

THE INSURANCE INSIDER



The Role of Generic Drugs in Your Drug Plan

INSIDE THIS ISSUE:

<i>The Role of Generic Drugs in Your Plan</i>	1
<i>Prevent LTD by Managing Absences</i>	2
<i>A Positive Return to Work Experience</i>	5

“The message sponsors need to understand and share with their members is that mandatory generic drug substitution in benefits plans will help curtail rising costs.”

The notion that generic drugs represent a new and frightening concept has pretty much been struck from our collective consciousness, yet generic utilization rates in drug plans in Canada have not reached the levels observed in the United States and throughout much of Europe.

Perhaps this is because plan sponsors don't want to challenge the status quo or patients are simply resigned to the fact that the doctor knows best. Often, there is concern from patients that the generic drug is not as good as the brand version. But, since the active ingredient is identical, and it's only the filler agents that are different, this archaic belief couldn't be further from the truth.

Several insurance companies and pharmacy benefit managers recognize the need to further promote the use of generic drugs to help plan sponsors control the costs of managing their drug plans while balancing the health needs of their members and have taken steps to offer mandatory generic substitution in drug plans.

A mandatory generic substitution plan simply elimi-

nates the member's ability to be reimbursed for the full cost of a brand name drug, forcing the fill of a generic drug where one is available. That doesn't sound like a new development, but at three recent drug conferences, plan sponsors acknowledged the fact that their plans would accept a doctor's prescription with a "no substitution" message written somewhere on the form. Accepting such a ticket is evidence that generic drugs are not treated by these sponsors as the default option but promoted as some sort of desired outcome.

Making the adoption of generic drugs mandatory can save drug plans substantial sums over a three- to five-year contract. Insurance companies often report savings of between 1% and 2% of total drug spend—although when you factor in price differences brand and generics, I believe the actual amount to be much greater, but hard

numbers are difficult to substantiate.

It was apparent at these conferences that, in addition to a general misunderstanding of the differences between optional and mandatory generic plans, many sponsors miss a huge and costly area of potential risk.

The message sponsors need to understand and share with their members is that mandatory generic drug substitution in benefits plans will help curtail rising costs—which impact both plan sponsors and plan members. Both groups need to get a handle on this and members need to understand the role they play in controlling costs and the reason that mandatory generic substitution has been adopted in the first place.

Protecting against COB

A sponsor that offers an optional generic drug plan



THE ROLE OF GENERICS CONT...

opens its wallets to claims processed by a member's spouse for the balance of the costs not reimbursed by the spouse's plan. The spouse's plan might cover brand name alternatives that are offered at significantly higher costs. A mandatory generic plan will treat the COB claim as if the sponsor's plan were first payer and limit the spouse's COB portion only to the differences in drug markup, co-pay and de-

ductible portions of the filled prescription. Yes, the member and his or her spouse will be out of pocket for having chosen the brand, but the plan will be saved the extra cost.

More generic drugs will be made available over the next two to three years as their brand originals face expiring patents. Depending on the plan's jurisdiction, the savings between brand and generic have

already been documented as being significant. Sponsors will come to recognize the facility offered by mandatory generic plans as is the most reasonable and easiest to option to help contain their drug plan costs.

- Bob Carter

PREVENT LTD BY MANAGING CASUAL ABSENCES

Right now, there are employees at workplaces across Canada who may be at risk of absence and disability. They could be coping with physical or mental health issues, personal concerns or unresolved issues with a work colleague or supervisor. Mental health problems alone are estimated to cost employers about \$20 billion a year, according to Statistics Canada. Add to this the fact that the average employee reported the equivalent of 9.3 days in work time lost for personal reasons in 2011, and the picture of lost productivity becomes a bitter pill to swallow.

Fortunately, with the right planning and attention,

employers can support employees who are dealing with issues that may be at the root of casual absences and address these issues before they lead to a long-term disability claim. By monitoring and assessing the workplace and having strategies in place that focus on prevention and early identification of those at risk, employers can support their employees with the right services at every stage.

Managing these stages requires different strategies, and it begins with fostering a safe and healthy workplace and culture to help minimize occurrences of the later stages.

Assess your organization

As an employer, you first need to look at your organization and assess the following.

Baseline- Do you have measures in place to track absenteeism, disabilities or health risks? The 2012 *Sanofi Canada Healthcare Survey* showed that only 38% of employers formally track absenteeism. It is difficult to address a problem if you don't know the extent of the problem, so getting a good read on the current state of your organization is important. Your benefits provider may be a source of information



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The Stages of Ability

Employee State	Healthy	Unwell: At Work	Unwell: Off Work	Unwell: Unable to Work
Impact	Productive	Presenteeism	Casual Absence	Disability

MANAGING ABSENCES CONT...

for statistics on your plan's disability claims and drug plan experience (e.g., the number of employees using Lipitor for lowering cholesterol).

Current policies and practices - Do you have an absence policy? Is there a disability plan for short- and long-term disabilities? How do you currently manage absence and disability? What is working well? What are the challenges, and where are the gaps?

Health or organization assessment - You might decide that simply assessing your current policies and practices reveals opportunities for improvement on which you can proceed. You may consider digging deeper and conducting a more formal assessment of your organization practices, or of the health risks in your workforce. If you have a benefits provider, it may be a source of information or support, or an employee assistance program (EAP) provider may provide such services. A more formal assessment can help shed light on what, if any, problem areas exist so that you can focus your effort where it can have the most value.

Create a plan and strategy

Once you've assessed your situation, you need to form strategies and plan, but you won't likely be able to address everything at once. This is the start of an ongoing assessment, so it's important to reflect on

the purpose of your plan and strategies first. Assess whether you need to do the following:

- develop policies and practices that address current gaps related to managing absence and disability; or
- develop a workplace wellness strategy (i.e., what are the areas of focus that can best help your staff, and who will be responsible for managing the wellness programs?).

Develop improved practices

Early identification of issues and appropriate early intervention can help avoid short- and long-term disabilities. On the other hand, sometimes simply treating an absence problem as a performance issue can do more harm than good, and can even lead to a disability. A manager must be able to look beyond the absenteeism and consider the reason for the absences, and do this in a way that respects the employee's privacy. In this respect, management training is essential to help managers guide the discussion.

As well, recommending the services of a third party, such as an EAP, can help accommodate privacy issues and provide professional advice and support for the employee and family members. Some absence-tracking services offer a built-in connection

to support resources for employees calling in an absence, helping to identify the reason for it and exploring solutions to issues such as work/life balance, mental health concerns or medical illness.

Communication is important, so you need to let employees know that the resources and services available can make a difference. In addition, providing information on medical conditions, prescription drugs, treatment options and health news can enable employees to help themselves. A number of resources are available through benefits provider and EAP websites and through brochures produced by many non-profit organizations.

Your organization should also have strategies in place that can accommodate and support an employee who has reached a state of disability that will prevent him or her from working for an extended period of time. These strategies should focus on the return-to-work process by helping ease the transition and minimize the chances of a reoccurrence. Focusing on employees' abilities, rather than their limitations, can help ensure that all opportunities for wellness are explored and increase the chances of a successful return to work for employees on disability.

Measure success

How you manage absences



“Your organization should also have strategies in place that can accommodate and support an employee who has reached a state of disability . . .”

MANAGING ABSENCES CONT...

can say a lot about your organization and send a clear message to employees about their value. By applying various best practice strategies and understanding what is going on in your workplace, you can make a difference and successfully manage your workforce. Consider some of these potential results:

- a decrease in employee absence and disability incidence rates;
- the ability to retain

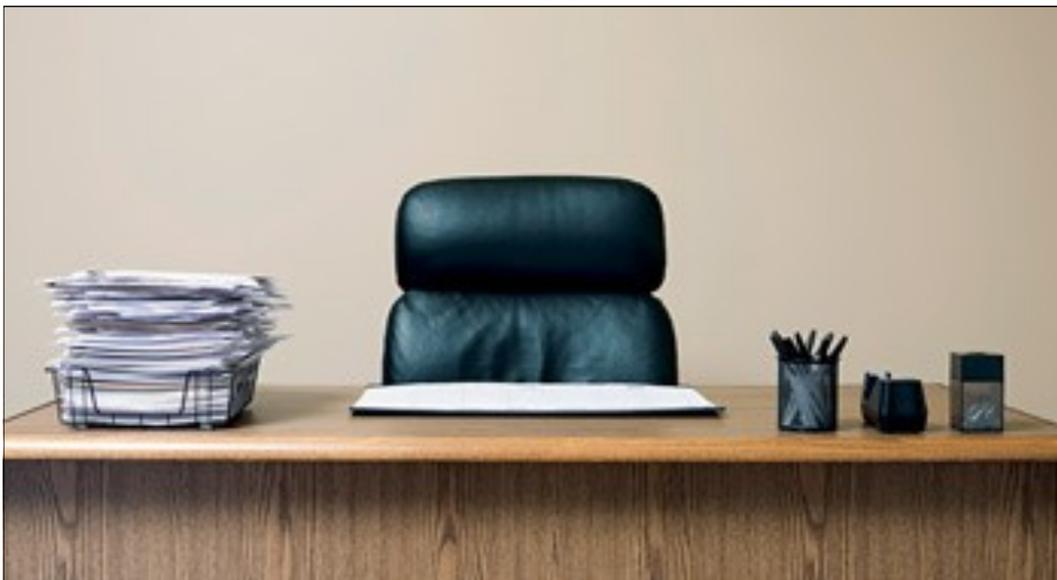
and engage valued employees and improved employee morale;

- improved levels of overall organizational health and wellness;
- improved service to customers; and
- reduced costs, increased productivity and a healthier bottom line.

There's a growing awareness of the connection between health and productivity. By actively

contributing to a psychologically safe and healthy workplace through assessment, strategies, prevention and early identification of issues, you can provide your organization with a competitive edge while supporting the health of your employees.

- Mike Schwartz



“There’s a growing awareness of the connection between health and productivity...”

CREATING A POSITIVE RETURN TO WORK EXPERIENCE

How an employee returns to work following an absence—be it due to a physical or mental illness—will have a huge impact on his or her recovery process and their sustainable return to the workplace.

The key players

A return-to-work strategy that involves all of the partners necessary to the re-integration process is key to a successful return to work. The role of the manager, however, is critical to ensuring a sustainable return to work. As the direct link to the workplace, the manager plays a critical role by maintaining contact with the employee during the absence.

Reinforcing the connection between the employee and the workplace should be thought of as the first step in return-to-work planning. Maintaining contact can be as simple as sending the employee the link to the company newsletter or making a quick telephone call to see if there's anything they might need. In fact, the most successful return-to-work plans begin by simply asking employ-

ees what they need in order to come back to work.

Employees typically know what they're capable of, and their involvement in the creation of a return-to-work plan is important to ensuring a sustainable and effective return. The goal should be to engage employees so that they remain motivated and look forward to returning to a healthy lifestyle that includes work. In addition to the employee and their supervisor or manager, the insurer or disability management administrator, the treatment provider(s), and in some cases, a union representative, also play a crucial role in establishing the return-to-work plan.

Essential plan elements

The plan should be documented, specify a start date and an end date and itemize the specific accommodations. As a guide, most plans shouldn't exceed six to eight weeks. In establishing the strategy and written plan for your employee's return, managers should consider the current work environment

and employees.

- Is there a workplace conflict? If so, it has to be addressed and solutions identified otherwise there is the potential for the same issues to re-surface. Electing to ignore the situation is not an option for a successful return to work process.
- Are we offering meaningful work at the employee's job level?
- Is the plan compliant with privacy and Duty to Accommodate legislation?
- Have the employee's direct co-workers been considered? They may need to know certain aspects of the plan, particularly if they are taking on some of the employee's job duties. It's important that they know when the employee is returning, while always maintaining the employee's privacy.

Accommodation

When creating a return-to-work plan, it's imperative to consider what accommodation the employee may require. The following are commonly used accommodations:

- changes or modifications to job duties and specific tasks. With the employee, identify tasks that they are most confident in and then add to these as the plan progresses;

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RETURN TO WORK CONT...

- Reduced hours, gradually working up to full-time hours by the last week;
- Changes to work start and end times;
- the timing of breaks;
- changes or modifications to communication requirements; and
- changes or modifications to the physical workspace.

Be flexible and creative in designing the plan and revise it according to evolving needs. The main objective is to support the employee and the business with a sustained return to work.

Taking action

On the employee's first day back to work, schedule a meeting at the beginning of the day to review the return-to-work plan, discuss any additional requirements, such as training or required reading on a new process, and update the employee on any changes that have taken place while they were absent. Also, ensure the employee's workspace is set up properly and they have the required access to buildings, systems or other tools.

This re-orientation into the workplace adds a great deal of value to the process. Set aside a few

minutes each day to check-in with the employee, and a few minutes at the end of each week.

The return to work should be a positive experience for the employee, their co-workers and the manager. Keys to success include ongoing communication, input from the employee and other stakeholders, modifying the plan if needed, monitoring to the end of the formal plan and intermittent check-in with the employee to ensure that he or she is on track.

-Julie Holden



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