



# A benefits philosophy



It all came down to adherence and accountability at this year's Solutions in Drug Plan Management conference.

By Andrea Davis & Chandra Price

**F**ew Canadians likely realize the real costs of their employer-sponsored health benefits plan. Yet for large employers, benefits—and drug benefits in particular—are taking up an increasingly large chunk of financial resources. It's safe to say the long-term viability of health benefits plans is being threatened by rising costs, increased downloading from the provinces and higher incidences of obesity, cardiovascular disease and diabetes.

Adherence and disease management programs can help, say the consultants, plan sponsors, pharmacists, union members, physicians, and benefits specialists who attended the adherence and disease roundtable hosted by *Pharmacy Post* and BENEFITS CANADA on May 12 in Mississauga, Ont. The first step, say the experts, is to go back to basics and make sure the benefits plan is a good fit with the corporate culture.

“What do you want your plan to be?” asked Ron Gathercole, director, group product management, Medavie Blue Cross in Moncton, NB. “If you don't know that, how can you put the pieces together?”

Bruce Fraser, human resources advisor, group insurance with Sobeys Inc. in Stellarton, NS, agreed. “You need to make sure all aspects of your plan design correlate with what your company says it stands for,” he said. And once the benefits plan is aligned with the corporate philosophy, getting the numbers down becomes a priority.

“What are your short-term disability numbers? If you don't measure it, you can't manage it,” said Noel Kerin, a physician with Kerin Occupational Health Consultants Inc. in Toronto.

In a unionized environment, it's important to solicit the union's support before any program is implemented.

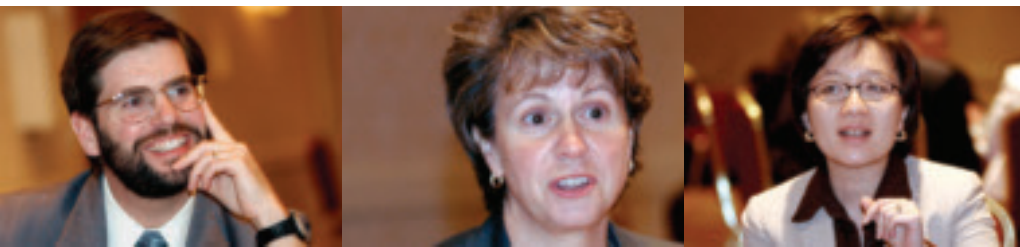
Unions are understandably resistant to any proposal that appears to take something away from employees.

“Our experience with tough, unionized environments is that you have to figure out how to get the union to the table,” said Kerin. “We found the key was to include them in the education process. If they are [involved in the set-up of the program] they will be your biggest advocates.”

Management also needs to buy in to the idea, said Imma Monardo, manager of benefits and retirement arrangements with Cara Operations in Mississauga, Ont. “If you are going to make positive changes, you need buy-in from the management team.” With benefits plans under increased pressure to cover new generations of drugs, compliance becomes an issue as well. Poor compliance with drug therapies can result in increased absenteeism and short-term disability. “There is 50% compliance at best,” noted Eric Rumack, an occupational health physician in Toronto. “The vast majority of prescriptions are not taken as filled.”

Getting employees to adhere to drug therapies and stay on their medications as long as is necessary is a good thing in the long run, said Wendy Nelson, president, RxCanada, in Mississauga, Ont. “But in the short-term, it's going to drive up your drug plan costs,” she said. “The other piece of information you need is the ability to link your prescriptions into an adherence record in an anonymous way so you'll be able to answer that key question—how is your employee group complying with its medication?”

Pharmacists are well-positioned to help with drug compliance but there are compensation issues to address. “You can work with the pharmacist to get them to monitor those people who use that particular plan. We need to educate the



Wright Beauchamp. “To get an employer to buy in, you’ll need to show him results within two to three years.”

patient that there is a role for the pharmacist,” said Laura Weyland, a pharmacist with Shoppers Drug Mart, adding that pharmacists are not being paid appropriately. “There is nothing we’d like better than to differentiate ourselves from the dispensing role and do what we are trained to do.”

The challenge, noted Robert Arnold, a consultant pharmacist with Manulife Financial in Toronto, is that pharmacists often don’t know their patient’s employer when they get handed a pay-direct drug card.

“When someone hands us a card, we don’t know who this person works for, so how am I going to know that this company has some wellness programs I can help out with?” he asked. A potential solution, he said, could be getting local pharmacies involved with the regional employer to teach employees the proper use of the drug plan.

There are no one-size-fits-all solutions for large employers looking to implement adherence and disease management programs. But tying the benefits plan to the corporate philosophy, gaining union and employee buy-in, as well as monitoring compliance can all lead to success.

### SHIFTING ATTITUDES

Mid-sized employers—those with fewer than 1,000 employees—also face significant challenges when it comes to their health benefits plans. They have the same rising healthcare costs as larger firms but may not have the financial or human resources to implement extensive disease management programs. But developing these programs is possible. Their advice? Do your homework, start small, educate employees and measure.

“Right off the bat, you need baseline measures,” said Judy Morrison, wellness consultant with Buffet Taylor & Associates in Whitby, Ont. Others agree. “You need to look at the do-nothing scenario, which is the baseline,” says Ramona Robinson, principal with Morneau Sobeco in London, Ont. “Project it out a few years and take a look at what would happen if you do nothing. That would help create a benchmark.”

With conditions like diabetes, mental illness, and cardiovascular disease on the rise, mid-sized employers also need to look at which diseases most affect their employees. “Diabetes, cardiovascular disease and mental health can all be improved by education and lifestyle changes,” noted Morrison. “Walk patients through the stages of change, and educate them before you have to change the drug plan.”

But employers need the ability to measure both direct and indirect costs before and after any program is implemented. “Only with baseline measurements can an employer properly measure what the return is on their investment in a benefits plan,” says Susan Healey, senior consultant with Cowan

However, sponsors can sometimes be remiss when it comes to such basic measures as tracking absenteeism. “When measuring absenteeism, you need to look at the causes,” said Robert Reid, partner with Aultis Solutions in North Bay, Ont. “For instance, is an employee absent due to mental illness or is he simply away because he’s taking his son to the dentist?”

Tracking the demographics of the plan’s users can also help identify which diseases an employer may want to focus on. “We need to get a better profile of who the cost drivers are. Some people have several illnesses and cost the plan more,” noted Thomas Holloway, president, Equitus Consulting Inc.

Employers also need to figure out a way to include all employees, not just those that might be suffering from a particular illness. “If you’ve got a condition like diabetes that affects maybe 5% of the population, you have 95% of the population thinking, ‘what’s in it for me?’” said Chris Bonnett, president, H3 Consulting/Business Health in Toronto. “You need to figure out the overall framework for what makes a healthy organization and then figure out the priorities.”

Whatever program is implemented, experts say it’s best to start small to help employees buy in more quickly and spend less money upfront. “If the cost of stage one is minimal, employers might be willing to try implementing a disease management program,” noted Reid.

Conducting an internal wellness survey may also be a good starting point, but make sure to report the results back to employees. And take advantage of such disease associations as the Heart and Stroke Foundation. Many will come in and give presentations on various topics to employees. Whatever disease management program is implemented, be prepared for slow change.

“It took a long time for people to recognize that smoking is bad, for example,” said Robinson. “Incentives help people take baby steps. You need to introduce something for the short term, which could mean restricting access [to certain drugs] and shifting costs to employees, and the long term, which includes shifting attitudes and investing in long-term savings.”

### THE CARROT OR THE STICK

Seemingly, benefits plan sponsors’ drug costs continue to mount due to a lack of employee accountability, education and incentives. That was the consensus among participants in the roundtable on patient accountability.

Numerous participants shared the view that employees who make lifestyle choices to smoke or not to exercise, should bear the burden of extra benefits costs.

“Smokers drive costs for critical illness plans through the

roof,” said Gavin Buhr, chairman of Member Benefits Trust in Vancouver. “It’s outrageous. Someone has to make a tough judgment call.” Buhr stressed that a large number of his plan’s 2,500 members are smokers, and indicated his plan may remove smokers from coverage this year.

Aubrey Browne, national vice-president of pharmacy services at Shoppers Drug Mart in Toronto agreed. “For the last couple of years, I’ve been saying that if the insurance industry says ‘we’re not going to insure you if you smoke,’ that’s brilliant.”

Many endorsed the notion that plan members should have no choice but to be accountable. “Where is the accountability among users?” said Janice Tang, pharmacy relations manager at Rx Canada in Mississauga. “They are so far removed from reality, unless it hits their pocket books. It probably is the reality for people to favour money versus the scare of cancer.”

Others stressed that education is crucial to ensure employee accountability since the majority of employees are unaware of the costs associated with their benefits plans. “People don’t realize employers can’t pay for everything,” said Sunny Loo, principal of Pharmacy Access Solutions in Mississauga, Ont. “Big companies are at risk because of [the cost of] pensions and benefits plans.”

Tang urged employers to “stress upon employees what their benefits plans cost.”

Jeff May, vice-president of pharmacy professional affairs at Shoppers Drug Mart in Toronto, said “the patient’s attitude is, ‘I have the benefits. If I’m not sick, I’m not going to take the time to learn about it.’” He hinted at technology as a tool for pharmacists to get and distribute the patient’s plan information when drugs are dispensed. Likewise, Loo said consistent messages from a trusted source are key.

“The average person doesn’t get messages about drugs

[why they are taking them and the safety issues],” argued Wayne Marigold, a pharmacy consultant in Mississauga, Ont. “Employers have to take more responsibility.”

Additional roundtable members took a softer approach, urging employers to offer incentives to encourage employees to adopt healthier lifestyles. Sean McKelvey, president of Network Healthcare in Richmond, B.C., cited vacation days and gym memberships as some rewards employers could implement, specifically for employees who maintain their health. “That requires the employee and employer to buy into this.” He felt strongly that an incentive approach would need employer, government and patient support in order to work. “The whole system should encourage people to do this—government could give incentives to employers with tax breaks,” McKelvey said. “They have to work in concert—now everyone operates in silos.”

If employers shift from a negative focus to positive health outcomes, it could in fact boost plan member accountability. Bill McLean, Pharmaceutical Outcomes Research Unit at the Ottawa Hospital, questioned whether plan sponsors could threaten pulling coverage if a person doesn’t take care of their health. “Or, is it better to work positively, maybe have mechanisms in place to check,” McLean pointed out. “For instance, you’ve completed your three months of therapy, and it looks like you’re compliant—as a reward we could provide them with something to encourage them to continue.”

Furthermore, May stated that employees who do not take a single sick day should be rewarded.

“Is that a part of plan design we should go to?” asked May. “Instead of focusing on the stick, maybe we should focus on the carrot.”

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