

SUMMER 2010 Connection ALBERTA BLUE CROSS® BULLETIN

Direct billing to be expand to include chiropractic claims



Alberta Blue Cross is pleased to announce that effective August 3, 2010, we will offer online claim submission capabilities for chiropractic claims for employer group plan members.

Chiropractic providers will be able to submit claims online at the time of service through an easy-to-use secure web site, created and maintained by Alberta Blue Cross. This service will be available at no cost to all Alberta Blue Cross plan members and chiropractic providers across Alberta.

With online submission, chiropractic providers have the convenience of direct billing for eligible services for their patients with Alberta Blue Cross coverage. This means your plan members no longer need to pay out-of-pocket for the portion covered by their plan. Plan members are still responsible for payment of any co-pay or deductible amounts.

The names of providers participating in electronic claims submission will be listed on our web site, and will also be available through our Customer Services department.

Alberta Blue Cross already provides the convenience of electronic claim submission for dental services, prescriptions, ambulance services and optical claims—and the vast majority of such claims are today submitted electronically. *We are also currently in the process of setting up electronic direct billing capabilities for physical therapy services, which we expect to introduce later this year.*

We are excited to offer this convenience to your plan members for chiropractic services.

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- Cosmetic procedures and HSAs
- Top 12 drug lists
- New Cuba travel insurance requirements
- Health & Wellness Companion draw winners
- Include Alberta Health Care numbers

For your employees' benefit Included with this issue of the Connection Bulletin...

Included with this issue of the **Connection Bulletin** is a copy of the **For Your Benefit** newsletter for group plan members. We encourage you to photocopy and distribute this newsletter to your employees.

The *For Your Benefit* newsletter provides helpful information to group plan members—to help your employees make the most of their benefits. Copies of the *For Your Benefit* are also available on the Alberta Blue Cross web site in PDF format, in case you would rather download a PDF version to forward by e-mail to your employees.

We welcome your comments about the *For Your Benefit*, as well as your suggestions for topics for future issues. Please send your feedback to connectionbulletin@ab.bluecross.ca.



Cuba travel insurance requirement now in effect

As of May 1, 2010, Cuba has made it mandatory for all visitors to hold either travel health insurance from providers approved by the Cuban government, or health insurance purchased from Cuban vendors at its port of entry.

Approved companies are those—like CanAssistance—that are affiliated with Asistur SA, the official medical assistance society of Cuba. **Alberta Blue Cross's travel assistance provider is CanAssistance, therefore travellers who hold Alberta Blue Cross travel insurance are covered.**

This new rule will apply to tourists and other visitors including visiting Cubans living abroad and foreigners temporarily living in Cuba. Diplomats and representatives of accredited international organizations will be exempt.

In order to avoid any potential difficulty, Alberta Blue Cross plan members with travel coverage benefits should ensure they pack the following in carry-on luggage:

- A valid Canadian passport
- Provincial health care card
- Alberta Blue Cross ID card
- Alberta Blue Cross benefit booklet

More information is available from the Cuban Embassy to Canada's web site at <http://embacu.cubaminrex.cu/Default.aspx?alias=embacu.cubaminrex.cu/canadaingl>.

Including Alberta Health Care numbers on applications

If you have a new employee who you are adding to your group benefit plan but you do not have their Alberta Health Care number, you can still submit an application for coverage on their behalf and provide us the Alberta Health Care number at a later date.

Although being a resident of Canada and eligible for benefits under the

provincial government health care program in the province of residence are prerequisites to be eligible for coverage (as stipulated through standard Alberta Blue Cross group contracts), as long as the employee is eligible for such coverage, the application may be submitted to Alberta Blue Cross.

The employee's Alberta Health Care number should then be submitted to Alberta Blue Cross as soon as it is available. Delays in submitting applications for new employees may otherwise result in late applicants and delayed eligibility for coverage.



Prescription drugs continue to fuel benefit plan cost increases

Lipitor available as generic

In late May 2010, Pfizer's cholesterol-lowering drug Lipitor lost patent protection in Canada and a number of generic drug manufacturers made generic alternatives available to pharmacies.

Effective immediately, those individuals who are prescribed Lipitor will have the option of requesting a generic version of the drug in place of the brand name version by talking to either their physician or pharmacist. Plan members whose drug benefit plans pay according to the Least Cost Alternative (LCA) will be covered up to the LCA price of the generic version. Alberta Blue Cross plan members who choose to have their prescriptions filled with the brand name version of Lipitor may be responsible for paying the difference in cost between the Least Cost Alternative price and the brand name price.

Lipitor is one of the most significant products to have a generic version come to market in Canada to date, with total Canadian sales of approximately \$1 billion for the year ending March 2010. In fact, three of the top 12 most expensive drugs to Alberta Blue Cross group benefit plans for 2009 were Lipitor tablets in varying dosage ranges.

The availability of a generic version of Lipitor comes on the heels of Phase Two of the Government of Alberta's Alberta Pharmaceutical Strategy, which contained a major initiative to reduce the prices for generic drugs from generally 75 per cent of the brand-name drug cost down to an announced target of 45 per cent. Prices for new generic drug products entering the market were to be reduced immediately, followed by existing generic drug prices planned to come down April 1, 2010. Because the listing of generic versions of Lipitor in Alberta followed the implementation of reduced generic drug pricing as mandated through Phase Two of the Alberta Pharmaceutical Strategy, the pricing of generic versions of this product are subject to this reduced pricing.

Having a generic version of this product available is expected to provide substantial savings to both employer-sponsored group benefit plans and individual Albertans—helping to preserve the long-term viability of drug benefit plans.

While recent provincial government legislation to reduce prescription drug prices and the ongoing expiry of brand name drug patents for products such as Lipitor are good news to employer group plan sponsors, prescription drug costs are expected to continue to rise over the next few years with the emergence of expensive new biologic drugs coming onto the market.

According to the 2010 "Canadian Health Care Trend Survey" undertaken by Buck Consultants, overall health benefit costs for Canadian employer plans are expected to rise 15 per cent in 2010—the highest growth rate in five years. One of the biggest drivers of these costs is biologic drugs, which are complex and expensive drug products created by biological rather than chemical processes. They may be composed of almost any mixture of biologic materials, such as protein, large pieces of DNA, or even whole cells. Biologics include a wide range of products such as vaccines, insulin and other replacement products, and therapeutic treatments for cancer. Biologics are seeing increasing use for conditions such as rheumatoid arthritis, inflammatory bowel disease and psoriasis. Many of the new drug products entering the market in the future fall into the biologics category.

While the survey suggests that health benefit costs will continue to rise, it also says employers are recognizing the role employee benefit programs play in attracting and retaining employees, and are looking for creative ways to control costs rather than cut benefits—particularly by promoting workplace wellness.

As benefit costs continue to increase, the managed benefit approach provided by Alberta Blue Cross has renewed importance—helping you contain group benefit costs and protect your plan's viability without sacrificing on quality.

Our best price agreements with all Alberta pharmacies; our fixed bases of payment for dental claims; our billing agreements with optical service providers, physiotherapists and ambulance operators; and our unparalleled focus on plan management all ensure that you get the best value. Plus as Alberta Blue Cross is a not-for-profit organization, the rate you pay goes solely toward claims and administration costs—not profit margins for shareholders of multinational life insurance companies.

Overview of top drugs

APO-AMOXI 500 MG CAPSULE

An antibiotic used in the treatment of several different bacterial infections. It may also be used for the prevention of bacterial infections prior to certain dental or surgical procedures in patients who may be at risk. There are a number of manufacturers of this product.

BLOOD GLUCOSE TEST STRIP

A chemically treated strip to which a drop of blood is applied. It is used in blood glucose monitoring with a special device to test the sugar level.

COMPOUND PRESCRIPTIONS

Compounds are mixtures of ingredients prepared by pharmacists. Dermatologists often order compounds, such as creams, ointments or lotions, to meet the specific needs of an individual patient.

COPAXONE 20 MG/ML INJECTION SYRINGE

Used in the treatment of relapsing-remitting multiple sclerosis.

CRESTOR 10 MG TABLET

Used in the treatment of high cholesterol and lipid levels.

ENBREL 50 MG/VIAL INJECTION

An injection used to treat certain joint conditions (rheumatoid arthritis, juvenile rheumatoid arthritis, psoriatic arthritis, and ankylosing spondylitis) and skin conditions (plaque psoriasis).

HUMIRA 40 MG/ 0.8 ML INJECTION SYRINGE

An injection used to treat certain joint conditions (rheumatoid arthritis, psoriatic arthritis, and ankylosing spondylitis) as well as skin conditions (plaque psoriasis), and Crohn's disease.

LIPITOR 10 MG/ 20 MG/ 40 MG ORAL TABLETS

Used in the treatment of high cholesterol and lipid levels.

MYLAN-METFORMIN 500 MG TABLET

To control high blood sugar in patients with diabetes.

NASONEX 50 MCG/DOSE AQUEOUS NASAL SPRAY

Used to treat the symptoms of allergies, specifically the runny nose that accompanies this condition. It may also be used along with antibiotics for sinus infections.

NEXIUM 40 MG SUSTAINED RELEASE TABLET

Used to treat ulcers and reflux esophagitis. Sometimes Nexium is used in combination with antibiotics to treat ulcers associated with infection caused by the H. pylori bacteria (germ).

PREVACID 30 MG SUSTAINED RELEASE CAPSULE

Used to treat ulcers and reflux esophagitis. Sometime Prevacid is used in combination with antibiotics to treat ulcers associated with infection caused by the H. pylori bacteria (germ).

RATIO-SALBUTAMOL HFA 100 MCG/ DOSE METERED DOSE AEROSOL

An inhaler used to open up the airways, for the treatment and prevention of asthma attacks. There are a number of manufacturers of this product. Generic alternatives account for a large portion of utilization.

REMICADE 100 MG/VIAL INJECTION

An injection used to treat certain joint conditions (rheumatoid arthritis and ankylosing spondylitis), and inflammatory bowel disease (ulcerative colitis and Crohn's disease).

SYMBICORT 200 TURBUHALER METERED INH POWDER

A dry powder inhalation device used to treat asthma in adults and children 12 years and older. Reduces and prevents inflammation in the airways of the lung and widens the airways.

TYLENOL NO.3 WITH CODEINE TABLET

For the relief of moderate pain in a wide variety of conditions, e.g. dental pain, headaches, pain following operative procedures.

There are a number of products available with the same ingredients. In the competitive market place, pricing of the "brand name" product is comparable to other alternatives.



TOP DRUGS

For your information, here is a list of the products most prescribed in 2009 to Alberta Blue Cross employer group plan members and a list of those products that carried the highest cost to group benefit plans. These lists are based on a representative sample of our group book of business, profiling the claims experience of the largest employer groups with direct-bill drug benefit plans across the province.

TOP 12 DRUGS FOR 2009 (BASED ON NUMBER OF CLAIM LINES)

- 1 RATIO-SALBUTAMOL HFA 100 MCG/DOSE METERED DOSE AEROSOL
- 2 BLOOD GLUCOSE TEST STRIPS
- 3 TYLENOL NO. 3 WITH CODEINE TABLET
- 4 COMPOUND PRESCRIPTIONS
- 5 APO-AMOXI 500 MG CAPSULE
- 6 PREVACID 30 MG DELAYED RELEASE CAPSULE
- 7 CRESTOR 10 MG TABLET
- 8 NASONEX 50 MCG/DOSE AQUEOUS NASAL SPRAY
- 9 LIPITOR 10 MG TABLET
- 10 LIPITOR 20 MG TABLET
- 11 MYLAN-METFORMIN 500 MG TABLET
- 12 SYMBICORT 200 TURBUHALER METERED INH POWDER

TOP 12 DRUGS FOR 2009 (BASED ON AMOUNT PAID)

- 1 REMICADE 100 MG/VIAL INJECTION
- 2 BLOOD GLUCOSE TEST STRIPS
- 3 PREVACID 30 MG DELAYED RELEASE CAPSULE
- 4 LIPITOR 20 MG TABLET
- 5 LIPITOR 10 MG TABLET
- 6 ENBREL 50 MG/ML INJECTION SYRINGE
- 7 HUMIRA 40 MG/ 0.8 ML INJECTION SYRINGE
- 8 NEXIUM 40 MG SUSTAINED RELEASE TABLET
- 9 CRESTOR 10 MG TABLET
- 10 COPAXONE 20 MG/ML INJECTION SYRINGE
- 11 SYMBICORT 200 TURBUHALER METERED INH POWDER
- 12 LIPITOR 40 MG TABLET

Plan administrators promoting Health & Wellness Companion

Thanks to everyone who submitted feedback in conjunction with our recent Health & Wellness Companion plan administrator promotion held in conjunction with the last issue of the *Connection Bulletin* newsletter.



The Companion is a secure, user-friendly web site that offers a variety of helpful resources to your employees—including health assessments, a personal health record, a comprehensive health resource library and prescription drug information database. The site also has an interactive health symptom checker which employees can use to access information related to a wide range of conditions from head to toe.

We received a wide variety of feedback on what you are doing to promote the Alberta Blue Cross Health & Wellness Companion to your plan members. This includes distributing the Companion brochure to all employees, downloading posters from the web site and posting them in the workplace, forwarding the *For Your Benefit* newsletter to employees by e-mail, highlighting the Companion during new employee orientations, including articles in internal newsletters, putting a reminder in with paystubs, providing a demonstration of the web site at staff meetings, and helping employees register to use the site.

All respondents had their names entered in a draw to win one of dozens of Sportchek gift cards. Congratulations to all the winners:

Sarah Fontana, Western America, Edmonton
Sedeeka Ali, Empire Hydraulics, Edmonton
Gillian Bawoll, Bjornson Designs, Calgary
Catalina Lozan-Angel, Calgary Zoo, Calgary
Isabel Knoch, McDonald Auto Centre, Lethbridge
Tarek Merhej, Captive Media, Edmonton
Dawna Mislán, Red Deer Overdoor, Red Deer
Leonida Figneroa, Mariden International Ltd., Edmonton
Stephanie English, Totem, Jasper
Jane Cooper, Glenbriar Technologies, Calgary
Colleen Lalonde, Intergron Auto Centre, Calgary
Laurie Brandle, Wendylynn Custom Homes, Edmonton
Chris Craig, Securcom Technologies Inc., Lethbridge
Pattie Janisse, Earthmaster Environmental, Calgary
Lyle MacPherson, Primrose Livestock, Lethbridge
Margaret Belyan, LSM Lee's Sheet Metal (2007) Ltd., Grande Prairie
Tina Bairne, United Way of the Alberta Capital Region, Edmonton
Jackie Truch, The Reading Foundation, Calgary
Jennifer Beepat, Alberta Water Council, Edmonton
Stacey Gustafson, Gustafson Auto Clinic Inc., Athabasca
Jatinder Sachdeva, United Airlines, Mississauga
Chrystal Yacke, Arrow Steaming, Edson
Wanda Johnston, Alpine Drywall, Red Deer
Brenda McLachlan, PCL Construction Inc., Edmonton



The coverage that Albertans know and trust

As Alberta's largest benefits carrier, Alberta Blue Cross provides supplementary health and dental benefit programs to meet the health needs of over 1.5 million Albertans.

We work hard to meet your needs—and to maintain your trust.

Late last year, Alberta Blue Cross participated in an Ipsos Reid survey to gauge how we're doing in the eyes of Albertans.

We were very pleased to find that a full 70 per cent of Albertans would contact Alberta Blue Cross **first** for their health benefit needs. In comparison, just five per cent of Albertans would contact the next highest ranking organization.

Albertans also told us that they place a high value on a health benefit plan that includes prescription drug and dental coverage—two of the core benefits provided through most Alberta Blue Cross plans. In fact, more than 80 per cent of survey respondents rated such coverage as very important.

As an Alberta-based, not-for-profit organization focused exclusively on serving the supplementary health needs of Albertans, Alberta Blue Cross competes against a number of large, multi-national, for-profit insurance companies. We are pleased that Albertans continue to recognize the unique value Alberta Blue Cross provides—and choose us as their preferred benefit carrier.

Alberta Blue Cross remains committed to meeting the continued health needs of Albertans. Your health is our only focus.



Cosmetic procedures no longer eligible expenses through Health Spending Accounts

Due to a change in the Medical Expense Tax Credit in conjunction with the federal budget announced in March 2010, cosmetic services and procedures are no longer eligible expenses through Alberta Blue Cross Health Spending Accounts (HSA) unless they meet specific requirements. This exclusion applies to all cosmetic procedures incurred after March 4, 2010.

Who determines what is eligible through Health Spending Accounts?

Expenses deemed eligible through Health Spending Accounts are determined by the Canada Revenue Agency (CRA) through the Medical Expense Tax Credit.

What changes were made?

To ensure consistency with the intent of the Medical Expense Tax Credit, the 2010 Federal Budget proposed that expenses incurred for purely cosmetic purposes (including related services and other expenses such as travel), be ineligible to be claimed under the

Medical Expense Tax Credit. This generally includes surgical and non-surgical procedures purely aimed at enhancing one's appearance such as liposuction, hair replacement procedures, botulinum toxin (botox) injections and teeth whitening.

However, cosmetic procedures, including those identified above, will continue to qualify for the Medical Expense Tax Credit if required for medical or reconstructive purposes, such as surgery to ameliorate a deformity arising from, or directly related to, a congenital abnormality, a personal injury resulting from an accident or trauma, or a disfiguring disease.

How does this affect your plan members?

Cosmetic procedures expenses are no longer eligible for coverage through an HSA unless they meet the specifications outlined above. Plan members assume responsibility in determining whether such expenses meet the criteria outlined



by the Canada Revenue Agency when signing the Alberta Blue Cross HSA claim form.

If a plan member's claim is unique or they are unsure whether it is eligible, they should contact the Canada Revenue Agency at 1-800-959-8281 or visit the CRA web site at www.cra-arc.gc.ca to obtain more information

We value your feedback

The Connection Bulletin is published to communicate with Alberta Blue Cross employer group plan sponsors on a variety of topics relating to your plan.

We appreciate your feedback regarding the Connection Bulletin, and welcome any comments you may have about the newsletter or suggestions of topics for upcoming issues. Please send your feedback via e-mail to connection@ab.bluecross.ca, by fax to 780-498-8096, or via mail to Corporate Communications, Alberta Blue Cross, 10009-108 Street, Edmonton, AB T5J 3C5.

Back issues of the Connection Bulletin may be found on the Alberta Blue Cross web site at www.ab.bluecross.ca/gp_grpadm.html. Look for the next Connection Bulletin later this year.

For more information about topics in *Connection Bulletin*, please call your Alberta Blue Cross group sales or service representative.

www.ab.bluecross.ca

