

THE INSURANCE INSIDER



MESSAGING THE DATA: A CANADIAN HEALTH BENEFITS TREND STUDY

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David Willows, vice-president, strategic market solutions, with Green Shield Canada (GSC), shared findings from GSC’s 2014 health study. As he explained, this was the first time the annual study went beyond just drugs to create a bigger picture of employer-sponsored health benefits consumption in Canada. Drawing on a database containing millions of health claims, the study breaks down the volume and cost of claims for drug and paramedical health benefits consumed by Canadians in age bands ranging from birth to retirement.

“We want to get people thinking differently,” said Willows. “When it comes to benefits plan design, what we offer employees has stayed remarkably the same over the past 30 years. But if we had a blank slate starting today, and we knew everything we know now about Cana-

dian healthcare and demographics, what would a benefits plan design look like? In our estimation, it would look materially different from what we have now.”

While employers offer employee benefits for a number of legitimate reasons such as attracting and retaining talent, and improving employee health, Willows noted that the GSC study is aimed at employers that are looking for a return on investment (ROI) and health outcomes that are tied to their health benefits. He added that based on current trends in cost and consumption of drug and other health benefits, a significant propor-

tion of benefits spending doesn’t contribute much in terms of ROI on the health side.

The 2014 study was the first time GSC had looked at claims for paramedical services. Willows acknowledged being surprised at finding high claims for chiropractic and massage not from actual employees, but from their young member dependents. “There is something happening that we would never have imagined when paramedicals were first added to benefits plans,” he said. “Claims for massage are going up substantially, and, although we’re not saying massage shouldn’t be in plans, it



MASSAGING THE DATA CONT...

has absolutely no impact on fighting disease. So if you're looking for long-lasting health outcomes and this is the fastest growing cost in your benefits plan, then you have to ask yourself a question."

Willows suggested plan sponsors take a look at the 5% of claimants for paramedical services who account for 36% of costs, based on GSC's survey results "We found this group was likely to use multiple benefits over the year, with massage being the most used add-on benefit, with physiotherapy and chiropractic treatments. We may think intuitively that there is a downstream positive impact for people who use these benefits—it makes them feel better, so arguably their usage of other benefits should be lower than other plan members. But in our study, when we looked at those who use massage and chiropractic and compared their drug costs to others who didn't use them, we found their drug costs are, in actual

fact, higher."

Rather than stick with the status quo, Willows suggested that benefits plan sponsors focus on new initiatives that could have a bigger impact on keeping people healthy and, thus, better manage costs. People with chronic diseases such as hypertension, high cholesterol, depression and diabetes have higher overall claims and costs than those without these conditions. Considering the high levels of non-adherence to medication in these populations, improving compliance could help make people healthier, Willows said. "Our experience has shown over the past few years that improving adherence moves some of the high-cost claimants to average-cost claimants, and that provides savings to the plan."

Although traditional benefits plans haven't changed yet, Willows suggested that sponsors put stronger emphasis on wellness and prevention, specifically aimed at chronic disease.

"Why can't benefits plans cover health screenings, health coaching and the services of registered dietitians? We are just at the beginning of such discussions, but we do know, in the backdrop, the cost of chronic disease is going up, and it's only going to get worse."

-Sonya Felix



"...in our study, when we looked at those who use massage and chiropractic and compared their drug costs to others who didn't use them, we found their drug costs are, in actual fact, higher."

HOW TO HANDLE A WORKPLACE ACCOMMODATION

Your employee has come to you to tell you that they're having a difficult time with tasks at work. They don't want time off, but they need your assistance in doing their job due to an undisclosed medical condition. You had no idea they were struggling with their health, and don't really know what you can and cannot ask this employee. You certainly want to accommodate them to help them stay at work and remain effective. What should you do?

A workplace accommodation is any change in the working environment that allows a person with limitations in their abilities to do their job. These can include changes to physical workspace, adaptations

to the equipment or tools used, flexible work hours or job sharing, relocation of the workspace within the greater workplace, the ability to work from home, reallocation or exchange of some non-essential tasks for others, or time off for medical appointments. Accommodations can be temporary, periodic or long term, depending on the employee's medical condition.

In Canada, employers have a duty to accommodate employees with limitations due to a medical condition. This obligation is set out in human rights legislation enacted both federally in the *Canadian Human Rights Act* and at the provincial level, as well as the *Employment Equity*

Act.

As an employer, you absolutely have the right to request medical information in order to support a request for workplace accommodation. This could mean asking for documentation about the employee's functional limitations and the prognosis from his or her treating physician, or depending on the extent of the accommodation request, a medical exam performed by an independent third-party medical practitioner.

While your employee may choose to share more information with you or their colleagues, employers may only request information that's relevant to the work situation and the accommodation request at hand: You may not ask for the diagnosis itself or for details of the treatment



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WORKPLACE ACCOMODATION CONT...

unless it has a bearing on the accommodation request. And, of course, any medical information received must be kept confidential.

Employees requesting an accommodation should be both specific and reasonable in their request. They should be clear that they're requesting an accommodation due to a barrier or limitation, identify what the barriers are, and make suggestions about what the accommodation could be in order to remove these barriers.

Employers have an obligation to do everything they can in order to accommodate a disability to the point of undue hardship. In order to prove undue hardship, an employer would need to prove that they received information about the employee's limitations due to their medical condition and explored all possible options, but that either the proposed accommodation posed an undue risk to the health and safety of the organization's other employees, or that the related cost of the proposed accommodation would greatly impact the viability of the organization.

An employer can also decline a proposed accommodation if the functional limitation is a bona fide work requirement. For example, the management team of a manufacturing plant where specialized equipment is used in an assembly line could refuse a request to have a person on that line work from home while doing their current job.

While a request for accommodation is being explored, both the employer and employee should stay open to potential options, and be flexible. Employees need to cooperate with their employers as they gather information, explore alternatives and develop the accommodation plan.

If an employer offers a reasonable option for accommodation that both addresses the limitation and allows an employee to carry out the essential duties of their job and the employee rejects it, the employer may be absolved of their duty to accommodate.

Once a request for accommodation has been accepted, both the employer and

employee have a responsibility in ensuring that the accommodation plan is successful and that the essential requirements of the job are being met. Clear communication is key. Employers could:

- keep a written record about the key elements of the plan, including what was agreed to, who is responsible for what, with milestones detailed;
- while respecting the accommodated employee's confidentiality, communicate the parameters of the plan with the coworkers it will impact; and
- regularly review the effectiveness of the plan and make adjustments as the need for accommodation changes.

The decision to ask for help at work is generally not an easy one. An employee asking for an accommodation might be concerned with how "tipping his hand" about the limitations caused by his medical condition might be viewed by his coworkers, or how his opportunities for job advancement might be affected. He might even be concerned about losing his job. Sensitivity about how the employee might be feeling about their disclosure and request will go a long way to building trust.

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LONG WAITS FOR HEALTHCARE COST \$1.2 BILLION

Long waits for surgeries and medical treatments in 2014 cost Canadians \$1.2 billion in lost income and productivity, finds a Fraser Institute study.

The Private Cost of Public Queues for Medically Necessary Care notes that each of the 937,345 patients waiting for surgery last year bore an average personal cost of \$1,289 (measured by the value of time lost during the work week).

When hours outside the traditional work week are accounted for—evenings and weekends, excluding eight hours of sleep per night—the estimated cost of waiting jumps to \$3.7 billion, or an average of \$3,929 per patient.

“Clearly, waiting for healthcare can cause immense pain and discomfort, and puts people at risk

of further disability and death,” says Bacchus Barua, Fraser Institute senior economist and study co-author. “What we often don’t fully grasp, however, is the fact that patients are losing valuable time as they wait for medically necessary treatment.”

“Whether it’s actually lost income from not working, lower productivity, or reduced engagement with friends and family, waiting is costing Canadians dearly.”

The study draws upon data from the Fraser Institute’s *Waiting Your Turn* study, an annual survey of physicians across Canada in 12 major medical specialties that measures wait time for medical care.

In the 2014 survey, the nation’s medical professionals reported an average

median wait time from specialist appointment to treatment of 9.8 weeks—up from a decade low of eight weeks in 2009.

“Without sensible policy reform, these waits will continue to be a detriment to not only the health of Canadian patients, but to their pocketbooks, their quality of life, and our overall economy,” Barua adds.

As wait times and incomes vary by province, so does the cost of public healthcare queues.

Average value of time lost during the work week for each patient waiting for medical care (by province) are:

- Nova Scotia: \$2,081
- Alberta: \$1,848
- Manitoba: \$1,797
- Newfoundland and Labrador: \$1,746
- Prince Edward Island: \$1,636
- British Columbia: \$1,514
- New Brunswick: \$1,167
- Quebec: \$995
- Ontario: \$959
- Saskatchewan: \$813

- *BenefitsCanada*



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