



Actively Managed Drug Solutions

Specialty Drug Program Advisor Q&A

What is Empire Life announcing?	2
How are you launching and communicating the specialty drug program?	2
Why is Empire Life making this change?	3
What is the employee experience?	3
Are we respecting employee privacy by reaching out only to those affected?	4
Why not communicate to all employees?	4
What's the communication flow look like leading up to plan renewal?	5
What do customers need to know about adherence and why does this matter?	6
What drugs are covered under the specialty drug program?	6
How does this benefit my customers?	6
What do I need to do and by when?	6
What do plan administrators need to do?	6
What do employees on specialty drugs need to do?	6
What if my group does not have a pay direct drug card?	7
What if my customer's group has a sliding coinsurance?	7
What if my customer's group has a PPN?	7
What if my customer has a dispensing fee limit lower than \$9?	7
Is there a charge for this service?	7
How does the specialty drug program work in Pharmacare provinces?	7

What is Empire Life announcing?

Empire Life is including its specialty drug program, powered by Express Scripts Canada®, in our Group drug plans, at no extra cost. The specialty drug program is part of our Actively Managed Drug Solutions portfolio. The program does not apply to residents of Quebec or customers who do not have a pay direct drug card.

How are you launching and communicating the specialty drug program?

On March 1, 2017 we issued a press release and sent a bulletin to advisors. The effective date will be staggered as follows.

New customers

- Referenced in proposals issued in March onward.
- Plans with June 1, 2017 effective dates and beyond will automatically include the program.
- Our New Business Specialists will highlight the specialty drug program as part of the onboarding process (and email plan administrators the brochure).

Existing customers

- Added to plans at renewal, starting June 1, 2017.
- We will send plan administrators a communication/notice of amendment 45 days prior to their renewal effective date. This will include a Q&A and brochure to help them understand the program and answer employees' high level program-related questions.

Employees who take a specialty drug

Because so few people take a specialty drug, we are not asking customers to communicate to all employees. Instead, Empire Life and Express Scripts Canada will reach out to each affected employee, individually. Our goal is to deliver a hassle free experience, and that's why we're taking this high touch approach.

For affected **employees of existing customers**, we'll send a letter about a week after the plan renews, and Express Scripts Canada will follow up with a phone call after that.

For **employees in new customer groups**, Express Scripts Canada will identify them at time of first claim, reach out to explain the program, and get them set up.

Re-cap for new and existing customers:



Letter

Existing customer employee

About a week after plan renewal

New customer employee

No letter

From Empire Life and Express Scripts Canada, this letter announces the specialty drug program and explains how it works at a high level.



Phone call

Existing customer employee

Several days after the letter

New customer employee

Shortly after first claim

Express Scripts Canada Pharmacy will explain the specialty drug program and get the employee set up, if they decide to use the Express Scripts Canada Pharmacy for their specialty drugs.



Plan member website

For new and existing customers, information will be posted to the plan member website, linking to a flyer, Q&A, and list of specialty drugs. The booklet will reference the specialty drug program.

Why is Empire Life making this change?

The rising incidence of chronic disease and a focus, on the part of big pharma, on the development of profitable specialty drugs are increasing the cost pressure on drug plans. Specialty drugs account for about 2% of the drug claims in 2015 but, because they cost so much, they made up 30% of drug spend across Canada. Express Scripts Canada forecasts that this will reach 42% of spend by 2020.

We decided to include our specialty drug program to help protect customers' plans by curbing escalating drug costs. We also believe the specialized assistance and personalized support Express Scripts Canada provides can make the journey a little easier for employees taking specialty drugs. Helping employees to keep their disease under control—and make wise choices about their medication—is a smart way to provide support and manage plan costs.

Specialty drugs can reduce the need for sick leave and medical care, and increase workplace productivity. But they are costly, and can also challenge the health of the drug plan. Our specialty drug program is a solid step forward for drug plan sustainability, and provides outstanding support for employees taking specialty drugs.

What is the employee experience?

Coinsurance difference based on choice of pharmacy

When employees fill prescriptions for specialty drugs at the Express Scripts Canada Pharmacy, they are reimbursed at their regular plan coinsurance level. When they go to a retail pharmacy, they are reimbursed 20% less. We want to encourage employees to choose the Express Scripts Canada Pharmacy, to promote drug plan sustainability and better health management.

The Express Scripts Canada Pharmacy professional fee is \$9 (often called a dispensing fee). If the professional fee on a customer's plan has a maximum lower than \$9, employees will pay the difference.

If an employee needs to fill a prescription for a specialty drug after the renewal date/plan installation date, they can do so at a retail pharmacy and be reimbursed at their current coinsurance level for that prescription. There is a 90-day grace period from time of first claim to ensure plenty of time for Express Scripts Canada and employees to be in contact and get set up under the program.

Robust support

At the heart of the specialty drug program is the Express Scripts Canada 'active pharmacy' approach. Delivered by pharmacists and other expert members of the Express Scripts Canada team, it provides employees with a range of personalized services including:

Funding support

As with our prior authorization process, if the provincial plan or a pharmaceutical company program can pay for a specialty drug, Express Scripts Canada will see that this happens. They identify opportunities, and make things easy by helping with the paperwork. This means less bother for employees, and more certainty that your customer's benefit plan doesn't pay for drugs that could be covered elsewhere.

Cost savings

Express Scripts Canada has put a \$150 cap on the markup applied to drug ingredient costs. Compared to a markup of 10% with no cap, for example, which is fairly common, the \$150 can easily reduce costs by hundreds—or thousands—of dollars per prescription given the high cost of some specialty drugs. When coinsurance is less than 100%, employees save money, too.

Personalized Health Action Plan

The Express Scripts Canada team provides employees with an extra level of care and attention. They guide employees throughout their journey and manage a host of details to make life a little easier—and treatment more effective. This includes:

- Education about their health condition
- Review of all their drug treatments, not just their specialty drug

- Coaching on how to self-administer medication
- Education about side effects: what to expect and how to manage them
- Organizing prescriptions so they get renewed at the same time, which is easier to keep track of
- Diet and nutritional information. As an example, some vitamins interfere with certain drugs and need to be avoided. Sometimes a vitamin or mineral supplement is needed to counteract the effects of a drug
- Education about the importance of adherence. Employees taking specialty drugs are often taking several maintenance drugs, too. The more prescriptions they are juggling, the greater the chance they'll get off track. When this happens, their condition may worsen and they may end up needing more health care and more drugs. It can also result in premature death. The Express Scripts Canada active pharmacy approach, with coaching, refill reminders, delivery of medication, and a pharmacist on call 24/7 is designed to improve adherence.

Communication

Employees can see information posted to the plan member website when the specialty drug program is added to their drug plan. This information will link to a flyer, Q&A, and list of specialty drugs. The employee booklet will also refer to the specialty drug program.

Because so few people take a specialty drug, we are not asking customers to communicate to employees. Instead, Empire Life and Express Scripts Canada will reach out to each affected employee, individually.

The 99% of employees who do not take a specialty drug will receive no direct communication from Empire Life or Express Scripts Canada. They have no action to take. Should they be prescribed a specialty drug in the future, Express Scripts Canada will identify them at first claim and reach out to them at that time.

Our goal is to deliver a hassle free experience, and that's why we're taking this high touch personalized approach.

Are we respecting employee privacy by reaching out only to those affected?

Yes. Empire Life takes employee privacy seriously and adheres to the requirements set out in Canadian privacy legislation. We will use the data we have on file to write to affected employees to announce the specialty drug program. When Express Scripts Canada reaches out by phone to explain the program, they will request permission to view the employee's personal claim information. Once the employee has granted permission to access their personal information, the Express Scripts Canada team member will explain how the specialty drug program will affect them, and will set them up if they choose to transfer their prescriptions to the Express Scripts Canada Pharmacy.

Why not communicate to all employees?

Because so very few people take a specialty drug, we think it makes more sense to reach out only to employees for whom the program is relevant. Our goal is to deliver a hassle free experience, and that's why we're taking this high touch approach.

What's the communication flow look like leading up to plan renewal?

	Advisors	Your customer	Their employee
75 days before customer's plan renews	Receive detailed communication about specialty drug program. Includes copy of notice of amendment communication, Q&A, brochure		
60 days before renewal	Receive renewal package, including copy of plan administrator communication and notice of amendment		
45 days before renewal		Receives notice of amendment communication, from Empire Life, with Q&A and brochure	
Leading up to renewal	Explain specialty drug program to customers as part of renewal conversation	Templated employee letter and Q&A available for customers who feel strongly about sending an all employee communication	15 days prior to renewal, Plan Member Website info about specialty drug program appears with link to flyer, Q&A, list of specialty drugs Booklet updated
After renewal			Letter from Empire Life and Express Scripts Canada to affected employees announces specialty drug program and explains how it works at a high level Express Scripts Canada Pharmacy phone call to explain the specialty drug program and get affected employees set up, if they decide to use the Express Scripts Canada Pharmacy for their specialty drugs

What do customers need to know about adherence and why does this matter?

Adherence is highly correlated to better management of chronic conditions. Non-adherence can cause an employee's health condition to deteriorate. This in turn can cause the need for additional healthcare services, and the need for more drugs—including high cost drugs. It can also lead to premature death. According to a recent Conference Board of Canada study, Canada got a "C" when it comes to diabetes and mortality—up from a "D." We rank 15th out of 17 peer countries, with 16 deaths per 100,000. Japan, by comparison, has 5.5 deaths per 100,000.¹

The high touch, personalized service from Express Scripts Canada means that employees are, generally speaking, more adherent than they are without this service. And it's not hard to see why. In Canada, people taking specialty drugs also take multiple maintenance drugs too. The more prescriptions people have to juggle, the greater the chance they won't stay on track. Coaching, monitoring, and medication delivery from the Express Scripts Canada Pharmacy help with this.

What drugs are covered under the specialty drug program?

The list of specialty drugs will appear on the secure plan member website just prior to the plan's renewal date for existing customers, and on the plan's effective date for new customers.

How does this benefit my customers?

For customers, the value is all about drug plan sustainability, employee engagement, and productivity.

Specialty drugs treat complex conditions like never before. These targeted therapies are highly effective, and, as we have seen with drugs that treat Hep C and rheumatoid arthritis, for example, they give people the ability to lead normal lives and continue working.

Express Scripts Canada makes sure employees try approved first line therapies before more expensive specialty drugs. As with our prior authorization process, they also systematically search for other plans that can cover the cost of a drug, so that customers' plans don't pay if there is an alternate source of funding.

The Express Scripts Canada Pharmacy has also capped the ingredient cost markup at \$150, which helps curb the rate of cost increase to our pool. This is good for customers, since it affects pooling charges. It can also help if there are specialty drug claims under the pooling threshold. And, where coinsurance is less than 100%, it helps employees save out-of-pocket costs.

What do I need to do and by when?

We hope we can count on you to explain and champion the specialty drug program to your customers at quote and renewal. If you have questions as you prepare for customer conversations, please reach out to your Empire Life account team for help. Since the program will be included in all new business starting with those with June effective dates, and in renewals beginning in June, you have an important role in making sure customers are aware of this change.

What do plan administrators need to do?

Customers will need to understand the value of the specialty drug program, be prepared to answer basic employee questions, and know where to direct employees should they have questions about how the program affects them personally if they are taking a specialty drug. If employees have questions about the specialty drug program or Express Scripts Canada services, they can call the Express Scripts Canada Member Contact Centre at 1 (855) 550-MEDS (6337).

What do employees on specialty drugs need to do?

Employees need to read the letter announcing the specialty drug program. They also are encouraged to participate in a phone call with Express Scripts Canada so they can fully understand the program. Lastly, they are encouraged to fill prescriptions for specialty drugs at the Express Scripts Canada Pharmacy. When employees fill prescriptions for specialty drugs at the Express Scripts Canada Pharmacy, they will be reimbursed at their current plan coinsurance level. When they go to a retail pharmacy for specialty drugs, they will be reimbursed 20% less.

¹ Conference Board of Canada. "Mortality Due to Diabetes."

What if my group does not have a pay direct drug card?

We are not adding the specialty drug program to plans with no drug card. If a customer does not have a drug card, we encourage you to explain the value of the specialty drug program and ask if they might be ready to add a drug card—and the specialty drug program—to their plan. Contact your Account Executive to learn more about the value of making a change and how to do that.

What if my customer's group has a sliding coinsurance?

The easiest way to answer this is with an illustration. Let's say for example, the plan pays 80% of the first \$1,000 and 100% after that. If, when filling a prescription for a specialty drug, the employee is below the \$1,000 threshold, the plan would pay 80% if the prescription is filled at the Express Scripts Canada Pharmacy and 60% if the prescription is filled at a local pharmacy.

What if my customer's group has a PPN?

If a customer has a preferred provider network (PPN), employees can continue to fill prescriptions for maintenance and acute drugs at a PPN pharmacy. However, they must now order specialty drugs at the Express Scripts Canada Pharmacy. If they fill prescriptions for specialty drugs at a PPN pharmacy, they will be reimbursed 20% less. Our analysis shows that employees are not using the PPN for specialty drugs, so we do not expect this to cause inconvenience.

What if my customer has a dispensing fee limit lower than \$9?

The Express Scripts Canada Pharmacy professional fee (often called a dispensing fee) is \$9. For customers with a dispensing fee cap below \$9, employees will pay the difference. The dispensing fee will be payable according to the plan regardless of where the prescription for a specialty drug is filled.

Is there a charge for this service?

We're pleased to say that new and existing customers will benefit from our specialty drug program at no extra cost.

How does the specialty drug program work in Pharmacare provinces?

The Empire Life specialty drug program delivers the same 'active pharmacy' value in every province, but in **British Columbia, Saskatchewan, and Manitoba, employees taking a specialty drug at time of plan renewal will be grandfathered.** They will not have to fill prescriptions at the Express Scripts Canada Pharmacy to be reimbursed per their regular plan coinsurance. Since they are not affected by the specialty drug program, we will not reach out to them. Employees prescribed a specialty drug in the future will be reimbursed at their current plan coinsurance level when they fill prescriptions for specialty drugs at the Express Scripts Canada Pharmacy. When they go to a retail pharmacy for specialty drugs, these drugs will still be eligible for coverage but employees will be reimbursed 20% less. In this way, we encourage employees to experience the benefits of the Express Scripts Canada Pharmacy, and they have a choice.

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