



INSIGHTS

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- INSIGHTS will now be published quarterly

Accountability in Healthcare

Two-tier U.S.-Style reforms are not the answer to what's ailing Canada's healthcare system, we just need accountability and employer involvement in the discussion.

Canada's healthcare system is undergoing dramatic, and some would say traumatic, changes. Many are questioning where the system is going, and whether it will be there when we need it. The prognosis for the current system is a good news/bad news scenario.

First, the good news. We have a payment system that is highly efficient—certainly the envy of our neighbours to the south. The guarantees of the Canada Health Act—universality, comprehensiveness and public administration as well as accessibility—are still in place, despite the strain.

Despite cries to the contrary, there is enough money in the system today to assure continued high-quality care for all Canadians. The problems can be fixed without opening the doors to for-profit healthcare firms, but the question is do we have the stomach for it? Are we prepared to address waiting lists for some services? If we can carry out the necessary reforms the system will be there when we, and our children, need it.

What ails the system is at the root of many of the problems that have arisen in the past few years. For starters, there are too many hospital beds - yes, too many—and often the wrong

people in them. We need more out-patient resources. Excessive and unnecessary use of the emergency room continues to plague many hospitals, driving up costs and denying care to those in real need.

We don't use our medical professionals in an effective way. Nurses and pharmacists should be allowed to provide a far greater range of services.

Canadians access the medical network much too often for minor ailments. Many of us take too many drugs. Some of us take the wrong drugs, and others don't take enough or don't take them properly. We have forgotten how to take care of ourselves.

The system has focused on treating disease rather than preventing it. It is largely uncoordinated, unintegrated and unmanaged. Public and private services within each system are not linked. We need to correct all these problems and we have to do it with a bit more wisdom, sophistication and backbone than our politicians have shown to date.

When Ottawa slashed billions in healthcare transfer payments to the provinces, the provinces, in turn, slashed millions from the system. This, in turn, led to sharp cuts in the number of hospital beds. This was done without first putting the necessary outpatient infrastructure in place. Hospitals faced with bed cuts took the only path open to them—they laid off staff,

particularly nurses. All this while the demand has been growing for both necessary and unnecessary services.

Instead of fixing the system, we simply slashed it first and then began looking for ways to rebuild it. The system needs reform. Those of us old enough to remember will recognize our medical program as a 1960's-style Blue Cross program. It is a physician and hospital acute care system, not a healthcare system.

Delivery of services is the key area in need of reform. So where do we start? By addressing the terribly inefficient use of healthcare professionals. Accountability is another problem area. All of the players in the healthcare system must be accountable for their specific role in the delivery or receipt of services. We put our health, and indeed our lives, in the hands of physicians with virtually no knowledge of their capability. Physicians, hospitals, and all other providers must be publicly accountable (yes, report cards) for their performance. Note: Ontario hospitals began using report cards in 2006.

This means tracking mortality, morbidity, malpractice suits and their resolution, complaints, and their resolution as well as education and certifications. New York State did this quite a while ago and there was a 52% drop in related deaths. Healthcare is too important to be left to the secret society approach of various self-governing professions.

continued on reverse...

Health Plan vs. Cash

Here's the Stats...

When a recent survey asked Canadian employees which they would rather have, an extra \$20,000 in cash per year or their employer-sponsored health benefit plans, 61% of respondents chose their health benefit plans. When asked why they prefer their health benefit plans:

26% of respondents said their benefits would cost them more than \$20,000 out of pocket

18% said their benefits provide security and peace of mind

9% said they prefer or need the plan

9% said they would probably spend the cash on something other than health services

8% said a group health plan is cheaper and superior to an individual plan

(Mentions below 8% are not listed)

Accountability in Healthcare , continued

We need a sound system for tracking medical data. The primary reason for recording this information is to provide patients with the best possible treatment and therapies. This requires that all pertinent data related to the specific patient be accessible to any or all physicians, and other medical providers treating that patient.

Employers need to be involved in the discussions on the future of our healthcare system. So far Canadian employers have been spared serious downloading by the various provincial governments. Many of the services cut when the provincial purse strings were tightened had little cost impact to employers. But, employers should be concerned because there is talk of more significant downloading in the future. Employers need to be prepared to fight moves by any government that could shift serious cost to them.

The problems with our healthcare system can be fixed without privatization or two-tier medicine. Ontario's investment in 22 new Community Health Centres (CHC) and 17 new satellite CHCs across the province to improve access to primary health care is a step in the right direction, but we can do better.

Until next time...

The Corporate Value of Wellness

While 88% of Ontario employers offer at least one employee health promotion program, such as smoking cessation, only 65 of these organizations consider workplace wellness to be a corporate value, and only 3% have taken an integrated approach to wellness, finds a recent study by David Sharp, professor, University of Western Ontario, and Angela Downey, assistant professor, University of Lethbridge. By contrast, as many as 34% of U.S. employers in 1999 offered comprehensive health promotion programs to employees. In countries with universal healthcare coverage, such as Canada, there's less incentive to provide wellness programs because most of the cost benefits of such programs accrue to the healthcare system - not the employer. This is 'unlike in the U.S., where healthcare is paid for, by and large, by employers,' says Sharp. "A healthier workforce (in the U.S.) means you get to pay less in insurance premiums."



The Ban Continues...



As provinces and major cities pass legislation to ban smoking in public places, more employers are banning smoking on company property as well, according to a Statistics Canada report. In 2004-2005, the vast majority of employed smokers faced at least some restrictions on smoking in the workplace: 42% reported a total ban on smoking; 37% said smoking was allowed only in designated areas; 9% said it was restricted only in certain places; and only 12% reported no restrictions at all.

Sources: Angela Me. Downey and David J. Sharp - Why do Managers Allocate Resources to Workplace Health Promotion Programs in Countries with National health Coverage? May 2007; Institute for Work & Health, 2007; Statistics Canada, Health Reports, August 2007; the sanofi-aventis Healthcare Survey 2007.

Premium Summary for Life & Dependent Life Benefits

A summary has once again been sent to each group outlining the monthly volume of employee life insurance and the associated premiums for it. The monthly premium includes dependent life premium (if applicable for your group).

The employee's individual total premium includes any applicable taxes.

According to the Income Tax Act, any portion of this total that is employer paid is considered a taxable benefit and should be reflected as such on each employee's T-4.

Editors Note:

INSIGHTS will be published on a quarterly basis commencing in March. Look for us in March, June, September and December.