

# Benefits Bulletin

*Benefit News to Keep You in the Know and the Now*

July 2016

## **Drug Plan Differences**

There are many different types of drug plans available but the three most common are:

**Brand Name:** These plans cover up to the reasonable and customary cost of the brand name drug even if lower cost alternatives are available. Most of these drugs are patent-protected.

**Voluntary Generic:** These plans are sometimes called “enhanced generic” or “simple generic” plans. They will cover up to the cost of the lowest cost alternative. However, if there is no lower cost available, the brand name drug is covered. Also, if a prescription includes a note that says “no substitutions” then the brand name is covered even if there is a lower cost alternative.

**Mandatory Generic:** Under a mandatory generic plan, only the cost of the lowest cost alternative is covered regardless of whether or not the prescription includes a “no substitutions” note. However, in the rare case when a patient must have the brand name drug, an application may be made to the insurance company for an exception. If granted, the cost of the brand name will be eligible.

It is worth noting that the lower cost alternative may not necessarily be a generic

version of the brand name drug but may be a brand name or generic version of an alternative therapy with the same health outcomes but at a lower prescription cost.

### ***The Difference between Brand Name and Generic Drugs***

The active medicinal ingredient in a generic drug is the same as that of a brand name drug. The primary differences are the ingredients and dyes that are used to bind the medicinal ingredients. A pill may also have a different shape and colour from the brand name original.

The cost of a generic drug is significantly less than that of a brand name – 75-82% less which can have a significant impact on plan and out-of-pocket costs.

### ***Biologics***

Biologic drugs are not chemical based drugs – they are comprised of living organisms and as such cannot be duplicated. An example is insulin. Subsequent Entry Biologics, also called biosimilars, attempt to replicate the end result. SEBS must be a comparable drug but may use a different process in developing it. The costs of an SEB tend to be a bit less than the original but the price differences between the two are not as pronounced as we see with chemical-based brand name and generic drugs.

## Bringing Rio to Canada

The 2016 Olympic Games hosted by Rio de Janeiro, Brazil are coming to Canada! The games run August 5<sup>th</sup> to the 21<sup>st</sup> with the Paralympic Games following on September 7<sup>th</sup> to the 18<sup>th</sup>.

Major sporting events can present both challenges and opportunities for HR.

### Challenges

Depending on where your employees are in the country, the Games will run anywhere from an hour and a half behind to 4 hours ahead of Rio time. This could result in a few employees showing up to work bleary-eyed after watching their favourite team/athlete compete. It may also mean employees are distracted during their work day as they try to catch up on current standings and scores or make plans to meet up with others to watch the big competition later.

The Games may also pose an IT issue when employees try to stream live events through the company network. Remind employees of company policies regarding the use of company devices and networks for personal use. To avoid network issues, some companies may air the Games in break rooms and allow employees to check in from time to time or to flex their time to watch an event in its entirety. Figure out what your strategy is and make sure employees understand it.

Many people are passionate about sports and make their allegiances very well-known. When two or more such individuals clash, healthy exuberance may turn to aggression (perceived or actual).

### Opportunities

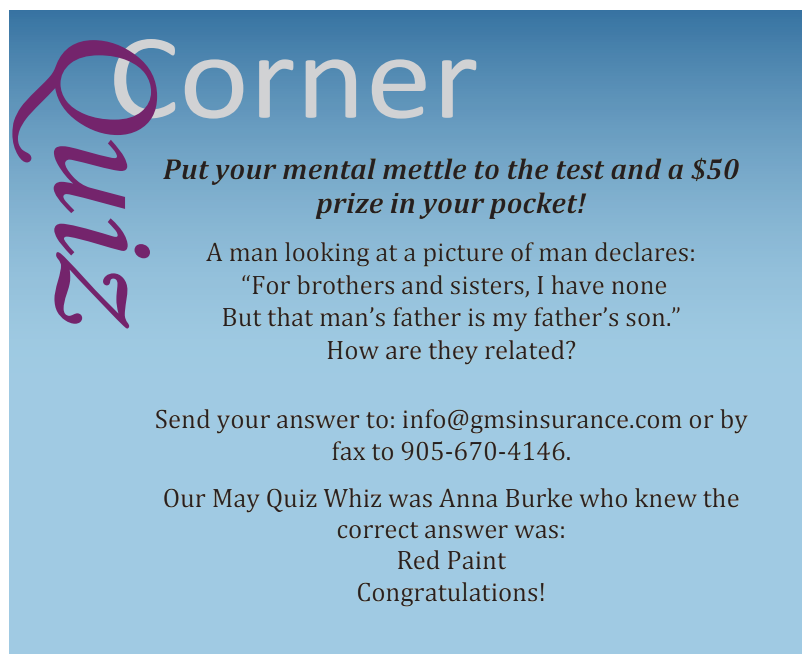
While rivalries may present HR challenges, they can also inject a healthy level of entertainment to the workplace as long as they are kept in check. Managers may want

to remind employees of bullying and harassment policies and ensure that rivalries remain in the spirit of the Olympic Games themselves.

Tie your workplace wellness initiatives to the Olympic Games to create a focus on health and well-being, a fun work environment, and foster teamwork.

For example, create teams of employees either by existing departments or a cross-section of workers supporting various countries competing. Employees can earn points for completing various health and wellness events (ex. stair-climb, cycle to work, bring a lunch, walk/run/skip a route, etc.). Participants can accumulate points through the Games and win Gold, Silver, Bronze medals/awards at a closing ceremony pot luck or BBQ. Events do not necessarily have to be fitness oriented. Life is about balance so consider including events like taking time to read a book, brain games, or wacky events such as a water balloon shot-put. Extra points can be awarded to teams that show the most encouragement, wear their team colours, and submit photos/videos of the events that can be shared at the closing ceremonies.

Ideas of how to structure such events are endless but the idea is to capture the spirit of the Olympics and bring it into the workplace.



**Quiz Corner**

*Put your mental mettle to the test and a \$50 prize in your pocket!*

A man looking at a picture of man declares:  
"For brothers and sisters, I have none  
But that man's father is my father's son."  
How are they related?

Send your answer to: [info@gmsinsurance.com](mailto:info@gmsinsurance.com) or by fax to 905-670-4146.

Our May Quiz Whiz was Anna Burke who knew the correct answer was:  
Red Paint  
Congratulations!