

The Tiered Plan with Dynamic Therapeutic Formulary

WHY PAY MORE
THAN YOU HAVE
TO FOR YOUR
PRESCRIPTION
DRUGS?



Desjardins

Insurance

Life • Health • Retirement

The constantly increasing cost of prescription drugs makes it a challenge to keep group benefit plans affordable.

The Tiered Plan with Dynamic Therapeutic Formulary (DTF) can help keep your plan affordable while ensuring that you still have access to the other prescription drugs covered by your plan, as required.

It's made up of three cost-saving measures:

- 1** A two-tiered drug plan
- 2** Mandatory generic substitution
- 3** A prior authorization drug program

1 A two-tiered drug plan

You have two levels of coverage for prescription drugs—Tier 1 and Tier 2. Tier 1 is the DTF and Tier 2 is a list of covered drugs chosen by your employer.

Tier 1 – The DTF

HIGHER REIMBURSEMENT %

The DTF is a list of clinically-sound and cost-effective brand name drugs and their generic equivalents. It covers about **85% of all prescription drugs** available on the market. It's called "dynamic" because it is updated on a regular basis; drugs are added to or removed from the list according to the most recent medical information.

Your reimbursement percentage will be **higher** if you and your doctor choose these drugs.

Tier 2 – The list of covered drugs chosen by your employer

LOWER REIMBURSEMENT %

We offer a number of lists that include all the drugs that are not on the DTF. Plan members will get a **lower** reimbursement percentage for these drugs than they would for Tier 1 drugs.

This two-tiered approach encourages you to choose equally effective, lower-cost medications while ensuring that you still have access to other prescription drugs included in your plan, as required.



The DTF

Includes

- Generics of the brand name drugs already included on the DTF
- Most dosage formulations for a listed drug (e.g. oral liquids, slow-release tablets, etc.)
- Diabetic supplies (excluding devices and monitors) and most types of insulin
- Drugs for life-threatening diseases (e.g. most drugs for HIV/AIDS, cancer, hepatitis, organ transplants, antibiotics, blood clots)
- Compounding agents (e.g. creams, powders) that contain an active medical ingredient
- Allergenic serums
- Life-sustaining non-prescription drugs (e.g. low-dose aspirin)

Excludes

- Drugs administered in a hospital
- Smoking cessation products
- Erectile dysfunction drugs
- Anti-obesity drugs
- Fertility drugs
- Drugs to promote or inhibit hair growth
- Pharmaceutical devices (except for diabetic syringes, needles and lancets)
- Drugs approved for cosmetic conditions (e.g. Botox Cosmetic)
- Oral drugs specifically indicated for acne therapy (e.g. Accutane, Diane-35)
- Blood derivatives
- Non-hormonal contraceptives (e.g. foams, devices)
- Diagnostic agents
- Radiodiagnostics
- Non-prescription medications (except life-sustaining)
- Herbal products
- Vaccines

How often is the DTF updated?

Every month, a team of pharmacists at Express Scripts Canada adds new drugs to the DTF, and **twice a year**, they conduct a full review to ensure that the drugs listed are still the most clinically-sound and least expensive alternatives.

Monthly updates:

- Drugs are added to the DTF but none are removed.
- You will not be informed of these additions, but the search tool for covered drugs remains available on our Tiered Plan with DTF web page.

Semi-annual updates:

- Drugs will be added to and removed from the DTF according to the most recent medical information.
- You will be informed about these changes several months before they take effect, so you'll know well in advance if your medication has been removed.
- If your medication is removed, you and your doctor can consult the list of suggested alternatives to non-DTF drugs online to find an alternative medication that will best meet your needs and give you the highest reimbursement.

What happens when a medication is removed from the DTF?

Drugs are rarely removed from the DTF, but if they are, they will probably still be covered under Tier 2 of your prescription drug plan.

We'll let you know well in advance if your medication is going to be removed from the DTF, and then you'll have two choices:

1. You can keep taking the same drug, but you'll have to pay more for it because it will no longer be covered at the preferred rate given to drugs on the DTF.
2. You can make an appointment with your doctor to review the list of suggested alternatives to non-DTF drugs online and discuss the most appropriate alternatives for your particular condition.

2 Mandatory generic substitution

The second cost-saving measure in the Tiered Plan with DTF is mandatory generic substitution, and it applies to both tiers.

That means:

- Your reimbursements will be calculated based on the cost of the least expensive generic equivalent available on the market.
- If you choose to take the brand name drug, you will have to pay the difference between the cost of the brand name drug and the cost of the least expensive generic equivalent on the market.
- If your doctor writes “No substitution” on your prescription, it will not be taken into account unless you qualify for a medical exemption.

Choosing generic drugs will help ensure you get effective treatment for your condition as well as the maximum reimbursement.

ABOUT GENERIC DRUGS

Generic drugs are just as effective as brand name drugs. They contain the same active ingredients in the same amounts, and they're subject to the same federal standards for manufacturing processes and quality. So what's the difference? Just the shape, the colour—and the price!

Medical exemptions

The vast majority of drugs can be replaced by a drug listed on the DTF or by a generic equivalent with no impact on your health. However, exceptions can be made if there is a **valid medical reason** for you to take a brand name drug or a drug not listed on the DTF (e.g. an allergy to an ingredient used in the DTF drug or in the generic equivalent).

If you are eligible for a medical exemption, you and your doctor will have to fill out a *Request for reimbursement of a medication not included on the DTF or of a brand name medication* form (13175E) and send it to us for approval. You can find the form and the address or fax number to send it to on our Tiered Plan with DTF web page. Please note that any fees your doctor may charge for completing this form or obtaining additional medical information will normally be charged to you. If the information on your form is complete, your request will normally be processed within five business days. If your request is approved:

- For a **brand name drug**, your reimbursement will be calculated based on the cost of the brand name drug, and not on the cost of the least expensive generic equivalent available on the market.

Or

- For a **drug not listed on the DTF**, your reimbursement percentage will be higher, but it will still be calculated based on the cost of the least expensive generic equivalent available on the market.

Ultimately, your doctor has the final word on which drug will best suit your medical needs and your particular situation.

3 Prior authorization drug program

The third cost-saving measure in the Tiered Plan with DTF is a list of drugs that require prior authorization. These are mainly very expensive drugs—some can cost several thousands of dollars a year—or drugs with a significant risk of misuse. To be reimbursed for a prior authorization drug, you and your doctor will have to fill out a form for that specific prescription drug and send it to us. If we approve your request, you will be reimbursed.

The list of drugs that require prior authorization, and the forms that go with them, can be found **online**.

Get the same treatment for less money

The example below shows just how much lower your out-of-pocket costs can be if you choose the generic equivalent of a brand name drug listed on the DTF.

The four drugs given in this example are all equally effective treatments for slowing or preventing the production of stomach acid. Your drug plan covers all of them, but you would pay less for the Tier 1 DTF generic drug, Rabeprazole, than you would for any of the other three drugs.

Something for everyone

The Tiered Plan with DTF will not only help you control your out-of-pocket costs for prescription drugs, it will help your employer manage the overall cost of your group benefits plan. It's a win-win solution for everyone!

	Tier 1 DTF 90% reimbursement		Tier 2 Non-DTF 70% reimbursement	
	<ul style="list-style-type: none">Pariet (brand name drug): \$60Rabeprazole (generic of Pariet): \$20		<ul style="list-style-type: none">Losec (brand name drug): \$90Omeprazole (generic of Losec): \$30	
	Pariet	Rabeprazole	Losec	Omeprazole
Total prescription cost	\$60	\$20	\$90	\$30
Reimbursement (cost to plan)	$90\% \times \$20 = \18	$90\% \times \$20 = \18	$70\% \times \$30 = \21	$70\% \times \$30 = \21
Out-of-pocket (cost to you)	$\$60 - \$18 = \$42$	$\\$20 - \\$18 = \\$2$	$\$90 - \$21 = \$69$	$\$30 - \$21 = \$9$

Notes: Reimbursement percentages and pricing comparison are provided for demonstration purposes only. Actual total prescription drug costs may vary at the time of purchase. — Mandatory generic substitution: your reimbursements will be calculated based on the cost of the least expensive generic equivalent. — In Quebec, the reimbursement amount cannot be lower than the minimum set by RAMQ.



To learn more...

Once the Tiered Plan with DTF goes into effect, you'll have access to a web page with all the information you need.

You'll find:

- This brochure
- Latest update – Drugs to be removed from the DTF
- Search tool for covered drugs
- List of suggested alternatives to non-DTF drugs
- *Request for reimbursement of a medication not included on the DTF or of a brand name medication form*

Questions?

If you have any questions about your insurance coverage, please refer to your employee booklet or contact your plan administrator. You can also go to the secure site for plan members at **desjardinslifeinsurance.com/planmember**.



About Desjardins Insurance

Desjardins Insurance offers a wide range of flexible life insurance, health insurance and retirement savings products, and ensures the financial security of millions of Canadians through its offices across the country. It has been providing innovative services to individuals, groups and businesses for over a century. Desjardins Insurance is part of Desjardins Group, the largest financial cooperative in North America.



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