

The

# INSIDE STORY<sup>®</sup>

SEPTEMBER 2018

What's  
Inside

### AND NOW FOR SOMETHING...

In episode 12 of our podcast, GSC's Ned Pojskic and Erin Crump discuss how benefit plan design needs to move along with the times and ensure value.  
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COMPLETELY INDIFFERENT



## PERKS



OR



## STUFF THAT WORKS?



## PERKS OR STUFF THAT WORKS?

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## WHAT'S UP...

- Report predicts decreasing smoking rates for Ontario
- Opioids update
- A warm welcome to our new president and CEO

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# PERKS or WORKS?

## STUFF THAT

### ...DESIGN YOUR HEALTH PLAN USING VALUE-BASED CARE

#### HERE WE GO AGAIN...

Whether you're old enough to remember what a record is (as in "music on vinyl") or—with its comeback—you're spinning vinyl for the first time, you'll appreciate that we do in fact realize that we've been going on and on with this value message like a broken record...

- "To face—and even embrace—the new normal that includes high-cost specialty drugs that are here to stay and grow, plan sponsors need to critically assess their plan's current expenditures, as well as put any new potential expenditures through the same rigour." (*The Inside Story*, February 2017)
- "If we are going to take care of the sickest among us, plan sponsors may no longer be able to afford to cover it all. Sponsors and their advisors are likely going to have to grapple with defining plan member 'needs.'" (*The Inside Story*, May 2016)
- "If you were to review your health plan, would you say that it is positioned to impact chronic conditions? For instance, although health services like massage, chiropractic services, and physiotherapy do not impact chronic conditions, these services dominate the non-drug spend in most plans. By contrast, very few plans cover registered dietitians." (*The Inside Story*, February 2015)

The winds of change have been blowing for some time now, gaining momentum due to trends like high-cost drugs, the rising incidence of chronic conditions, and an aging population. In fact, the need for change may be reaching full-blown storm level in terms of challenging plan sustainability and the ability to positively impact plan member health. Fortunately, plan sponsors can be better protected by shifting their mindset toward spending based on what is needed in the future rather than what has happened in the past. This shift means evolving with the scientific evidence to make tough decisions regarding plan design and what's in versus what's out.

So what's it going to be, perks or stuff that actually works? We'll help you decide...

#### **Would you give up massage if it would help pay for a colleague's cancer drugs or mental health support?**

That's what we mean by tough decisions. And that's precisely the concept behind value-based health care; it means trade-offs. Trade-offs are necessary because the cost curve has changed forever, and there's probably no going back to the land of plenty. However, we can move forward and effectively face today's—and tomorrow's—challenges. How? By applying value-based decision making, which relies on the best available evidence from the scientific literature. And when scientific evidence doesn't exist yet, it draws on subject matter experts for guidance.

To gain some context, let's time-travel back for a quick moment to 2014 and GSC's annual Drug Study that, for the first time ever, also included analysis of all health benefits. We probably need not remind you of some study results that hinted at (putting it mildly) questionable value for plan sponsor spend. Remember all those teenagers getting tens of thousands of dollars-worth of massages? Meanwhile, serious issues regarding plan member health were painfully evident, especially the rising incidence of chronic conditions.

Similar themes are echoed in each subsequent annual Health Study. So we've said it before, and we're saying it again, we need to explore new plan designs that focus on value for each health-benefits dollar spent. Here's how...

### **There's smart spending... and then there's not-so-smart spending**

As discussed in the June 2017 edition of *The Inside Story*, "Value means that it's not enough that a health care product, service, organization, or provider just deliver *something*—it's about the quality and outcome of that something."

Accordingly, to ensure smart spending—that you are getting value for your health benefit dollars—depends on what outcomes you're aiming for... simply put, it all depends on the goal of your health benefits plan: "If the purpose is engagement and maintaining a competitive position, then [a plan sponsor] can offer all kinds of services but they must realize that there is a finite bucket for salaries and pension plans and health benefits plans. Another plan sponsor may feel that their plan's purpose is to help keep plan members healthy, so some services that don't address chronic conditions may have to go." (February 2016 edition of *The Inside Story*)

So let's do an exercise—come on, humour us! Making tough decisions—means answering a lot of tough questions, so here goes...

## **NOT-SO-SMART SPENDING IN ACTION**



As a "don't" we can look to the big picture and how Canada has historically approached tackling challenges of rising costs, rising incidence of chronic conditions, and an aging population.

There is the argument that increased health care spending leads to better health. But when we examine Canada's health care spending and the overall state of health, we see the opposite trend: increased spending is accompanied by increasingly poor health. In other words, Canada is spending a lot on health care but the state of Canadians' health is a mixed picture at best.<sup>1</sup>

Not a good news story, but it may eventually lead to a happy ending because this discrepancy between high spending and reduced health has reinforced the need to explore new health care models that focus on value.

Today, assessing whether health care services deliver quality is increasingly tied to the outcomes achieved. And a big part of this is selecting services in the first place that have the best chance of achieving the desired outcomes. How? By selecting services with the best available evidence or ability to improve health outcomes.

### **You can't change what you don't measure**

Evidence-based health care services and processes are studied; they are measured with the results reported and, based on the results, improved upon. And of course, as reported in the June 2017 edition of *The Inside Story*, this process has its own snazzy acronym—QI—for quality improvement.

In an effort to develop a culture of QI in Canada, today there are a number of provincial health quality organizations. For example, Health Quality Ontario, the Saskatchewan Health Quality Council, and the Health Quality Council of Alberta<sup>2</sup>—other regions have their QI functions mainly within their health ministries.

In addition, a team of Canadian physicians in partnership with the Canadian Medical Association launched the *Choosing Wisely Canada* campaign<sup>3</sup> in 2014. Its goal is to help clinicians and patients engage in conversations about unnecessary tests and treatments and make smart and effective choices to ensure high-quality care.

## RETHINKING WHAT VALUE MEANS TO YOUR PLAN

We stepped back and looked at various benefits and questioned why they had become standard in most plans—and whether they should continue to be—here are some examples of what we found:



**Rethinking dental needs:** As urban legend goes, the standard practice of visiting the dentist twice a year for prevention and cleaning came about through the power of advertising—toothpaste advertising: “For that Pepsodent Smile, use Pepsodent every day—see your dentist twice a year.”<sup>4</sup> But what does the scientific evidence say? While there is a range of available recommendations, we endorse the approach that bases treatment on what the average person requires. In most cases, an annual cleaning should be adequate for adults without certain risk factors for gum disease, whereas, by contrast, even two visits a year might not be enough for patients with multiple risk factors.<sup>5</sup> And children have different dental needs than adults.<sup>6</sup> The takeaway: while no plan can be truly custom-made for every plan member, the ideal is to move away from a “one-size-fits-all” approach by tailoring treatment to need—this is possible by incorporating age bands and structuring frequencies based on average need.



**Rethinking glasses and contact lens coverage:** Like with dental checkups, why is it that it’s standard with vision benefits to provide a set amount of coverage for glasses and contact lenses for everyone? No urban legend here, this standard may just have come about in an effort to be equitable. But again, the facts are the facts; typically, the more complex the prescription, the more expensive the glasses or contact lenses. For example, a higher prescription will result in a thicker lens. When the lens is thinned to fit within a standard frame, this results in an additional cost. We also know that single vision lenses cost less than multifocal (bifocal/progressive) lenses.<sup>7</sup>



**Rethinking massage benefits:** Although massage has become standard on most plans—and there’s no doubt, it’s popular—there isn’t any scientific evidence supporting its use to treat the chronic conditions plaguing the largest number of plan members. Accordingly, if improving health outcomes is your plan’s goal, massage could be on the chopping block. Alternatively, if your goals include keeping plan members happy and creating a general atmosphere of wellness, you might include it essentially as a perk.

### Question 1: What is the purpose of your health plan?

- To support employee health and productivity
- To be an appealing aspect of the overall employment compensation package
- To act as insurance to protect employees from financial losses
- To be a hybrid of providing support for employee health and acting as an appealing part of overall employment compensation

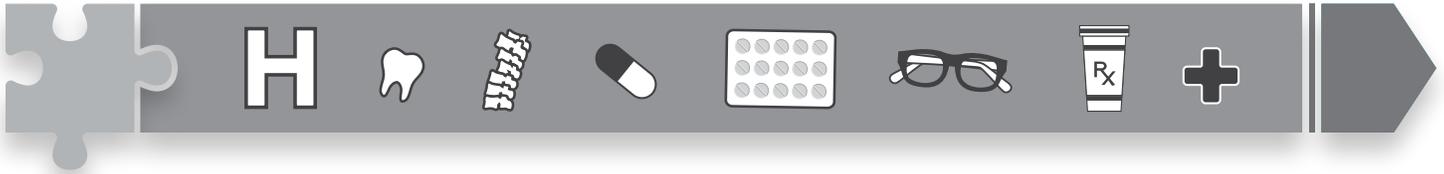
Let’s assume that the purpose of your plan is largely to support plan member health and productivity. And we’ll say it like it is by taking the direct approach of the April 2015 edition of *The Inside Story*: “If you are one of those plan sponsors looking for concrete health outcomes for your employee population, that traditional plan is not going to cut it.” So on to the next question...

### Question 2: How can you help make plan members healthier in the most cost-effective way?

To find the answer, go through your plan benefit by benefit and assess whether it represents smart spending. How do you know? Look to the evidence to determine which benefits are supporting your plan goals. Here’s how our very own Erin Crump, leader, strategic innovation, explains it:

“Part of the reason that GSC continues to stress value-based spending is in response to plan sponsors adding drug caps as a way to help contain costs. However, by taking this approach, plan members could end up not being able to access life-saving drugs, at the expense of everyone being able to get a massage. Essentially, if a plan sponsor is focused on health outcomes, then they should think critically about paying for certain benefits like massage where the scientific evidence indicates that it has no greater benefit than taking a yoga class. So my advice to plan sponsors is that instead of assuming that the plan is unsustainable and automatically adding a drug cap, examine all areas of your plan. Take the same rigorous approach that is applied to assessing drugs—examine the evidence. GSC can help with this.”

So, you’ve confirmed the purpose of your plan and you’ve assessed each benefit based on the best available evidence as to whether it adds value or not and now (drumroll please), the main question at hand...



**Question 3: If you started from scratch, with all the best available information at your fingertips, how would you piece together the ideal benefits plan?**

*Spoiler alert: We're about to answer for you because we didn't just ask you to do the exercise, we did it ourselves!*

Just like solving a puzzle, we put together the ideal benefits plan one piece at a time, but we assessed each piece based on the best available evidence. So what does this mean? Time for a new kind of plan design—a design that ensures that every piece of the plan supports health outcomes and the intent to spend benefits plan dollars in the most impactful way possible.

In our not-so-humble opinion, this is smart spending and hence why we're launching this "new kind of plan" under GSC's SMARTspend banner. Keep your eyes out for more information coming soon! In the meantime, here's a sneak peek of just a few examples of what's included...

The drug plan is based on the Conditional Drug Formulary® where GSC evaluates all new drugs introduced by Health Canada based on overall value, unmet need, clinical efficacy, safety, and plan affordability. This approach delivers value because it protects your drug plan from expensive drugs that have not been proven to treat medical conditions more effectively than similar, less expensive drugs. Of course, the drug plan is supported by a range of strategies, for example, the Biosimilars Policy, the specialty-drug preferred pharmacy network, and supply limits for both initial and ongoing prescriptions.

In keeping with the value strategy, certain restrictions to ensure smart spending apply to the dental and vision benefits (and as a shout-out from our technical eggheads, the restrictions include, but are not limited to, our existing administrative guidelines). And we are moving towards including only evidence-based paramedical benefits. (Brace yourself: no defined massage benefit, but we're offering a health care spending account [HCSA] as an option for folks to make their own decision on such services.) Plus, we've also included our health coaching programs and access to Change4Life® with everything it has to offer, such as the digital mindfulness program. Speaking of mental health, the value hits just keep on coming with our new virtual mental health product called BEACON—also included in the new plan design. As you may recall from the July 2018 edition of *The advantage*®, BEACON is cognitive behavioural therapy delivered digitally via a computer or mobile device (i-CBT) in keeping with the evidence that shows that i-CBT is just as effective as in-person CBT and far more cost effective.

So if you started from scratch, with all the best available information at your fingertips, what would your plan look like? Needless to say (but of course, we'll say it anyway), we recommend thinking about this "new kind of plan."

# HEALTH COACHING TOO!

Health coaching is an obvious choice to include in the new SMARTspend plan design as the scientific evidence indicates that modifying lifestyle behaviours—like getting active and eating a healthy diet—can positively impact chronic disease onset and management. Health coaching provides plan members with the support they need to do just that!

And including health coaching is also a total bonus for plan members because it is something to which they are receptive. According to the 2018 Sanofi Canada Healthcare Survey, 75% of plan members—who have chronic diseases and are taking three or more medications—would be interested in receiving coaching from a pharmacist to learn more about their medications and conditions, if the service is covered by their plan.



## SMOKING CESSATION Program

**GSC Pharmacist Health Coaching – Smoking Cessation Program** helps plan members quit smoking by offering smoking cessation drugs and support in the form of coaching by specially-trained pharmacists at local pharmacies. Plan members can try just the drugs, just the coaching, or both.

## CARDIOVASCULAR

### Health Coaching Program

**GSC Pharmacist Health Coaching – Cardiovascular Program** helps plan members diagnosed with both hypertension and elevated cholesterol to improve their overall cardiovascular health through coaching by specially-trained pharmacists at local pharmacies.



## DIETITIAN

### Health Coaching

**GSC Dietitian Health Coaching** helps plan members make better food choices by offering four sessions of coaching by a registered dietitian at select Loblaw and Sobeys stores.



## PLAN SPONSOR RECEPTIVENESS WILL ‘DIE ON THE VINE OF MASSAGE’

To gauge plan sponsor receptiveness to adopting the SMARTspend plan design, we turned to David Willows, GSC’s chief innovation and marketing officer, who has been very vocal (OK, downright determined) about the need to take a value-based approach to plan design. Take it away David...

“There’s no doubt this approach is radically different, but we’re hoping it will continue to generate conversation about the importance of critically assessing plan design in light of the industry’s current and future challenges. Overall, our intention is to give plan sponsors a roadmap to help guide them towards benefits that they absolutely should include versus ones that they probably shouldn’t include if their goal is to materially impact the health outcomes of their employee population.

“In terms of plan sponsor receptiveness, my prediction is that the whole concept will live or die on the vine of massage. By that I mean no one will want to tell their plan members that popular services like massage are no longer covered. To be clear, we’re not saying that massage doesn’t have any *value*; there is value in terms of temporary pain relief, but in terms of long-term health outcomes, there is zero evidence that massage will move the needle. So if plan sponsors see this as value—that many plan members like the service—they can certainly continue to foot the bill for it. On the other hand, they might want to ask themselves: ‘Is it really the employer’s role to be paying for this in a health benefits plan?’

“In our new SMARTspend plan design, offering an HCSA softens that ‘hit’ and allows plan members (in their role as consumers) to make their own choices. Spend your money on massage. But to stand up and say that plan dollars will be diverted to less sexy things like chronic disease support and high-cost drugs that impact a relatively small plan member population will obviously require some courage. We have seen some pockets of that kind of courage in our world, but most have chosen to not rock the boat.

“But we hope our industry will closely examine the new plan design in its entirety. Wholesale change may not be in the cards for most, but there may be some nuggets that can be pulled out (in dental, vision, etc...) and implemented. We will start to see baby steps towards a value-based world.”

### Today’s new normal needs a new thinking

Whether Einstein actually said it or not, there appears to be an important observation in the idea that insanity is “doing the same thing over and over again and expecting different results.” If your plan’s main goal is to positively impact health outcomes, then you need to look beyond the traditional plan design. Get value by ensuring value in every health benefit dollar you spend. Need more inspiration? Check out episode 12 of our podcast where GSC experts Ned Pojskic, leader, pharmacy and health provider relations, and Erin Crump, leader, strategic innovation, discuss how your plan design can evolve with the times by assessing its value in terms of concrete health outcomes.

#### Sources:

<sup>1</sup> National Health Expenditures Database, Canadian Institute of Health Information: <https://www.cihi.ca/en/national-health-expenditure-database-metadata>.

<sup>2</sup> Health Quality Ontario: <http://www.hqontario.ca>, Saskatchewan, Health Quality Council: <https://hq.c.sk.ca>, Health Quality Council of Alberta: [www.hqca.ca](http://www.hqca.ca).

<sup>3</sup> *Choosing Wisely Canada* campaign: <https://choosingwiselycanada.org>.

<sup>4</sup> “Sweet Teeth, Just how necessary is the dentist?” Cecil Adams, Salt Lake City Weekly, January 25, 2017. Retrieved August, 2018: <https://www.cityweekly.net/utah/sweet-teeth/Content?oid=3590714>.

<sup>5,6</sup> “Rethinking the Twice-Yearly Dentist,” Catherine Saint Louis, The New York Times, June 10, 2013. Retrieved August 2018: <https://well.blogs.nytimes.com/2013/06/10/rethinking-the-twice-yearly-dentist-visit/>.

<sup>7</sup> “Why do glasses cost so much? The high cost of glasses can make your eyes pop. Here’s the lowdown on the price of your specs,” Reader’s Digest Best Health, January/February 2011, Retrieved August 2018: [www.besthealthmag.ca/best-looks/beauty/why-do-glasses-cost-so-much/](http://www.besthealthmag.ca/best-looks/beauty/why-do-glasses-cost-so-much/).

## REPORT PREDICTS DECREASING SMOKING RATES FOR ONTARIO

To predict smoking rates, a new report by The Ottawa Hospital and the Institute for Clinical Evaluative Sciences focuses on the population of Ontario men and women, 20 years or older, from 1960 to 2041. Estimates include that smoking rates in Ontario will drop below 10% by 2023 for women and 2040 for men. In addition, the report found that only 30% of men born in 1990 became smokers by age 20, compared to 60% of men who were born before 1950. The prevalence of smoking by women followed a similar trend with only 20% of women born in 1980 becoming smokers as adults, compared to 40% of women born in 1960.

In terms of costs associated with smoking, the report found that in 2003, tobacco smoking accounted for 9.5% of all health spending in Ontario. If the decrease in smoking rates continues, this proportion will decrease to 5.9% of total health spending by 2041. The report also predicts that between 2003 and 2041, smoking-attributable health care expenditures in Ontario will decrease by \$51 billion.

The costs associated with smoking include not just diseases directly related to smoking like lung issues that can lead to hospital admissions, but also some of the costs associated with seemingly unrelated hospital admissions. For example, a smoker who has hip surgery will have a greater risk of complications, slower recovery, and is more likely to require the surgery be redone than a non-smoker, which can all lead to additional costs.

The report also shows that sociodemographic factors influence who becomes a smoker. People who do not complete high school will be two or three times more likely to smoke in 2041 compared to those with a university education.

For more information, visit <https://www.ices.on.ca/Publications/Atlases-and-Reports/2018/Health-Care-Cost-of-Smoking-in-Ontario>.

## OPIOIDS UPDATE

### Accidental opioid deaths: new data

According to data provided by the Government of Canada in June 2018, the incidence of apparent opioid-related deaths has risen, involves more fentanyl, occurred more among males and among people between ages 30 and 39, and some provinces and territories have been more impacted than others. Here are some details:

- There were 3,671 accidental apparent opioid-related deaths in 2017; a 40% increase from 2,624 in 2016.
- Of the 3,671 deaths in 2017, 72% involved fentanyl or fentanyl analogues versus 55% in 2016.
- Most accidental apparent opioid-related deaths occurred among males and among people between the ages of 30 and 39.
- The region with the highest rate per 100,000 population of accidental apparent deaths was British Columbia in both 2016 and 2017.

For more information, visit <https://www.canada.ca/en/public-health/services/publications/healthy-living/national-report-apparent-opioid-related-deaths-released-june-2018.html>.

### Purdue Pharma no longer marketing opioids in Canada

As of June 20, 2018, Purdue Pharma stopped all marketing activities in Canada related to its prescription opioids. You may recall from the November 2016 edition of *The Inside Story* that the roots of today's opioid crisis can, for a large part, be traced back to the introduction of Purdue's prescription painkiller OxyContin in 1996. Its use for moderate to severe pain rather than just for terminal cancer patients—and Purdue's marketing of it as safer and less addictive than other opioids—is thought to have triggered many of today's opioid issues.

This withdrawal from the Canadian market comes in response to a request from the Minister of Health that drug makers voluntarily stop opioid promotional and advertising activities while Health Canada develops policies aimed at restricting opioid marketing and advertising. Purdue Pharma is one of five drug companies that have stopped marketing opioids since receiving the minister's request. The other four companies have not been named.

For more information, visit <https://www.theglobeandmail.com/canada/article-purdue-pharma-halts-marketing-of-opioids-in-canada/>.

### **New coalition of clinics in British Columbia**

Dozens of non-government addiction care clinics that provide services in over 30 communities throughout British Columbia have formed a new coalition called the Addiction Care Clinics of BC. The purpose of the coalition is to enable the clinics to add their voice to help curb the opioid overdose crisis.

Without government funding and often on a very limited budget, the clinics' doctors, counsellors, and support staff provide services to try to prevent overdose deaths among clients who are in active treatment. Now through the coalition, the expertise and specialization of these front-line professionals will be made available to policy makers and researchers.

In addition, the coalition members feel that the non-government clinic model should be studied regarding outcomes, cost effectiveness, and barriers to access. Also, the coalition will be approaching the BC Centre on Substance Use and the Ministry of Mental Health and Addictions with ideas about how they can maximize their contribution to curbing the opioid crisis.

For further information, visit <https://www.newswire.ca/news-releases/recovery-coalition-launches-to-treat-addiction-in-bc-689010581.html>.

### **A WARM WELCOME TO OUR NEW PRESIDENT AND CEO**

It's a new chapter for GSC with Zahid Salman as GSC's new president and CEO, but we're not closing the last chapter just yet, as Steve Bradie will act as a senior advisor until he retires later in 2018. Zahid comes to GSC with over 25 years of industry experience, including most recently with Morneau Shepell where he was an executive vice president. And he's even a trained actuary to boot.

For more information, visit <https://www.greenshield.ca/en-ca/news/newsroom/green-shield-canada-announces-zahid-salman-as-new-president-and-ceo>.

## **OUT & ABOUT**... *Events not to miss*

### **Halifax Benefits Summit**

**September 20, 2018, Delta Hotel Halifax, Halifax, Nova Scotia**

[https://www.benefitscanada.com/conferences/halifax-benefits-summit?oft\\_id=33864047&oft\\_k=aSNGkMVU&oft\\_lk=l8TpwL&oft\\_d=636662153191900000](https://www.benefitscanada.com/conferences/halifax-benefits-summit?oft_id=33864047&oft_k=aSNGkMVU&oft_lk=l8TpwL&oft_d=636662153191900000)

**Ned Pojskic**, GSC's leader, pharmacy and health provider relations, will be speaking about biosimilars and the evidence supporting patient transition programs.

### **Ontario CPBI Conference**

**October 17–19, 2018, Delta Ottawa City Centre, Ottawa, Ontario**

[www.cpbi-icra.ca/Events/Details/Ontario/2018/10-17-CPBI-2018-Ontario-Regional-Conference](http://www.cpbi-icra.ca/Events/Details/Ontario/2018/10-17-CPBI-2018-Ontario-Regional-Conference)

**GSC's Steven Richardson**, supervisor, Benefits Management & Investigation Services, will co-present a session with Mark Russell from the TTC on the topic of fraud and abuse: "A case study in protecting your benefits plan."

September  
Haiku

Welcome to SMARTspend  
A new way to assess costs  
And drive health outcomes

## FITBIT WINNER

Congratulations to **M. SOTELO**, of **MARKHAM, ON**, the winner of our monthly draw for a Fitbit. Through this contest, one name will be drawn each month from plan members who have registered for Plan Member Online Services for that month.

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**London** 1.800.265.4429

**Toronto** 1.800.268.6613

**Calgary** 1.888.962.8533

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