WINDS OF CHANGE
New directions in employee health benefits
Learning to do more, together

NIVEN AL-KHOURY
President & CEO
SANOFI CANADA

Here at Sanofi Canada, we are thrilled to have reached the 20-year milestone as publisher of *The Sanofi Canada Healthcare Survey*, Canada’s premier and longest-running survey on private health benefit plans. Our ongoing commitment to investing so deeply in such a project is driven by our desire to support health benefit plans that provide the best health outcomes for plan members and plan sponsors. To do this, we are committed to working in partnership with members of the private health benefits industry.

We all share in a vision to improve the health and productivity of the Canadian workforce, which in turn helps ensure the sustainability of our healthcare system. As times change, it is important to keep our finger on the pulse of plan members and plan sponsors, so that health benefit plans can evolve and expand to address proactive, personal health management. We are pleased to offer *The Sanofi Canada Healthcare Survey* as a practical tool to move discussions forward and to guide decision-making.

When we look at the evolution of drug plans, especially, the past few years can be described as a significant learning curve for both benefit providers and pharmaceutical manufacturers. Through our insights we overcame challenges that arose with new types and classes of therapies, and have gained a greater understanding and appreciation for how drugs can—and need to—prove their value.

Another important learning has been the realization that we must join our efforts to address disconcertingly high rates of unmanaged chronic disease. We must continue to investigate, evaluate the data and find creative solutions together to best address this growing issue.

At Sanofi Canada, we work passionately, every day, to understand and solve the healthcare needs of people across our country. That includes developing closer ties with insurance carriers on multiple levels. We especially thank the carriers who have come on board as sponsors of this report. We look forward to increasingly productive collaborations in the years ahead.
Winds of change

New directions in employee health benefits

Anyone involved in employee health benefit plans today will likely attest that change is in the air. Numerous external factors (such as specialty drugs, new technologies and consumer expectations) point to both the need and the opportunity to do things differently. Yet there is tremendous uncertainty and even resistance as well, in large part because benefit plans are not considered a top priority for most plan sponsors. As a result, a “wait-and-see” attitude is more typical in this industry than in most.

The 20th annual edition of The Sanofi Canada Healthcare Survey strongly suggests that the time for waiting needs to end. The survey captures feelings of restlessness on the one hand, and a readiness for change on the other. Persistent gaps also call for attention. Consider, for example:

- Fifty-three percent of plan members state that their health benefit plan meets their needs extremely or very well, down from 73% in 1999.
- Sixty-eight percent of plan members feel that their employer is more concerned about limiting costs than providing the best health benefits, up from 51% in 2000.
- Plan sponsors consistently underestimate the presence of chronic disease in the workplace; this year, they indicate that 32% of their employees have a chronic condition when in fact more than half do (57%).
- Plan members in work environments that encourage wellness are more satisfied, more positive about their benefits and even more willing to help control costs. Yet the number of employers offering wellness programs appears to have stalled at about half (51% this year), and just 31% plan to invest more in health and wellness, down from 68% in 2011.
- Seventy percent of plan members would consent to receiving targeted health information based on personal claims data, up from 58% a year ago.

The plan sponsors who shared their expertise on The Sanofi Canada Healthcare Survey advisory board, as well as those profiled on the pages of this report, all point to an essential, two-part catalyst for positive change: a “big-picture” understanding of the health conditions that drive costs across all benefits, and an alignment between benefit plans and business goals. To help set a framework for this process, this year’s advisory board pulled together initial best practices, presented on page 32 of this report.

While we recognize that change takes time and that solutions must be tailored, we invite you to use The Sanofi Canada Healthcare Survey to help motivate action. Let’s not wait any longer to get full value from benefit plans and healthier, happier, more productive employees.

For 20 years, The Sanofi Canada Healthcare Survey has monitored the pulse of health benefit plans, analyzing the changing opinions of plan members and plan sponsors on topics including workplace wellness, health concerns and the impact of chronic disease.
Glass half empty, or half full?

Just over half of plan members (53%) state their health benefit plan meets their needs extremely or very well, and another 39% say it does so somewhat well. While these numbers are positive on the one hand, on the other hand the 53% who give top marks is down significantly from the 73% reported in 1999, when this question was first posed.

Similarly, 48% of plan members describe the quality of their health benefit plan as excellent or very good, down from 55% in 2016 and 59% in 2006 (when first asked).

Several interesting variations emerge:
- Plan members with access to workplace wellness programs are much more likely to give top marks than those without for both the meeting of needs (63% versus 46%) and quality (57% versus 42%).
- Members with health spending accounts (HSAs) are more positive than those without for both the meeting of needs (60% versus 50%) and quality (55% versus 45%).
- People who are satisfied in their job also think more highly of their benefit plan: 58% say it meets their needs extremely or very well, compared to 39% among dissatisfied employees, and 52% describe the quality as excellent or very good, compared to 33%.
- Last but not least, employees who describe their health as excellent or very good are far more likely than those in poor health to be

We want to protect access to the new specialty medications while still delivering on expectations for more traditional, routine products and services. Plan sponsors will need to find a delicate balance, which is a need that didn’t really exist just five years ago.

MARK ROLNICK
SHOPPERS DRUG MART
most positive about both needs (65% versus 38%) and quality (61% versus 36%).

Sixty-two percent of plan sponsors, meanwhile, believe their health benefit plans are excellent or very good, with the following noteworthy variations: those with wellness programs are more positive (69% versus 54% among those without), as are employers that are unionized (70% versus 58% for non-unionized) and in the public sector (73% versus 58% in the private sector).

The positive influence of wellness programs (page 20) and HSAs (page 11) speaks well to employees’ support for these measures, state members of The Sanofi Canada Healthcare Survey advisory board. “Wellness programs and HSAs both give employees latitude to do more based on personal needs. These results clearly show that their availability boosts the perceived value of the overall health benefit plan,” says Nathalie Laporte, vice-president, product development, marketing and strategy at Desjardins Insurance.

However, an appreciable number of plan sponsors wish that plan members’ perceptions could be reversed: when asked which aspect of the plan they’d prefer their employees to value more, results are almost split between routine (56%) and unexpected (43%) costs. The change in employers’ responses could point to a growing sense of uncertainty around how to promote the value of health benefits, likely in reaction to the emergence of higher-cost specialty medications in recent years.

Plan sponsors’ diverging opinions about what they think employees value most and what they prefer employees to value most “speak to a philosophy for benefit plans that is no longer aligned with plans that are in place,” says Barb Martinez, practice leader, benefits solutions at Great-West Life. “Should we be doing more to change employees’ views, so that more view their benefits as a privilege, tied to health, rather than a right that’s tied to compensation?”

Ezaque Lopes, regional vice-president of business development for Ontario at SSQ Financial Group, agrees the time may be right to change the conversation, particularly when it comes to drug plans. “Many employees still tend to view drug expenses as more of a routine cost rather than true insurance because specialty drugs are a recent phenomenon, affecting relatively few people.”

For almost 10 years now, since The Sanofi Canada Healthcare Survey first asked the question in 2009, the majority of plan members (62%) have valued their benefit plan more for its coverage of routine healthcare costs rather than unexpected costs (32%, leaving 6% who do not know). Plan sponsors are aware of this leaning among employees, with 68% agreeing that their employees value coverage for routine costs over unexpected costs (18%, leaving 13% who do not know). The general alignment in results likely reflects plan sponsors’ success in promoting health benefits as part of compensation in order to help attract and retain employees, note members of the advisory board.

New context for value

Plan members say that their health benefit plan meets their needs, but not nearly as many indicate those needs are met extremely or very well.
Yet their impact on quality of life can be huge, and many of the diseases treated can hit anyone at any time. That’s a story worth telling, and can help move plan members away from the sense of entitlement that comes with seeing benefits as part of compensation.”

It appears that attitudes among plan members can indeed be swayed. When presented with a scenario of employees having to spend $5,000 themselves to help pay for a $25,000 medication that could significantly improve their health, opinions are almost split between those who would still generally prefer more coverage for lower-cost drugs that are more commonly used (54%) and those who would prefer more coverage for higher-cost specialty drugs that are used by fewer people (46%). Employees taking three or more medications feel most strongly about coverage for higher-cost drugs (58%).

“It’s interesting that when you make the possibility of unexpectedly high costs more real to people, you see how they may shift toward preferring coverage for higher-cost drugs,” says Mark Rolnick, vice-president of payor partnerships and plan sponsor innovation at Shoppers Drug Mart. “It really speaks to the balancing act that’s required of benefit plans today. We want to protect access to the new specialty medications while still delivering on expectations for more traditional, routine products and services. Plan sponsors will need to find a delicate balance, which is a need that didn’t really exist just five years ago.”

**STATS UP CLOSE: HIGHS + LOWS**

| Health benefit plan meets needs extremely or very well |
|-----------------|----------------|
| Ages 18 to 34:  | 59%            |
| Ages 55 to 64:  | 48%            |
| Ontario:        | 59%            |
| British Columbia: | 47%        |

<table>
<thead>
<tr>
<th>Quality of plan is excellent or very good</th>
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<tr>
<td>Ontario:</td>
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<td>British Columbia:</td>
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**SECTION TAKEAWAY**

The time may be right to strengthen messaging around the value of employee health benefit plans as insurance for unexpectedly high healthcare costs.

**PLAN SPONSOR PROFILE - GE CANADA**

**GE Canada’s mental health strategy gets results**

When GE Canada took a holistic look across its health benefits claims data in 2012, a pattern quickly emerged: mental illness was the number-one reason for short-term disability claims, stress was the top reason for calls to the employee assistance program and antidepressants ranked second for drug claims.

“We saw a consistent theme and realized we needed to do more to foster a mentally healthy workplace,” says Diana McNiven, manager of compensation and benefits for GE Canada, which employs 6,500 employees across the country. In 2013, the company set out to create a comprehensive mental health strategy that would evolve and grow to encompass new policies and procedures for health and disability, communications campaigns to raise awareness, and training for managers and employees.

“We first wanted to build the foundation and get leadership buy-in,” says McNiven. “When we launched the program, we did it with a message from the vice-president of HR to communicate our commitment to reducing stigma and aligning with the Mental Health Commission of Canada’s new standard for psychological health and safety in the workplace.”

GE engages employees on multiple fronts. As of 2014, all employees and new hires participate in online resiliency training, to learn coping techniques for stress management. The online training also raises awareness about mental illness and reinforces the need to overcome the stigma associated with the disease.

This year, GE relaunched Health Ahead, the company’s wellness program, to incorporate mental, physical and financial health. “It’s important to link mental health to total health,” says McNiven. “On the other hand, mental health will continue to need a special focus because of the stigma and we are still working on that.” For example, GE promotes Mental Health Week in May through participation in Not Myself Today®, a national workplace mental health initiative designed to promote awareness and reduce stigma. The campaign’s toolkit includes employee engagement activities such as posters, mood buttons and tips for having “the conversation.”

McNiven notes that GE’s mental health strategy is a work in progress. “With a small budget, we’ve done a lot with volunteers and leveraging external resources where we can. We’re now on version 3.0 and GE has already seen dramatically reduced days away from work.”
Plan members appear to have contradictory feelings about their part in cost management: while more than half (60%) agree they have an obligation to help control the costs of their health benefit plan, this is down from 76% in 2008 and 73% in 2005. At the same time, 68% feel that their employer is more concerned about limiting costs than ensuring the best health benefits are available, up from 51% when this question was first asked in 2000.

For their part, 41% of plan sponsors agree that their employees feel an obligation to help control costs, which is an increase from 33% in 2012. The results for plan members could help explain why they are less likely to describe the quality of their benefit plans as excellent or very good, notes the advisory board (page 6). “Employees have seen more changes in the past few years that they feel are focused on cost, such as mandatory substitution and prior authorization, even when there is probably very little personal impact. It really demonstrates how important it is to communicate changes in a way that protects good employee relations,” says Dave Patriarche, broker at Mainstay Insurance Brokerage Inc.

The results are also a reminder of employees’ feelings of entitlement, according to some members of the advisory board. “I’ve been in this industry for 35 years and the sense of entitlement is a real conundrum,” says Mary Ann Baynes, account executive at Desjardins Insurance. “As an industry, we have to figure out how to demonstrate better value, that there is not this bottomless pot of money for insurers and employers and the public system to draw from. Consumers need to make more of a contribution.”

The positioning of health benefits as part of compensation certainly contributes to the sense of entitlement. It’s interesting to note, however, that a countering sense of responsibility grows as employees are more likely to have used benefits: plan members aged 55 to 64 are much more likely to feel obligated to do their part for cost management (65%) than those aged 18 to 34 (50%). “The probability of having to use the benefit plan in a meaningful way increases with age, and then employees really start

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Mary Ann Baynes, Desjardins Insurance

Entitlement versus responsibility

Transparent communication is key to nurturing a sense of responsibility and behaviour change, to support sustainability amidst deeply rooted feelings of entitlement.
to appreciate its value,” remarks Lisa Callaghan, vice-president, strategy, marketing and communications at Manulife.

And when presented with the scenario that their employer is unwilling or unable to pay for increased costs to maintain the health benefit plan, plan members would prefer to pay higher premiums themselves to maintain current levels of coverage (38%), rather than see a reduction in benefits and pay the same in premiums (23%). The third option, to pay a higher portion of the cost when they personally use a benefit, was selected by just 19% of respondents. The preference for higher premiums has been consistent since this question was first asked in 1999, although it’s important to keep in mind that 20% of respondents reply that they do not know what they would prefer if faced with such a scenario.

“Plan sponsors are generally reluctant to increase cost-sharing, but these results show that employees are more willing to do that than risk losing benefits. This option should be explored more closely when faced with the alternative of reducing plan design coverage,” says John McGrath, senior vice-president, human capital benefits practice leader at Willis Towers Watson.

**Collaboration for better value**

**As more specialty pharmaceuticals enter the market, drug plans will increasingly act as insurance coverage for plan members. Insurance carriers and pharmacy benefit managers are working with pharmaceutical manufacturers like never before to prove the value of these medications for both patients and plan sponsors, before providing coverage.**

Consider, for example, emerging targeted biologic therapies for the intended treatment of atopic dermatitis (AD), a chronic eczematous condition. AD is often underestimated as a skin condition, with the most common symptom being pruritus (i.e., itch), when in fact it’s a serious chronic immune-mediated inflammatory disease that further weakens the skin barrier.

The majority of patients with AD have onset during childhood, with chronic persisting disease into adulthood; 70% to 85% of adult cases begin in childhood. About a third of people with AD have moderate to severe cases, which can significantly affect quality of life.

In one survey of adults with moderate to severe AD, when asked how much their productivity at work or school was affected, 42% said “very much.”

Exacerbation of the disease at a moderate to severe level is present an average of 113 to 192 days per year, respectively. Fifty-five percent report sleep disturbance almost every night, and 24% are being treated for depression. AD patients experience greater long-term disability compared to those patients with psoriasis (10% versus 5%, P=0.03).

Absence from work is three times higher than among employees without AD, and AD patients are more likely to have lost six or more work days from all causes compared to individuals without AD.

The first line of treatment for AD is the use of topical emollients and corticosteroids, which are relatively inexpensive. However, patients with chronic disease experience a higher burden of disease since currently there are no effective treatments available for long-term management.

Due to the high burden of this disease and limited treatment options, there is an unmet demand for new chronic targeted therapies. Therefore, as Health Canada approves new breakthrough therapies, it is important for employers and insurers to work together to provide access to medications that could tremendously improve productivity and quality of life.

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**References**


THE MOST VALUABLE BENEFIT WE PROVIDE IS NOT ON ANY CLAIM FORM

Innovative digital solutions and tools that spark engagement and help your employees make thoughtful decisions about their benefits and future well-being.

A holistic approach to physical, mental and financial health, inspiring more flexible solutions to fit busy and complex lives.

Powerful analytics that pinpoint needs and identify risks, so you can fine-tune your plan’s current performance and evolve to meet emerging needs.

Evidence-based strategies designed to help your employees stay healthy, productive and engaged over the long term.

Let’s continue the conversation.
Contact your Sun Life Financial group benefits representative.
FLEXibility is a balancing act

Both plan members and plan sponsors appear to be amenable to flex benefit plans, despite the fact that most currently have traditional plans with defined benefits and levels of coverage.

Seventy-seven percent of plan members say they currently have traditional plans, unchanged from 2015. Surveyed plan sponsors corroborate this, with 80% indicating they provide traditional plans. When plan members are then asked which type of plan they prefer, just over half (54%) point to flex plans.

Plan sponsors, meanwhile, are still somewhat more likely to prefer traditional (55%) over flex (44%); however, the results are enough to indicate at least an interest in non-traditional plan designs. Perhaps not enough, however, to justify action.

“There’s some alignment here between employers and employees, but the gap between traditional and flex plans has not changed much over the years,” remarks Mark Rolnick, vice-president of payor partnerships and plan sponsor innovation at Shoppers Drug Mart.

The issue generated debate among members of The Sanofi Canada Healthcare Survey advisory board. On the surface, flex plans address plan members’ desire for choice, but most members end up choosing the option closest to their former traditional plan, and complain when there are too many options. “People tend to stick to what they know based on past utilization. The cost savings for plan sponsors can therefore be less than expected, but the administrative burden that comes with communicating the plan design features and options can...
increase tremendously,” says Ezaque Lopes, regional vice-president of business development for Ontario at SSQ Financial Group.

Members may also choose options that come to fall short of needs, leading to appeals for exemptions—and even more administrative costs, both to address appeals and to help guide initial choices. “Employees want help in choosing. One tool that works well is to give examples of what other people with similar demographics typically choose,” says Carol Craig, director of HR, benefits and pensions at TELUS.

“The challenge is to find the balance between flexibility and complexity in an environment where more flexibility is being demanded,” says Jonathon Avery, director of product, group benefits, at Manulife. He adds that “technology has simplified doing business in virtually every industry, and has the power to make suggestions for plan members and guide their actions based on previous interactions and personal claims behaviour.”

Notes Paula Allen, vice-president, research and integrative solutions at Morneau Shepell: “Expectations are shaped by what is experienced in the consumer world. People are becoming less and less tolerant of things that take time and appear complex. So much is being done in other areas of everyday life to simplify complex things, but benefit plans have not kept pace.”

Interestingly, plan members with flex plans (46%) are no more likely than those with traditional plans (48%) to describe the quality of their plans as excellent or very good. Plan sponsors with flex plans (69%) are just somewhat more likely to describe their plans as being excellent or very good as those with traditional plans (61%). Nonetheless, when asked which type of plan they prefer, plan members and plan sponsors with flex plans clearly choose to stick with them (88% and 97%, respectively).

Plan members appear to be taking more advantage of health spending accounts (HSAs), though there is still plenty of room for growth—if that’s what plan sponsors want.

About one in four plan members (26%) reports having an HSA, which aligns with the 31% reported by plan sponsors. Among plan sponsors that currently do not offer them, 32% are interested in doing so.

Plan members with HSAs are more likely to describe the quality of their benefit plan as being excellent or very good (55%, compared to 45% among those without HSAs). Plan sponsors feel even more strongly: 70% of those with HSAs describe their plans as being excellent or very

Health spending accounts revisited

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Lack of use [of health spending accounts] may save plan sponsors money, but then they’re not achieving all of what they are intended to do, which is to give employees greater value and the opportunity to make personal choices to do with health.

“These are really positive results, but only a third of plan sponsors say they provide HSAs and not many of the rest are interested. It raises the question of whether the industry is making it too difficult for plan sponsors to adopt this benefit,” notes Marilee Mark, vice-president of product and integrated health solutions, group benefits, at Sun Life Financial.

Fourteen percent of plan members did not use their HSA at all in 2016. Among those who did, the utilization rate was 70%.

“People are more concerned about drug costs because of the increasing unpredictability associated with some of the new, specialty drugs coming, and overall increased utilization by an aging workforce. This is the only forecast available for the broad private drug plan market, and it provides some degree of predictability based on facts and realistic assumptions,” says Joe Farago, executive director of healthcare innovation at Innovative Medicines.

The forecast was bang on for 2016; in fact, the actual increase of 4.1% for private plan drug costs is slightly below the QuintilesIMS forecast of between 4.3% and 5.1%. “The numbers for 2016 validate the accuracy of this tool. If anything, the forecast is designed to be conservative. The plan will be to update the report annually to provide predictability moving forward,” says Farago.

To generate the forecast, QuintilesIMS starts with an analysis of costs for the past five years. It’s a strategy,” says Lisa Callaghan, vice-president, strategy, marketing and communications at Manulife.

As for utilization, Babcock agrees that a consideration of strategy could be worthwhile. “I don’t see a lot of conscious strategy either way. To encourage use, employers need to do a really good job educating employees, sending reminders and keeping an eye on utilization through carriers’ websites.”
Beware the trap of cost silos

When it comes to sustainability, much of the focus lately has been on prescription drug plans due to the emergence of higher-cost specialty drugs. While it may make sense to implement proven measures such as mandatory generic substitution and prior authorization to help make room for specialty drugs, members of the advisory board emphasize the need to be wary of tunnel vision. “Looking at drug plans in a silo is concerning because you could cause an unintended effect on disability claims, for example. It’s a slippery slope when the focus is on controlling costs rather than managing benefits overall,” says John McGrath, senior vice-president, human capital benefits practice leader at Willis Towers Watson.

Capped drug plans could be considered an example of siloed benefits management. Twenty-nine percent of surveyed plan sponsors indicate having an annual or lifetime cap in place. “An unintended consequence of caps is employees won’t fill prescriptions for drugs they need but can’t afford, which leads to less productivity, higher disability and low morale as word gets out,” says Babcock. “Before going to this extreme, plan sponsors need to really look at their claiming activity and determine if the potential for savings outweighs the potential grief. If cost containment is that critical, it would be better to do it through coinsurance, with an out-of-pocket maximum.”

The overarching takeaway message for both plan sponsors and plan members is that “limiting costs does not necessarily mean decreasing benefits,” says Telena Oussoren, manager of benefits at Suncor. In fact, increased levels of coverage can reduce costs in the long run. “For example, increased investment in benefits that support mental health may be offset by reduced disability costs. Employers need to look closely at their numbers.”

“Disability costs an organization more than anything else, and plan sponsors—and advisors—can’t lose sight of that,” agrees Craig. “Health benefits have to be managed holistically.”

That message comes through loud and clear when costs are presented by disease state rather than by line of benefit. For example, what is the cost of depression for an organization based on drug claims, use of the employee and family assistance program, paramedical claims, and short-term and long-term disability claims? “We have to talk much more about the burden of illness, and not talk about benefits in silos. This information can be a powerful motivator for change,” says Danielle Vidal, director of business development at SSQ Financial Group.

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Employees’ top trade-offs

Based on their personal needs, plan members would most like to increase coverage for major dental services (25%), if they could, followed by vision care (21%) and paramedical services (21%). Only 11% indicate that current levels of coverage for all five of the major areas of health benefits (i.e., prescription drugs, basic dental services, major dental services, vision care and paramedical services) are enough for their personal needs. Results are similar for plan members with health spending accounts (HSAs), which could indicate a lack of awareness of the purpose of HSAs (page 11), or the desire for more coverage despite funds available in HSAs.

Survey respondents were then informed that to receive increased coverage for their chosen benefit, they would have to accept reduced coverage for one of the remaining benefits. Interestingly, the top choices for trade-offs repeat the choices for increased coverage, which points to a strong reluctance to reduce coverage for the two remaining, and most-used, benefits: prescription drugs and basic dental services.

- Those who would most like increased coverage of major dental services are most willing to trade off coverage for paramedical services (60%).
- Those desiring more coverage for vision care are also most likely to accept less coverage for paramedical services (53%).
- On the flip side, those who would like more coverage for paramedical services are most open to trade off coverage for major dental services (35%), followed closely by vision care (32%).

**PRODUCTS AND SERVICES CURRENTLY COVERED BY HEALTH BENEFIT PLAN**

<table>
<thead>
<tr>
<th>Plan Sponsors (n=461)</th>
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<tbody>
<tr>
<td>Prescription drugs</td>
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<td>Basic dental services</td>
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<td>Paramedical services</td>
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<td>Life insurance</td>
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<td>Long-term disability insurance</td>
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<td>Vision care</td>
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<td>Medical devices/equipment</td>
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<td>Major dental services</td>
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<td>Short-term disability insurance</td>
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<td>Adult vaccinations</td>
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<td>Pharmacogenomic testing</td>
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<td>Critical illness insurance</td>
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**DESIRED INCREASE IN COVERAGE FOR ONE BENEFIT, BASED ON PERSONAL NEEDS**

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<th>Plan Members (n=1,500)</th>
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<tbody>
<tr>
<td>Major dental services, such as orthodontics and root canals</td>
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<tr>
<td>Vision care</td>
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<tr>
<td>Services from healthcare providers other than doctors, such as massage therapists and physiotherapists</td>
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<tr>
<td>Prescription drugs</td>
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<tr>
<td>Basic dental services, such as check-ups and fillings</td>
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<tr>
<td>None of them; current levels of coverage are enough for my personal needs</td>
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BASE: All plan members (n=1,500)
Challenges of change

The last two years appear to have been busy ones for plan sponsors. In 2015, 42% had anticipated making changes to their health benefit plan design over the next two years—and in 2017, 45% of plan sponsors have made changes since 2015. The changes were mainly positive, as 59% added benefits or increased levels of coverage.

However, 24% did the opposite, and removed benefits or reduced levels of coverage, increasing to 31% among employers with insured plans (compared to 18% among those with administrative services only [ASO] plans). One in four (23%) also increased cost-sharing with employees, with a high of 37% among those with flex plans.

Looking ahead, fewer plan sponsors (31%) anticipate changes in the next two years. “Plan sponsors do not want to make too many changes too fast. We saw a lot of changes from insurers over the past few years, to do with drug plans, so employers are waiting to see the impact on cost trends before making any more changes,” interprets Dave Patriarche, broker at Mainstay Insurance Brokerage Inc.

Among those that do anticipate changes, the top change is a restructuring of the plan design (39%), followed closely by new or increased benefits (38%) and more benefits tied to wellness or prevention of illness (36%). Just under a third also anticipate increased cost-sharing (29%) and the removal or reduction of benefits (28%).

Employers are most likely to point to the negative reaction of employees as the biggest challenge associated with change (30%). The Sanofi Canada Healthcare Survey advisory board suggests, however, that it may be time to adjust that perception. “In fact, what we’re seeing in focus groups, and in this survey as well, is that plan members may be more open to change than plan sponsors believe they are,” says Nathalie Laporte, vice-president, product development, marketing and strategy at Desjardins Insurance.

“Employers work with the assumption of a negative reaction, without really knowing the actual perceptions of their employees. Those who take the time to know what their employees think about a possible change, by doing a focus group or survey, may be pleasantly surprised by the results,” agrees Pierre Marion, market leader at Medavie Blue Cross.

While resistance to change can be considered part of human nature, thoughtful communication can usually smooth the way. “We’ve made a lot of changes over the years, and we’ve been the most successful when we’re really open and transparent about what’s happening. That includes sharing that we have to manage the costs and we need employees’ help to do it,” says Craig.

The second-most cited challenge, that of other business issues taking priority (20%), is more likely the biggest challenge, contends the advisory board. “Benefits are not a focus for many, many employers,” says Wanda Ivic, director of HR at Algonquin Power. “Should we be talking more about benefits, and planning for changes? Absolutely, but right now many do not see that as a priority.”

Communication is again key, this time between providers and plan sponsors. “If insurers and consultants could come up with simple yet compelling ways to communicate so that benefits become a priority, this would help employers. Help us align the drivers of our business goals with our health benefits.”

TELENA OUSSOREN
SUNCOR

Personalized medicine: from theory to practice

Does personalized medicine represent a new, win-win benefit offering? The 2017 edition of The Sanofi Canada Healthcare Survey reveals that both plan members and plan sponsors appear interested in this targeted approach to prescribing, based on patients’ genetic makeup.

“Personalized medicine represents a new, win-win benefit offering. If insurers and consultants could come up with simple yet compelling ways to communicate so that benefits become a priority, this would help employers. Help us align the drivers of our business goals with our health benefits.”

TELENA OUSSOREN
SUNCOR

*This is a good news story coming out of this year’s survey, when you think of the value in terms of improving health outcomes and maximizing the investment in drug plans. And these
tests are becoming more accessible and more affordable," says Allen.

Carriers on the advisory board agree, though caution that the application of this science is still very much in early days. "Personalized medicine does sound like a logical, next-generation type of benefit, but the ROI is not there yet because the jury is still out on the strength of the research supporting it. And the medical system is not set up to implement it yet," explains David Willows, vice-president, strategic market solutions at Green Shield Canada.

The survey specifically asked plan members about pharmacogenomic testing, which uses DNA samples from cheek swabs to determine the body’s response to certain medications. Two out of three plan members (67%) report being interested in such genetic testing, increasing to 76% among high-volume users of drug plans (i.e., those regularly taking three or more medications). The degree of interest is fairly strong, with 28% saying they are very interested, increasing to 38% among those taking three or more medications.

As director of Medcan Wellness Clinic, Dr. Alain Sotto has been able to incorporate pharmacogenomic testing in certain situations. "One young patient had tried four or five medications for anxiety and depression, without improvement. I referred her for testing and sure enough she was a non-responder for many of these drugs. She is now taking what works for her and her health has improved," says Dr. Sotto.

While he agrees it will take time for widespread adoption among family physicians, insurers could start by building it into prior authorization for certain drugs, drawing upon a network of trained physicians, he suggests.

Over the past eight years, the champions have become essential to boost awareness and drive up participation, says Kane. "Wellness has become part of our culture and Healthy Workplace is a highly recognized brand at the university." Indeed, the commitment to branding also makes it easier to introduce new activities, which range from financial literacy for children, resiliency training and sign language, to bike tune-ups and an educational seminar on diabetes.

Carleton University is working its way through Excellence Canada’s certification levels. It attained the Gold Level in 2015 and has applied for the Platinum Level. “Excellence Canada gave us discipline and we now have a plan,” says Kane. "It’s important to consider the needs and wants of our staff and faculty, measure feedback and participation, survey employees and modify as necessary, and use champions to get the message out.”
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Great-West’s DrugSolutions program offers unique products and services designed to tackle the issue of escalating drug costs, while ensuring plan members have access to comprehensive coverage.

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Great-West’s DrugSolutions. Since 2012.
Have we reached a crossroad?

Since The Sanofi Canada Healthcare Survey first began asking about wellness programs in 2008, results have consistently shown the positive impact these programs can have on employees’ attitudes, including their sense of loyalty to employers. Among the results from 2017:

- 63% of those with wellness programs say their plan meets their needs extremely or very well, compared to 46% among those without;
- 66% of those with wellness programming feel an obligation to help their employer control the costs of their health benefit plan, compared to 57% among those without; and
- 62% of those with wellness programming report their employer effectively helps employees manage stress, compared to just 37% among those without.

The results become even more compelling when we broaden the definition of wellness to include the fostering of a workplace culture that encourages health and wellness, whether or not identifiable wellness programs are in place (see chart).

“The survey reveals an interplay between benefits, wellness, job satisfaction and even cost management. These are really important trends that can help inform objectives for benefit plans,” remarks Jennifer Elia, assistant vice-president of client experience, integrated health solutions at Sun Life Financial.

Despite these positive correlations, this year’s results also suggest that plan sponsors’ efforts—or employees’ perceptions of their efforts—may be faltering. For example, 53% of plan members agree that the corporate culture in their organization encourages

SECTION TAKEAWAY

In work environments that encourage health and wellness, employees are far more satisfied with their jobs and positive about health benefit plans.
health and wellness, down from 62% in 2012 when this question was first asked. Similarly, 64% of plan sponsors feel their corporate culture encourages wellness, down from 90% in 2012.

“These are surprising drops for both plan members and plan sponsors, at a time when more employers are recognizing the role that workplace culture plays to set the foundation for health, from the organizational level right down to the member level,” says Elia.

As for wellness programming, according to plan members, its availability has vacillated between 23% and 43% from 1999 until 2015, while the last two years saw results of 38% (2017) and 33% (2016). Year after year, about one in five plan members (17% in 2017) also consistently indicates not knowing if wellness programs are available.

Plan sponsors, meanwhile, hover at the halfway mark. This year, 51% indicate offering wellness programs or policies, up marginally from last year (47%) and 2012 (47%) when the question was first asked (question wording slightly different in 2012). As well, less than a third (31%) plan to invest more in health education or wellness programs in the next year, down from 51% in 2012 and 68% in 2011.

“The findings align with what we have seen within our own customer base, where plan sponsors seem split into distinct groups. Some simply do not believe they should play a role in the wellness of their members beyond the benefits they currently offer. The other camp does believe it’s their role, and commit the time and/or funding,” says Jonathon Avery, director of product, group benefits, at Manulife.

The survey also found that 66% of plan sponsors with programs in place would like their insurance carrier and/or benefits consultant to do more to help with wellness initiatives and suggesting ways to keep employees healthy. And 77% of those with programs would like to see more integration between wellness and benefit plans.

The range of opinions captured in these results could reflect plan sponsors’ mixed feelings about wellness programs, and an uncertainty about where to go from here. “With results that are clearly more favorable in workplaces that encourage health and wellness, it’s disappointing to see a decrease in the number of organizations that encourage wellness,” observes Loretta Kulchycki, vice-president of group marketing at Great-West Life. “Are employers taking a sufficiently holistic view?”

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**JENNIFER ELIA**
SUN LIFE FINANCIAL

[These results about the work environment] are surprising drops for both plan members and plan sponsors, at a time when more employers are recognizing the role that workplace culture plays to set the foundation for health, from the organizational level right down to the member level.
When it comes to the types of wellness activities offered by employers, the top three speak more to creating a wellness culture: HR policies, such as employee engagement surveys and harassment policies (52%, up from 38% in 2016), flexible work arrangements (44%, up from 32%) and healthy work spaces that address such factors as ergonomics and lighting (42%, up from 36%).

The most common “tactile” wellness programs are flu shots at work (36%, up from 28%), discounts for external gym memberships or fitness classes (28%), on-site fitness centre or gym (21%) and online health risk assessments (23%). Almost one in five also provides healthy foods and snacks (20%) and organizes health-related challenges or goals (20%).

Which initiatives do employers feel are most successful? Culture again comes out ahead: flexible work arrangements (39%), HR policies (34%) and healthy work spaces (29%) get the most votes, followed by on-site flu shots (26%). Results for other programs listed in the survey question are not strong enough to report, though this may reflect the absence of evaluation rather than poor success rates. Just 23% of plan sponsors say they formally evaluate participation levels in wellness programs, and only 11% formally evaluate other program outcomes. Another 34% and 26%, respectively, say they do so informally.

The wide range of offerings could reflect a growing recognition that wellness means different things to different people, especially across generations, notes the advisory board. “We have definitely seen fluctuation over the past five years in terms of what role the workplace plays in wellness, and even what the term ‘wellness’ means,” says Avery. “Plan sponsors who make the commitment aim to build wellness into their culture through various means, whether it be policies and practices, or specific service offerings.”

### TOP 5 WELLNESS PROGRAMS EMPLOYERS FEEL ARE MOST SUCCESSFUL

<table>
<thead>
<tr>
<th>Program</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Flexible work arrangements (e.g., work from home, flexible hours, job sharing)</td>
<td>39%</td>
</tr>
<tr>
<td>HR policies (e.g., employee engagement surveys, performance management policies, discrimination or harassment policies, etc.)</td>
<td>34%</td>
</tr>
<tr>
<td>Healthy personal work spaces (e.g., ergonomic design, air quality, lighting)</td>
<td>29%</td>
</tr>
<tr>
<td>Flu shots at work</td>
<td>26%</td>
</tr>
<tr>
<td>Discount for gym membership or fitness classes outside of work</td>
<td>17%</td>
</tr>
</tbody>
</table>

BASE: Program offered by Plan Sponsor (n=various)
Are you ready to improve your employees’ health?

**Hint:** it starts with helping them balance their budget

Canadians who consider themselves financially well are more likely to say they’re in better physical health (71%) than those who are financially unwell (51%)*. Since 2014, our research has connected the dots and shown that when your employees feel financially prepared, they feel less stressed, healthier, more engaged and productive.

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*Manulife Financial Wellness Study – 2016 Index: state of physical health, excellent and good, financially well (71%) vs financially unwell (51%).
Taking better aim at wellness

Targeted health education could be the ticket to bringing wellness programming to the next level—and the majority of plan members say they are open to it.

Indeed, 70% would agree to receiving personalized health-related information sent directly to them by insurance providers, based on their use of benefits (for example, the drugs they are taking). This is a sizeable increase over last year (58%). The strength of opinion has also increased, from 15% in 2016 strongly agreeing to 22% this year. The percentage of people who are unsure declined, from 20% a year ago to 10% today.

Members of the advisory board indicate that most carriers now have the technology to do targeted communications and are at various stages of testing and implementation. So far, there have been very few issues around privacy, and most plan members opt for electronic communications by email or smartphone.

Plan members’ growing readiness is “very exciting,” says David Willows, vice-president, strategic market solutions at Green Shield Canada. “We are finding that people are less concerned about why we have this personal information, and more interested about what we can do with it.”

Indeed, it may be accurate to say that plan members have come to expect some form of personalized communication. “Look at Netflix and Amazon—businesses are analyzing customers’ behaviours and coming back with other products or services that could be of interest. It’s almost to the point that if you don’t do it, you’re not serving customers well,” says Mark Rolnick, vice-president of payor partnerships and plan sponsor innovation at Shoppers Drug Mart.

“Consumers are also getting used to the power they have to unsubscribe. They feel they have control,” adds Marilee Mark, vice-president of product and integrated health solutions, group benefits at Sun Life Financial.

Keeping in mind that ability to opt out, “It is critical that whatever we communicate is simple, positive and action-oriented. Otherwise, we lose the people who can have the biggest impact on benefit costs, and it will be hard to get them back,” says Nathalie Laporte, vice-president, product development, marketing and strategy at Desjardins Insurance.

Plan members are interested in receiving information about how to manage their personal health conditions (65%); general health information (57%); information about their medications (55%); and contact information for nearby healthcare professionals who can help with their conditions (54%).

The biggest return on investment will come from communicating with those who have a chronic disease or who are at high risk of disease, and the more interactive the better (for example, nudging people to take their medications, schedule follow-up screenings or enrol in coaching programs), recommends the advisory board.

For their part, 64% of plan sponsors would be interested in a plan design that provides employees with targeted health information from benefits providers, based on claims activity. Larger employers (75%) are more interested, as are unionized workplaces (72%). More than half (59%), however, are concerned about the cost. Almost half (47%) are concerned about privacy issues, which speaks to the opportunity to raise awareness of plan members’ readiness for this type of information.

We are finding that people are less concerned about why we have this personal [claims] information, and more interested about what we can do with it.

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**VIEWS ON RECEIVING TARGETED HEALTH INFORMATION**

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<th>Somewhat agree</th>
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<tr>
<td>2016</td>
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**VIEWS ON PROVIDING TARGETED HEALTH INFORMATION**

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<th>Somewhat interested</th>
</tr>
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<td>46%</td>
</tr>
<tr>
<td>2016</td>
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BASE: All plan members (n=1,500)

BASE: All plan sponsors (n=461)
Interest high in prevention and personal tools

Again this year, The Sanofi Canada Healthcare Survey reports that plan members are keen to try new benefits that focus on addressing individual health issues, from identifying personal health risks to achieving specific goals.

Screenings – Employees feel quite strongly about health risk screenings as a possible health benefit. A clear majority would likely participate in screenings for cancer (83%, including 46% who say they would very likely participate), heart disease (80%, with 40% very likely), diabetes (71%, with 32% very likely) and stress/mental health (64%, with 29% very likely).

Just 8% of plan sponsors, meanwhile, offer such screenings on-site with healthcare professionals. Plan sponsors’ main concerns are costs (53%), privacy issues (44%) and a low return on investment due to low participation (33%).

Members of the advisory board report that plan sponsors who go ahead with on-site screenings tend to see great value and repeat the screenings annually; however, they agree that screenings may not be a good fit due to costs and logistics. All employers, however, can raise awareness that screenings can be accessed through physicians, public health units and possibly pharmacies.

Targeted communications can be a perfect vehicle. “It can be an email from the carrier or an HR executive, customized to let employees know that, based on their age or claims patterns, these are the screenings they might be interested in and here’s how they can access them in their province,” says Elia.

Vaccinations – Plan members would also likely take advantage of a benefit for adult vaccinations, particularly for travel vaccines (79%, with 45% very likely to use it). About two-thirds are also likely to get vaccinations against shingles (68%) and human papillomavirus (HPV, 61%).

“This is a good example of a benefit that is justifiable using a research-tested, evidence-based approach. There is a straight line between vaccines, preventing disease and the potential to reduce health and disability claims,” says Willows.

Based on current uptake of coverage for vaccinations by benefit plans, there

Personal technology drives wellness at CAPCORP

CAPCORP, a small but growing company in the financial services industry, took an admittedly low-tech approach when it launched its first Work ‘n’ Well initiative in 2014—it handed out water bottles to encourage employees to drink more water. But that simple initiative soon evolved into a strategy that leverages the latest mobile technology to motivate healthy behaviours.

CAPCORP’s journey into wellness technology began with the purchase of Fitbit® activity trackers for each of the company’s 24 employees. “We wanted a way to track progress and we started the New Year with a ‘step it up’ challenge,” says Jennifer McKnight, the office manager who championed the creation of an employee wellness program. “It took the employees by storm! They began challenging each other and competing.”

That enthusiasm sparked further discussions about how to build upon this blossoming culture of wellness in the workplace. “We began looking at other technologies on the market,” explains Andy Noseworthy, vice-president at CAPCORP. “We needed something that would fit a small company and started with the mobile app Optimity, a Canadian start-up that welcomed our feedback and insight during rollout.”

CAPCORP’s employees enthusiastically embraced the incentives-based app. Participants could accumulate stars for participating in micro-activities like stretching or taking a mental health break, and received rewards such as gift cards. But CAPCORP didn’t stop there. Next came the launch of OfficeVibe, an employee engagement platform that measures how employees feel on key metrics such as personal growth, recognition and happiness.

“Technology isn’t everything, however. Employees also participate in healthy potlucks, yoga classes or group hikes at lunchtime. “We have seen drastic changes in the past three years in our employees’ awareness of physical and mental health—people talk about it and CAPCORP encourages those conversations,” says McKnight.

Noseworthy agrees, stressing that success comes from empowering employees to take on their own personal health management. “There is a bit of a financial commitment to buy the technology but we quickly saw results. I am most proud of how we took a topic like becoming more healthy, which is often seen as a distasteful ‘should do’ task, and made it into something that people enjoy doing.”
is plenty of room for growth—36% of surveyed plan sponsors say they provide coverage, up from 27% in 2014.

Coaching – Sixty-three percent of plan members say they would likely take advantage of coaching from a dietitian or nutritionist, if available, as a health benefit. Similarly, 61% would likely sign up for coaching from a health expert to set and achieve personal health goals. Employees feel quite strongly about this, with 31% and 28%, respectively, saying they would very likely use such services.

As well, a convincing 73% of employees who regularly take three or more medications—and who are therefore the biggest claimants for prescription drug plans—say they are interested in coaching from a pharmacist to learn more about their medications and chronic conditions, if this were covered by their health benefit plan. The degree of interest is high, with 30% stating they are very interested.

As with pharmacogenomic testing (page 16), however, systemic challenges hinder the inclusion of pharmacist coaching as a standard benefit; namely, a business model within retail pharmacy that assures a consistent, measurable quality of service. Meanwhile, plan sponsors can still raise awareness that pharmacists’ services can be covered by health spending accounts, or as part of paramedical benefits—and let plan members decide, as consumers, whether the services are worthwhile.

On the other hand, some members of the advisory board wonder if it’s time for insurers to change their approach. “It looks like there are enough employers and enough employees out there who are really poised for the future, who are interested in new benefits that also promise to reduce costs. But is the industry ready?” questions Susan Belmore-Vermes, director, group benefits solutions at Health Association Nova Scotia.

“Carriers have the opportunity to drive change in the industry,” adds Telena Oussoren, manager of benefits at Suncor. “Plan sponsors count on carriers to say, ‘This is a best practice, so we’re going to add it as a standard benefit, and here is how it might positively affect your plan.’”

Managers: the gateway to health at Promutuel

Rising insurance premiums jolted Promutuel Insurance to take action on employee health issues in 2013.

“Costs were projected to keep rising if we did nothing,” says Lucie Vachon, human resources director at Promutuel’s head office in Quebec City. “So we thought about how we could better manage disability and encourage better health among our staff to help reduce costs. But the structure of our organization presented a big challenge.”

Promutuel is comprised of 1,900 employees who work at head office or one of 17 branches of independently run businesses. “Although we can influence the branches, we can’t force them to do what we want,” says Isabelle Tremblay, the company’s health and safety advisor. “Each branch has its own administrative board and we needed their agreement.”

After receiving approval from the board at head office, Tremblay and Vachon set out to win the support of more than 200 branch managers for a health and wellness initiative.

“It was a major achievement to convince and train our managers,” recalls Tremblay. “We explained how costs are increasing and they acknowledged we had to do something to have better control before rather than after the fact. Then we prepared a one-day training session for all managers to talk about prevention and how to better manage disability.”

Four years later, Promutuel has undergone a significant shift in attitude toward organizational health, with a corporate health strategy that supports each branch across Quebec. Activities range from charity walks to fitness challenges at the branch level, based on the branch’s interests, and the disability training for managers has noticeably improved management skills. “It is very important to involve managers and inspire employees through them,” stresses Tremblay.

It’s also important to consider all efforts a work in progress, she adds. For example, “we’ve started to share projects between head office and the branches and there has been a lot of interest in each other’s activities.”

Last but not least, proof of success is also in the numbers. For example, disability claims due to mental illness have declined by 13%, says Tremblay.
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More than half of plan members (57%) report being diagnosed with at least one chronic disease or condition, consistent with results in 2015 and 2016. This increases to 72% among employees aged 55 to 64. Plan sponsors, meanwhile, continue to significantly underestimate the presence of chronic conditions in their workforce, at just 32%, unchanged from last year.

As in previous years, the top diseases are mental illness (19%), arthritis (15%), diabetes (8%) and asthma (8%). These results are consistent with prevalence rates reported for the general adult population, according to Statistics Canada and other sources.

How do we raise plan sponsors’ awareness of the level and impact of chronic disease in their workforce?

Currently, 52% of plan sponsors indicate they get reporting from their providers on the top disease states in their organizations. Just 23% get such reporting on a regular basis. Among those who do not receive such reporting, 63% would like to.

These results are disconcerting to members of the advisory board. “The information is there from insurers, but employers depend on their benefits consultant. It sounds like many are not providing this type of analysis to their clients,” notes John McGrath, senior vice-president, human capital benefits practice leader at Willis Towers Watson.

“Given the size of groups surveyed, far more than half of plan sponsors should be indicating they receive information about their top disease states,” agrees Loretta Kulchycki, vice-president of group marketing at Great-West Life, adding that only the smallest of employers would be unable to receive them given privacy rules (for example, those where less than 10 members made claims). *This information is readily available,
Plan sponsors significantly underestimate the presence of chronic disease in their workforce. Reporting on disease states is available, but does not appear to be reaching employers.

Don’t overlook risk factors

When we look at risk factors that can lead to chronic disease, 17% of plan members report having high blood pressure, increasing to 25% among employees aged 55 to 64. Similarly, 17% have high cholesterol, increasing to 28% for older employees. However, actual rates of prevalence are likely higher due to the number of employees who have yet to be diagnosed.

The results for cholesterol, for example, appear to be well below the actual prevalence in Canada—Statistics Canada, for example, reports that 40% of Canadians aged 40 to 59 have unhealthy cholesterol levels. Given that approximately half of those with this "silent disease" are unaware they have it, the actual prevalence among surveyed plan members is likely higher than the reported 17%.

The challenges at ground level, however, can be daunting: from lack of opportunity due to time-pressed plan sponsors to lack of confidence or motivation among advisors themselves. While carriers cannot resolve these issues directly, perhaps they can kick-start interest by repackaging the information so it can’t be ignored, suggests the advisory board.

“Reports are now easier to get, but they can still be many pages long, and advisors may not have the time or expertise to make them more user-friendly for clients,” notes McGrath.

“A 50-page report may look impressive, but I’m going to set it aside,” acknowledges Wanda Ivic, director of HR at Algonquin Power. “Instead, if you could give me a short, simple summary that focuses on the top three issues for my organization, I’d welcome the opportunity to chat about it.”

“We have to find a way to take the information we get and translate it into understanding the health conditions that are driving costs. That makes a big difference in terms of what we do first or what we do at all. And then we need to align it to business goals so there’s a business case as well,” summarizes Chris Bonnett, principal of H3 Consulting.

Once advisors have this type of information, patience may be next on the agenda. “It may be the third or eighth or 20th time that an advisor sits down with a plan sponsor and presents this type of information, but it’s good for employers to know the information is available and how to use it when the timing is right,” says Telena Oussoren, manager of benefits at Suncor.

The medication connection

Thirty-seven percent of employees with chronic conditions take three or more medications on a regular basis, compared to just 2% of employees without chronic conditions. When you consider that 57% of all plan members report having chronic conditions, this translates into one-fifth (21%) of the total workforce taking three or more medications.

The more medications people take, the greater the risk of nonadherence, notes Dr. Alain Sotto, occupational medical consultant at Toronto Transit Commission and director of Medcan Wellness Clinic. “People use their drug plan to pay for medications, but don’t get the best results because they’re not taking them regularly or properly. Usually that’s because they were not educated about the importance of taking their medications. There would be real value in a benefit that offers education and adherence support for high-volume drug claimants.”

The survey also reveals that 23% of plan members with chronic conditions do not take any medications. While conditions can sometimes be managed through lifestyle changes alone, 23% is unrealistically high, remarks Dr. Sotto. This speaks to nonadherence as well, and the need for more education about the benefits of medication. “It’s ironic because I’ve found that when people take drugs from the start, it improves their confidence to achieve lifestyle changes, which can be very difficult. Then, as the lifestyle behaviours take hold, we can look at reducing or even stopping medications.”

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A closer look at diabetes management

Employers can take relatively simple, low-cost steps to help employees diagnosed with diabetes—and the return on investment can be staggering.

The Alberta School Employee Benefit Plan decided to make diabetes management support a priority after analyzing claims for plan members with diabetes over a 20-year period. Its profile of reasonably adherent plan members—those taking their medications as prescribed and trying to make lifestyle changes—cost the benefit plan about $25,000 over 20 years. Plan members with poorly managed diabetes, who required treatment for co-morbidities and complications, and took disability leaves, claimed more than $550,000 in health benefits.¹

“Fortunately, employers can help make a big difference because this disease can respond well to changes in personal behaviour,” says Andrew Young, vice-president of programs, services and product development at Diabetes Canada (formerly the Canadian Diabetes Association). “Since people spend so much of their time at work, the workplace is ideally positioned to continuously encourage healthy behaviours, including diabetes self-management.”

Young recommends the following measures to support a healthy lifestyle and diabetes self-management:
• Promote a culture that is free of stigma and discrimination.
• Allow consistent and predictable schedules for eating.
• In sedentary work environments, promote the benefits of regularly standing and walking, as well as walking meetings.
• Offer healthy food and drink choices at meetings, in the cafeteria and in vending machines.
• Promote simple goals to increase physical activity, such as brief walks after lunch and using the stairs.

While some employers embrace management training for psychological

“Without certain management practices in place, employers are not going to see a full return on investment on what they are doing to support mental health.”

Report card on mental health

Fifty percent of plan members say their employers effectively help employees manage stress, which is somewhat of an improvement over 42% in 2011. Plan sponsors agree with this assessment, as 50% say their organizations effectively help employees deal with stress; however, this is down from 58% in 2011.

At the negative extreme, almost a third of employees (31%) agree that their workplace stress has been so overwhelming in the past year, they have felt physically ill at times. This is unchanged from 2012, and down from 38% in 2009. “The work environment is very important,” points out Danielle Vidal, director of business development at SSQ Financial Group. “We talk about stress management programs but we have to shape the environment, which includes training managers to recognize the health risk factors associated with mental illness and proactively refer employees to appropriate supports.”
Most employees have personal goals to eat healthier foods (87%), manage stress better (85%), reach a certain fitness goal (85%), get more sleep (83%) or achieve a certain weight (80%). When asked about the impact of their workplace on achieving any of these goals, plan members generally indicate their workplace neither helps nor hinders their progress—with two exceptions. One in five (22%) says the workplace is a barrier to stress management, and 16% say the same about sleep health—compared to much lower results for fitness goals (8%), healthier foods (9%) and weight targets (8%).

This is especially true for employees who also report feeling overwhelmed by workplace stress in the past year. “They have a personal awakening about their own mental health,” explains Paula Allen, vice-president, research and integrative solutions at Morneau Shepell. “Managers are a hidden vulnerability for employers because they are high performing but also often the most stressed people in the workforce. Investing in management training pays off on multiple levels.”

Twenty-seven percent of plan sponsors have or are in the process of implementing a formal program that supports psychological health and safety. Another 17% say they plan to do so. This is down slightly from 32% and 23%, respectively, in 2016.
where both employers and employees get into the habit of always having to be tapped in, even during personal time,” says Ivic. To counter the potential negative effects of that, members of the advisory board recommend policies for interactions after regular business hours—and suggest senior leadership needs to set the example.

Perhaps as part of efforts to maintain work-life balance, 48% of employees say they continue to work while eating lunch, unchanged from 2015 (47%), and increasing to 59% among managers. Working through lunch, however, can have unintended health consequences. “Distracted eating and skipping breaks can lead to overeating and cravings for unhealthy snacks, not to mention you’re getting less physical activity. This increases the risk of chronic conditions like high blood pressure and type 2 diabetes. And if you already have a chronic disease, working while eating is a bad habit that can make the disease worse,” says Dr. Sotto.

How would plan members describe their current level of health and fitness? One-third (33%) claim it is excellent or very good, similar to previous years but down somewhat from 40% when this question was first asked in 2014. The result drops to 26% among employees with chronic disease, and to 28% among those who say it is increasingly difficult to balance work and life responsibilities.

Innovation in mental health support

Early in 2017, Manulife took a bold step toward supporting psychological wellness by increasing coverage for mental health services to $10,000 for employees in Canada and each member of their family.

“This level of benefit coverage is market-leading,” says Maria Fraga, head of global benefits and wellness at Manulife. “It helps pay for psychologists, social workers, psychotherapists and other mental health-related professional services.”

The improved benefit coverage is just one component of Manulife’s health and wellness strategy that encompasses physical, psychological and financial health. “All three pillars are connected, but our focus on mental health is particularly important,” says Fraga. “The past couple of years we’ve added a lot of mental health components to improve awareness, reduce stigma and promote psychological resiliency.”

Manulife devoted the month of May this year to promoting on-site mental health activities such as daily webinars, guided meditation, mindfulness and chair yoga. The company has also joined Not Myself Today®, a national initiative by Partners for Mental Health, which provides employers with a toolkit to help educate employees and create supportive work environments. “These activities are all aimed at breaking down barriers, removing stigma, making mental health resources accessible to all employees and getting the employees comfortable with talking about mental health,” Fraga says. “We want our employees to try new things such as meditation and yoga as a way to build resiliency and skills for the long term.”

Manulife’s approach to mental health is not a one-size-fits-all strategy. Aggregate results from annual health risk assessments help the company pinpoint areas of program focus. Employees are also provided with personalized statements so they, too, can develop a personal wellness plan for themselves. As well as nutrition, sleep and exercise, the health risk assessment measures stress levels. “The aggregate data is an important aspect that helps us define our wellness strategy,” says Fraga.

“All our programs aim to help our employees be at their very best every day,” she adds. “And our employees appreciate our holistic approach.”

Win loyalty by helping employees catch sleep

Plan sponsors can make a difference by promoting awareness of sleep apnea, and including coverage for sleep apnea equipment in their benefit plan. “Sleep apnea is becoming an epidemic, and it’s hugely underdiagnosed,” emphasizes Dr. Alain Sotto, occupational medical consultant at Toronto Transit Commission and director of Medcan Wellness Clinic, adding that it increases the risk for cardiovascular disease, hypertension, depression, diabetes, erectile dysfunction and dementia.

Successful treatment, which often requires the purchase of a sleep apnea machine, can dramatically improve quality of life. Says Dr. Sotto: “Patients come back to me and say I’ve changed their life. They’ve got so much more energy.”
Over 40% of adults suffer from sleep issues. This has a serious impact on people’s health – and on employers.

Find out more: dfs.ca/SleepDisorders

1. GET THE RIGHT ADVICE FROM A BROKER, ADVISOR OR CONSULTANT WHO:
   • Specializes in group health benefits—this may sound obvious, but small and mid-size employers may instead source benefit plans through “generalists,” such as life insurance brokers.
   • Helps identify and address long-term as well as short-term objectives across all benefits (and beyond cost controls).
   • Refers plan sponsors to other experts as required (for example, wellness consultants).
   • Brings in the information needed to set the right objectives, such as the top disease states driving costs across all benefits.
   • Delivers fair pricing over the long term, which lowers the risk of substantial increases come renewal.
   • Is open to doing business with many, if not all, insurance carriers, not just the two or three offering higher commissions.
   • Anticipates and resolves problems before they become problems (and has the relationships with carriers and providers to jump in and do just that).

2. USE BENEFIT PLAN PHILOSOPHY AS THE TOUCHSTONE
   • Determine and document why benefits are needed. There are likely multiple reasons—recognize when and how they may work at cross purposes. Rank the priorities and determine short-term and long-term objectives, then revisit and revise regularly.
   • Seek acceptance of the philosophy by personnel in benefits, finance and senior management.
   • “Sell” the philosophy by linking it to business strategy: articulate how a healthy workforce contributes to business success.
   • To guide the development and evaluation of philosophy, draw from external resources such as The Sanofi Canada Healthcare Survey.

3. INVOLVE PLAN MEMBERS
   • When considering changes to health benefit plans, gather employees’ input using simple surveys, informal focus groups or committees and pilot projects.
   • Explore levels of interest, preferences and/or suggestions in areas such as targeted health education, cost management, healthy behaviours, management practices and work environments.

4. COMMUNICATE
   • Keep it simple, short and relatable. Ban insurance-speak! (True at all levels, whether the communication is from carriers to advisors, from advisors to plan sponsors or from plan sponsors to plan members.)
   • When communicating changes, be upfront and transparent about why the changes are happening and what plan members can expect.
   • Explore direct, targeted communications with plan members based on their claims activity.

5. COMMIT TO WELLNESS AND CHRONIC DISEASE MANAGEMENT
   • Foster a work environment or culture that supports personal health and wellness, which translates into happier, more productive and more loyal employees.
   • Be strategic, and integrate wellness with health benefit plans though information sharing, joint planning and common leadership.
   • Keeping in mind that more than half the workforce has chronic health conditions, consider environmental supports and health benefits for chronic disease management.
At Sanofi Canada, we work passionately to bring patients the most advanced healthcare solutions – medicines and treatments that enable generations of families to live healthier, more active lives. But our work extends beyond product research and manufacturing.

2017 marks the 20th anniversary of The Sanofi Canada Healthcare Survey. This valuable exchange of insights between plan sponsors and their members supports workplace productivity, better chronic disease management and improved illness prevention. Each year, we strive to better understand Canadians’ needs with the hope of supporting health benefit plans that are cost-effective, relevant and sustainable.

Inspired and empowered by this milestone at the dawn of a new generation, we are proud to continue on this journey with you. To learn more about us, visit sanofi.com or sanofi.ca.

PEOPLE-FOCUSED. PASSION-DRIVEN.
The Sanofi Canada Healthcare Survey is shaped through the guidance and expertise of the advisory board. The members of the advisory board tapped into the concerns of today’s plan members and plan sponsors. Throughout the year, they took time out of their schedules—as key stakeholders in the Canadian health benefits industry—to participate in every stage of The Sanofi Canada Healthcare Survey, from reviewing the questions asked of Canadian plan members and employers to promoting the report and answering questions about the findings. Their continuing support of this important project is essential.

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Ipsos-Reid fielded the plan member survey on behalf of TC Media Content Research group using an online (Internet survey) methodology from January 11-15, 2017. In total, a national sample of 1,500 primary holders of group health benefit plans completed the study. At the time of each interview, these adults were the primary holders of employee plans with a health benefits portion. The online completes were conducted using a random sample drawn from the 200,000+ members of the Ipsos-Reid Canadian i-Say Panel. The total results of a probability sample of this size would be considered accurate to within +/- 2.5%, with 95% certainty of what they would have been had the entire population of Canadian plan members been polled. It is important to note, though, that the margin of error is higher among sub-sample respondent groups. The data has been statistically weighted to ensure that the age, gender and regional composition of the sample reflect those of the adult population according to the 2011 Census data. Additionally, some response categories in this report do not add up to 100%—this is due either to the rounding of numbers or questions that allowed plan members to provide multiple responses. In addition, Maru/Matchbox fielded a separate online survey for TC Media Content Research with 461 benefit plan sponsors from across the country, from January 18-March 7, 2017. The data was statistically weighted to accurately reflect the geographic distribution of business and business size according Industry Canada.

**PLAN MEMBER DEMOGRAPHICS**

**ORGANIZATION SIZE**

- 9% <50 employees
- 11% 50-249 employees
- 12% 250-999 employees
- 13% 1,000-4,999 employees
- 21% ≥5,000 employees
- 34% Don’t know

**AGE**

- 28% 18-34
- 18% 35-44
- 19% 45-54
- 26% 55-64
- 9% 65 and older

**POSITION**

- 17% Professional
- 13% Administrative, clerical or secretarial
- 12% Managerial, supervisory or executive
- 25% Retired or not currently working
- 11% Technical or trade
- 11% Sales or service
- 4% Teaching or academic
- 4% Self-employed

**LOCATION**

- British Columbia 13%
- Alberta 11%
- Saskatchewan/Manitoba 7%
- Ontario 38%
- Quebec 24%
- Atlantic Canada 7%

**LANGUAGE**

- Most frequently speak English at home 74%
- Most frequently speak French at home 24%
- Most frequently speak a language other than English or French at home 12%

**HOUSEHOLD INCOME**

- 6% <$30,000
- 21% $30,000-$59,999
- 32% $60,000-$99,999
- 32% ≥$100,000
- 9% Prefer not to answer

**GENDER**

- Female 52%
- Male 49%

Note: Due to rounding, response categories may not add up to 100%