

Group Benefits Administrative Update

Important information for Plan Administrators

Second Quarter 2003

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Manulife Financial's second quarter 2003 *Administrative Update* contains information about:

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This *Administrative Update* and previous editions are available on the Group Benefits web site. Go to www.manulife.ca/groupbenefits and click on 'Newsletters.' *Administrative Update* is provided to share information with Plan Administrators. It is not intended as advice. Although we strive for accuracy, we are only bringing summaries and highlights to your attention. Please refer to your Group Policy for complete terms and conditions. If there is a discrepancy between our communications and the Group Policy, the terms of the Policy will apply.

BC Pharmacare legislative update

Claim threshold limits effective May 1

The British Columbia (BC) Pharmacare plan provides financial assistance to residents for eligible prescription drugs. Each year, BC residents pay for their own prescription drugs until they reach a specified calendar year deductible.

On May 1, 2003, income testing came into effect under BC's new Fair Pharmacare plan. Under this plan, Pharmacare pays 75% of prescription drug costs for seniors (65 years or older) and 70% for people under the age of 65, once they reach their specified income based annual deductible.

The BC Fair Pharmacare plan deductible varies for each plan member based on net family income.

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BC Pharmacare ... continued

Since each plan member's deductible varies, Manulife Financial has established claim threshold limits on eligible drug expenses as of May 1, 2003. Manulife will pay the first \$100 worth of eligible claims for BC plan members aged 65 years or older and the first \$800 for members under age 65. Once expenses for a member reach the specified threshold, Manulife will suspend payment of additional claims until proof of enrolment in the BC Fair Pharmacare plan is received.

When a plan member's expenses reach the threshold amount, Manulife advises the member and requests a copy of his or her BC Fair Pharmacare registration number. Once received, Manulife continues to cover eligible drug expenses not reimbursed by BC Pharmacare. This process helps Manulife ensure that each plan member's claims are adjudicated accurately between Manulife and BC Pharmacare and expenses are reimbursed correctly.

How members register

To receive maximum financial assistance, BC plan members must register for BC Fair Pharmacare and provide net family income details to establish a personal coverage deductible. This deductible is adjusted automatically every year, based on changes to the plan member's net family income.

To complete a Pharmacare registration, BC plan members can visit www.healthservices.gov.bc.ca/pharme/ or call 1-800-387-4977 to register by phone. After obtaining confirmation of registration, plan members must mail the confirmation and a completed extended health claim form to:

Manulife Financial Group Benefits
Health Claims
P.O. Box 1653
Waterloo, ON N2J 4W1

For more information on claim threshold limits or the new BC Fair Pharmacare plan, contact your Manulife Financial representative.

Available June 30, 2003

Drug utilization review in Quebec

ESI Canada, Manulife's pharmacy benefit manager, received approval from l'Ordre des pharmaciens du Québec to activate ManuScript's Drug Utilization Review (DUR) program in Quebec pharmacies.

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Drug utilization review ... continued

As a result, DUR will be offered on all *ManuScript* pay-direct drug plans in the province of Quebec as of June 30, 2003. DUR protects the health of plan members by alerting pharmacists to harmful drug interactions, too-early refills and duplicate drug therapies.

Why wasn't DUR offered in Quebec before now?

DUR is a standard feature for *ManuScript* pay-direct drug plans for the rest of Canada. Until now, the unique nature of pharmacy agreements with Quebec pharmacists didn't allow DUR to be applied to pay-direct drugs processed in Quebec. For more information on this unique agreement, refer to the *Script* column in the second quarter edition of *Employee Benefits News*, included with this bulletin.

How does DUR work?

Many plan members get their prescriptions filled at different pharmacies, or visit physicians who aren't aware of their current medication. When a plan member presents his or her *ManuScript* benefit card and a valid prescription anywhere in Canada, the pharmacist automatically reviews drug history. The pharmacist also warns the member of harmful drug interactions, too-early refills or duplicate drug therapies. As a direct result of *ManuScript*'s DUR messages, pharmacists often adjust prescriptions in consultation with physicians.

ESI Canada and Manulife have worked together to ensure that DUR messaging helps pharmacists provide useful information to plan members and enhance their professional practice.

The DUR messages are:

Message	Result
Severe drug interactions	Claim rejection
Duplicate drug	Claim rejection
Refill too soon	Claim rejection
Duplicate therapy	Warning message to the pharmacist

Pharmacists have the ability to override DUR messaging if necessary. After consulting with the physician, the pharmacist can override the DUR message and indicate why he or she feels the rejection or warning of the claim isn't necessary. ESI Canada continually monitors all pharmacist overrides to ensure they are being used appropriately.

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Drug utilization review ... continued

What members should expect

DUR uses a series of checks on a prescription at the pharmacist's desk, and provides feedback in the form of messages or warnings to the pharmacist. The messages may provide information or cause the claim to be rejected when a potentially severe drug interaction could occur. This measure helps pharmacists provide useful information to plan members about possible harmful interactions.

Member information sheet available

An information sheet on drug utilization review is available to help Quebec members understand this new feature. A sample is attached to this edition of *Administrative Update* for you to photocopy and distribute to Quebec plan members.

Introducing

Improved ASO billing statements

Beginning in June 2003, plan administrators handling Administrative Services Only (ASO) billed in arrears plans will start receiving improved billing statements.

The new billing statement has been designed to deliver:

- more accurate details of monthly benefits and expenses
- a clear description of paid benefits and other plan charges
- information about how the bill was calculated
- consistent headings and terms, and
- design and layout supporting clear information delivery.

The new design includes plan and division numbers to help ASO plan administrators reconcile monthly expenses with ease. A summary section clearly shows the previous balance, current monthly billing activities and cumulative balances owing or owed.

Plan administrators handling billed in advance plans can also receive monthly statements highlighting their benefits and expenses, to supplement their annual statement of a plan's activity.

If you have any questions on ASO billing statements, contact your Manulife Financial representative.

What's up with Remicade?

Remicade is a drug used to treat patients with moderate to severe rheumatoid arthritis and Crohn's disease. Typically the drug is administered in a hospital or hospital-type setting (doctor's office/private clinic) equipped to manage any adverse reaction to the treatment if an emergency occurs.

In February, the Federal government confirmed that provinces should fund Remicade administered in a hospital to inpatients and outpatients at no cost to the patient. When Remicade received its Notice of Compliance from Health Canada and became available for sale, Manulife Financial reviewed its contracts to determine if the drug was eligible for coverage. Our contracts are written to supplement provincial coverage and as such exclude services directly or indirectly covered by a federal or provincial program (i.e. hospital budget or homecare).

The Canadian Life and Health Insurance Association (CLHIA), with the support of all major carriers, lobbied the Federal government for resolution on who bears financial responsibility for this expense.

Since the drug became available for sale, Manulife has always maintained that Remicade, when administered in a hospital to inpatients or outpatients, is a "hospital service" and should be covered under the hospital's global budget at no cost to the patient.

Adjudication practices for Remicade

Manulife will consider reimbursing the cost of the drug only when it is administered in a private clinic that is not financially funded by a hospital. To be considered for coverage, Remicade claims require certain information:

1. Diagnosis of the patient's condition
2. Description of all conventional treatments and therapy protocols provided to date to treat the medical condition, including the benefits gained as a result of these treatments
3. Confirmation of where Remicade will be administered and by whom
4. Anticipated number and frequency of infusions the patient will require, and duration of treatments

Standard contracts exclude drugs administered at a hospital for inpatients or outpatients at a federally or provincially funded hospital.

For more information on Remicade, contact your Manulife Financial representative.

Online claim statements

Earlier this year, health and dental claim statements were added to the Plan Member Secure Site. When plan members register and activate their personal accounts, they can sign up immediately to have claim payments deposited into their bank accounts and receive electronic claim statements - two of the most popular member services.

Plan members who have already registered for site access and have banking information on record can also choose to receive online claim statements. After members subscribe to receive statements electronically, they are delivered online beginning with the very next claim.

Online claim statements popular with members

Plan members enjoy the convenience of online features, including direct deposit of claim payments and electronic statements - which saves trips to the mailbox and to the bank. The popularity of online claim statements continues to rise according to plan members who comment:

“I would like you to know how useful your online service is. It is easy to use and most helpful in tracking claims. Keep up the good work!”

“Great site - fast and easy to use with all the information. New statement looks great as well!”

“Online claim statements: What a great feature to offer members!”

Plan member flyers available online

In the first quarter edition of *Administrative Update*, we told you that electronic versions of two member flyers, promoting the features of online claim statements and the Plan Member Secure Site, could be accessed using the Plan Administrator Site.

At that time, these flyers were temporarily unavailable during the redesign of the public site. We apologize to plan administrators who were unable to access the flyers during our reconstruction.

The two flyers (GC2099E/F and GC2089E/F) are now posted on the public section of the Plan Administrator site. To access them, go to www.manulife.ca/groupbenefits, click on ‘Plan Administrator’ and select ‘Posters & Flyers.’

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GC2099E
Convenience of online claim statements

Manulife Financial

Having trouble getting to the mailbox?

You won't need to with claims paid directly to your bank account, and online claim statements.

It's easy

- You'll need your plan and certificate numbers - they're printed on your claim statement. Once you receive your site activation key in the mail, you'll have access to all the online features available to your plan.
- Next, sign up for direct deposit of your health/dental claims. Make sure to have your banking information or a blank cheque ready. When you submit future claims, your payments will automatically be deposited to your bank account.
- You can also choose to receive electronic claim statements. You can view them online and if you provide your e-mail address, we can alert you when your statement is available on the secure Internet site.

SIMPLY POWERFUL

If you already use direct deposit just login to the secure Plan Member Internet site at www.manulife.ca/groupbenefits and you'll be asked if you want to receive electronic claim statements.

GC2089E
Advantages of Plan Member Secure Site

Manulife Financial

Try our fast, secure online benefits

- ✓ Claim payments deposited to your bank account
- ✓ Online claim forms and statements
- ✓ Confidential answers

Personalized for your health and/or dental plan

- Sign up to get claim payments deposited directly to your bank account. No more waiting for cheques!
- If your plan includes vision coverage, find out when you can make your next vision claim.
- Check the status of claims, and see previous claims.
- Use the claim forms on the site, and you won't have to fill in your plan and certificate numbers - the site will do it for you. Just print, complete, attach receipts and submit.
- Sign-up to receive claim statements online and we'll e-mail you when they're available.
- Get coverage information.
- Use the site to send a secure, confidential e-mail to Customer Service.

Registration is easy. Go to www.manulife.ca/groupbenefits and click on "plan member."

When you register for the first time, you'll need your plan and certificate numbers - they're printed on your claim statement. Once you receive your site activation key in the mail, you'll have access to all the online features available to your plan.

Some of the services listed here may not be available to all plans. If you have questions, please see your plan administrator.

SIMPLY POWERFUL

Protecting plan members

New Plan Member Secure Site registration process

The Group Benefits Secure Site registration process protects plan members and their personal information with additional security. The registration process has changed and you should know what to expect when members register or access the Plan Member Site.

New members

When members first register, they can access claim forms and brochures, but site features that display confidential information remain protected. Within three to five business days of registering, members receive an activation key, granting access to all the service features and information available on the site.

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Registration process ... continued

Activation keys are mailed to members' home addresses, or sent to plan administrators in sealed envelopes for distribution to members, if a home address isn't on file.

Activation keys are only required for plan members' first access. Activating the account will complete the registration process. After that, members only need to enter their plan numbers, certificate numbers and passwords to log in. If a member hasn't received an activation key in the mail after five business days, he or she may call the Customer Service Centre at 1-800-268-6195.

Registered members

Members who have already registered don't need an activation key; they can continue to log-in the same way they have always done and enjoy the same high-security features.

Manulife takes the protection of customers' confidential information seriously. Activation keys are an additional feature to help protect the confidential information of plan members.

A detailed description of the registration process has been added to the public section of the Plan Member site. To access it, go to www.manulife.ca/groupbenefits, click on 'Plan Member' and select on 'For more information on registering,' located underneath the green Register button on the right-hand side of the welcome page.

Important reminders . . .

Employee terminations

Employee terminations must be reported promptly to Manulife Financial to ensure we can maintain accurate eligibility records. Delays in submitting this information can cause claim overpayments to ineligible employees and result in billing adjustments.

The Plan Administrator Secure Site makes it easy for registered plan administrators to submit this information as it becomes available. Log-in to the Secure Site and click on 'Record employment and/or salary changes' to complete and submit the change. You can check plan updates two business days after submitting the change by using the 'Member Coverage Summary' feature. If you prefer, report employee terminations by completing the Termination, Classification and Salary Change form, included with your monthly billing statement.

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Employee terminations ... continued

Send your completed form to:

Manulife Financial
Plan Member Administration
P.O. Box 1627
Waterloo, ON N2J 4P4

If you have any questions about reporting employee terminations, call the Customer Service Centre toll-free at 1-800-268-6195 or use the *Send-a-note* feature on the Plan Administrator Secure Site.

Terminated members: 31 days to convert to individual coverage

Terminating members have an option to convert their group life to an individual policy; however, they only have 31 days to exercise that option. Therefore, providing conversion support promptly is key to helping members make that transition.

When members terminate, plan administrators must forward them a conversion package immediately.

An online conversion package (GL3413E) is available on the public section of the Plan Administrator site. Go to www.manulife.ca/groupbenefits, click on 'Plan Administrator' to bring up the welcome page and select 'Request for Conversion Information.' Print and forward this to departing employees, with a reminder to apply within 31 days, if they wish to convert without having to submit medical evidence. Remind members to complete and submit this request form to obtain full details of the conversion privilege as well as a premium quotation.

Confirm over-age student dependants by July 31

If your plan submits employee changes via paper or the Plan Administrator Secure Site, please remind members of the need to confirm over-age student dependants.

Every year we update our records to ensure over-age student dependants continue to receive uninterrupted health and dental coverage for the duration of their formal education, or until they reach the maximum age.

An over-age student dependant is a plan member's unmarried child (within an age bracket as defined by your benefits plan) who is a full-time student enrolled in post-secondary education. Timely annual confirmation is especially important if plan members and their dependant children use *ManuScript* managed drug cards at the pharmacy, or submit dental claims electronically from their dentist's office.

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Over-age student dependants ... continued

Student coverage terminates effective August 31, 2003. Help members avoid interruption in coverage by ensuring they submit completed enrolment forms by July 31.

Plan members who need to extend benefits for over-age student dependants must complete and return a confirmation of the enrolment form to Manulife Financial by July 31, 2003.

If a plan member's over-age student dependant graduates, leaves school, or no longer qualifies as an eligible dependant, please advise Manulife Financial by **completing sections 1, 3 or 4, and 5** of the Request /Termination of Over-Age Dependand Coverage form (GL0514E).

This form is available online for administrators who have registered for the Plan Administrator Secure Site. Log-in to the Secure Site and click on 'Forms and Brochures.' Submit the form through the Secure Site or mail it to Manulife Financial.

Please note: The need to confirm over-age dependants doesn't apply to groups that are plan administrator validated and don't use the ManuScript drug plan, or groups that provide us with member information updates on tape or diskette - these groups continue to submit over-age student dependand information through their regular processes.

Need more information?

For more information on how these changes or reminders affect your group benefits plan, contact your Manulife representative.

To obtain additional copies of this or any previous *Administrative Update* bulletins, visit www.manulife.ca/groupbenefits and select 'Newsletters.'

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Drug utilization review in Quebec

On June 30, 2003, Drug Utilization Review (DUR) will be available in the province of Quebec. This ManuScript feature protects your health by alerting the pharmacist to harmful drug interactions, too-early refills and duplicate drug therapies, when you get your prescription filled.

How does it work?

You may visit doctors who aren't aware of your current medication or even get your prescription filled at different pharmacies. With DUR, your drug history is automatically reviewed when you present the pharmacist your ManuScript benefit card and a valid prescription anywhere in Canada. The pharmacist can warn you of harmful drug interactions, too-early refills or duplicate drug therapies. As a direct result of ManuScript's DUR review messages, pharmacists often adjust prescriptions in consultation with doctors.

What to expect

DUR uses a series of checks on a prescription at the pharmacist's desk, and provides feedback in the form of messages or warnings to the pharmacist. The messages may provide information or cause the claim to be rejected when a potentially severe drug interaction could occur. This measure helps pharmacists provide you with useful information about possible harmful interactions.

A plan member's perspective

Peter went to the urgent care clinic when he became very ill one weekend. The doctor at the clinic prescribed a drug to treat his sudden illness. When Peter took the prescription to the pharmacy located beside the clinic, ManuScript's drug utilization review feature warned the pharmacist that this drug may have a very serious interaction with a drug dispensed by his regular pharmacy a month ago. The pharmacist consulted with Peter about his earlier prescription and confirmed that he was no longer taking the earlier medication due to unforeseen side effects. The pharmacist was then able to dispense the drug without worrying about any interactions.

For more information

If you have any questions on drug utilization review or need additional information, contact your benefits plan administrator or the person responsible for your benefits plan.

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