



THE advantage™

FEBRUARY 2017

THE STUFF YOU NEED TO KNOW...

HELPING YOU KEEP YOUR PLAN SAFE FROM FRAUD AND ABUSE

Next month (March) is fraud prevention month in Canada, which is of course a perfect time to reflect on the ways GSC tackles benefits plan fraud and abuse head on — before it impacts you. We're continually exploring ways to expand our fraud prevention, control, and detection practices, which are built into all aspects of plan design and administration.

A great example of fraud prevention is our Find a Provider tool, available on Plan Member Online Services and the GSC on the Go® mobile app. Each health provider is uniquely registered and profiled on the GSC claims adjudication system. Once we determine whether a health provider is in good standing with their provincial association or professional college, and therefore eligible to bill GSC directly, they are listed on the tool — allowing plan members to find a health provider near them who is recognized and approved by GSC. And it doesn't stop there. We continue to monitor provider practices and interpret the provider's claims data to identify abnormal billing patterns, service over-utilization, and excessive fees before they escalate into larger issues.

Using the results, we apply rankings to each health provider in our system. When a concern is raised, the rankings allow us to process a claim in a different manner — for example, pending the claim to verify the services were delivered prior to releasing payment, or requesting additional information. Then we can proactively detect and monitor potential fraudulent activity, and make sure only these GSC-approved health providers show up in the Find a Provider search results.

Looking for more information on the Find a Provider tool? We've created new fact sheets for you and your plan members. Just ask a member of your GSC account team.

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2017 PROVINCIAL DENTAL FEE GUIDE ADJUSTMENTS

Each year GSC reviews the fee guides issued by dental associations in each province and territory to check for any changes that might affect your dental plan. The following chart summarizes the adjustments:

| PROVINCE | AVERAGE INCREASE | EFFECTIVE DATE |
|-------------------------------|------------------|------------------|
| British Columbia | 4.5% | February 1, 2017 |
| Manitoba | 2.9% | January 1, 2017 |
| New Brunswick | 2.0% | January 1, 2017 |
| Newfoundland and Labrador | 3.0% | January 1, 2017 |
| Northwest Territories/Nunavut | 2.0% | January 1, 2017 |
| Nova Scotia | 1.82% | February 1, 2017 |
| Ontario | 1.65% | January 1, 2017 |
| Prince Edward Island | 1.54% | January 1, 2017 |
| Quebec | 2.5% | January 1, 2017 |
| Saskatchewan | 3.5% | January 1, 2017 |
| Yukon | N/A | April 1, 2017 |

What about Alberta?

The Alberta Dental Association doesn't yet issue a fee guide. So every year GSC undertakes its own comprehensive review of each eligible dental procedure code and analyzes historical claims data and industry-specific claims trends to determine the appropriate reimbursement levels.

Based on this review, the overall adjustment to GSC's Alberta dental fees is 1.0%, effective February 1, 2017. The adjustment by category are as follows:

| CLASSIFICATION | FEE ADJUSTMENT |
|------------------------------|----------------|
| Diagnostic | 1.0% |
| Preventative | 1.0% |
| Restorative, basic | 1.0% |
| Restorative, major | 0.0% |
| Endodontics | 1.0% |
| Periodontics | 0.0% |
| Prosthodontics, removable | 1.0% |
| Prosthodontics, fixed | 1.75% |
| Oral & maxillofacial surgery | 2.0% |
| Orthodontics | 0.0% |
| Adjunctive general services | 0.0% |
| Weighted average | 1.0% |

The Alberta Dental Association and College has recently announced a plan to develop a dental fee guide following a call from the Alberta Minister of Health to take measures to make dental fees in Alberta more transparent. We don't yet know when the guide will be released, but we will keep you posted.

QUEBEC DRUG INSURANCE POOLING CORPORATION THRESHOLD CHANGES FOR 2017

Each year, the Quebec Drug Insurance Pooling Corporation (QDIPC) reviews its pooling thresholds and fees to reflect trends in the number of claims submitted to the pool in the past. QDIPC recently released the 2017 changes, and we thought you might be interested in a summary.

Groups of up to 3,999 lives (up from 2,999 last year) are now eligible for Quebec drug pooling. Pooling thresholds for groups with more than 250 lives have increased, as have monthly premiums for all thresholds. Quebec drug pooling impacts all benefits plans under 4,000 lives that have plan members in Quebec. GSC calculates the required premium for each plan member where Quebec drug pooling applies and includes them in our renewals each year.

2017 pooling thresholds and factors:

| SIZE OF GROUP (NO. OF CERTIFICATES) | THRESHOLD PER CERTIFICATE 2017 | ANNUAL FACTOR WITHOUT DEPENDENTS | ANNUAL FACTOR WITH DEPENDENTS |
|--|-----------------------------------|-------------------------------------|----------------------------------|
| Fewer than 25 | \$8,000 | \$198.00 | \$546.00 |
| Between 25 and 49 | \$18,000 | \$120.00 | \$330.00 |
| Between 50 and 124 | \$32,500 | \$70.00 | \$192.00 |
| Between 125 and 249 | \$47,500 | \$50.00 | \$136.00 |
| Between 250 and 499 | \$72,000 | \$32.00 | \$89.00 |
| Between 500 and 999 | \$95,000 | \$24.00 | \$67.00 |
| Between 1,000 and 3,999 | \$120,000 | \$19.00 | \$52.00 |
| 4,000 and over | Free market | Free market | Free market |

The QDIPC recommended Terms and Conditions are derived each year after consultation with the industry. Presented to the QDIPC on October 19, 2016.

We have begun applying these new 2017 pooling levels and fees in renewals.

PHARMACIES IN QUEBEC TO UPDATE BILLING PRACTICES THANKS TO LEGISLATION CHANGES

In December 2016, the Quebec National Assembly passed Bill 92, which among other things, means Quebec pharmacies will have to provide greater detail on their receipts to plan members and health insurance carriers. Receipts will include three different line items: the price of the drug itself (i.e., manufacturer's list price), the pharmacist's professional fees (combining pharmacist's margin and dispensing fee), and the wholesaler's margin. Currently, these fees are all rolled into one single amount.

Quebec is the only province where pharmacists do not disclose their fees separately, which means less transparency. And we know transparency is usually a good thing, but what does it really mean for you and your plan members? Clearly laid-out fees mean plan members are more aware of the differences in costs among pharmacies and can comparison-shop accordingly. But from a plan sponsor perspective, the impact of these changes remains to be seen. A number of other changes will be required before cost containment strategies (particularly caps on fees and markups) can be implemented, including contractual changes between the provincial pharmacy association (AQPP) and payors/adjudicators.

Bill 92 in Quebec is scheduled to come into effect September 15, 2017. GSC will continue to follow the development and implementation of these new regulations so we can assess any potential impacts for our plan sponsors.

DIETITIAN HEALTH COACHING UPDATE

Since the December 2016 launch of the Dietitian Health Coaching program, the latest initiative under our Change4Life® health management banner, we have heard tons of positive feedback from plan members. By encouraging healthier food choices and practices through the program, we're helping prevent chronic disease and improve overall plan member health. The goal is to start to shift the balance in your benefits plan by promoting valuable programs, delivered by the regulated and trained dietitians at select Loblaw and Sobeys locations. Sounds exciting, doesn't it? For more on the program, contact a member of your GSC account team.