

## SETTLEMENT AGREEMENT

BETWEEN:

**FACILITIES BARGAINING ASSOCIATION**

**"FBA"**

AND:

**HEALTH EMPLOYERS ASSOCIATION OF BC**

**"HEABC"**

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**WHEREAS** the parties agreed to "PharmaCare Tie-In" in the 2012-2014 Facilities Subsector Collective Agreement; and

**WHEREAS** the FBA filed a policy grievance on June 17, 2013, disputing HEABC's general application, interpretation and violation of certain Collective Agreement provisions relating to PharmaCare Tie-In (the "Policy Grievance"); and

**WHEREAS** through extensive discussions, the parties have reached consensus on a resolution to the Policy Grievance, which is without prejudice to any other dispute;

**NOW THEREFORE** the parties agree as follows:

1. With the exception of Prometrium, prescription drug coverage under the FBA Extended Health Care Plan (Article 38 of the Collective Agreement) is tied to coverage under the BC PharmaCare program. Drugs (except Prometrium) that are not covered under the BC PharmaCare program are not covered under the FBA Extended Health Care Plan.
2. Notwithstanding item 1, and retroactive to June 1, 2013, employees and their eligible dependents who were on an approved claim for a drug listed below during the period between December 1, 2012 to June 1, 2013, will continue to receive full coverage for the drug (pursuant to the applicable provisions of the 2010-2012 version of the FBA Extended Health Care Plan):

*All employees and their eligible dependents, except members of CUPE 873 and BCGEU employed by the BC Emergency Health Services*

1. Cymbalta
2. Victoza
3. Lyrica
4. Apo-Tramadol/Acetaminophen
5. Pristiq
6. Apo-Butophanol
7. Forteo
8. Neulasta
9. Singulair
10. Revolade

Members of CUPE 873 and BCGEU employed by the BC Emergency Health Services and their eligible dependents

1. Cymbalta
2. Victoza
3. Lyrica
4. Apo-Tramadol/Acetaminophen
5. Pristiq
6. Zopiclone
7. Adderall
8. Apo-Esomeprazole
9. Vyvanse
10. AndroGel

3. Employees and eligible dependents who meet the criteria for continued coverage for one or more above-listed drugs pursuant to item 2, and who demonstrate that they purchased such drugs after June 1, 2013, will be fully reimbursed within a reasonable period of time.

4. Reimbursement of eligible drugs under the FBA Extended Health Care Plan is subject to the BC PharmaCare program *Maximum Pricing Policy* (PharmaCare Policy Manual, Section 5.6).

5. Reimbursement of dispensing fees under the FBA Extended Health Care Plan is limited at:

(a) \$9.00 (as per Appendix #1 of the Collective Agreement), or

(b) the maximum dispensing fee reimbursed by the BC PharmaCare program (*Dispensing Fees*, PharmaCare Policy Manual, Section 8.2),

whichever is greater.

6. Within 30 days of the date of this Settlement Agreement, HEABC will direct Pacific Blue Cross ("PBC") as follows:

(a) Within 90 days of the date of this Settlement Agreement, PBC must contact all employees and eligible dependents who were on an approved claim for a drug listed in item 2 during the period between December 1, 2012 to June 1, 2013, and advise these individuals

(i) that they continue to receive full coverage for the drug in accordance with the applicable provisions of the 2010-2012 version of the FBA Extended Health Care Plan,

(ii) of their entitlement to reimbursement in accordance with item 3, and

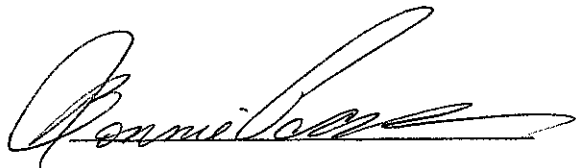
(iii) of the process for obtaining reimbursement.

(b) Within 120 days of the date of this Settlement Agreement, PBC must provide HEABC and the FBA with written confirmation that PBC has satisfied the requirements under item 6(a).

7. The parties agree that employees who were and continue to be on LTD and resided outside of British Columbia as at June 1, 2013 maintain coverage under the FBA Extended Health Care Plan pursuant to the applicable provisions of the 2010-2012 version of the FBA Extended Health Care Plan, for the period during which they reside outside of British Columbia and until such time that they return to British Columbia or they are no longer on LTD, whichever occurs first.
8. The agreement in item 7 is without prejudice to the position of the parties in any other proceedings.
9. The parties will work with the Benefits Provider(s) under the FBA Extended Health Care Plan to facilitate the following administrative and communications processes:
  - (a) The provision of a comprehensive list of all DINs covered by PharmaCare through Special Authority / blanket approvals.
  - (b) Within 30 days of the date of this Settlement Agreement, the assignment of one or more designated representatives of the Benefits Providers to liaise with employees and constituent unions within the FBA regarding the operation of the FBA Extended Health Care Plan. The assigned representative(s) will be knowledgeable with respect to BC PharmaCare program rules, processes and policies, including the scope and nature of drug coverage under the program, as well as Special Authority processes.
  - (c) The implementation of a new process for direct communication between pharmacies, the Benefits Providers and the BC PharmaCare program, to facilitate the expedited adjudication of employee claims.
  - (d) The provision by the Benefits Providers of a Monthly Statement with anonymized data detailing various service-related criteria determined by the parties, such as the number of employee calls to the Benefits Providers relating to specific issues defined by the parties; and the average time required to process approvals/reimbursements.
  - (e) HEABC will work with the FBA to implement the foregoing service improvements.
10. Within 90 days of the date of this Settlement Agreement, the parties will establish a Joint Benefits Review Committee (the "Committee"), with responsibility and authority to investigate and resolve process issues relating to the implementation and administration of this Settlement Agreement, including the service improvements set out in item 9. Within one year of the date of this Settlement Agreement, the Committee will produce a report, summarizing the results of the Benefits Providers' Monthly Statements, identifying any matters considered by either party to be a continuing administrative deficiency related to PharmaCare Tie-In, and making related recommendations.
11. This Settlement Agreement fully and finally resolves all issues raised in the Policy Grievance.

Dated this 20<sup>th</sup> day of June, 2014.

For the FBA:

A handwritten signature in cursive script, appearing to read "Pamela", written over a horizontal line.

Date: June 23, 2014

For HEABC:

A handwritten signature in cursive script, appearing to read "T. Allen", written over a horizontal line.

Date: June 20, 2014