



GROUP INSURANCE

HEALTHCARE COSTS
Integrated solutions for
effective management



Desjardins
Insurance

LIFE • HEALTH • RETIREMENT

Cooperating in building the future



Proper management for effective healthcare results

We are all aware that healthcare costs are on the rise. We want to be sure that the money spent on healthcare claims is money spent wisely.

At Desjardins Insurance, we know that the health of your employees and the financial health of your company are both important to you. That is why we have taken proactive steps to ensure your group plan's health and dental coverage are being managed as effectively as possible.

The following solutions were implemented to ensure oversight and accuracy in the reimbursement of eligible healthcare expenses under your plan. It's our way of contributing to your employees' health and optimizing your investment.

Our commitment

Remain at the forefront of **healthcare management initiatives** to maximize the **well-being** of your employees and **your company**.

To achieve this objective

We have the team.
We have the solutions.

Talk it over with your group insurance representative.

Most of the measures presented in this document require the use of a payment card.

Real-time intervention at the pharmacy

Our drug payment card makes it easier to integrate new programs specifically designed to improve healthcare quality and reduce drug costs.

Desjardins Insurance's electronic claims processing partner, Express Scripts Canada, services an extensive network of providers representing 100% of pharmacies across Canada.

Our service offer automatically includes the following specialized programs so you can look out for your employees' health and keep track of the associated expenses.

Drug Utilization Review Program

In less than five seconds, this program enables pharmacists at point-of-sale electronic transactions to find out:

- Dangerous drug interactions for the patient
- Duplicate therapy (whether the same or equivalent medication)
- Purchases of the same drug at multiple pharmacies
- Drugs prescribed by multiple healthcare professionals
- Drug misuse (including overconsumption)
- Inappropriate supply
- Early renewal

This program can generate savings of 2–3% on drug costs.*

* According to data from Express Scripts Canada.

Pharmacy Benefit Management and Home Delivery Services

Desjardins Insurance offers you these practical solutions designed to change plan member behaviour, resulting in better health decisions and lower costs for both plan sponsors and plan members. In fact, plan sponsors may be able to cut their overall healthcare costs by up to 5% and their costs for chronic health problems by as much as 10%.

- Delivery of maintenance medication* by free standard shipping
- Up to a 90-day supply for a single dispensing fee
- Encourages use of safe, approved, lower-cost medications
- Order and renew maintenance medication online, by phone or by mail
- Automatic refills so plan members don't need to worry about running out of maintenance medication
- Confidential access to experienced pharmacists
- Pharmacist on call 24/7

* Prescription drugs that treat ongoing medical conditions such as asthma, diabetes, high blood pressure and high cholesterol, which account for more than 50% of all drugs claimed.

Hospital Drug Program

Some drugs are administered in a hospital setting as they require careful monitoring by a healthcare professional because of the seriousness of the patient's condition, treatment complexity or safety reasons. In such cases, hospitals must provide drugs to patients free of charge.

Desjardins Insurance has a mechanism in place to ensure that private plans do not reimburse drugs administered in a hospital (e.g., intravenous treatment).

If an insured gives his pharmacist a prescription for a drug that is usually administered in the hospital, the computer system notifies the pharmacist that this drug is not covered, as it must be provided by the hospital. The pharmacist will then ask the insured to contact his insurer. When the insured contacts our Customer Contact Centre, he will be asked where the medication was administered. If it was administered outside a hospital (for example, in a specialized clinic), the cost of the drug may be reimbursed.

By flagging drugs usually administered in a hospital setting, this program can generate savings of 1–2% on drug costs.*

* According to data from Express Scripts Canada.

Specialized Drug Program

Desjardins Insurance automatically coordinates your plan's coverage with certain provincial programs so you don't end up paying for drugs they might cover.

Most provincial health insurance plans have special programs that cover expensive drugs for certain illnesses.

When an insured gives the pharmacist a prescription covered under certain provincial programs, the computer system informs the pharmacist that this medication cannot be reimbursed as it falls under a specialized drug program. The insured must then contact the Customer Contact Centre for more information.

This program's automated mechanisms ensure that you are not reimbursing drug costs to insureds who are eligible for government support.





Constant monitoring

The drug market is always changing and Desjardins Insurance is constantly monitoring it for you.

An aging population, the rise in chronic illnesses, the introduction of biological drugs—all these factors have a significant impact on drug insurance coverage.

Desjardins Insurance has a multidisciplinary team that methodically monitors the introduction of any new drugs on the market and evaluates their potential impact on your plan.

The right drug at the right time

For certain very expensive drugs or drugs that could be misused, Desjardins Insurance has a prior authorization process to ensure that Health Canada's indications for use are followed and that patients receive the right drug at the right time. This process applies to all our clients.

Our prior authorization drug list currently includes over 100 products, and we update it regularly as new drugs are approved and marketed or as Health Canada approves new indications for use of an existing drug.

This control process reduces the cost of drug coverage by ensuring that insureds receive the most suitable and cost-effective treatment. By our estimates, this program can generate savings of 1–2% on the cost of drugs.

Process highlights

- Drug-specific form available on our plan member secure website
- Standardized questions to speed up claims processing
- Claims processed within five business days
- Complex cases reviewed by specialized consultants (physicians and pharmacists)

We have made the process as user-friendly as possible to increase employee satisfaction and ensure that they receive the most appropriate drug for their condition at the proper time.

Healthcare fraud, a crime with no victim?

While only a few people are guilty of fraud and abuse, their actions cost \$5–15 billion per year, according to the Canadian Health Care Anti-Fraud Association. These financial losses could lead to higher premiums or reduced group insurance coverage.

Desjardins Insurance has a dedicated specialized fraud and abuse detection team working to ensure that the financial health of your plan is not compromised by the payment of ineligible claims.

Desjardins Insurance is a member of the Canadian Health Care Anti-Fraud Association.

Most common types of fraud

- False benefit claims
- Altered documents (receipts, doctors' notes, invoices)
- Overbilling
- Billing for services not provided

Comprehensive fraud and abuse management solution

Our ongoing monitoring is based on the following three pillars:

- Skilled human resources
- Rigorous analysis
- Constant process updating



Professional expertise

We have a national fraud detection and investigation team (technicians, Certified Fraud Examiners) headed by a coordinator.

Analyses

- Audits of paper and electronic claims
- Systematic analysis of drugs that can lead to dependency or that are in high demand on the black market (e.g., analgesics, narcotics and anti-migraine drugs)
- Comparison of prescription history with standard
- Verification of cumulative payments that exceed a threshold regularly reviewed according to our studies

Processes

- Systems for reporting potential abuse
- Internal processes to determine approval levels and verification activities
- Watchlist of professionals and providers with unusual or suspect practices
- Confidential and anonymous abuse/fraud reporting service
- Attention to certain types of claims (e.g., orthotics prescribed for every family member)
- Authorized maximum amount per claim per day
- Collection and prosecution

At Desjardins Insurance we take fraud seriously to protect the financial health of your plan. That is why our national team has implemented this global solution for all our plans.



Guaranteed professionalism

Not only do we combat fraud—we do everything possible to avoid errors and ensure the greatest rigour in the processing of your employees' claims.

Our achievements

To ensure they are processed accurately, all healthcare and dental care insurance claims are sorted and assigned to our examiners based on their level of experience.

Every day, one of our technicians verifies 1% of the claims processed. This enables us to guarantee a financial error rate of under 2%.

Our statistics for the past three years show that we are well below our error rate threshold.

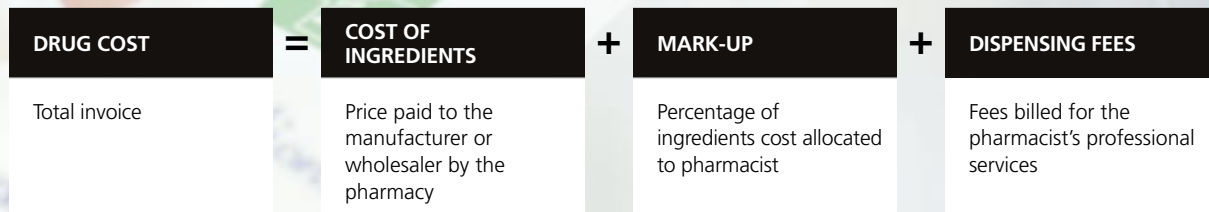
Our concrete actions

- We systematically review cumulative monthly and yearly claims that exceed a regularly updated threshold to ensure that larger payments are within your plan parameters.
- We submit all large claims to our experts (physician, pharmacist or dentist) to ensure that constantly changing healthcare criteria and protocols are being followed. All of our experts keep up-to-date with the latest trends in their area of expertise.
- We have implemented authorization levels for payments that need the approval of an expert or senior examiner, ensuring that our monitoring is completely systematic.
- We profile our providers so that we can closely monitor those with suspect or unusual practices.

These actions enable us to guarantee that your plan parameters will be followed and your costs will be kept under control.

Better drug pricing

Prescription drug costs vary from one pharmacy to the next, primarily because of different mark-ups and dispensing fees. The total drug cost is made up of the following elements:¹



Desjardins Insurance offers you four options that let you choose the degree of control that suits you best, and exercise control based on the different elements of the total price billed by the pharmacies for each prescription:²

Your options

1. A standard maximum applied to the mark-up and dispensing fees
2. No maximum applied to these two elements
3. A standard maximum applied to the mark-up and dispensing fees limited to \$0 (no dispensing fee reimbursed)
4. A standard maximum applied to the mark-up and dispensing fees limited to an amount ranging from \$1 to \$25

These control mechanisms encourage consumers to shop around for the best prices among service providers that meet their needs, and help bring down the cost of your drug insurance benefit.

¹ At the request of the Association québécoise des pharmaciens propriétaires [Quebec association of owner pharmacists], invoices in Quebec do not provide a breakdown of these elements.

² Due to province-specific practices, these options are not offered in Quebec.

Generic drugs, a sensible choice

Drug costs are the largest component of health-related insurance benefits and they continue to increase because of an aging population and a rise in chronic illnesses.

On average, generic drugs cost 25 to 50% less than brand-name drugs,¹ an excellent reason to opt for a measure favouring generics. Here are two examples to illustrate how this measure would work and what the provincial differences² are in this matter.

Province A	DRUG COST	PLAN REIMBURSEMENT PERCENTAGE	AMOUNT REIMBURSED BY THE PLAN	POTENTIAL COST SAVINGS
BRAND-NAME DRUG	\$100	80%	\$80	
GENERIC DRUG	\$25	80%	\$20	\$60

Province B	DRUG COST	PLAN REIMBURSEMENT PERCENTAGE	AMOUNT REIMBURSED BY THE PLAN	POTENTIAL COST SAVINGS
BRAND-NAME DRUG	\$100	80%	\$80	
GENERIC DRUG	\$75	80%	\$60	\$20

These tables show that choosing a generic drug may be financially beneficial for your employees and your plan.

¹ Percentages may vary from province to province.

² In Quebec, Desjardins Insurance complies with the requirements of the Basic Prescription Drug Insurance Plan and does not make payments below the minimum allowed by law.



Patent erosion phenomenon

Brand-name drug manufacturers make large investments in research and development to bring innovative products to market. To recover part of their investment and make a profit, they have patent protection for a set period of time (usually 20 years). When the patent for an innovative drug expires, generic drug manufacturers can produce their own generic version.

There is a lot of talk in the pharmaceutical industry today about the “patent crisis.” As the patents on several leading medications have expired, generic drug manufacturers have taken advantage of the situation to expand their market share. The patents for over 35% of drugs purchased in 2009 will be expiring between 2010 and 2014.

This is an ideal time to adopt a measure favouring generic drugs as they are becoming more prevalent in the market.

Monitoring of dental costs

Healthcare costs are not the only expenses that need monitoring. Dental care can also generate expenses that are not always covered by your plan. Desjardins Insurance uses the following measures to ensure that the criteria in your insurance contract are being respected.

A single payment card allows us to monitor both drug and dental claims.

Desjardins Insurance's electronic claims processing partner, Express Scripts Canada, services an extensive network of providers across Canada.

Our control measures

In a matter of seconds, our dental claims system:

- Checks eligibility of person incurring the cost
- Validates dental procedure codes and payment information
- Identifies duplicate claims
- Monitors dental procedures
- Compares new claims submitted with previous claims

Dental audits

We analyze all our clients' electronic claims to ensure they are paid in accordance with plan parameters and various provincial fee guides. Here are some flags that lead to an audit:

- Fluoride treatment for an adult
- Complete exam instead of recall
- Large number of five-surface restorations
- Multiple restorations of temporary teeth
- Root canal for a tooth already treated
- Dental procedure codes chosen based on plan maximums





Your options

With its range of options, Desjardins Insurance allows you to choose the frequency you want for certain procedures that could be abused or overused:

FREQUENCY OPTIONS			DESCRIPTION
6 months	9 months	12 months	<ul style="list-style-type: none"> • Scaling and cleaning • Recall exams • Polishing

You can also choose the types of care you want to cover:

OPTION 1	OPTION 2	OPTION 3	OPTION 4
<ul style="list-style-type: none"> • Preventive care only 	<ul style="list-style-type: none"> • Preventive • Basic and endo/perio care 	<ul style="list-style-type: none"> • Preventive • Basic and endo/perio care • Major restorative care 	<ul style="list-style-type: none"> • Preventive • Basic and endo/perio care • Major restorative care • Child orthodontics

For the annual maximum amounts covered by your plan, there are several options to choose from. These measures allow you to tailor your plan based on your needs and those of your employees.

About Desjardins Insurance

Desjardins Insurance has been offering a wide range of life and health insurance and retirement savings products to individuals, groups and businesses for more than a century. As one of Canada's five largest life insurers, they oversee the financial security of over five million Canadians from offices across the country. Desjardins Insurance is part of Desjardins Group, the country's leading cooperative financial group.

Do not hesitate to contact us for additional information on our products and services.

Desjardins Insurance

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