



# GROUP BULLETIN

## Quebec's Bill 28 Update

Recently, the Quebec government approved Bill 28 amending Quebec's Act respecting prescription drug insurance (the Act). The new legislation introduces two changes that may have a direct impact on your drug plan.

We have evaluated the changes to ensure Empire Life drug plans are compliant with the new legislation, and are pleased to announce the following:

### New Billable Services for Pharmacists

Quebec pharmacists can now provide and charge customers for a number of new pharmacy services; like renewing a physician's prescription and prescribing a medication when no diagnosis is required. A full list of the pharmacy services can be found at <http://www.opq.org/fr-CA/grand-public/nouvelles-activites-des-pharmaciens/> (please note that this website is only available in French).

Effective December 4, 2015, these services became eligible for reimbursement under the Empire Life drug plan. Any of these services provided for an eligible employee during the period from June 20, 2015 forward, where the employee has paid for these services, will be eligible for reimbursement by completing a paper claim submission and forwarding the claim to Empire Life. Please note that any coinsurance and deductible will apply to the reimbursement and these amounts will be applied to the maximum annual out-of-pocket amount. For your convenience we have prepared a [communication](#) for your employees.

### Changes to Generic Substitution

As a result of the Bill 28 changes that went into effect Oct 1, 2015, Quebec customers with private drug plans are now allowed to limit reimbursement amounts to the lowest cost generic equivalent drug. Prior to this legislation, customers with private drug plans were required to reimburse at least 66% of the submitted cost for brand name drugs that were covered by RAMQ and had a generic

equivalent.

Effective May 15, 2016:

### **Brand Plan Option**

There will be no change. However, there may be an out of pocket amount for the plan member if there is a high pharmacy mark up and dispensing fee mark up.

**Note** - the RAMQ 66% minimum reimbursement based on the submitted amount will continue to apply for brand plans. Medical exceptions will continue to be reimbursed at the RAMQ 66% minimum reimbursement.

Any out of pocket amounts for the plan member associated with high pharmacy mark up, dispensing fee, plan coinsurance and deductibles will accumulate to the RAMQ annual maximum contribution.

### **Mandatory Generic Substitution Option**

This plan option will allow reimbursement for multi-source drugs based on the **lowest cost eligible generic drug** rather than a submitted brand name drug. In these situations, the RAMQ 66% minimum reimbursement no longer applies.

**Note** - the RAMQ 66% minimum reimbursement will continue to apply for drugs submitted for reimbursement that are single source brand name drugs (e.g. there are no generic equivalent drugs) and single source generic drugs (e.g. there is only one generic drug).

This plan option also includes a reasonable and customary pharmacy mark up and dispensing fee maximum. Any out of pocket amounts associated with the pharmacy mark up, dispensing fee, plan coinsurance and deductibles will continue to accumulate to the RAMQ annual maximum contribution.

### **Generic Plan Option**

Same rules apply as noted above for the mandatory generic substitution plan option -- reimbursement for multi- source drugs will be based on the **lowest cost eligible generic drug** rather than a submitted brand name drug. In these situations, the RAMQ 66% minimum reimbursement no longer applies.

**Note** - the RAMQ 66% minimum reimbursement will continue to apply for drugs submitted for reimbursement that are single source brand name drugs (e.g. there are no generic equivalent drugs) and single source generic drugs (e.g. there is only one generic drug).

This plan option also includes a reasonable and customary drug mark up and dispensing fee maximum. Any out of pocket amounts associated with the pharmacy mark up, dispensing fee, plan coinsurance and deductibles will continue to accumulate to the RAMQ annual maximum contribution.

### **What does Generic Substitution mean for your benefit plan?**

As a result of these changes, if you have Quebec residents, you may see reduced drug plan costs and increased out of pocket costs for your plan members. This change will allow you to more closely align your drug program to plan features available to your employees in the rest of Canada.

The following table shows an example of these changes by illustrating the reimbursement of a brand name drug under the current rules (prior to May 15, 2016) compared to the reimbursement of a brand name drug under the new rules, compared to a generic drug.

#### Simplified Example

**Drug Plan:** Prescription Generic, 80% coinsurance  
**Cost of Brand Name Drug:** \$100 (submitted from pharmacy)  
**Eligible Drug cost for reimbursement:** \$50\*\*  
**Cost of Generic Drug:** \$47 (submitted from pharmacy)

*\*\* The eligible drug cost for reimbursement is based on the lowest cost generic version and is determined according to our parameters (unit cost, number of units, reasonable and customary dispensing fee and markup). The eligible drug cost for reimbursement may differ slightly from the actual cost of the same drug purchased at the pharmacy.*

Brand drug is \$100 - scenario noted above	Prior to May 15, 2016 - If a Brand drug is purchased	Starting May 15, 2016 - if a Brand drug is purchased	At all times - If a Generic drug is purchased
Empire Life pays*	\$66.00  Minimum reimbursement based on public plan rules: 66% of the \$100 submitted amount	\$40.00  Because there is no minimum reimbursement, the amount reimbursed is calculated only on the eligible drug cost for reimbursement.  $\$50.00 \times 80\% = \$40.00$	\$37.60  Given that the full cost of the generic drug is submitted for reimbursement, the amount reimbursed is 80% of the cost of generic drug as purchased at the pharmacy.  $\$47.00 \times 80\% = 37.60$
Excess amount to pay	\$0  No excess amount to be paid	\$50.00  Employee must pay the difference between the cost of brand drug submitted amount and the eligible drug cost for reimbursement based on the price of the lowest-cost generic drug.  $\$100 - \$50.00 = \$50.00$	\$0  No excess amount to be paid
Employee pays*	\$34.00**  Employee pays the difference between the submitted amount and the amount reimbursed by Empire Life, which is 34% of the submitted amount.  $\$100.00 \times 34\% = \$34.00$	\$60.00**  In addition to the excess amount to pay above (\$50.00), employee pays their portion of the coinsurance on the eligible amount.  $\$50.00 \times 20\% = \$10.00$ plus \$50.00 excess amount = \$60.00	\$9.40**  Employee pays the portion of the coinsurance of the submitted amount, which equals 20% of the cost of the generic drug as purchased at the pharmacy.  $\$47.00 \times 20\% = \$9.40$

\* Claims payments may be impacted by both the drug mark up and dispensing fee charged by the pharmacy

\*\* Amounts will be used in the calculation of the RAMQ annual maximum contribution

If you have any questions or would like to amend your plan with these new plan features, please

contact your group benefits advisor, or contact our Customer Service team at 1 800-267-0215 or by email at [group.csu@empire.ca](mailto:group.csu@empire.ca).

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