

One of the primary reasons employers may consider implementing an annual drug maximum is to help control costs. By placing a cap on the amount the program will cover for prescription drugs, the employer may limit their financial exposure and budget more effectively. This can be particularly beneficial for small businesses with limited funds.

But before you decide to implement a drug maximum, please consider the following consequences:

### **It may restrict access to essential drugs**

- \* While high cost drugs may be paid for by provincial programs (i.e. Trillium in ON) or picked up by drug manufacturers, there is no guarantee the costs will be covered, even in part.
- \* Plan members might turn down effective medical treatments or medications if they are concerned about the out-of-pocket expenses associated with exceeding the annual drug maximum. This could potentially impact their overall health and wellbeing.
- \* It could limit access to the new generation of drugs that are designed to treat chronic and rare diseases.

### **It could negatively affect your company's culture and bottom line**

- \* Limiting drug coverage could mean higher costs related to absenteeism and disability, as well as impact productivity.
- \* Although covering high cost drugs is not an obligation, employers know in the fight for talent, a competitive benefits package helps attract and retain skilled employees. In Canada, a comprehensive health plan includes an unlimited maximum for prescription drugs.

### **You will no longer be covered by the Canadian Drug Pooling EP3 Agreement**

- \* If you decide to implement an annual drug maximum, and then remove it at a later date, it may be more difficult to obtain competitive rates if high cost drugs are hitting your plan.
- \* Insurers are not required to offer a pooling agreement to new clients, and any claims exceeding the threshold with your current insurer may be included in your claims experience with a new insurer, thus driving up premiums.
- \* Some insurers may simply refuse to provide a quote.

When implementing an annual drug cap, a proactive approach can help individuals navigate any potential challenges and ensure continued access to necessary treatments:

- \* Employers should clearly communicate changes and offer resources for those who may be impacted.
- \* Employees should assess their medical and financial situation carefully, particularly if they rely on expensive medications or have chronic health conditions.

*\* This is not a legal document, and is intended solely for informational purposes.*