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# PHARMACY BENEFITS ROUNDTABLE

## TACTICAL PLANNING

Plan sponsors across the country are facing a potentially uncertain future for their drug plans as costs continue to climb. But escalating costs are not a new issue. What is new is how some forward-thinking employers are partnering with health stakeholders on creative plan designs and data management so employees can continue to access the right care and drugs when they need them. MHCSI Managed Health Care Services Inc. gathered 14 industry experts in Toronto for a frank discussion about these emerging trends in drug plan management.



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**—Tim Clarke**

### HOW PHARMACISTS CAN ASSIST

Pharmacists are uniquely positioned to provide plan members with support and help plan sponsors keep costs down. “I think it’s a very exciting time for pharmacy,” said Johnny Ma, president, Equilibrium Health Consulting Inc. in Brampton, Ont. “Pharmacists are becoming more involved in employer drug plans.” Carmen Hogan, regional vice-president, sales and service, Green Shield in Toronto, agreed. “I think that will lead to better health outcomes when the focus is on treatment and wellness options for plan members. The more [pharmacists] get involved, the better it will be across the board.”

Peter Zawadzki, professional affairs executive, Pharmasave National in Langley, B.C., pointed to the opportunity to focus on the management of chronic conditions as a growing new role for pharmacists. “We’re going to see that there will be new market niches for pharmacies to take a case management approach, and I see further development in this area of community-based, case-based care that achieves the best health outcomes,” he said.

Another opportunity for pharmacy is to differentiate itself from growing competition by being a preferred pharmacy provider, said Chris von Heymann, senior vice-president, Cubic Health Inc. in Toronto. “The business of pharmacy is evolving after the last round of regulatory changes and pharmacy groups themselves are looking to move upstream from a dispensing role into an enhanced patient services role,” he said. Groups that figure out partnerships with employers will drive interesting programs and creative changes that von Heymann believes will assist plan sponsors in the management of their plans.

Regulation is also changing the look of pharmacy across Canada by expanding the scope of practice for pharmacists. Zawadzki said that in some provinces—specifically those where therapeutic substitution or prescribing authority is enabled—a pharmacist can “become a more efficient point-of-service health manager. As we move forward, we need to be thinking of partnerships between pharmacy and private players that can be leveraged and be mutually beneficial,” he said.

“A closer partnership between pharmacists, plan administrators and plan sponsors also has the potential to create more informed plan members,” said Zawadzki. “Who better than the pharmacist to educate them on the value of their drug plan and what it means to their health?”

### SUPPORT FOR EXPENSIVE DRUGS

Biologic drugs are providing Canadians with life-changing—and often life-saving—options for treating serious illnesses. But these drugs come with a large price tag for plan sponsors. One trend in drug plan management that has surprised Barbara Martinez, principal, Mercer in Toronto, is the willingness of pharmaceutical companies to share the cost of biologic drugs. If a plan pays 80% and members are having trouble with their 20% then they can apply for financial support from the drug manufacturer, she said. “I think the prevalence

of these patient assistance programs is something that we as advisors need to take advantage of, educate our plan members about and encourage them to use.” Lisa Richardson, senior director, pharmacy procurement, Lawtons Drugs in Dartmouth, N.S., cautioned that such programs might drive up the cost of medications. Instead she suggested that pharmaceutical companies create a standard for administering compassionate assistance programs that are easier to manage at the front line, so pharmacists and patients can focus more on care and less on figuring out how to navigate convoluted payment channels.

### LEVERAGING DATA

In 2012, a major game changer will be data. Dave Jones, vice-president, market development, group benefits, Sun Life Financial in Toronto, said this year “sponsors will have the ability to truly move towards clinically driven, evidence-based drug plans.” The technology and the motivation from sponsors is in place to design drug plans for their employee groups based on clinical evidence about the effectiveness of drugs combined with information about their own utilization patterns. “Then plan sponsors can move away from paying for any medicine at any price and move towards paying for the right medicine for the right person at the right price,” he said.





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**—Marilee Mark**

Martin Chung, assistant vice-president, strategic health management, Equitable Life of Canada in Waterloo, Ont. added that this “data intimacy” is motivating plan sponsors to better understand key metrics about their drug plan and their plan members. Today there is the ability to apply diagnostic tools to enable a discussion driven by facts that are tailored to the plan sponsor’s health environment. “Then, and only then, can we look at what solutions will generate the desired impact for a particular plan sponsor,” he said.

### MARKETPLACE CHANGE

Recent economic woes and escalating drug plan costs are driving competition and creativity in the marketplace, the group agreed. As businesses of all sizes look for help with managing drug plan costs, they are reaching out to their advisors for practical solutions that will make a meaningful difference. “The advisors in turn are having to enter into more intimate conversations [about drug plans] that they have not had to typically participate in before,” said Chung.

Marilee Mark, vice-president, marketing, group benefits, Manulife Financial in Kitchener, Ont., said employers’ willingness to discuss these issues is a trend she expects to see more of in 2012. “Those conversations are starting to occur and sponsors understand why they need to make certain changes,” she said.

The cost containment options that inevitably arise in these conversations might sound familiar to veteran industry folks. Mail-order pharmacies and preferred pharmacy networks have existed for a while, noted Jones, adding that some of today’s programs are different than what has come before, especially when combined with evidenced-based drug plans. “We do our clients a disservice if we do not promote these options. It’s our opportunity and responsibility to provide leadership around these issues,” he said.

But employers may be more eager to try new solutions than some realize, said von Heymann. “We really need to embrace those employers who are willing to take more innovative steps in terms of plan design. We should be doing whatever we can to ensure that those sponsors who want to lead the pack can do so,” he said. “There are innovative employers hitting their heads against a solution ceiling.” This year, he hopes, the marketplace will recognize and support those sponsors that are willing to try new ways to control drug costs.

### WHAT ABOUT PLAN MEMBERS?

The reason plan sponsors may be willing to be more creative is undoubtedly the steadily increasing cost of drug plans. “In two years or so when sponsors go from their 3% increase to looking at double digits again—that they are no longer willing to absorb—their hands will be forced,” said Tim Clarke, health and benefits innovation leader, Aon Hewitt in Toronto. But are plan members ready?

Jones thinks so. “Plan members are actually more prepared for change than their plan sponsors believe,” he

said. If plans are designed to engage them in the consumer process, plan members will begin to comparison shop for their drugs—just like they do at the grocery store.

Clarke agreed that employees are typically more open-minded regarding plan management features than employers expect them to be. “I think getting rid of the fear sponsors can have of their employees and instead engaging them in employee teams to design programs could be part of the solution. Employees are one stakeholder that sometimes gets left out of being invited to the table to build solutions.”

Including employees in the decision-making process can no doubt be valuable, provided they are well informed. “The average employee is typically not familiar with the range of pharmacy benefit and medication management products and services available, nor what impact they can have on plans and members. They need support to responsibly contribute to the process of determining which solutions are worth pursuing,” said Leanne MacFarlane, senior director, business development, MHCSI Managed Health Care Services Inc. in Halifax. “It is in all of our best interests to engage employees in meaningful dialogue that enables positive health outcomes.” While MacFarlane acknowledged there is a current gap in



knowledge, she did recognize that the time has come to power the change that brings everyone together. "I just think we still have a lot of road to cover here."

Whether members get involved in planning design changes or not, they still need to be informed of them. Suzanne Lepage, private health plan strategist in Kitchener, Ont. said communication remains a challenge for sponsors. Not only do sponsors need accessible, easy-to-understand materials explaining changes, but there should also be a high level of transparency around the reasons and benefits for plan design elements, such as a tiered formulary or generic substitutions, she said.

Chung said there is an opportunity for providers to create communication tools that make drug plan management much simpler, relevant, integrated and readily available. Materials must go beyond pamphlets and websites, and include customized tools that allow for the efficient generation of insight and conversion to a plan of action, he said.

## MANAGING ADHERENCE

"We've been talking about adherence forever," said MacFarlane. "It's interesting because it seems like such a low hanging fruit and yet we still struggle with it because we're dealing with individuals and what motivates them." One way to reach employees is with rewards, said Mark. Richardson agreed. "People like rewards and these programs—like a reduction in co-pay or points—work."

In addition to rewards, small changes in dispensing procedures can help increase adherence, said Lincoln Lee, pharmacy district manager, Sobeys Pharmacy Group in southwestern Ontario. For example, a plan can require that a

member with a new prescription receives a trial amount—say a week's or a month's supply—before receiving the whole prescription. "As side effects and intolerances are typically experienced when a drug is started, dispensing a smaller initial amount allows the member to assess tolerability with minimal waste," he said. It also gives a pharmacist the opportunity to find a more suitable medication that the member will continue to take because there are fewer or no side effects.

The major challenge with improving adherence is cost, said Lepage. "Sponsors need to wrap their heads around the idea that good adherence is an investment because it may increase drug costs," she said. Plan sponsors,

she advised, should weigh the outcome of adherence against the higher drug spend it might incur to put any increased costs in context.

## KEY TO SUCCESS IN 2012

As industry stakeholders continue to wrestle with the challenges of increasing costs, legislative changes and new high-cost drugs, there's one way to make things easier: collaboration. "If we really do want to change the industry, I think we need to set aside our competitive interests," said Mark. Jones agreed. "I think as an industry we could collaborate and reduce the complexity for providers like physicians and pharmacists, which would help plan members become better drug plan consumers."



### PHARMACY BENEFITS ROUNDTABLE PARTICIPANTS

**Back row L to R:** Peter Zawadzki, professional affairs executive, Pharmasave National; Leanne MacFarlane, senior director, business development, MHCSI Managed Health Care Services Inc.; Lisa Richardson, senior director, pharmacy procurement, Lawtons Drugs; Marilee Mark, vice-president, marketing, group benefits, Manulife Financial; Johnny Ma, president, Equilibrium Health Consulting Inc.; Chris von Heymann, senior vice-president, Cubic Health Inc.; Tim Clarke, health and benefits innovation leader, Aon Hewitt; Martin Chung, assistant vice-president, strategic health management, Equitable Life of Canada; Carmen Hogan, regional vice-president, sales and service, Green Shield. **Front row L to R:** Cindy Dyer, senior manager, operations, MHCSI Managed Health Care Services Inc.; Dave Jones, vice-president, market development, group benefits, Sun Life Financial; Lincoln Lee, pharmacy district manager, Sobeys Pharmacy Group; Suzanne Lepage, private health plan strategist; Barbara Martinez, principal, Mercer.

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