



## Mandatory Generic Substitution



# Mandatory Generic Substitution – another great way to help optimize health care spending

When it comes to managing a drug plan, most employers want to ensure that employees have easy access to the drugs they need to support their health and manage their medical conditions; however, the reality is most employers have to manage not only the plan, but also the cost – and that’s becoming tougher to do. **Mandatory generic substitution** is a plan design feature that does not limit access to drugs, but assists plan sponsors in paying for the lowest cost alternative.

## Healthy outcomes

Mandatory generic substitution works by targeting “multi-source” drugs, which are drugs that are available as both a generic and a brand. When a plan member is prescribed a multi-source drug, the plan member is reimbursed based on the lowest cost alternative, typically the cost of the generic drug. This holds true even when a physician has indicated “no substitution” on the plan member’s prescription.

When the drug prescribed is not a multi-source drug, meaning it does not have a generic interchangeable, the reimbursement is based on the cost of the brand drug.

The practice of only reimbursing for the cost of the lowest cost alternative aligns with how provincial drug plans work. In fact, the provincial drug plans determine what drugs are deemed interchangeable.

Mandatory generic substitution can help optimize a drug plan by seeking to ensure that the plan only pays the best price available and delivers plan members the equivalent health outcomes.

## My drug plan

**My drug plan** is a user-friendly online tool that provides plan members with coverage information about their drug plan.

It’s easy to use and can be accessed by plan members with a drug card by logging into the Manulife Plan Member Secure Site using their desktop computer or downloading the **My drug plan** mobile app.

The drug lookup is a great tool for members to find out what their estimated out of pocket costs would be and tell them if there is a generic alternative to help them lower their out of pocket drug expenses especially since they have a mandatory generic drug program.



## What happens when the generic cannot be taken?

In rare instances, an individual cannot tolerate the generic drug or it is therapeutically ineffective. When this happens, medical evidence can be submitted to support why the brand drug is being prescribed. If approved, the plan member will be reimbursed based on the cost of the brand name drug. A "Request for Approval of Brand-Name Drug" form is available at [www.manulife.ca/planmember](http://www.manulife.ca/planmember) and must be completed and signed by a physician. We also recommend that if a plan member has an adverse reaction to a drug, that this be reported to Health Canada at [www.hc-sc.gc.ca](http://www.hc-sc.gc.ca)

## Generic drugs – what are they and how safe are they?

In Canada, brand-name drugs have 20 years of patent protection. During that time, only the patent holder can produce the drug. After that, other manufacturers can apply to Health Canada to produce generic versions of the drug.

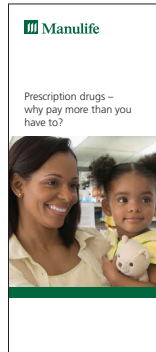
## Quality, safety and efficacy

Generic drugs are considered bioequivalent to the brand product: equal in terms of dosage, safety, strength, and quality. Generic drugs have a different name and appearance, but include the same active ingredients. This active ingredient must be as pure, dissolve in the same manner, and be absorbed at the same rates as its brand name equivalent. Only inactive ingredients such as binders, fillers, or dyes differ. The differences do not reduce effectiveness.<sup>1</sup>

<sup>1</sup> Health Canada, "THE SAFETY AND EFFECTIVENESS OF GENERIC DRUGS", [www.hc-sc.gc.ca/index-eng.php](http://www.hc-sc.gc.ca/index-eng.php)

## Engaged employees can mean a healthier bottom line

To help employees understand mandatory generic substitution, Manulife has developed plan member materials that not only explain how this plan feature works, but encourages them to become better health care consumers. When employees take the time to manage their health and the cost of their treatment, it can have a positive impact on the cost of benefits.



## Want to make the change or learn more about Mandatory Generic Substitution?

For more information on mandatory generic substitution, please contact your local Manulife representative. It is our pleasure to answer your questions and to help ensure that you make the most of your Manulife Group Benefits plan.

Also, ask your Manulife representative about **Step Therapy and Limited Number of Dispensing Fees**. Two more innovative ways Manulife can help you optimize your drug plan!

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