



# Drug Plan ROI - Review • Options • Insights



## Optimizing the Value of Health Benefits

### Background

The group drug plan is an important component of each employer's total compensation package. It also represents a significant financial investment. Periodically, decisions need to be made on the continuance or possible changes to the drug plan design in order to make this financial investment sustainable. This occurs at least once a year during policy renewal.

Often, the decision makers have little or no information as to how the drug plan is performing. Questions arise such as:

- What are the major factors leading to an increase in my drug plan costs?
- What are the major risks of maintaining the current drug plan design?
- How does the drug plan design compare to others within the industry in terms of coverage, member cost share, and strategies to control costs?
- How much does each member cost the drug plan?
- Does the drug plan utilization identify areas of risk to the productivity of the company (i.e., high incidence of depression or use pain medication)?
- What are the options to help control drug plan costs?

ESI Canada offers a comprehensive approach to answer these questions with the Drug Plan ROI Report.

### Product Description

The Drug Plan ROI Report is an effective tool to measure the *Return On Investment* of the drug plan. This is accomplished by:

- 1) **Review** – reviewing plan performance over a 2 year period and comparing it to an appropriate block of business. Plan Performance is measured by examining:
  - a. How does utilization vary by member? (utilization by member age, utilization by relationship type)
  - b. What types of items are being claimed? (utilization by drug type, utilization by therapy class and drug molecule)
  - c. What types of pharmacies are members using? (provider claims distribution, dispensing fee analysis)
  - d. How many members are high utilizers of the plan? How much are they costing the plan? (claimant analysis of 3 or more maintenance drugs, high cost claimant analysis)
- 2) **Options** – providing plan design options to ensure the plan is protected against future increases to drug plan costs. Potential savings from using a managed plan such as the ESI Canada Dynamic Therapeutic Formulary (DTF) and other plan design options are assessed using actual claims data.
- 3) **Insights** – providing a clinical review of the main utilization and cost drivers in the plan. This is performed by licensed pharmacists with experience in clinical practice and drug plan management. This insight will help focus decisions around disease state management and employee wellness programs.

