



THE advantage™

THE STUFF YOU NEED TO KNOW...

SEPTEMBER 2015

Not to disappoint you, but let's face it - summer is over, the kids are back at school, so there is no better time to think about what's going on with your benefits plan. In case you were wondering, GSC has been pretty busy these past few months coming up with new ways to improve the efficiency and cost-effectiveness of your plan, as well as making plan members and health care providers' lives easier.

CHANGE TO SECONDARY COORDINATION OF BENEFIT CLAIMS CALCULATION FOR DRUGS

GSC is changing the way we handle the coordination of benefits (COB) for drug claims when GSC is the secondary payer. Starting October 1, 2015, we will apply GSC drug pricing to claims that have already been processed for payment by another private plan (the primary plan). This new administrative guideline applies to all drug plans.

Why are we doing this? In the past, we have typically paid the full balance of the secondary claim once the primary plan has reimbursed their portion. However, we noticed that some pharmacies are submitting amounts to the secondary plan above what would be allowed under our pricing file guidelines. We are implementing this cost control measure to protect against these types of excessive charges. This new administrative practice is consistent with Canadian Life and Health Insurance Association (CLHIA) guidelines and is expected to be adopted by others in the industry.

HERE'S AN EXAMPLE OF HOW THIS WOULD WORK:

- A plan member fills a prescription at a pharmacy and the claim is submitted to the primary plan for \$120.
- The primary plan pays \$80.
- The GSC drug pricing file has an eligible price of \$100 for this drug.
- The pharmacy submits the remaining \$40 to GSC as secondary plan.
- GSC as secondary plan pays \$20 (the difference between \$100 and \$80).
- The excess \$20 amount will no longer be reimbursed by GSC.

We expect the impact to plan members will be minimal as GSC's pharmacy agreement states that billing the difference of the allowed cost to the plan member is not permitted. We are communicating the new policy to pharmacies and reminding them of their obligation to comply with this agreement. A small number of plan members who submit their own drug claims (by claim form or through Plan Member Online Services) may experience some out-of-pocket costs if, despite our agreement, the pharmacy does charge more than the allowed cost according to the GSC pricing file. If this happens, the plan member should be speaking with their pharmacist.

Inside This Issue:

- Change to secondary coordination of benefit claims for drugs
- Quebec Bill 28 update
- New claim attachment feature on Plan Member Online Services
- providerConnect™ enhancements

QUEBEC BILL 28 – WHAT DOES THIS MEAN FOR YOUR DRUG PLAN?

On April 21, 2015, the Quebec government sanctioned Bill 28, *An Act mainly to implement certain provisions of the Budget Speech of 4 June 2014 and return to a balanced budget in 2015-2016*, which in turn, amended the Act respecting prescription drug insurance (the "Act").

Yes, that is quite a mouthful. What does this actually mean? If you have plan members in Quebec, the new legislation introduces two new changes that will have a direct impact on your drug plan.

PHARMACY SERVICES

As of June 20, 2015, pharmacists in Quebec were authorized to offer a number of new pharmacy services to Quebec residents. The Quebec government and the Quebec Association of Pharmacy Owners (AQPP) also reached a fee agreement allowing pharmacists to charge the Regie de l'assurance maladie Quebec (RAMQ) and private drug plans for four pharmacy services:

PHARMACY SERVICE	FEE
Prescribing a medication when a diagnosis is not required	\$16.00
Prescribing a medication for certain minor conditions when the diagnosis and treatment are known	\$16.00
Adjusting a prescription	N/A
Extending (renewing) a prescription	N/A

At this time, RAMQ has not disclosed the fees for adjusting or renewing a prescription. However, in the absence of clear pricing information from RAMQ, the Canadian Life and Health Insurance Association (CLHIA) has directed carriers to reimburse claims, if received, for pharmacy services at the known RAMQ rate, if the service is included on the RAMQ formulary and a known transaction code (or product identification number (PIN)) is specified by the pharmacy.

What does this mean for your plan? If you have plan members residing in Quebec, GSC will reimburse pharmacy service claims for medication prescriptions for these plan members in accordance with these industry guidelines:

- Medical prescription claims for minor conditions, such as diaper rash, mild eczema, and urinary tract infections – GSC will pay \$16.
- Medical prescription claims for conditions that do not require a diagnosis, such as traveler's diarrhea, smoking cessation, and pregnancy-related nausea and vomiting – GSC will pay \$16.

In the meantime, we continue to wait for further information from RAMQ about the fees payable for adjusting and renewing prescriptions.

REIMBURSEMENT OF BRAND NAME DRUGS TO THE LOWEST COST

Currently, drug plans in Quebec are required to reimburse the full cost of a brand name drug even if a generic equivalent exists. This is in contrast to other provinces and territories that allow drug plans to limit reimbursement to the lowest cost generic equivalent.

Starting October 1, 2015, drug plans will be permitted to limit reimbursement of brand name drugs to the lowest cost generic equivalent, if the plan provides for it. This means that if your drug plan has generic substitution, it can now be applied to Quebec plan members.

However, we do not know yet whether the new drug pricing rule will apply to the full cost of the drug, including pharmacist's fees, or just the manufacturer list price (MLP). We are expecting the Quebec government to issue regulations that will hopefully provide further clarity and better understanding of the financial impact to your drug plan. We continue to monitor for new developments and will provide further information once we know more.

NEW DOCUMENT UPLOAD FEATURE ON PLAN MEMBER ONLINE SERVICES

This fall, GSC will be introducing a new feature on our secure Plan Member Online Services website. Plan members will now have the option to upload scans or pictures of their claim submissions (like forms and receipts) for drug, dental, and personal spending account (PSA) claims. Although this is not the same as e-claims with real-time adjudication (like we have available for most extended health and HCSA claims), it is an efficient claim submission option that will eliminate the need for postage stamps.

Plan members will also be able to submit other supporting claim documentation for claims that have already been processed, including prescriptions, receipts, and more.

What this means for your plan members is flexibility, because we are offering even more claim submission options. And while plan members won't have to go to the mailbox as often, let's not forget that the ultimate in claim submission convenience is to HSEDIFY (have someone else do it for you). GSC leads the industry in health provider-submitted claims. All a plan member has to do is ask their health care provider to submit their claims directly to GSC, and pay any applicable co-pay. The next best thing is plan member e-claims – with instant adjudication...results are immediate. And if they're signed up for Direct Deposit, there's practically no waiting for the reimbursement. What could be better?

IMPROVING ONLINE SERVICES FOR HEALTH CARE PROVIDERS ON providerConnect™

We are always thinking of new ways to help health care providers do business with GSC and to improve the plan member experience. Through our innovative web platform, providerConnect™, health care providers can submit claims online on behalf of their patients, check benefit eligibility, sign up for direct deposit, and much more. This means better and faster service for plan members.

This year, we asked health care providers what they wanted to see on providerConnect to make their lives easier... and we listened. Based on their feedback, we are introducing a number of new enhancements to providerConnect this fall, including:

- Simplifying online claim submission by making it even easier to submit claims online, on behalf of their patients
- Adding new functionality for health care providers to reverse claims online
- Allowing health care providers to modify their provider profile information online
- Providing more online resources, including a comprehensive user guide

By improving the effectiveness and efficiency of our online services, we are getting more health care providers "online". This means faster service delivery and reimbursement of claims – a win-win for health care providers, plan