

# THE INSURANCE INSIDER



## HIGH-COST PRESCRIPTION DRUG CLAIMS DOUBLE

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*“...In 2013, under the new pooling mechanism, insurers in Canada paid more than 4,000 claims for prescription drugs that cost in excess of \$25,000.”*

The number of high-cost prescription drug claims that Canada’s private insurers covered for Canadians with fully insured supplementary health insurance plans doubled in the Canadian Drug Insurance Pooling Corporation’s (CDIPC) first year of operation.

“Without this system, many Canadians would be left without access to the prescription drugs they need to help them deal with rare and often life-threatening conditions,” notes Frank Swedlove, president of the Canadian Life and Health Insurance Association (CLHIA).

In 2013, under the new pooling mechanism, insur-

ers in Canada paid more than 4,000 claims for prescription drugs that cost in excess of \$25,000. This was up from 2,000 when the CDIPC was first established in 2012. Several claims exceeded \$500,000, including one claim for more than \$1.2 million.

In the absence of a catastrophic drug program in Canada, life and health insurers voluntarily established the CDIPC. Under the CDIPC, they share the costs of highly expensive and recurring drug treatments in order to protect fully insured private drug plans from the full financial impact of high-cost drugs.

By pooling these costs, the

industry has taken a proactive approach to sheltering employers and, ultimately, employees from the potential devastating financial impacts that even a single ongoing claim for highly expensive drug treatments could have on the sustainability of supplemental drug plans. This has been particularly beneficial to the small and medium-size business community.

*-BenefitsCanada*



## RESILIENCY KEY FOR MANAGING EMPLOYEE HEALTH.

On Wednesday, more than 150 attendees gathered at the Fairmont Royal York Hotel in Toronto for *Benefits Canada's* 2014 Mental Health Summit. This year's theme was The Many Faces of Mental Health, exploring different perspectives—including the employer, the manager and the employee—on mental health issues.

Though the costs of mental health are well known in terms of absenteeism, disability and healthcare services, *Benefits Canada* editor Alyssa Hodder opened the half-day event with the important reminder that mental health in the workplace is “not just a cost issue; it's a human issue.”

Speakers from Mental Health International, Cira Medical Services, Homewood Health, Standard Life, Sun Life Financial and Morneau Shepell, along with leading academics and healthcare practitioners, shared findings from research studies in the field of mental health as well as best practices in the workplace.

Topics ranged from the value of partnerships between business and science to the role of employers, employees and family assistance programs (EFAPs) in preventing and dealing with these issues at work.

### **Building a mentally healthy workforce**

With 20% of Canadians experiencing a mental health problem in their lifetime, it's no wonder mental health issues represent the highest portion of both short- and long-term disability expenditures or that they're a leading cause of absenteeism.

Employers need to focus on early intervention and successful return-to-work experiences, presenters explained. Two keys to addressing these concerns are recognizing the importance of resiliency and reducing the stigma around mental health.

A major consequence of stigma is that two-thirds of those who experience mental health concerns suffer in silence, said Jacques Sauvageau, a vice-

president with Homewood Health. This silence contributes to presenteeism: employees who go to work but are unable to do their job fully, reducing overall productivity. Eric Pfeiffer, a senior health and wellness consultant with Standard Life, explained that more days are lost due to mental health through presenteeism than through absenteeism.

Resiliency—the ability to adapt to change, manage stress and recover from trauma—is important, said Cira Medical Services president Karen Seward. The first step to building a resilient workforce is to raise awareness of resiliency and make it as important as experience, competency and personality factors when recruiting and managing employees, she explained.

### **The employer's role**

Employers can have a significant impact on the mental health of an organization. In fact, the recent SALVEO Study in Quebec shows that workplaces with certain management practices (ranging from



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flexible work hours to fitness club memberships) have below-average mental health claim rates. And the results of a recent Morneau Shepell study show that use of EFAP services by those in distress leads to an increase in productivity. Both studies confirm the return on investment for a proactive approach.

Dr. Marie-Hélène Pelletier, director of workplace mental health for Sun Life Financial discussed the employer's role in the return-to-work process. It's important to remember that it's not possible to get patients back to 100% in a

clinical setting; it takes time to transition back into everyday life, she explained. Employers should prepare for cognitive deficiencies in those returning to work, such as fatigue and lack of concentration.

#### Science and the future

According to the *Brain Health for a Brain Economy* report, as presented by Joseph Ricciuti, president and CEO of Mental Health International, exciting advances in neuroscience are "closing in on the causes of mental disorder." Ricciuti also highlighted the potential of personalized medicine. Research at the

Centre for Addiction and Mental Health (CAMH) suggests that, using genetic data, doctors can make better drug treatment decisions. The CAMH trials have been 90% effective, compared with 40% for the traditional trial-and-error approach, he said.

But the industry need not wait for science to improve employee mental health and reduce costs. The key is to take an integrated health and wellness approach that includes health habits, work environment, work-life balance and management practices.

-Rachel Stuckey

## SICK EMPLOYEES STILL SHOW UP FOR WORK

For the first time in five years, the number of employees who said they go to work with flu has dropped to 60%, after four straight years of increases, according to the fifth annual *Flu Season Survey* from Staples.

While this is a drop from last year, many employees still feel they can't take a sick day.

Despite 88% of managers encouraging sick employees to stay at home, 40%

feel there is too much going on at work to stay away, and 31% show up sick because they think their boss appreciates it. There are a number of factors that have contributed to the drop in employees going to work sick.

**Sick employees coming into work considered worse for office productivity than a security breach** — Both employees and employers recognize the detrimental impact that coming to work sick has

on workplace productivity. In fact, more than one-quarter (27%) of employees think that coming to work sick is worse for office productivity than a security breach, natural disaster or product/service issue.

**Presenteeism recognized as a bigger problem than absenteeism** — More respondents think that presenteeism is a bigger problem than people being absent from work due to illness. This isn't surprising considering that more than one-third (36%) of re-



*"...employees and employers recognize the detrimental impact that coming to work sick has on workplace productivity..."*

spondents say that their personal productivity is less than 50% of their usual level when they show up with the flu.

**Employees are taking charge of their own health and wellness —**

The survey shows that even as the availability of flu vaccinations in the workplace is on the rise, employees are taking more

responsibility for their personal health during flu season. In fact, 70% of respondents have some involvement in cleaning their workspaces. This provides employers with the opportunity to promote workplace wellness in simple, inexpensive ways, such as providing cleaning supplies so employees can keep their personal workspace clean.

**Recent virus outbreaks are affecting behaviour —**

Recent virus outbreaks are affecting behaviour, as the majority (53%) of employees said they will take extra precautions to protect themselves against the flu and other illness this winter.

- *BenefitsCanada*

**EMPLOYEE DEPEND ON WORKPLACE BENEFITS**

For middle-class workers in the United States, the workplace is a critical source of financial security.

The 2014 *Guardian Workplace Benefits Study* finds that 74% of workers rely on benefits they receive at work for their financial security, according to a study.

Eight in 10 say their insurance and retirement benefits are critical when determining whether to stay with an employer. And 82% indicate benefits are crucial when deciding whether to take a new job.

“The importance of benefits when choosing a job is not surprising, given that,

for an overwhelming majority of middle-income employees, the workplace is the sole source of their retirement and insurance products,” notes the report.

Among middle-income workers who own these products, more than eight in 10 obtained their health insurance, disability insurance and retirement savings plan through their employer. And seven in 10 obtained their life insurance through their employer.

In contrast, only four in 10 have life insurance outside of the workplace. For other coverages, the numbers drop dramatically. Only 17% have retirement sav-

ings products outside of work, 7% have disability protection, and 5% have health insurance that’s not through their employer.

About two-thirds agree that their benefits meet their needs, are affordable to them and contribute positively to their personal health and wellness.

Reliance on employee benefits as a foundation for their household’s financial security is likely a contributing factor to the nine in 10 workers who say “maintaining job security” is very important.

- *BenefitsCanada*

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## NON-ADHERENCE COSTS EMPLOYERS

When plan members don't take their medications for chronic conditions, it can also have a negative impact on employers' drug plans.

According to a Sun Life report, *Take your pills – Gaining the benefits of improved drug adherence*, it may lead to increased benefit costs, lost productivity, temporary disability and increased absenteeism.

Non-adherence also leads to \$4 billion in costs to the country's healthcare system, 5% of Canadian hospital admissions and 5% of physician visits.

The report notes there are several causes of non-adherence, including the characteristics of the patients, the disease and the medication itself.

**Characteristics of the patients** — Individuals are motivated by different triggers, which can, in turn, change or maintain behaviour. Solving for non-adherence can mean deciphering complex patient motivators and tailoring strategies specifically for that person. And there are

some groups that are more at risk than others. For example, clinically depressed patients—or those with another underlying condition that impacts mental health—are more likely to be non-adherent.

**Characteristics of the disease** — In many cases, conditions with no symptoms, or those that have symptom-free periods, are more likely to lead to non-adherence, as they do not remind patients to take their medication. Also, if a condition requires the patient to take more than one drug, the likelihood of missing or mixing up the dosage, timing or sequencing is far greater. Chronic conditions and lifelong treatment are also risk factors for non-adherence.

**Characteristics of medication** — Experiencing side effects is perhaps the single largest cause of non-adherence. Medication that is perceived to diminish a patient's quality of life—or causes other physical or mental health issues—is less likely to be taken as prescribed. But it's not just side effects that can lead to non-adherence. The pack-

aging and overall formulation of the medicine can also play a role. Complicated packaging (such as childproof vials) or complex treatments (such as having to take more than one dose a day or using an inhaler or other device) can have a negative impact on adherence.

“Over the long term, increased drug adherence can provide a significant benefit to patients, employers and the Canadian healthcare system,” says Jean-Michel Lavoie, pharmacist and director, pharmaceutical benefits, with Sun Life Financial.

“Increasing engagement and education surrounding drug adherence will result in a reduction of many additional costs that your benefits plan and employees may be absorbing, as well as fewer hospital visits and slower disease progression.”

-BenefitsCanada



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