

DRUG BENEFITS

Investment or expense?



BY KERRY MADDOCKS

Not surprisingly, the topic of drug plan reform trumped the Solutions in Drug Plan Management held on June 3, 2010, at the Delta Meadowvale Resort & Conference Centre in Mississauga, Ont. Presented by *Drugstore Canada* and *Benefits Canada* magazines, the conference zeroed in on Ontario stakeholders' concerns about how drug plan reform was shaping up, in addition to the effects of the Ontario government's proposed changes on the public and private spheres.

Industry in Transition

Suzanne Lepage, a private healthcare strategist, launched the event—outlining the many changes to drug coverage and drug access by public and private plans across Ontario



over the past several years, such as Bill 102 and the expanded scope of pharmacists.

She also discussed a variety of proposed changes (now passed), which talked to generic prices in both the Ontario Drug Benefit plan and private plans decreasing to 25% of the brand name price and the eventual elimination of pharmacy professional allowances, with an Ontario government pledge of \$150 million to compensate pharmacies across the province. Currently, that amount for private plans is unregulated by the government. In some cases, though, the private plans are monitoring and limiting that amount through their pricing agreements with the pharmacies. Over the next few years, it will also increase to 25%.

Lepage believes these changes present tremendous opportunities for plan sponsors:

- investment for newer, innovative drugs and greater access to those who need them;
- investment in chronic disease prevention and management and how these factors impact their plans and ongoing costs; and
- the ability to increase plan member education.

In her view, however, most plan members don't understand how their prescription drugs are actually priced. To rectify this, plan sponsors should ensure that their members understand what changes are taking place and how these changes will impact them. Employers can provide information to help employees understand and manage drug plan costs.

Creating a Coalition

On behalf of the Ontario Pharmacists Association, Allan Malek, vice-president, professional affairs, discussed its partnership with the Ontario Pharmacies Coalition—a partnership between the Canadian Association of Chain Drug Stores,

the Ontario Pharmacists Association and the Independent Pharmacists Association of Ontario. Believing “pharmacists cannot be expected to do more with less money,” the coalition was created to establish a response and counterproposal to the Ontario government's proposed drug system changes by trying to limit the size and pace of the changes that would take place.

Panel Discussion

During the event, a panel of experts discussed the impact of current drug policy reforms on the private payer market and how plan sponsors can best respond to these public plan reforms, particularly if there are anticipated savings.

According to Amanda Ung, product director, pharmaceutical benefits, with Sun Life Financial, “The opportunity here is to think creatively and redefine the model of how healthcare is delivered in the future.”

She echoed Lepage's sentiments of seeing significant opportunities for plan sponsors to educate their members. This could also result in cost savings for employers through finding novel ways to provide access to drugs or use pharmacists to find a way to help manage access differently.

Nadine Saby, president and CEO of the Canadian Association of Chain Drug Stores, also spoke to the expanded role of pharmacy, explaining, “Pharmacies and pharmacists are uniquely positioned to help employers find ways to manage and reduce their drug plan costs.”

Tim Clarke, practice leader, Canadian health management consulting, with Hewitt Associates, proposed several tools that employers possess to help manage drug plan costs. “One of the challenges employers have is that there are so many things they could do or consider, but actually trying to coalesce those ideas is difficult.”

Clarke suggested product selection—the ability to choose lets employers control plan costs and how much they pay for a product they decide to cover. He explained there is now more clarity about the proposed drug plan reforms, so employers should be aware of the potential changes to dispensing fees, markups, etc. Further cost savings could come from negotiating ingredient costs and greater reimbursement by being selective about which vendors they use.

Round Tables

“We need to look at the employee experience in its entirety,” explained Mike Sullivan, president of Cubic Health, when he introduced the round-table portion of the event. Drug claims is just one silo, he described. For the full perspective, employers should also be taking into account additional data silos such as long-term disability and absence.

Final Words

One sentiment expressed by many of the speakers at the summit was the improved ability to manage employees' health. There is a great opportunity to promote and take advantage of the current low-cost years (in terms of medical plan inflation) to actually invest in health for the future.

For an update on recent developments in the area of Ontario Drug Benefit Reforms, go to benefitscanada.com/reports and select *Generic Drug Reform Report*. **BC**

Kerry Maddocks is senior conferences editor with Rogers Publishing. kerry.maddocks@rci.rogers.com

PHOTOS BY: STEPHAN UHRANEY

SOLUTIONS

IN DRUG PLAN MANAGEMENT 2010

For the 10th year in a row, Canadian plan sponsors, benefits consultants, insurers, and pharmacists met in Toronto this past June to discuss strategies for using disease management and prevention initiatives to achieve the best return on the private sector's investment in drug benefits programs.

Drugstore Canada and Benefits Canada sincerely thank our program sponsor, Shoppers Drug Mart, and our conference partners, Apotex, Green Shield, Pfizer and R&D for their generous support of this innovative and collaborative event.

Program sponsor: **SHOPPERS DRUG MART**

Conference Partners: **APOTEX** **Pfizer**

A joint initiative of: **Drugstore** **Benefits**

GREEN SHIELD CANADA **R&D**

To learn more about Solutions in Drug Plan Management, or to subscribe to our online newsletter, visit the microsite at www.CanadianHealthcareNetwork.ca/solutions or www.benefitscanada.com