provides support. They also call doctors to discuss side effects and/or changes in condition reported during calls with employees. Employees can request a consultation with a pharmacist at any point during their therapy.

With one pharmacy team for maintenance and specialty drugs, employees benefit from an integrated, personalized plan

Many employees taking specialty drugs are taking maintenance drugs too, which can be confusing and overwhelming. With the Express Scripts Canada active pharmacy approach, employees are supported by one pharmacy team for both, and benefit from an integrated treatment program and personalized health plan.

It all adds up to improved cost management, by:

- ensuring the right funding is in place when it comes to provincial integration, so customers' plans pay only what they should and employee out of pocket expenses are minimized.
- lowering pharmacy fees, including a \$150 markup cap on high cost drugs (e.g. a plan with a 10% markup would pay \$150 on a \$10,000 drug and not \$1,000. A plan with a 15% markup would pay \$150 on a \$10,000 drug, not \$1,500).
- coaching employees through complex drug regimens so they adhere to the treatment, their condition remains under control, and they are less likely to require additional medication, hospital treatment, or disability leave.

A BETTER DRUG PLAN EXPERIENCE: CUSTOMERS HAVE A CHOICE

Most employers want their benefits plans to help employees stay healthy and productive, and provide peace of mind. With Actively Managed Drug Solutions, they can take a positive step toward their goal. The Express Scripts Canada active pharmacy approach helps employees better manage chronic health conditions and avoid needless cost and excess absenteeism.

CHOOSE THIS	NOT THIS	CUSTOMER BENEFITS
Employees are supported by one pharmacy team for both maintenance and specialty drugs, which delivers an integrated treatment program and personalized health plan. The team sees the full picture and can help manage drug interactions and side effects, in consultation with employees' doctors.	Employees may use more than one pharmacy, which can result in fragmented care, lower adherence to medication, and poorer health outcomes.	Improved drug adherence, which leads to less waste and better productivity. Since most employees on specialty drugs are also taking multiple maintenance medications, actively managing both is important.
Employees understand their disease, how their medication works, and why it's important to take it at the same time every day. Adherence is actively monitored.	Employees may stop taking medicine and retail pharmacists may not follow up.	Cost savings through improved adherence and less risk of needless complications that could lead to more medication (including specialty drugs) being prescribed.
Express Scripts Canada promotes lower cost alternatives and guides employees to make the better choice.	Employees may take brand name drugs when generic or therapeutically equivalent lower cost alternatives exist.	Benefit plan saves money via lower drug costs.
Employees can speak freely from the privacy of home if they have questions or concerns. An Express Scripts Canada pharmacist is available 24/7 to provide support and uses Health Decision Science to uncover issues that can lead to non-adherence.	Employees may be too embarrassed to ask about the medication and its side effects at a busy pharmacy counter. Employees may stop taking medicine (or alter the dose) because of side effects.	Employee engagement. Cost savings through improved adherence.
Express Scripts Canada promotes 90-day supplies and guides employees to make the best choice.	Employees may receive 30-day supplies resulting in higher pharmacy fees.	Benefit cost management via lower pharmacy fees.
\$150 cap on ingredient cost markup for high cost drugs.	Unlimited ingredient cost markups.	Benefit cost management via lower pharmacy fees.

It's a win-win: employees experience **better health outcomes** and **engagement**; the business benefits from **better cost management** and **improved productivity**

CHOOSE THIS	NOT THIS	CUSTOMER BENEFITS
Employees enjoy convenience of having medication delivered to their preferred location.	Employees have to find time to visit the pharmacy, may go to multiple pharmacies, or may delay refilling their prescriptions.	Better cost management and better health outcomes due to improved adherence.
Express Scripts Canada Pharmacy contacts employees' doctors to request renewals. Employees receive email or telephone reminders when it's time to refill, and can quickly and easily confirm details online or over the phone.	Employees may forget or be unable to find time to visit the pharmacy.	Better cost management through improved adherence and less risk of adding more medication, including specialty drugs, to the plan.
Refills are shipped before prescriptions run out.	Employees may experience a gap in treatment if they don't get their refill in time.	
Employees take less time off work because their conditions are kept under good control. Actively managing those on maintenance medications may stave off need for specialty drugs.	Employees may take more time off work to see doctors, have tests and fill prescriptions because their conditions are poorly managed.	
Savings from actively managing employees on maintenance medication can help the plan pay for specialty drugs without cost shifting to employees.	Employees may need high cost specialty drugs as their conditions worsen but the plan may have been cut back.	
Employees benefit from the tremendous value specialty drugs can bring, and can enjoy life and be productive at work.	Cost shifting or cuts to benefits may mean employees can't afford drugs that let them lead full and productive lives. Their conditions may worsen and lead to disability.	

ACTIVELY MANAGED DRUG SOLUTIONS AT A GLANCE

DESIGN PROVISION	OPTIONS AND DETAILS
Drug plan	Available to plans with pay direct drug cards. Customer choice of Actively Managed Drug Solutions plan design applies only to claims where Empire Life is the primary insurance carrier. Where Empire Life is the secondary carrier, all drug claims will be adjudicated at the highest reimbursement level.
AMDS Plan choice	<p>Set at group level.</p> <p>Exclusive: To be eligible for coverage, maintenance and specialty drugs must be purchased at Express Scripts Canada Pharmacy. Employees may purchase all other drugs at another pharmacy and these will be eligible for coverage. Maintenance and specialty drugs not available at Express Scripts Canada Pharmacy will also be eligible.</p> <p>Preferred Choice: To receive the highest level of reimbursement, maintenance and specialty drugs must be purchased at Express Scripts Canada Pharmacy. If purchased at another pharmacy, these types of drugs are eligible for coverage but will be reimbursed 20% less than if purchased at Express Scripts Canada Pharmacy (this reduction does not apply to maintenance and specialty drugs not available at Express Scripts Canada Pharmacy).</p> <p>Actively Managed Drug Solutions covers maintenance and specialty drugs. It can't be chosen for one and not the other.</p>
Drug type	<p>Choice of Generic or Mandatory Generic Substitution.</p> <p>BeneFit: set at group level. 20Plus: set at class level.</p>
Coinsurance	<p>Exclusive: For maintenance and specialty drugs, choice between Express Scripts Canada Pharmacy/other pharmacy: 100%/0%, 90%/0%, 80%/0%.</p> <p>Preferred Choice: For maintenance and specialty drugs, choice between Express Scripts Canada Pharmacy/other pharmacy: 100%/80%, 90%/70%, 80%/60%.</p> <p>For both Exclusive and Preferred Choice, all other drugs, including those not available at Express Scripts Canada Pharmacy will be covered at the coinsurance as chosen above.</p>
Deductible	<p>No annual or per prescription deductible.</p> <p>For both Exclusive and Preferred Choice, the dispensing fee for maintenance and specialty drugs is eligible under the plan if employees use Express Scripts Canada Pharmacy. It is not eligible if they buy from another pharmacy.</p> <p>For all other drugs, including drugs not available at Express Scripts Canada Pharmacy, the dispensing fee is eligible.</p>



It all adds up to better cost management and productivity, through:

- education of employees about their health conditions and about lower cost drugs
- lower pharmacy fees (dispensing fees and drug cost markups) and longer supplies (90-days instead of 30-days)
- preferential coinsurance to promote purchase of drugs through the Express Scripts Canada Pharmacy
- personalized support to help employees keep their conditions under control and reduce the risk of unnecessary complications and additional therapies
- delivery of medication and auto-refills, which improves adherence. Employees also spend less time visiting doctors for prescription renewals and less time travelling to the pharmacy
- potentially fewer hospital stays and disabilities



GETTING STARTED

The first step is for customers to choose between Exclusive and Preferred Choice.

EXCLUSIVE		PREFERRED CHOICE	
Pros	Cons	Pros	Cons
Clear and straightforward plan design change for employees.	Some employees may see this as a take away. Short term disruption.	Respects employee choice.	May require more communication to promote the option to employees.
Maximizes cost savings for customers through a high adoption rate (90%*).	Potential that change may be seen as an erosion of choice.	Generates cost savings through a moderate adoption rate (35%*) while avoiding a mandatory plan change.	Reduced cost savings compared to the Exclusive approach.
Maximizes the opportunity for employees to benefit from Express Scripts Canada active pharmacy approach that promotes healthy outcomes.	A small percentage of employees may prefer to do business with their local pharmacist.	Offers opportunity for employees to benefit from Express Scripts Canada active pharmacy approach that promotes healthy outcomes.	Fewer employees will benefit from Express Scripts Canada services compared to the Exclusive approach.

*Express Scripts Canada average, to date

COMMUNICATION, ENROLMENT, REPORTS TOOLS TO MAKE YOUR JOB EASY



Communication

Clear and effective communication is the key to success — both for plan sponsors and their employees. Express Scripts Canada will partner with you and your customers every step of the way:

- Help customers make the right choice when it comes to Exclusive or Preferred Choice.
- Produce a customized communication plan for customers to follow. To make communication easy, we have developed an employee communication kit based on Express Scripts Canada materials. Key pieces such as the welcome letter and reminder notices can be tailored to reflect organizational style.
- Existing customers with at least six months of claims history will benefit from additional communication assistance. Throughout the enrolment period, the Member Contact Centre can reach out to employees who take maintenance or specialty drugs to explain the advantages of joining, answer questions, and help complete their profile. For this to happen, customers must provide Empire Life with employee emails and phone numbers.
- Employee privacy is respected at all times. When the Member Contact Centre reaches out to employees of existing customers, they have no information about employees' health conditions or medications; they only know that the plan change may be of interest to these people because they are taking a maintenance or specialty drug. When they open the conversation, Express Scripts Canada describes the new program and asks employees if they can access their claim history to explain how their choice will affect their reimbursement. Consent is gathered as part of this process.



Enrolment

Regardless of whether customers choose Exclusive or Preferred Choice, once they add Actively Managed Drug Solutions to the plan, all employees must decide whether they will sign up with the Express Scripts Canada Pharmacy. They must register their decision.

Employees enrol online at the Express Scripts Canada website or over the phone via a toll free number. The process typically takes five to ten minutes, during which permission is gathered to transfer employees' prescription information from their existing pharmacy. Once enrolled, doctors can fax prescriptions to the Express Scripts Canada Pharmacy or employees can mail hard copies. Any out of pocket costs are handled via credit card or online banking.



Reports/Analysis

Express Scripts Canada is committed to making it easy for you to illustrate the savings to customers, both as part of their upfront decision-making and at renewal. They offer reports to help you evaluate potential savings, pre-sale, and actual savings each year. They also report enrolment statistics to identify further potential savings opportunities.

The Empire Life Insurance Company (Empire Life) is a proud Canadian company that has been in business since 1923. We offer individual and group life and health insurance, investment and retirement products, including mutual funds through our wholly-owned subsidiary Empire Life Investments Inc.

Empire Life is among the top 10 life insurance companies in Canada¹ and is rated A (Excellent) by A.M. Best Company². Our mission is to make it simple, fast and easy for Canadians to build wealth, generate income, and get the insurance and group benefits coverage they need.

Follow Empire Life on Twitter @EmpireLife or visit our website, www.empire.ca for more information.

¹ *The Globe and Mail Report on Business Magazine*, June 2015, based on revenue

² As at May 19, 2015

¹ Public Health Agency of Canada, 2015

² Health Council of Canada: "Decisions, Decisions: Family Doctors as Gatekeepers to Prescription Drugs and Diagnostic Imaging in Canada." 2010

³ Health Council of Canada: "The National Pharmaceuticals Strategy: A Prescription Unfilled." 2009

⁴ Express Scripts Canada data, 2015

⁵ Express Scripts Canada Drug Trend Report, 2014

⁶ Express Scripts Canada data, 2015

⁷ Express Scripts Canada Drug Trend Report, 2014

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