

non-PHARMAC Plus Option: FAQs



General Information

What is PHARMAC?	PHARMAC is the New Zealand government agency that decides which drugs are funded through the New Zealand public health system. Visit the PHARMAC website for more information.
What is a non-PHARMAC drug?	non-PHARMAC drugs are any drugs that are Medsafe approved but not funded by PHARMAC. Some drugs may be approved by Medsafe to treat certain conditions only. When we use the term “non-PHARMAC drugs” we mean drugs that are being prescribed or administered in line with Medsafe guidelines but not paid for by PHARMAC.

The nib non-PHARMAC Plus option

What is the non-PHARMAC Plus option?	<p>non-PHARMAC Plus is an option that can be included with the base cover and other options on a member’s policy.</p> <p>This option provides cover for non-PHARMAC drugs, subject to the terms of the non-PHARMAC Plus option and the general policy terms.</p>
Why should my client take out the non-PHARMAC Plus option?	<p>We have a modern and effective health system in New Zealand, both public and private. But a problem across the whole system is the funding of drugs.</p> <p>There are new and highly effective drugs being made available all the time. Many of these are either not funded by PHARMAC or there is a delay in them being funded. This means people who need them as part of their treatment may have to pay for the non-PHARMAC drugs themselves or go without.</p> <p>non-PHARMAC drugs can be lifesaving but can also be very expensive, sometimes costing hundreds of thousands of dollars.</p> <p>There are three ways nib members can benefit from the new non-PHARMAC Plus option. These are:</p> <ul style="list-style-type: none">• New and current members who don’t already have cover for non-PHARMAC drugs can now apply for this cover.• nib members with non-PHARMAC cover limited to cancer treatment can apply to extend their cover to include non-PHARMAC drugs for treating other health conditions (subject to the standard policy terms and exclusions).• nib members who already have non-PHARMAC cover can increase their existing cover to meet the increasing cost of these drugs.
Some of my nib members already have non-PHARMAC cover under their existing policy terms. Does adding the non-PHARMAC Plus option change this cover or the cover terms?	No. The terms relating to the existing non-PHARMAC cover will continue to apply to claims under the original cover. The terms for the non-PHARMAC Plus option will apply to claims under that option. These terms may be different to those for the existing cover.
What is the cover amount for the non-PHARMAC Plus option?	<p>Members can choose the amount of cover they require. The cover levels per person per policy year for this option are:</p> <p>\$20,000, \$50,000, \$100,000, \$200,000 or \$300,000.</p> <p>These amounts are additional to any cover for non-PHARMAC drugs under the existing policy benefits.</p>
Does the member’s policy excess apply to the non-PHARMAC Plus option?	<p>No. The member’s policy excess does not apply.</p> <p>(Generally, an nib policy excess only applies to claims on the policy base cover, not to any of the options.)</p>

<p>What adviser channel policies can the non-PHARMAC Plus option be included with?</p>	<p>With the exception of Ultimate Health, the non-PHARMAC Plus option can be:</p> <ul style="list-style-type: none"> • from 21 June 2021, included as an option available on all new Ultimate Health Max and Easy Health policies. • from 5 July 2021, added to any nib member covered under any existing policy sold by a financial adviser. <p>Members who have Ultimate Health cover can consider upgrading their policy to Ultimate Health Max (which already includes substantial cover for non-PHARMAC drugs), with or without the new non-PHARMAC Plus option.</p>
<p>What Group policies can the non-PHARMAC Plus option be included with?</p>	<p>The non-PHARMAC Plus option can be added to any nib member covered under most existing or new Group policies at one of the benefit levels. An employer can subsidise the non-PHARMAC Plus option. If the Group is subsidised and there are more than 15 members, pre-existing condition concessions for the non-PHARMAC option may be available. Otherwise, completion of full health information and underwriting will apply and terms may include loadings or exclusions.</p> <p>Members may also add on the option at their own cost, which may be subject to underwriting.</p> <p>For more information or to add the non-PHARMAC Plus option to any Group plan or policy, contact your Group Sales Account Manager or email grouphealth@nib.co.nz</p>
<p>Can I add this option for only some of the members on a policy?</p>	<p>Yes, you can apply to add the non-PHARMAC Plus option for some or all members on a policy.</p>
<p>Does the non-PHARMAC Plus option include cover for non-PHARMAC drugs for treatment of health conditions other than cancer?</p>	<p>Yes. The non-PHARMAC Plus option includes cover for drugs used in both cancer and non-cancer treatment programs. The need for the treatment must be determined by the member's health specialist and be a necessary part of the treatment programme. The treatment must relate to an approved claim under the surgical, medical or cancer treatment benefits on the policy.</p> <p>Note that nib policies exclude treatment for some health conditions (refer to the general exclusions of the policy). The non-PHARMAC Plus option does not include non-PHARMAC drug treatment for those conditions.</p>
<p>Does the non-PHARMAC Plus option include treatment with non-PHARMAC drugs at home, following hospitalisation?</p>	<p>Yes. The non-PHARMAC Plus option includes cover for treatment with non-PHARMAC drugs in hospital and at home for up to 6 months after hospital admission for treatment, where the treatment in hospital and at home is a necessary part of the same treatment programme.</p>
<p>What are the premiums for the non-PHARMAC Plus option and where do I find them?</p>	<p>With the exception of Group business, premiums for the non-PHARMAC Plus option are documented in a non-PHARMAC Plus rate card and calculator. They are also incorporated in nibAPPLY. They are not included in nib Illustrator.</p> <p>The premiums vary depending on the cover level selected and the member's age, gender and smoker status. Premium rates will be reviewed each year and may be adjusted from time to time as part of nib's existing premium review process and timing.</p> <p>The premiums are the same irrespective of which nib policy the option is being added to.</p> <p>Contact your Group Sales Account Manager or email grouphealth@nib.co.nz for premiums for Group business.</p>
<p>Where can I access more information about the non-PHARMAC Plus option?</p>	<p>You can find information about the non-PHARMAC Plus option in the product brochures for nib's on-sale policies. Download product brochures from nib Adviser Access or go to nibadviser.co.nz.</p>

Adding non-PHARMAC benefits to a member's policy

What is PHARMAC? When should I discuss the new non-PHARMAC Plus option with my current nib members and with my other clients who don't have nib cover?

You may be discussing the addition of the new non-PHARMAC Plus option as part of your regular review with your current nib members.

You may also want to selectively communicate with your clients who you know are concerned about access to non-PHARMAC drugs or about the adequacy of the scope or level or their existing cover, inviting them to contact you for more information.

Or you may include information about the new option as part of your regular communication with clients about the importance of health cover.

You can submit applications including the new option for new members from 21 June 2021.

The new option can be added to cover for current members or included as an option under any replacement cover from 5 July 2021.

When a current member is considering adding the non-PHARMAC Plus option to existing cover, what are some of the considerations I should advise them on?

There are a number of factors for you and the member to consider, both individually and in combination. Some of these issues include:

- **Client needs** – your client's need may have changed since the last review
- **Scope or depth of non-PHARMAC cover required** – if eligible, the member might want to enhance their cover through one of the following alternatives:
 - Retaining their existing cover and adding the new non-PHARMAC Plus option, with the desired level of cover. Their policy benefits will be enhanced by adding the new option, which may be subject to any exclusions or loadings specific to the non-PHARMAC Plus option.
 - Replacing their existing policy with an Ultimate Health Max policy, with or without the addition of the new non-PHARMAC Plus option. Note that there may be premium loadings or exclusions on the replacement policy and the non-PHARMAC Plus option that are not on the existing policy.
 - Replacing their existing policy with an Easy Health policy with the addition of the new non-PHARMAC Plus option. Note that members would need to start the three-year stand down before eligible pre-existing conditions are covered and some pre-existing conditions are never covered under Easy Health.
- **Premiums and value** – replacing the existing policy and/or adding the new option will result in increased or (if a policy is replaced) potentially reduced premiums. Engaging members on this new benefit option may result in a conversation around premiums and benefits relative to the existing cover in place.

Note: nib is not recommending any particular outcome or suggesting that these are the only issues to consider.

I have current nib members, and some have underwritten cover and some non-underwritten cover (e.g. Easy Health or EasyCare). How do I create a premium illustration and apply for the non-PHARMAC Plus option for each?

From 5 July 2021, you will need to complete the recently revised paper (editable pdf) application forms to add the non-PHARMAC Plus option to an existing policy. Use the:

- Ultimate Health / Ultimate Health Max application form if the member's existing health cover is an underwritten cover, excluding Major Medical. The cover for the non-PHARMAC Plus option will be underwritten based on the answers to the health questions.
- Major Medical application form if the member's existing health cover is a former OnePath policy. The cover for the non-PHARMAC Plus option will be underwritten based on the answers to the health questions.
- Easy Health application form if the member's existing health cover is Easy Health or EasyCare. For these products, there are no health questions in the application form, and claims on the non-PHARMAC Plus option will be assessed on the existence of any pre-existing conditions the member had when the cover under the new option commences, subject to the usual three year stand down period on claims for other than pre-existing conditions that are never covered by those products.

When completing any of the above forms, include the existing policy number and check "Adding an option", select the "non-PHARMAC Plus Option" and the cover level required.

To create a premium illustration for the additional cost of the non-PHARMAC Plus option when added to an existing policy, you will need to use the non-PHARMAC Plus calculator or rate card applicable to the member's cover level, age, gender and smoking status, recalculated to the premium payment frequency and with the addition of any loadings resulting from the underwriting process.

Scan and email the completed application form and accompanying illustration to newbusiness@nib.co.nz.

Please contact nib in the usual manner if seeking an illustration for a change in any other benefit options to the existing policy.

<p>I have current nib members and am considering replacing their current cover with Ultimate Health Max (with or without the non-PHARMAC Plus option) or Easy Health (with the non-PHARMAC Plus option). How do I create a premium illustration and apply for a replacement policy?</p>	<p>Using nibAPPLY for applications and premium calculations</p> <p>While nibAPPLY cannot be used for changes to an existing member's policy, from 5 July it can be used to complete a premium illustration and application to replace an existing policy (with or without the non-PHARMAC Plus option). It's fast and easy.</p> <p>Complete the premium illustration and application steps as usual, based on the member's health at the date of the application. When completing the nibAPPLY application:</p> <ul style="list-style-type: none"> • Early in the application, respond "Yes" to the question "Do you currently have, or have you ever been insured by nib?" • For Ultimate Health Max applications, at the end of the health questions, respond "Yes" in the "Additional Conditions" field and insert the text "UHM replacement of policy number xxxxxxxx" as well as any additional health conditions that need to be disclosed (this is required for all UHM applications in relation to an existing member). • For Easy Health applications there are no health questions and the policy will be issued in the usual manner. The member will have a new policy start date and their waiting period before they can claim for eligible pre-existing conditions will start on the new policy start date. <p>Paper (editable pdf) applications and premium calculations</p> <p>From 5 July you may complete the recently revised paper (editable pdf) application forms to apply for a new Ultimate Health Max or Easy Health policy to replace an existing policy.</p> <p>When completing the application form, include the existing policy number and check "Replacing an existing policy" and select the benefit options and cover level required. Complete the Business Replacement Advice section.</p> <p>Use nibAPPLY to create a premium illustration including the non-PHARMAC Plus option if required. Alternatively create a premium illustration using nib Illustrator and the non-PHARMAC Plus calculator or rate card applicable if the new policy has the non-PHARMAC Plus option.</p> <p>Scan and email the completed application form and accompanying illustration(s) to newbusiness@nib.co.nz.</p>
<p>How do I create a premium illustration and apply for the non-PHARMAC Plus option for a new nib member?</p>	<p>You can create a premium illustration and apply for cover for a new member using nibAPPLY in the same way as you would for any new member. The additional cost for the non-PHARMAC Plus option will be itemised in the illustration.</p> <p>Advisers who use nib Illustrator for premium illustration purposes will need to use the non-PHARMAC Plus calculator or rate card applicable to the member's non-PHARMAC Plus cover and add this to the Illustrator output. Complete the recently revised paper (editable pdf) application form for either Ultimate Health Max or Easy Health.</p> <p>Fidelity's Apollo and eApp cannot be used to quote or apply for the non-PHARMAC Plus option.</p>
<p>Is the complementary nib travel insurance included with Ultimate Health Max policies that replace an existing nib policy?</p>	<p>No. In keeping with existing protocols, the complementary nib travel insurance is only included for nib members with Ultimate Health cover who are new to nib, not to those who transfer from an existing individual or group policy or to children reaching age 21 and moving to an adult policy.</p>

Commission and Other Adviser Payments

<p>What commission or other payments will be payable when including the non-PHARMAC Plus option as part of a new policy for a new member?</p>	<p>Initial commission and servicing commission will be payable at the rates applicable to the policy base cover on the premium for the new policy based on the commission model selected and nib's standard commission terms.</p>
<p>What commission or other payments will be payable when adding the non-PHARMAC Plus option to an existing nib member's cover?</p>	<p>Initial and servicing commission on the premium for the non-PHARMAC Plus option will be payable on the same basis as any other addition to an existing policy at the rates applicable to the policy base cover. The commission will be calculated using the same commission model that applies to the existing policy.</p>

<p>What commission or other payments will be payable when replacing a member's existing cover with Ultimate Health Max or Easy Health, with or without the addition of the new non-PHARMAC Plus option?</p>	<p>Ultimate Health Max Replacement Payment</p> <p>A payment of \$300 (plus GST, if applicable) per policy will be made when one or more members on an existing policy replaces their cover with Ultimate Health Max (with or without the non-PHARMAC Plus option). To qualify for this payment, the application for the replacement policy must be submitted between 5 July and 30 September 2021, with a policy commencement date no later than 17 October 2021.</p> <p>The adviser who completes the policy replacement will be the adviser eligible for the payment. There will only be one payment made in respect of a policy. Policy migrations, including those for children on existing policies who become eligible for an adult policy, do not qualify for this payment. A business replacement form must be completed for each policy replacement and nib's normal underwriting terms will apply to the issue of the new Ultimate Health Max product.</p> <p>The payment will be made via the nib commission system and will be itemised in the adviser's commission statement as a Bonus payment. The usual policy clawback terms will not apply. Withholding tax will be deducted if this is the normal practice for the payments to the adviser.</p> <p>Ultimate Health Max or Easy Health Replacement Commission Entitlement</p> <p>The commission model on the new Ultimate Health Max or Easy Health policy will be the same that applied to the existing policy (i.e. up-front, level or hybrid). As per usual replacement policy business rules, there is no initial commission payable on policies that replace an existing nib policy unless there has been a premium increase or if new lives or additional options have been added. A reduced rate of servicing commission may be payable on the new policy.</p> <p>If the non-PHARMAC Plus option is included with the new policy, initial and servicing commission will be payable at the rates applicable to the policy base cover on the premium for the non-PHARMAC Plus option on the same basis as any other addition to an existing policy.</p>
<p>Will I be eligible for the \$300 payment for children who are turning 21 and who commence a new Ultimate Health Max policy?</p>	<p>No.</p>
<p>If adding a person or additional options (other than non-PHARMAC Plus) to an existing nib policy, what commission or other payments will be payable?</p>	<p>Additions of new lives and new benefits are paid initial commission and servicing commission on the additional premium, based on the commission model for the existing policy and nib's standard commission rates and terms (refer to the nib Intermediary Agreement).</p>
<p>Who will commission be paid to if a servicing adviser (who is not the commission adviser) submits an application to replace an existing policy or add a new option?</p>	<p>Current business rules apply in these situations and are covered in nib's Change of Servicing Adviser (COSA) terms. These terms were published when launching the updated nib Intermediary Agreement in February 2021 and are available through your Adviser Partner Manager.</p>

Claiming on the non-PHARMAC Plus option

<p>How does my client claim under the non-PHARMAC Plus option?</p>	<p>Making a claim is quick and easy, and members can choose the method that suits them. We recommend they ask their Health Provider to submit the claims on their behalf; they can also claim through mynib or the nib mobile app.</p>
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Making changes to your non-PHARMAC Plus option

<p>Can I change the benefit level of my client's non-PHARMAC Plus option?</p>	<p>You can change the level of cover on a member's non-PHARMAC Plus option if you need to. If they would like to increase their level of cover on non-PHARMAC Plus, the member will need to answer the health questions.</p>
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Training

<p>Will I receive training, or do I need to complete a learning module?</p>	<p>nib has updated all product accreditation modules with information on the new non-PHARMAC Plus option. These can be accessed at any time through your Adviser Partner Manager. If you have any questions regarding non-PHARMAC Plus that aren't answered in this FAQ document, please visit nibadviser.co.nz or contact your Adviser Partner Manager.</p>
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