

(l-r) **Jeff May**, president, HumanisRx; **Sayeh Radpay**, senior director, strategy and partnerships, HumanisRx; **Mark Foerster**, vice-president of group operations and claims at Munich Re, Canada (Life)

“MEDMONITOR HAS THE POTENTIAL TO IMPROVE EMPLOYEE HEALTH AND PRODUCTIVITY, AND ALSO PREVENT OR SHORTEN DISABILITY CLAIMS.”



JEFF MAY

President, HumanisRx

HumanisRx describes its new MedMonitor program as a “game changer” for its potential to help plan sponsors reduce disability and absence costs. We asked Mark Foerster, vice-president of group operations and claims at Munich Re, Canada (Life), Jeff May, president of HumanisRx, and Sayeh Radpay, senior director, strategy and partnerships of HumanisRx, to describe the impact of intervening to get medications right.

What factors are driving disability claims in Canada?

MF: The top three long-term disability claim categories by primary cause are mental health (33%), musculoskeletal

(24%) and cancer (11%). We are seeing increases in all three of these categories compared to the overall claims block. Mental health, in particular, is a component of at least 40% of long-term disability claims as a co-morbid factor.

What is the effect on insurers and plan sponsors?

MF: For about 12 years, we’ve been tracking new claims, closed claims and open claims from all of our long-term disability insurers against full-time employment numbers from Statistics Canada. In that time, there has been a 25% increase in incidence rates. Insurers have had to invest more to process those higher numbers of claims. There has also been a lot of effort to try to help people return to work and to close claims. As a result, insurers have had to raise the cost of disability insurance. Sponsors are paying that higher cost – or they’re sharing it with employees or passing it along to employees, depending on the plan structure. Nobody likes to have to do that, but that’s definitely one of the consequences.

How is Munich Re driving innovation for insurers and plan sponsors in managing disability?

MF: As the reinsurer with the largest disability claims market share in Canada, we have the benefit of having a relationship with most insurers in Canada that offer disability products. We can aggregate data, identify trends and work to identify root causes of issues that are causing people to be off work. In addition, we’re very plugged into the evolution of “insurtech,” and we’ve partnered with start-ups and incubators at the forefront of wellness initiatives. There’s been an explosion of technology and data in the past few years that is driving the development of exciting new products and services.

How do medication-related problems affect Canadian employers?

MF: Last year, according to the Canadian Life and Health Insurance Association, insurance companies paid out \$12 billion under employer programs for prescription drugs. That’s about 35% of all the drug

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spend in Canada. Yet, when people don’t adhere to their medication, take conflicting medications, or the drugs are insufficient for their condition, our research shows there is a correlation to a greater number and duration of disability claims. That applies, in particular, to the largest claim category of mental health.

How much could proactively identifying medication risks impact an insurer or plan sponsor?

MF: It has really positive potential – not just for insurers and sponsors, but also for employees who don’t have to suffer as long if they get on the proper medications and dosage. Using data from a third-party administrator representing a number of sponsors, we projected that out of a population of 200,000 employees, a proactive approach to medication management could avoid 59 long-term disability claims and shorten the duration of 81 long-term disability claims. To put that in perspective, the average cost to an insurer over the life of a single long-term disability claim is \$100,000.

What motivated HumanisRx to develop MedMonitor?

JM: We have deep roots in medication management with many decades of experience providing pharmacy and clinical services to long-term care and supportive living homes, as well as mental health and addictions support programs. We saw a significant unmet need with respect to medication management in employees on disability. Our pharmacists help Canadians with complex medical issues get the best

outcomes from their medications. So, we decided to leverage their expertise to positively impact the cost drivers of work absence and disability.

How did you decide on the best approach to improve the management of drug therapy?

JM: We did an assessment of all existing return-to-work programs in Canada, and not one of them incorporated medication assessment. So, we conducted a pilot project with GroupHEALTH’s Disability Management Institute that embedded our pharmacists into the traditional disability case-management approach. The results were quite impactful, demonstrating reduced symptoms of pain, anxiety and depression by 30-40%, just to name a few. We quickly realized we could help only a few employees at a time with this approach. To provide our services on a larger scale, we added an exclusive software product that applies hundreds of clinical algorithms to mine drug claims to identify risks, including non-adherence to medication therapy, safety issues and gaps in care. It creates alerts on individuals that pharmacists can use for virtual outreach intervention.

What are the benefits for employers?

SR: MedMonitor’s software algorithms were applied against three years of drug claims data. The results showed that one out of four employees generated an alert that was a potential health risk. Applying this and other assumptions into a valuation model developed by Munich Re resulted in \$2.7 million in estimated savings in

long-term disability costs across a population of 200,000 plan members. And a similar model for short-term disability adapted by HumanisRx estimated an additional \$3 million in savings. Consequently, through careful monitoring and analysis of employees’ medication patterns, MedMonitor has developed the potential to prevent medication risks, lower absenteeism, and offer employers dramatic benefits and disability cost savings.

What are you proudest of achieving with MedMonitor?

JM: Creating the powerful combination of medication risk software and clinical pharmacist intervention is new, and we believe it is a game changer for the Canadian market. We foresee the great potential MedMonitor has to improve employee health and productivity, and also to prevent or shorten disability claims. Our desire to provide a solution to the issue of rising costs in the insurance and public healthcare space culminated in launching MedMonitor last October and continues to drive us to partner with insurers and plan sponsors to realize the benefits we have to offer.

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