



## E-z Street

HOW E-HEALTH SOLUTIONS MIGHT IMPACT PLAN COSTS OVER THE SHORT AND LONG TERMS. BY MIKE SULLIVAN

Employee health benefits plans in Canada have been adversely impacted to date by a slow uptake of e-health technology across the healthcare industry and inconsistencies in the technology infrastructure across provinces. An effective rollout of electronic health records (EHRs) and related e-health technologies will allow healthcare providers access to the data needed to optimize the health of their patients as efficiently as possible, which will result in lower costs and better outcomes for plan sponsors.

Given that the vast majority of direct extended health plan spending for Canadian plan sponsors still resides within the drug plan benefits arena, this is an ideal place for new technology and better access to information to have a profound impact. In Ontario, for example, pharmacies are currently not connected to one another. The information captured within private health benefits plans is not shared with—nor can it be accessed by—the public system. The same is true in reverse. Moreover, there is limited connection between the provincially funded drug plan and healthcare institutions.

Not all Canadians have a regular family physician, nor do they necessarily incur all of their health claims at a single provider. As a result, consistent and complete information is not always available at the point of prescribing or dispensing for a given plan member. This gap is a significant source of inefficiency within the existing system, something that could be addressed by EHRs that are accessible by all relevant healthcare professionals. Increased efficiency would lead to better results and lower costs for plan sponsors, because a given member's health would be optimized on the fewest number of therapies, and optimal health results in less absence and disability.

There are a number of other practical ways for plan sponsors and members to contain costs by leveraging appropriate e-health technology moving forward.

Today, a pharmacist dealing with a new patient does not necessarily have access to that person's comprehensive medication history, nor can he or she assess relevant lab values that would indicate how well controlled the patient's given condition is. There is no way of understanding if a new

prescription is warranted or if the individual could be appropriately treated by optimizing existing medications. This situation would be eliminated with appropriate technology and access to information.

E-health technologies can enable plans with more intricate designs that are engineered to contain costs without limiting coverage to members. If the physician could quickly determine at the point of prescribing that a given medication is not covered, he or she could look at prescribing alternatives.

If a more cost-effective therapy is available to a plan member for an uncomplicated condition—and suppose the member in question has a 20% co-insurance within her plan—the net savings of out-of-pocket costs over a 12-month period for that chronic therapy could be enough to offset the cost of health-promoting and preventative over-the-counter (OTC) supplements, such as vitamin D or low-dose Aspirin.

If a physician or pharmacist were able to see that a patient had noted taking St. John's wort on her medication profile to treat what she believed to be symptoms of mild to moderate depression, that captured information could prevent a drug interaction between her OTC therapy and her blood pressure medication.

Given that the use of expensive specialty (i.e., biological) drugs has increased dramatically in recent years, the advent of more sophisticated prior authorization programs will be required to ensure that these medications are being used appropriately and safely for approved indications, and that they are, in fact, having an impact. Relevant e-health technologies can enable all stakeholders in the approval, funding and delivery of these medications to share the information that will allow for proper management of this key cost driver. With specialty drug costs averaging as much as \$1,500 per claim, it is easy to see where technology can have a significant impact here.

Comprehensive and accurate medical information facilitated by widespread use of e-health technology, coupled with appropriate plan designs that take advantage of better information, hold the key to plan sustainability moving forward. **BC**

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