

The

# INSIDE STORY<sup>®</sup>

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**STEPHEN FRANK, Vice-President of Policy Development and Health  
at the Canadian Life and Health Insurance Association**

**CHANGEMAKER**

It's a new year—time to take a stand on priority issues and really move the benefits world forward in 2016. In terms of taking a stand, who better to look to than the Canadian Life and Health Insurance Association (CLHIA)? Established in 1984 as a voluntary not-for-profit trade association, the CLHIA now has a membership that represents an impressive 99% of the benefits carrier industry. The CLHIA really is the voice of the industry—and since plan sponsors and plan advisors don't have a unifying organization dedicated to health benefits, the CLHIA is in fact our one and only voice for all things benefits. It's up to the CLHIA to speak for all of us.

Which brings us to this year's first ChangeMaker: we had the opportunity to sit down with Stephen Frank who is one of the industry's "go to" guys as the CLHIA's vice-president of policy development and health. What we learned is that with the best interests of all of us in mind, Stephen and his organization are taking a stand. Here's the inside scoop, or should we say, here's the inside story...

**Taking a stand  
TO TACKLE OUR BIGGEST THREAT**

As Stephen explains with no surprise here, the major challenge currently facing the industry—now and for the foreseeable future—is the high cost of new drugs that have entered the market or are on the horizon. Stephen goes on to elaborate that although most plan sponsors recognize the value in offering health benefits, high-cost drugs are the biggest threat to the sustainability of benefit plans. However, because plan sponsors and advisors don't have a unifying organization dedicated to health benefits, it really is up to the CLHIA to be the one strong voice to represent everyone affected by this threat. So what's the CLHIA doing about it? Stephen is taking a stand. Here's how:

*Stephen Frank fast facts:*

- Joined the CLHIA in 2010.
- Responsible for overseeing and advocating for the industry's extensive interests related to health and disability insurance. Also accountable for policy strategy development and analysis on industry issues and responses to general policy demands from government.
- Past lives: senior roles in global transaction banking and financial strategy, worked as an economist, master's degree in finance.

**CLHIA mission:** To serve its members in areas of common interest, need, or concern. In carrying out this mission, the Association shall ensure that the views and interests of its diverse membership and of the public are equitably addressed.

**Canadian Drug Insurance Pooling Corporation**

The entire industry is impacted by the high-cost drug issue, so Stephen's thinking is that the entire industry should come together to tackle this challenge. This is precisely what the CLHIA did by being the driving force behind the first national voluntary pooling agreement. Called the Canadian Drug Insurance Pooling Corporation (CDIPC), it shares the costs of very expensive and recurring drug treatments. The purpose of the CDIPC is to get plan members the high-cost drug treatments they need while protecting small- to medium-sized fully-insured private drug plans from the full financial impacts of these high-cost drugs.

Although the CDIPC alone can't solve the high-cost drug issue, without the CDIPC many plan sponsors would be challenged to provide members access to the prescription drugs they need to treat rare and often life-threatening conditions. In addition, without the CDIPC many small to medium plan sponsors may not be able to survive the financial hit of even a single ongoing claim for an expensive drug treatment.

The CDIPC represents a whole new way for the industry to tackle challenges. It shows that competition and collaboration are possible at the same time. Although each CLHIA member must ensure it remains competitive and must differentiate itself, the industry can also come together. There are things that the industry can accomplish by working together that simply cannot be done in isolation—things that will end up benefiting everyone whether benefits provider, plan sponsor, or plan advisor.

## Bulk drug buying

Over the last decade, the benefits world has experienced low rates of growth in drug costs, primarily due to a number of blockbuster drugs coming off patent and the introduction of new generic drugs. However, this unusual situation is now mostly behind us with more and more high-cost drugs continuing to enter the market. Stephen reveals that the CLHIA will be leading the charge to ensure Canadians benefit from the lowest possible prices for these new drugs and to ensure that all Canadians, regardless of location—or whether they are being reimbursed by the public or private purse—pay the same price for the same drugs.

One key focus for the CLHIA going forward will be taking a stand by spearheading collaboration that would enable Canada to leverage its full buying power to negotiate lower drug prices for all. Although it's clear that bulk purchasing will lead to major savings, Stephen advises that this change can only happen through greater cooperation between the public and private sectors.

In terms of high-cost drugs, the CLHIA will continue to support the CDIPC and will continue to push for a national strategy specifically around very rare orphan drugs. Like with lower-cost drugs, Stephen believes that the key to reforming high-cost drug coverage is collaboration between all stakeholders: governments, pharmaceutical manufacturers, private payers, and patient groups.

## National standard for access to rheumatoid arthritis biologic drugs

Earlier in 2015, a great example of collaboration came about because patients and physicians were often confused about reimbursement of rheumatoid arthritis biologics when faced with differing degrees of access depending on their insurance coverage. Stephen describes how the CLHIA represented the industry to work collaboratively with the Canadian Rheumatology Association, the Ontario Rheumatology Association, and rheumatologists across the country.

### Coming down the pike...

The influx of new high-cost drugs is not expected to slow down anytime soon. Here's just a sampling of some new drugs that we can expect to see in 2016:

- Repatha, a biologic for cholesterol
- Praluent, a biologic for cholesterol
- Orkambi for cystic fibrosis
- Bosatria, a biologic for asthma

The outcome was the national standard for access to biologic drugs for adult rheumatoid arthritis patients who are members of private insurance plans. This means that unless a plan sponsor instructs otherwise, private insurers across Canada will adhere to a standard set of criteria for providing access to biologic drugs to treat rheumatoid arthritis in adults—a win for transparency that supports plan members and prescribing physicians.

## An incredible time for life-altering treatments but a challenging one for managing health program costs

As covered in our *Follow the Script™* winter 2014 and fall 2015 editions, the new drugs now on the market for hepatitis C represent dream-come-true treatments with much higher cure rates than other hepatitis C drugs. But there is a price to pay—a huge price to pay.

With the cost of a course of treatment of Sovaldi and Harvoni as much as \$150,000 (and more), these drugs present an immediate challenge to both the Canadian health care system and drug benefit plans.

...And this challenge is not expected to ease for some time as more patients are diagnosed with hepatitis C and treated.

...And also no relief in sight as additional high-cost hepatitis C drugs enter the market. First there was Sovaldi... then there was Harvoni... and now most recently, there is Hologic's Daklinza.

*Keep a lookout for Daklinza in 2016.*

## Taking a stand to shape the future on many fronts

It's clear that the CLHIA represents an important voice in the battle towards ensuring the sustainability of drug plans in the face of high-cost drugs. However, as Stephen clarifies, although high-cost drugs are by far the industry's biggest threat, we also need to address other critical issues. If an issue is a concern for the industry and in turn, a concern for plan sponsors and plan advisors, it's a concern for the CLHIA.

For example, in 2016 the CLHIA will be taking on the issue of fraud prevention. Fraudsters have become increasingly sophisticated, and approaches to the misuse of benefit plans have become increasingly complex. As a result, although traditional anti-fraud strategies are effective, Stephen's team will be spearheading innovative ways that the industry can work together to keep up with the next generation of perpetrators.

One of the initiatives the CLHIA is helping the industry consider is a way to share claims data in an effort to identify fraud trends that can be hard to identify when each insurer is working independently. Certain suspicious claiming patterns can only be seen via a huge volume of claims data because organized "fraud rings" are now so advanced that they expertly spread their activity amongst multiple carriers. Stephen clarifies that, "No single insurer has access to the kind of claims volume necessary to address fraud at this level. Collaboration across the industry to pool all our claims data together may help the industry get on top of this challenge."

Industry image is another priority issue for the CLHIA; one that they address on an ongoing basis. As Stephen puts it, "To be effective regarding reputation management, education is essential so that everyone understands why we do what we do." The public and the media, as well as governments and other stakeholders like paramedical groups, dental associations, and pharmaceutical organizations all need to really understand our industry. This will help build the industry image in good times,

while protecting it in bad times. As an example, Stephen highlights a range of educational initiatives the CLHIA has developed to help CLHIA members engage their plan members about financial literacy and mental health.

Another example of how the CLHIA takes a stand on an ongoing basis is by advocating with provincial and federal governments. This can take many forms: sometimes the CLHIA is proactively bringing issues forward to government on behalf of the industry and other times, it is reacting to issues that government has decided to pursue. And as part of the dialogue, the CLHIA is able to effectively drive change by providing a single united voice for the industry, and by extension, for plan sponsors and advisors.

In fact, Stephen's philosophy regarding the importance of a two-way street approach and a single united voice applies across all industry stakeholders. Numerous industry groups—like paramedical groups, dental associations, and pharmacy organizations—contact the CLHIA as a single point of access to not only voice their views, but also to hear the industry's views.

## Shaking things up

Nothing like the new year to spark fresh motivation to make things happen. And from what we've learned, the CLHIA will be leading the charge representing all of us with one strong voice to move things forward in the *right* direction—one that benefits everyone. With Stephen and his team leading the way, we can look forward to a 2016 filled with progress.

# COMMUNITY GIVING PROGRAM

HERE'S HOW WE **ADD TO THE GREATER GOOD...**



## Paving the way for a brighter future

### Take a look at how our grant recipients are making a difference

Frontline care—like dental services, vision care, prescription drugs, disease management, and mental health supports—can act as a catalyst for change. That's why the GSC Community Giving Program is focused on supporting organizations and initiatives that provide frontline care for underinsured or uninsured populations. And all grant recipients include a navigator component—this means ongoing positive change as clients are referred to any additional services they may need.

### Frontline care in action in Hamilton and St. Catharines, Ontario



#### Creative Vision Cares

The goal of the Creative Vision Cares program is to address undiagnosed vision issues that may affect academic performance by providing free eye care exams and glasses to children who otherwise may not have access to them. Sponsored by the Rotary Club of Hamilton Sunshine fund, the program provides eye exams onsite at high-needs elementary schools in downtown Hamilton, Ontario. The majority of students face major barriers to proper eye care; often they don't have Ontario provincial health coverage and most cannot afford glasses. Many students have never had an eye exam before or are wearing glasses that are the wrong prescription or are too small or broken. As a navigator, the program not only addresses vision care concerns with the parents, teachers, and principals, but also provides connections to other social services as needed. GSC funding will help cover the cost of the glasses (estimated at 1,250 pairs for the 2015-2016 school year). To learn more, please contact [creativevisioncares@gmail.com](mailto:creativevisioncares@gmail.com) or by mail at Creative Vision Optical, 282 Argyle Street South, Caledonia, ON N3W 1K8.

#### Quest Community Health Centre—Volunteer Dental Program: Bridging the Gap

Quest Community Health Centre established the Volunteer Dental Program to provide dental services to uninsured and underinsured residents of St. Catharines, Ontario. In addition to providing necessary dental care, the goal is to help patients transition to mainstream dental services while also helping them address other issues like housing, food security, and chronic disease management. As a navigator, as the program's name suggests, it not only helps bridge the gap between a patient's dental needs and the services available to them, but also other needs and social services. The program has a community oral health navigator who—whether related to dental services or other needs—leverages available resources, advocates for in-kind services, and works with patients to remove barriers to accessing services. GSC funding will help expand the dental program so that more people get the help they need using dental services as the gateway to navigate to services that promote overall health and well-being. For more information, please call Quest Community Health Centre at 905.688.2558.

## NEW REPORT INDICATES THAT THE INCIDENCE OF DIABETES IN CANADA CONTINUES TO RISE

A new report by the Canadian Diabetes Association (CDA)—*2015 Report on Diabetes: Driving Change*—confirms that the number of Canadians with diabetes is growing rapidly:

- “The number of Canadians living with diabetes has more than doubled since 2000, and will grow by another 40 per cent by 2025.
- Today, more than 10 million Canadian children and adults have diabetes or prediabetes.
- Almost another million Canadians are living with type 2 diabetes but don't know it; they have not yet been diagnosed.”<sup>1</sup>

### Change4Life™ can help...

The high incidence of diabetes reported by the CDA mirrors the findings of the GSC 2014 Health Study—diabetes is a major issue affecting plan member health. Compounding the high incidence of diabetes is that plan members taking diabetes medications have a high degree of medication non-adherence.

Fortunately, through the Change4Life portal, plan members can get support in making important lifestyle changes to help prevent and manage diabetes. In addition to online tools and interactive resources, plan members can also access the Stick2It™ medication reminder service to help them remember to take their medications as prescribed.

Encourage your plan members to register for Change4Life today through GSC's Plan Member Online Services.

Other main findings include that Canadians with diabetes are not receiving the recommended level of care or timely education to prevent complications. In addition, support is necessary to address the stigma that surrounds diabetes and to assist with mental health issues among people with diabetes. The report is available at <https://www.diabetes.ca/getmedia/5a7070f0-77ad-41ad-9e95-ec1bc56ebf85/2015-report-on-diabetes-driving-change-english.pdf.aspx>

## WHAT'S UP IS THAT 2015 IS UP!

### TIME FOR A FRESH START IN WORKING TOWARDS TOTAL HEALTH IN 2016

Don't worry, we're not going to get all preachy on you by suggesting you make a bunch of new year's resolutions—each year they seem to end up being the same old/same old and does anyone ever really stick to them anyway? Instead, let's look at the new year as an opportunity to keep an open mind about all the ways to work toward total health in 2016—no need to be limited by cliché resolutions. For example, as a plan sponsor, here are some ideas to take a fresh approach:

- **Assess** your organization's overall compensation package and whether it represents the best strategy for your employee group. Be sure to reflect specifically on why your organization offers a health benefits plan and whether the way it is currently structured is fulfilling its intended purpose.
- **Evaluate** your benefits plan cost containment features as they are especially critical with the high-cost drugs increasingly making an impact.
- **Support** your plan members to make positive lifestyle changes and curb chronic conditions by continually investigating health management programs (and don't forget about mental health as part of a whole-person approach to total health).
- **Reach out** to plan members in a range of ways like written information, in-person meetings, and online resources to help address issues like financial literacy and health literacy and to enhance employee engagement.

<sup>1</sup>Rising diabetes rates, gaps in care and stigma addressed in new report from CDA", Canadian Diabetes Association, November 30, 2015. Retrieved December 2015: <https://www.diabetes.ca/newsroom/search-news/new-cda-report-addresses-gaps-in-care>

*You can also help your plan members make a fresh start by encouraging them to:*

- Assess how their lifestyle is affecting, or in the future could affect, their health and consider how they could start making changes.
- Examine their overall financial health—everything from salary and benefit plans to pensions, RSPs, RESPs, TFSAs to debt load—and check that they understand *all* of the financial language and concepts.
- Get the most out of their benefits plan by understanding not only what is available—like plan maximums and whether they’re covered for travel insurance—but also how to most effectively use it.
- Always take medications as directed by following doctor’s orders and the pharmacist’s instructions.
- Pay attention to mental health as much as physical health like learning how to de-stress and what support is available.

**Let’s make 2016 the healthiest year ever!**

*January  
Haiku*

Competition yes  
Collaboration needed  
It is happening

## Winner of the draw for an iPad mini

Congratulations to D.Head, of Salt Springs Island, British Columbia, the winner of our monthly draw for an iPad mini. Through this contest, one name will be drawn each month from plan members who have registered for Plan Member Online Services for that month.



[greenshield.ca](http://greenshield.ca)

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