

Changes to second-payer co-ordination of benefits – drug claims

Effective February 21, 2017, Great-West Life will change the process we follow when adjudicating second-payer co-ordination of benefits on drug claims when we're the second-payer to another group insurance plan.

Co-ordination of benefits (COB) defined

COB allows an individual to be covered under more than one benefits plan. Benefits may be paid under two or more plans, but the total of the claim payments should never exceed the amount of the expense.

If both you and your spouse have coverage through your employer, you can use your spouse's plan to cover amounts over and above the amount covered by your primary plan.

What's changing

The cost of medications vary from pharmacy to pharmacy. Historically, we've reimbursed COB drug claims where we were second payer, up to the pharmacy's submitted amount, regardless of the variance in price.

Going forward, we'll reimburse COB drug claims to a cost that's considered reasonable and customary, based on a price list developed by TELUS Health, our pharmacy benefits manager. If the pharmacy's price exceeds the amount indicated by TELUS, you'll be responsible for paying the difference.

If Great-West is the primary-payer, drug claims are paid according to the benefits plan design. If you rely on Great-West as a second-payer, you may experience some change, but the degree of impact (i.e., the actual difference in claim reimbursement amount) is expected to be minimal in most cases.

Currently, if Great-West is your second payer, the total claim payments from both your primary carrier and us, won't exceed the *submitted claim amount*. As of February 21, the total claim payments from your primary carrier and Great-West, won't exceed the *reasonable and customary* amount set by TELUS Health.

For example*

Your primary plan covers 80% of your drug claim, and you pay the remaining 20%.

You pay \$110 for a prescription you have filled at your pharmacy. The reasonable and customary amount for that medication according to your primary plan, is \$100.

At 80% coverage, your primary plan covers \$80. (80% x \$100)

You submit the remaining \$30 (\$110- \$80) to Great-West as the secondary payer. TELUS' price list also indicates reasonable and customary amount for the drug is \$100. We'll release a claim payment of \$20. (\$100 x 20%)

**For illustrative purposes only.*

It pays to shop around!

From pharmacy to pharmacy, the medication prices can vary by more than 20 per cent. Since ingredient costs, wholesale mark-ups, pharmacy mark-ups and dispense fees can differ widely and impact the price you pay for your prescriptions, it's worthwhile to shop around.

Why we're making the change

This change is in line with trends across the industry, with Canadian Life and Health Insurance Association's (CLHIA) COB guidelines, and with the process we use for health, dental and first-payer drug claims. Because we're aligning ourselves with the CLHIA's guidelines, we're also ensuring the processes we use to adjudicate second-payer claims are fair and consistent.

For more information

Please contact your plan administrator for more details.



Great-West Life and the key design are trademarks of The Great-West Life Assurance Company.



Great-West Life is committed to reducing its carbon footprint. Every year we're reducing paper use and implementing efficiencies for a better impact on the environment.