

# THE INSURANCE INSIDER



## SPECIALTY DRUG SPEND IS UNSUSTAINABLE

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*“...Patients also use expensive distribution channels, use less-than-optimal dispensing intervals and often fail to take prescription medication as prescribed.”*

Spending on specialty drugs is likely to increase at a significant rate, substantially impacting the cost employers pay, according to a report.

The Express Scripts Canada 2013 *Drug Trend Report* says specialty spend represents only 1.3% of claims but continues to grow as a percentage of total drug spending, steadily increasing to 24.2% in 2013 from 13.2% in 2007. This increase is primarily driven by high treatment costs and an increase in utilization.

The average annual drug treatment cost for each patient with cancer drug claims is \$10,690, which is approximately 14 times the national average of \$765 per patient in Canada.

This will require employers to increase the funding for drug benefits or modify the

way drug plans are structured for their employees. Drug benefits costs are expected to increase in the future primarily driven by the continued growth in utilization of specialty drugs.

“New specialty drug treatments are making a real difference in the lives of patients, but the high cost of some of these drugs creates difficult decisions for employers that have to decide which medications to cover,” says Michael G. Biskey, president of Express Scripts Canada.

Another key finding from the report is that spending on traditional prescription drugs declined by 1.2%. This downward trend is driven almost entirely by the availability of generic drugs coupled with reduced generic prices imposed by provincial drug reform.

And up to \$1 of every \$3 spent on drug benefits is wasted due to poor patient decisions. Patients continue to use more expensive medications when less expensive alternatives will provide similar health benefits. Patients also use expensive distribution channels, use less-than-optimal dispensing intervals and often fail to take prescription medication as prescribed. This results in significant health consequences for patients and enormous financial tolls on benefits providers.

The report also finds that traditional prescription drug benefit management tools are limited in their ability to drive better patient decisions, which has resulted in unnecessarily high costs and a cost shift from employer to employees.

-BenefitsCanada



## EMPLOYERS AND EMPLOYEES ON SAME BENEFITS PAGE?

While more than ever Canadian companies realize that a healthy workforce is more productive, there's often a discrepancy between what employees expect from their health benefits and what these benefits actually offer. Different generations also have different expectations about their benefits.

These are some of the main findings of the 2014 edition of *The Sanofi Canada Healthcare Survey*, which polled both plan sponsors and members.

The study reveals that millennial employees are more likely than their older co-workers to see benefits as a right. While 63% of boomers see health benefits are a perk or privilege, this sentiment falls to 50% among generation Y employees. "We might have some work to do with millennials [about] their sense of entitlement," said David Willows, vice-president of strategic market solutions with Green Shield Canada, speaking at a Toronto event where the survey was unveiled. Companies need communication strategies that inspire greater appreciation for their benefit plans, he added.

Also, when offered the choice between \$5,000 in cash a year or their health benefit plan, 45% of millennials would choose the cash, compared with just 25% of boomers, according to the survey. That's because millennials "are probably healthier and probably have student loans to pay off," said Chris Bonnett, president of H3 Consulting, who also spoke at the event. Employees have different priorities depending on their life stages, he explained.

Another generational difference highlighted by the study is that 75% of millennial employees want more flexibility in their health benefit plan and the ability to choose what's covered and how much is covered, compared with 66% of baby boomers.

The report also surveyed attitudes regarding post-retirement benefits. Nearly half (48%) of benefit plan members expect to have access to their current benefit plan after retirement. However, only 23% of employers currently offer some kind of coverage or access to coverage after retirement.

"Members realize they will need a [financial] plan in retirement" and they know they can't rely too much on the government, said Connie Wong, director of pharmacy benefits with Manulife Financial, at the event. As a result, she explained, plan members worry about their finances, which can cause them to be distracted at work.

Another area of disconnect between plan sponsors and members is health screening. Most employees say they would participate in health risk screenings if their health benefit plan offered them. Specifically, 91% would get tested for cancer, 89% for heart disease, 84% for diabetes and 75% for stress or mental health. However, only 35% of surveyed employers are likely to offer screening for mental health, 34% for heart disease, 34% for diabetes and just 24% for cancer.

"Wellness is no longer a risky initiative [in terms of return on investment]," said Wong, adding that the likely reasons why most employers are not investing in on-site health screenings include cost and the logistics of organizing them.



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And while employees clearly expect more from their benefits, they will likely not have their desires fulfilled soon, according to Bonnett. "Most employers are not in any hurry to make fundamental plan design changes in the future," he said.

"On a scale of one to 10, plan sponsors rank insurers highest, at 7.6, in terms of expected level of support for wellness programs in the workplace, compared with 6.8 for healthcare providers and 6.2 for government," the report notes.

already active, often through health education materials and online tools for plan members, the results suggest that plan sponsors may not be aware of their providers' offerings, or they're looking for something different," according to the report.

Another area the survey touched upon is the relationship between plan sponsors and providers. It found that sponsors particularly look to insurance companies for help.

And 79% of employers believe their insurance carriers should play a bigger role in helping them keep their workplaces healthy.

The survey polled 1,502 health benefit plan members as well as 500 benefit plan sponsors.

-Yaldaz Sadakova

"Since most carriers are

### CERIDIAN LAUNCHES VIDEO EAP COUNSELLING

Ceridian's LifeWorks employee assistance program (EAP) is now offering video counselling for participants who are unable to attend in-person sessions.

tive impact on individuals, their family and their community at large," says Mary Jane Konstantin, senior vice president of LifeWorks, Ceridian.

face-to-face referral."

Video counselling through the LifeWorks EAP is accessible to couples, families, partners or spouses, and children of employees of eligible EAP participants.

Concerns about stress, anxiety, depression, relationship issues and parenting skills can now be addressed through the use of video counselling.

"We'll be able to reach people in rural areas, those who have long commutes and those whose situations make it difficult for them to attend face-to-face counselling sessions. All sessions are private, confidential and secure, and meet the same level of service excellence as a

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"Video counselling is a valuable and convenient tool for accessing EAP services that can have a posi-

*"...Video counselling is a valuable and convenient tool for accessing EAP services ..."*



## VACATION IS GOOD FOR EMPLOYEE HEALTH!

While it might be assumed that Americans happily take time off, the reality is that the average U.S. employee takes only half of his or her eligible vacation time.

According to Glassdoor's Q1 2014 *Employment Confidence Survey*, among those who actually do go on vacation, three in five admitted to doing some work. And some employees were disturbed on their vacation about a work-related issue, either by a co-worker (25%) or their supervisor (20%).

"That's a shame because a number of studies have shown that taking time away from the job can have physical and psychological health benefits," says Steve Blake, vice-president of clinical operations at Managed Health Network.

Workers who don't take advantage of the vacation time that they're eligible for could be shortchanging themselves in terms of benefits to their health, he adds.

A number of studies have shown the potential health benefits associated with vacations.

The University of Pittsburgh's Mind Body Center surveyed some 1,400 individuals and found that leisure activities—including taking vacations—contributed to higher positive emotional levels and less depression.

A study released last year by the American Psychological Association concluded that vacations work to reduce stress by removing people from activities and environments that tend to be sources of stress.

And EY (formerly Ernst & Young) conducted an internal study of its employees and found that for each additional 10 hours of vacation employees took, their year-end performance ratings improved 8%, and frequent vacationers were also significantly less likely to leave the firm.

Green Shield Canada recently conducted a study

among patients with hypertension—the No. 1 reason for physician visits.

The control group of the study received standard care: the usual interaction with healthcare professionals and medication. The intervention group, in addition, received a medication review with a pharmacist, education on lifestyle factors (e.g., exercise, nutrition) and medication adherence, and regular blood pressure monitoring.

While both groups showed improvement, controlled blood pressure (i.e., patients finishing the study with their blood pressure under control) was 82% for the intervention group, versus just 26% for the control group.

In some ways, improving your health is simple: remember what your mother told you. Exercise, don't smoke, drink less, and eat fruits and vegetables, Willows added. "You can extend your life and reduce the risk of catastrophic health events by making those changes."

-Alyssa Hodder



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*"vacations work to reduce stress by removing people from activities and environments that tend to be sources of stress..."*

**MENTAL HEALTHCARE UNDER-RESOURCED**

Governments need to step up their efforts to improve mental health care, which remains poorly resourced and underprioritized in too many countries, according to a report.

The Organisation for Economic Co-operation and Development (OECD) report *Making Mental Health Count* says that the social and economic costs of mental ill-health are high and rising.

People with a severe mental disorder die up to 20 years earlier than the general population, as well as being six to seven times more likely to be unemployed.

One in two people are estimated to experience mental ill-health at some point in their life, affecting their job prospects, wages and productivity. The direct and indirect costs of mental ill-health can exceed 4% of GDP in many OECD countries.

Mental ill-health is under-treated in all countries, according to the report. Between one-third and one-half of people with disorders do not receive treatment.

A lack of reliable data is part of the problem: few countries can accurately measure the resources they invest in mental health care, making it difficult to quantify the cost and allocate scarce resources. Countries struggle to understand how well mental health services are meeting needs and whether they are delivering good outcomes.

Having detailed and up-to-date information is essential in order to understand the prevalence of mental ill-health and its costs, and to track treatment outcomes and care quality.

Mild to moderate mental disorders such as depression and anxiety are highly prevalent—15% of the working-age population is

affected at any given time. They are also widely under-treated; globally 56.3% of people with depression do not receive appropriate treatment. These disorders contribute significantly to reduced productivity, sickness absences, disability and unemployment in OECD countries.

Investing more in primary care would be one cost-effective way of treating mild to moderate mental disorders. In most OECD countries, primary care practitioners are already expected to diagnose, treat and manage these types of disorders but in many cases lack the resources, time and expertise to do so effectively.

*BenefitsCanada*



*“few countries can accurately measure the resources they invest in mental health care...”*

