

Deferred Payment and Pay Direct Plans in Quebec... Are there differences?

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Methodology

- **2003 claims for all prescriptions dispensed in Quebec**
- **Claimant – patients who submitted a claim**
- **Cost – allowable prescription costs**





Key Messages

- **Cost difference between deferred and pay-direct smaller than expected**
- **Age distribution is an important cost driver**
- **Pay-direct plans increase spousal and dependent utilization**
- **Generosity of the plan... a major difference**





Deferred Payment Represents Majority of Claims in Quebec

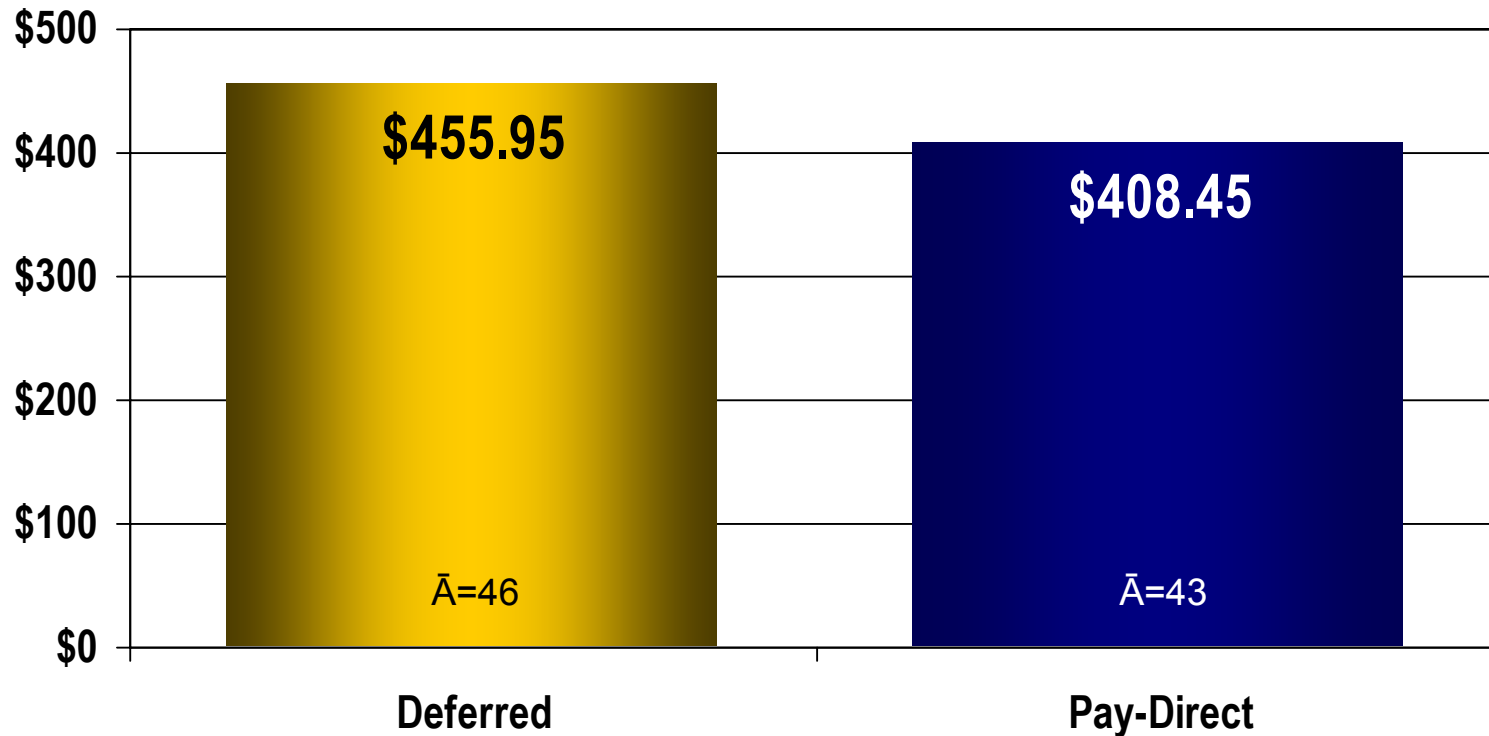
	% of Claims
Deferred Payment	69.8
Pay-Direct	30.2

**Distribution of PQ Claims in
ESI Canada's Database**



Optimizing the value of the drug benefit

Deferred Annual Costs Appear Higher



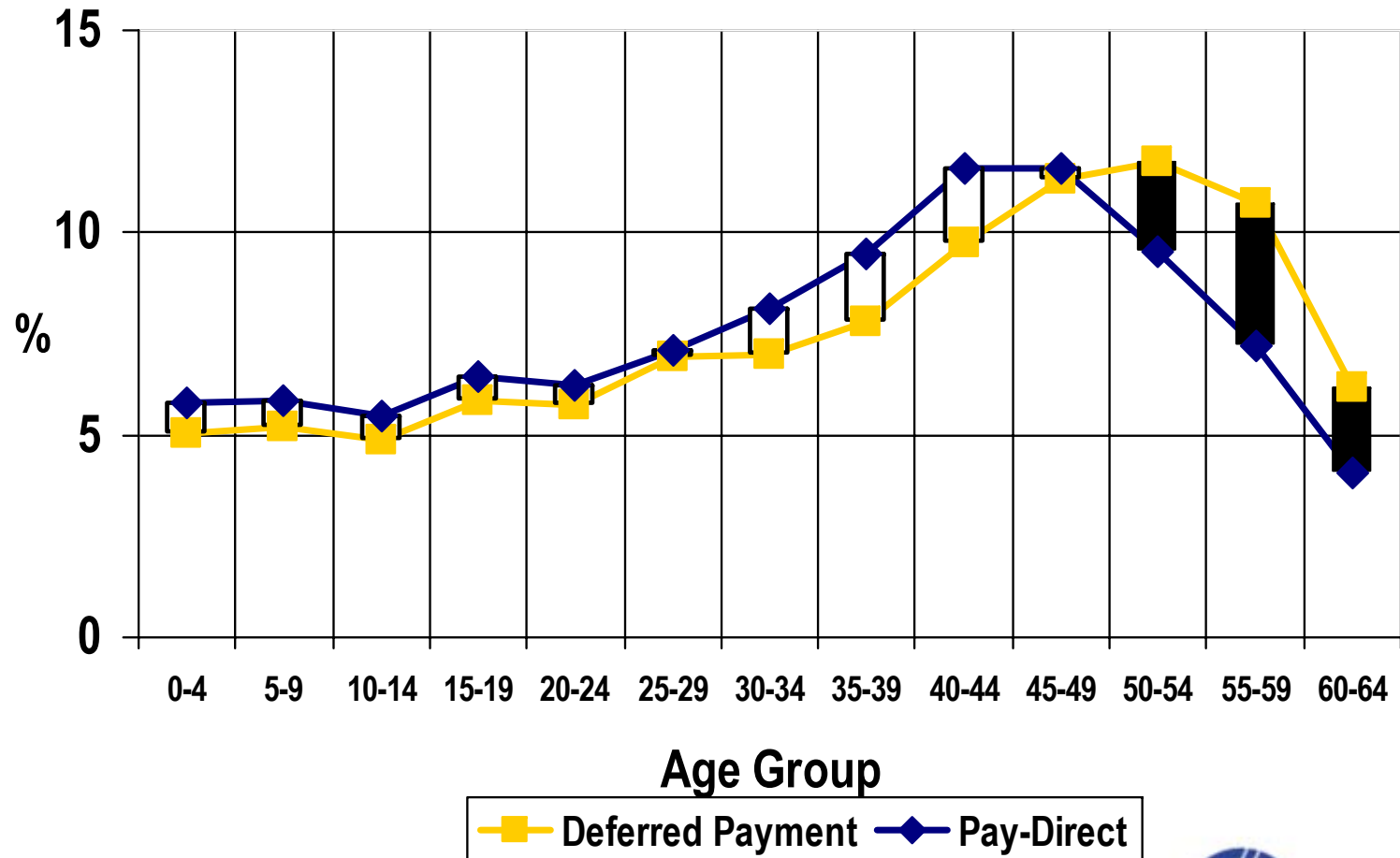
\bar{A} : average age of claimants

**Average Annual Prescription
Cost Per Claimant**



Optimizing the value of the drug benefit

Deferred Claimants Older than Pay-Direct Claimants

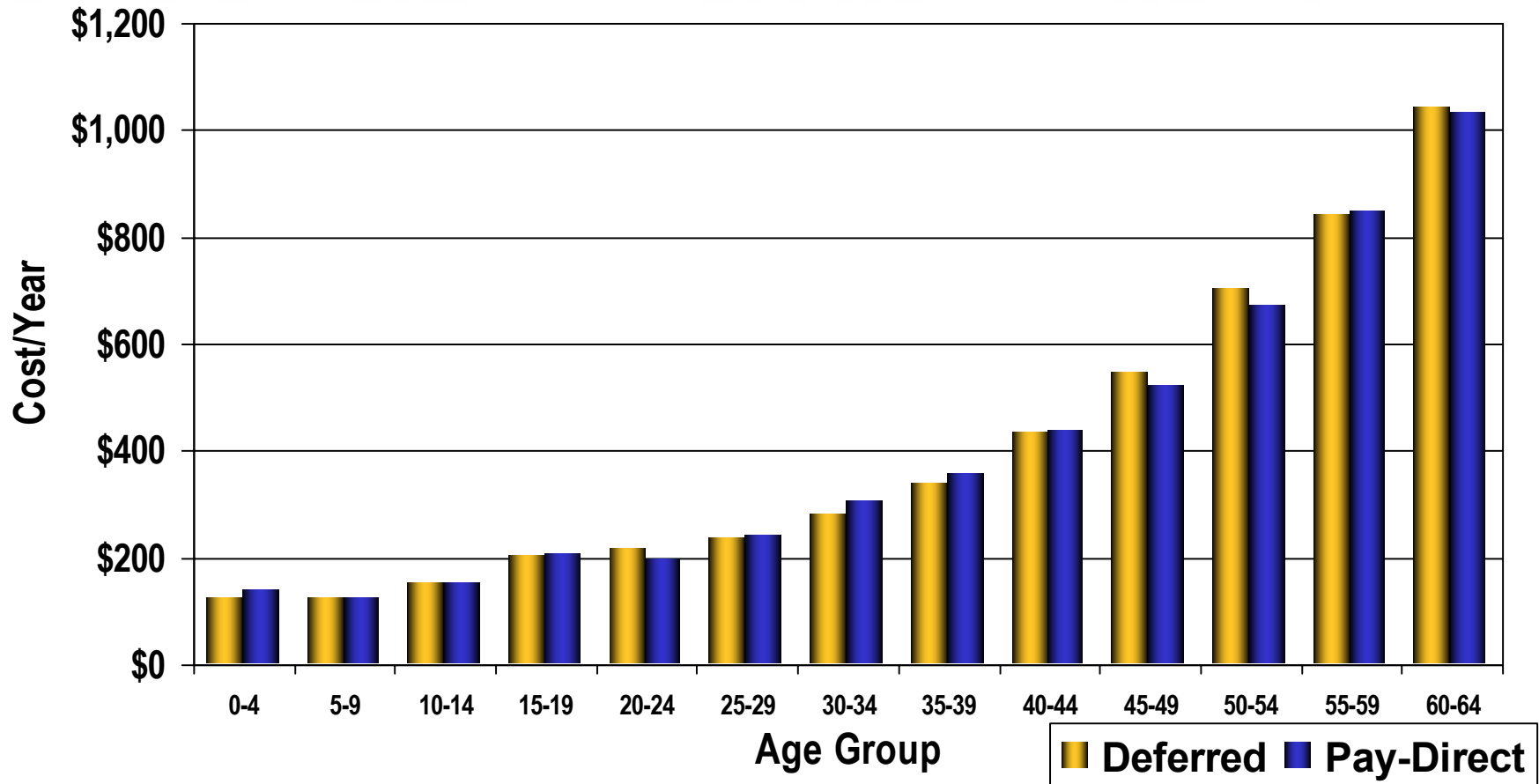


% of Claimants by Age Group



Optimizing the value of the drug benefit

Costs by Age Group are Similar

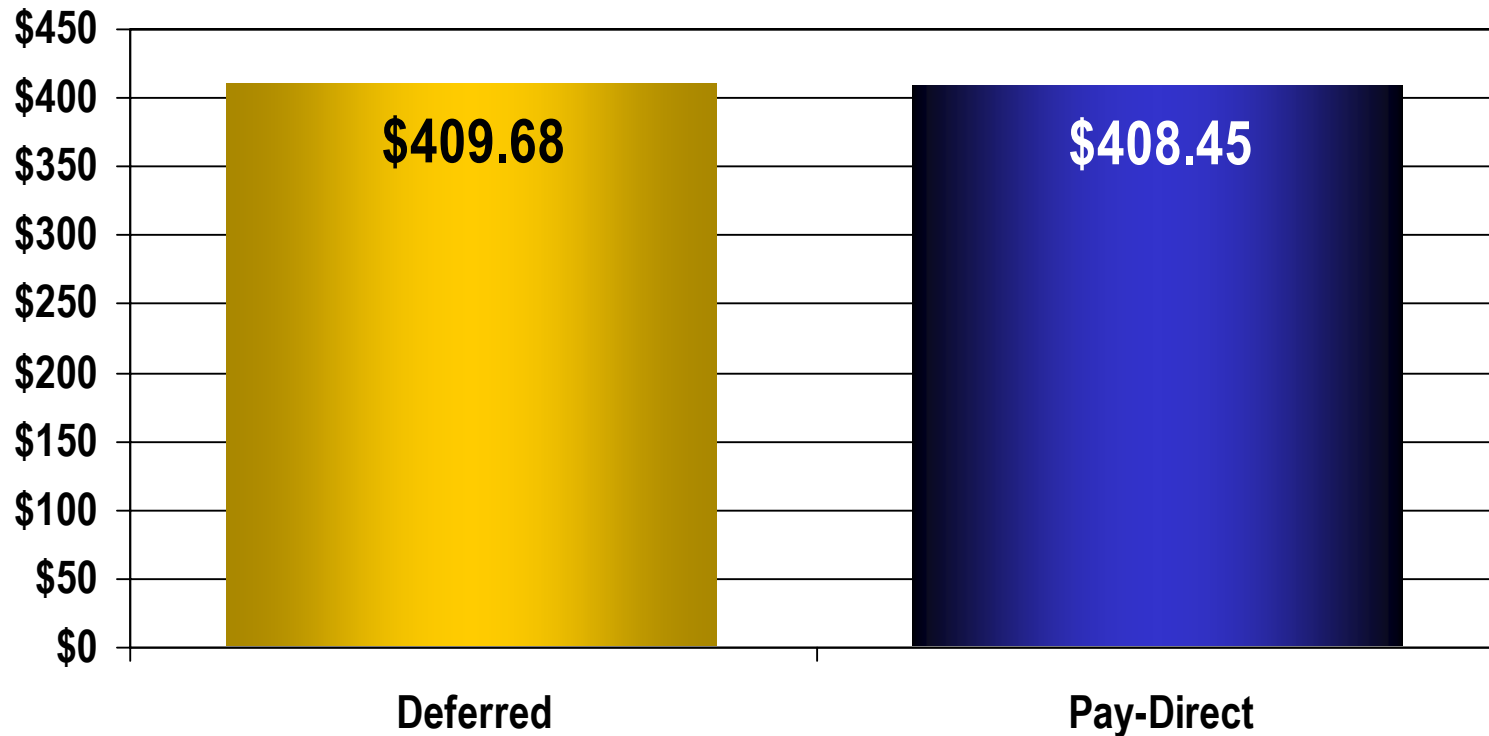


**Average Annual Prescription
Cost by Age Group**



Optimizing the value of the drug benefit

Costs per Claimant Are Similar when Normalized for Age

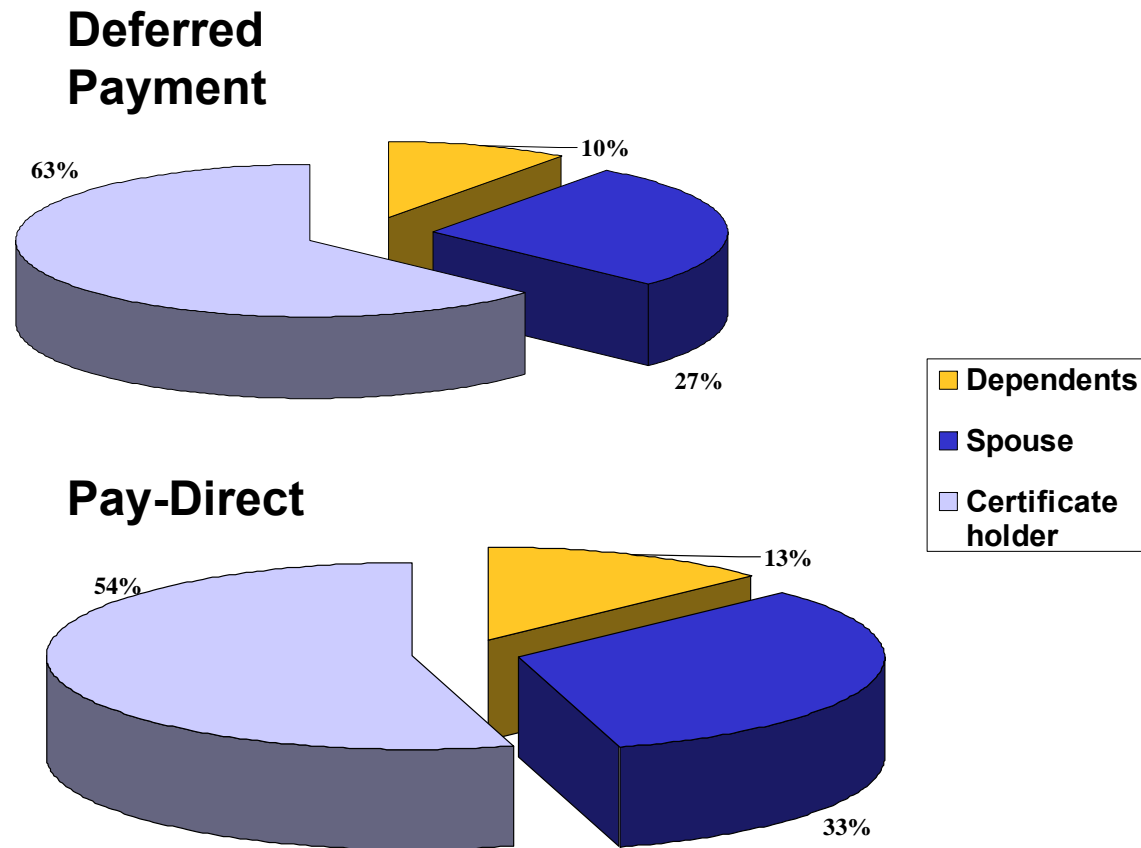


**Average Annual Prescription Cost
Normalized for Age Distribution**



Optimizing the value of the drug benefit

More Spouses and Dependents on Pay-Direct Plans

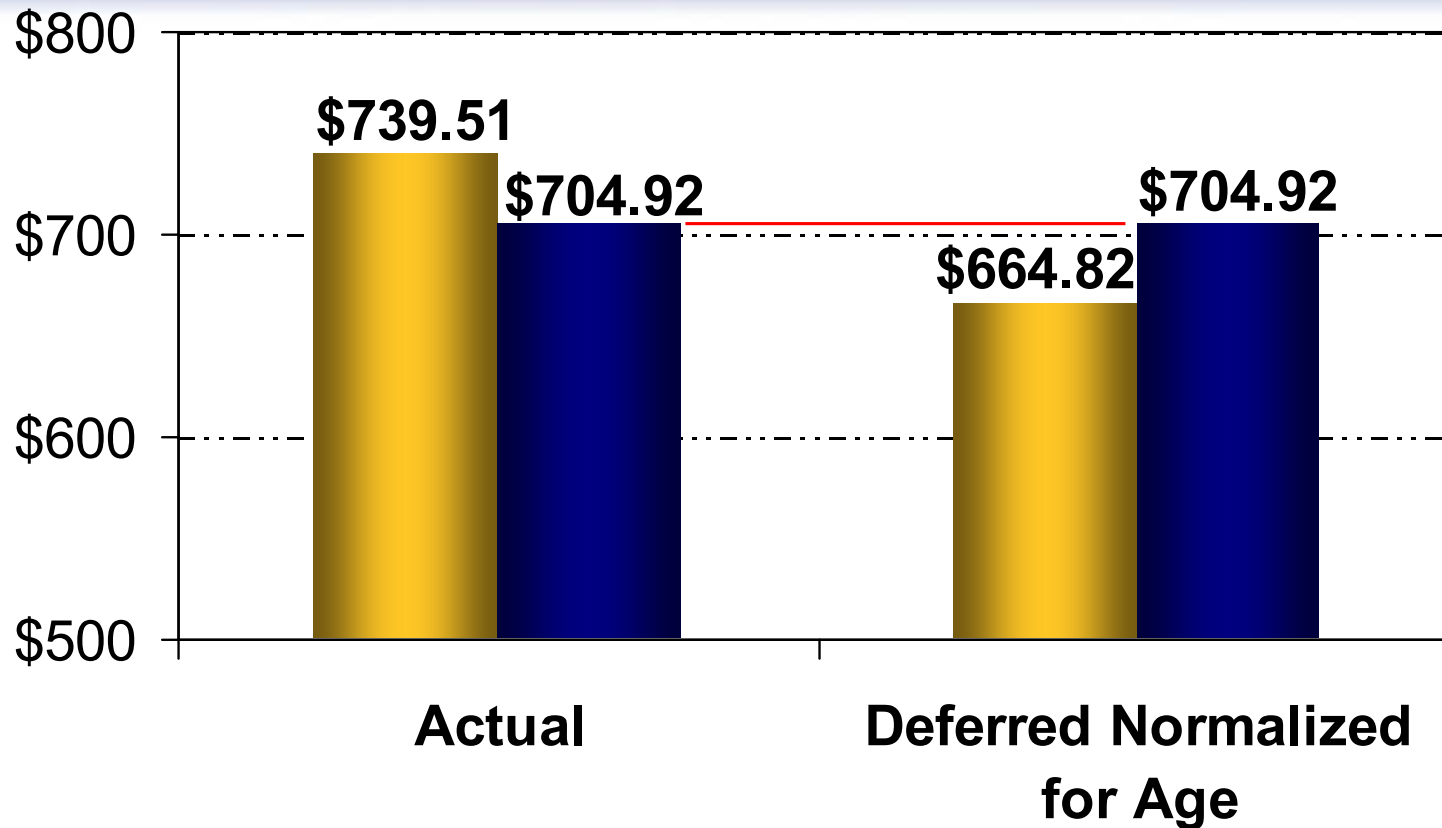


**Percentage of Prescriptions
by Relationship**



Optimizing the value of the drug benefit

Pay Direct Costs Higher Per Utilized Card

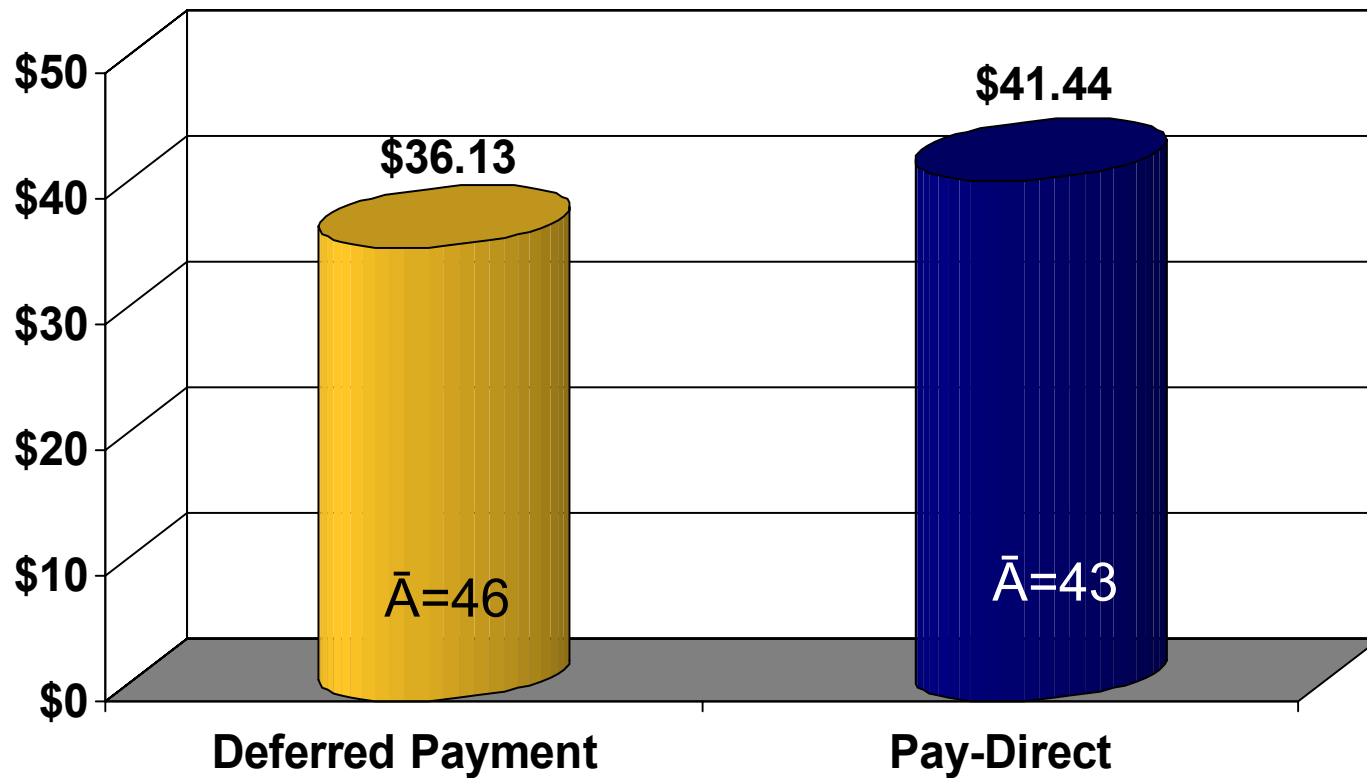


■ Deferred Payment ■ Pay-Direct

Average Annual Cost
Per Utilized Card



Pay-Direct Prescriptions Cost More...



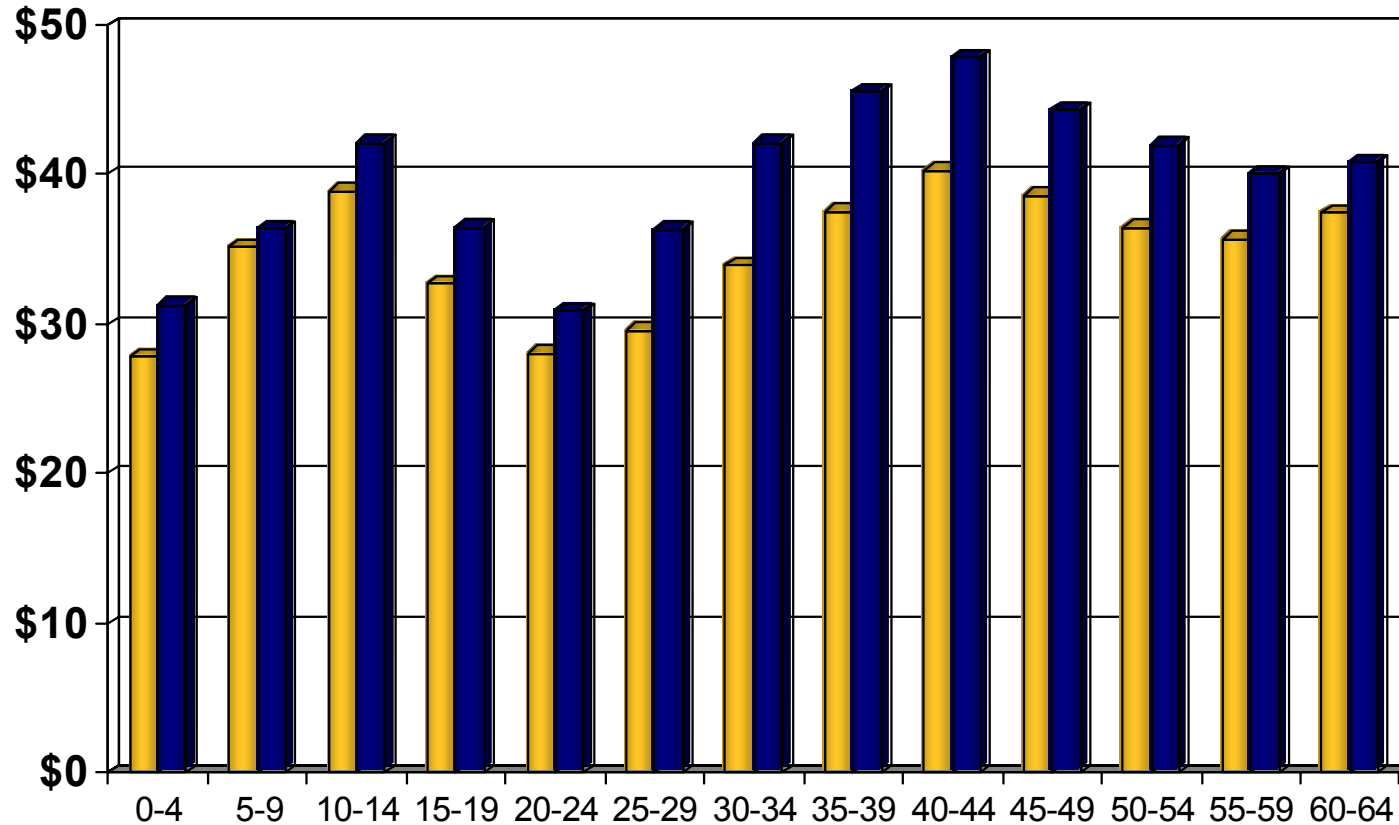
\bar{A} : average age of claimants

Average Prescription Cost



Optimizing the value of the drug benefit

... Cost More for All Age Groups



■ Deferred Payment ■ Pay-Direct

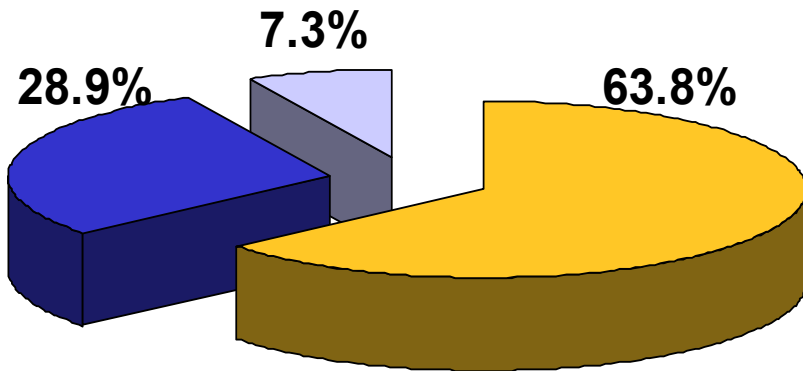
**Average Prescription Cost
by Age Group**



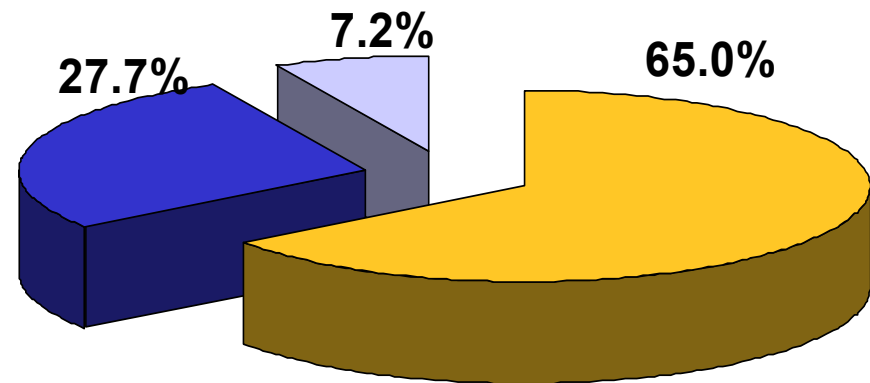
Optimizing the value of the drug benefit

Lower Utilization of Generics in Pay-Direct Plans

Deferred Payment



Pay-Direct



■ Brand ■ Generic ■ Multi-Source

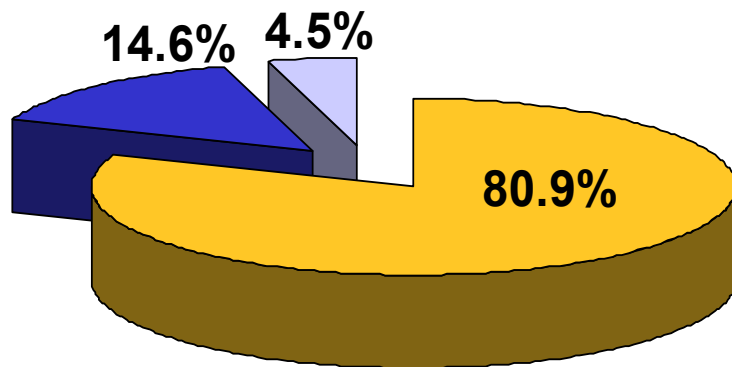
Utilization of Generics and Brands



Optimizing the value of the drug benefit

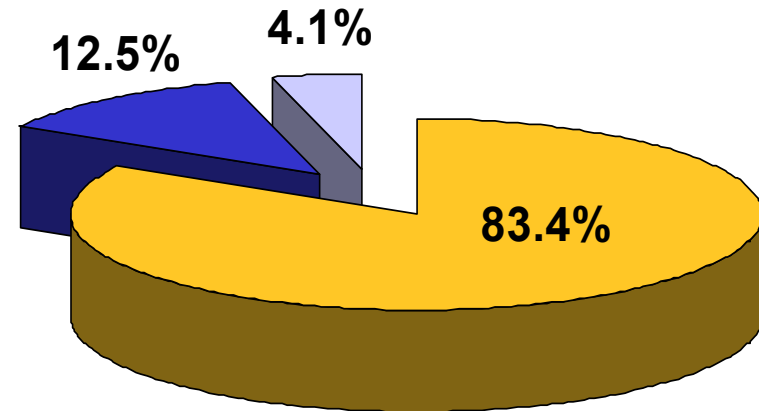
Brands Represent Greater Share of Costs for Pay-Direct Claims

Deferred Payment



■ Brand ■ Generic ■ Multi-Source

Pay-Direct



Cost of Generics and Brands



Optimizing the value of the drug benefit

Pay-Direct Plans are More Generous

Coinsurance	Deferred Payment	Pay-Direct
100%	10.7%	24.6%
90%	10.0%	14.9%
80%	61.9%	50.4%

Plan Design Comparisons



Optimizing the value of the drug benefit



Is Positive Enrollment Optimized?

	Positive Enrollment	Non-Positive Enrollment
Deferred Payment	20%	80%
Pay-Direct	55%	45%





Cost Drivers

**Age
distribution of
claimants**

**Number of
claimants
per card**



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