

What's next in benefits:

Defining future trends

Coming together

Against a backdrop of exciting new technologies, benefits providers are increasingly aligned in their approach for new health benefits. Their diverse offerings are resonating with plan sponsors keen on managing costs while providing choice. But at this year's TELUS Health Executive Roundtable, it's clear work remains in convincing plan members to step up and actively manage their health. >>





An industry more aligned than ever

There's a decidedly optimistic tone in the benefits industry this year. The insurers and consultants at the third annual executive roundtable agreed that the industry is more aligned than ever in ensuring benefits plans are managed more strategically, aided by technologies that open the door to actionable predictive analysis at the plan sponsor level and personalization and consumerism at the plan member level. The thirteen participants felt their goals were very much in synch.

"We are more aligned across the industry on so many things," said Martin Chung, assistant vice-president, Equitable Life of Canada.

The aim of insurers and plan sponsors seeking to evolve health benefit plans is threefold: a better plan member experience, improved health outcomes, and greater value for the benefits dollar. And that's leading to the development of an exciting array of benefits options that promise innovation, better health outcomes for plan members and

when it comes to plan sponsors, more bang for their benefits buck.

That's because consumers are a savvy group. Their digital fluidity and request for benefits options in

keep up with the new technology and innovation," said Suzanne Nagy, drug consultant lead at Mercer Canada.

"I think we are at a point now where we may actually make a positive

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—Liana O'Brien, principal, Benefits, Morneau Shepell

real time is driving the creation of a "human-centric health ecosystem," with products and services that incorporate live cues for behaviour change, said Sherry Shaw, vice-president, Benefits Practice at Accompass, a Division of Gallagher Benefit Services.

Kevin Wong, associate director, Willis Towers Watson, agreed, noting that even older populations are now coming to the table with more knowledge and more digital skills.

And that could lead to positive outcomes in the management of disease states. "As the digital world is now more established, we can look to modernize these drug benefit plans to

personal impact on chronic disease management—just because we can educate consistently across large populations with digital platforms," she said.

More flexible and more creative benefits

Educating plan members is just one strategy plan sponsors are using to foster engagement and loyalty within their organizations, said Yun-Suk Kang, senior vice-president and chief broking officer at Aon Hewitt. Another is a desire to develop more comprehensive, flexible plans. "It's really going beyond physical health," she said. "We are looking at benefits programs as a comprehensive package for total compensation."

"I think employers are seeing how better health outcomes for their employees can drive productivity," noted Liana O'Brien, principal, Benefits, at Morneau Shepell, adding that employers are looking at and making the connection between investment in the health and well-being of their employees and their organization's bottom line and outcomes. "We've got their attention," she said.

At the same time, insurers are stepping up their offerings. "Insurance companies have been evolving—there

+Plan sponsors increasingly receptive to new benefits offerings

43% of sponsors show significant interest in pharmacy services, which include drug and disease counselling

38% indicate significant interest in offering reimbursement for medical cannabis

24% are receptive to health coaching



Source: Benefits Canada/Canadian Institutional Investment Network's 2018 survey of group insurance providers.



are great innovations coming out,” said Kang.

“One example is personalized health messaging. This form of communication recommends such things as wellness products that are relevant to the individual plan member, and includes health coaching in multiple formats, whether it’s face-to-face, via a support group or specific health apps.”

Also growing is telemedicine, which reduces unplanned visits to walk-in clinics during work hours by offering a virtual visit with a doctor. In particular, cognitive behavioural therapy delivered via the internet (iCBT) is getting a lot of attention. iCBT is an evidence-based psychological treatment that is used to help treat a number of conditions

“Predictive analytics could help make better decisions to improve plans.”

—Alan Kyte, director, pharmacy benefits, Manulife

such as depression, chronic pain, eating disorders, and addiction. Plan sponsors are very interested in this area, said Shaw.

One of the newest offerings is financial wellness coaching. It can help plan members reduce their debt load, decrease their stress and, from a plan sponsor perspective, become more productive employees who are less likely to go on an extended mental health leave.

Costs remain a big concern

“I think employers still acknowledge that costs are a significant factor in benefit plan design,” said Matthew Gaudry, product support and management, Great West Life.

Often, small employers are torn between innovation and affordability. Some clients struggle with offering a generous benefits package while keeping costs to a minimum. “Plan sponsors are looking for value in addition to cost-containment,” said Gerri O’Leary, vice-president, Maximum Benefit, Johnston Group.

As a result, there is increased pressure on plan sponsors to determine which benefits work best for the price, to ensure they aren’t spending money on offerings that aren’t being used.

+Predictive analytics 101

Predictive analytics employs data mining, statistics, modeling, and AI to analyze current data to predict what will happen in the future. “It allows you to make sense of that field of certain hidden risks you may not have thought of,” said Louis Kerba, vice-president of product development at Desjardins.



They are actively seeking information on which benefits are critical and which can be cut back or replaced.

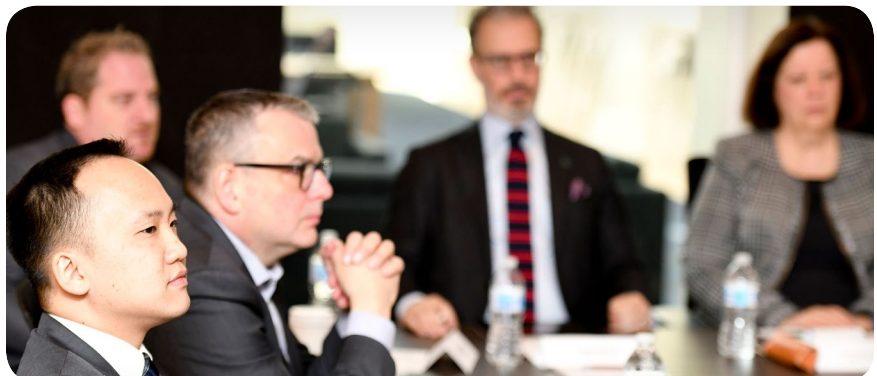
If employers decide to limit certain benefits while investing in new ones, insurers will play a key role in managing those transitions, noted Gaudry. “If plan sponsors are removing drugs and removing coverage, what

physical health but also mental health and financial well-being,” she said.

Technology a bigger part of the conversation

Enter technology, which has the potential to zero in on these sorts of issues. Plan sponsors are increasingly being urged to examine the role of technology in not only delivering new benefits but also identifying patterns in their member usage, predicting future behaviours, and identifying cost savings. To this end, insurers are actively building the reporting that will make this possible.

Experts at the roundtable emphasized the need to move away from retrospective benefits analysis toward predictive analytics (see Predictive Analytics 101, above) in order to forecast benefits spending and stratify cohorts of plan members based on health risks. From there, insurers could develop programs and make strategic investments to better manage costs for the long term.



While still in early days, predictive analysis has the potential to become a powerful tool for plan sponsors. That's because it can estimate the level of paramedical usage, for example, or the incidence of certain diseases—such as diabetes—in workplace populations.

It can also confer a competitive advantage, noted Alan Kyte, director, pharmacy benefits at Manulife.

"Employers often ask for benchmarks to know where they stand vis-à-vis somebody else," he said, but benchmarking can be inaccurate. "Predictive analytics could help them to make better decisions to improve their plans."

At the plan member level, using data strategically is a key piece of the puzzle in helping insurers understand and anticipate plan member needs. The challenge, according to Dean Bergeron, vice-president of administration and claims at La Capitale, is ensuring that plan members become comfortable with submitting their personal health data for analysis. "The new generation is willing to give their data to Amazon and Google. But when it comes to insurance companies, they are afraid—and privacy of data is a real issue," he said. "We have to first build their confidence and trust."

The main roadblock: the disengaged plan member

"Technology will allow us to provide great accessibility for the plan member to engage with the programs that are designed to improve their health outcomes," said Gaudry. "Programs are more successful when plan members are engaged in managing their own health."

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—Matthew Gaudry, product support and management, Great West Life

But therein lies the challenge. Many roundtable experts agreed that inertia and a lack of benefits plan awareness on the part of plan members are major obstacles in the industry. Many members simply aren't willing to change health habits.

When offered enrollment in disease prevention or management programs,



Executive Roundtable Participants

Standing (L to R): Alan Kyte, Director, Pharmacy Benefits, Manulife; Liana O'Brien, Principal, Benefits, Morneau Shepell Ltd; Martin Chung, Assistant VP, Equitable Life of Canada; Gerri O'leary, Vice-President, Maximum Benefit, Johnston Group Inc; Kevin Wong, Associate Director, Willis Towers Watson; Matthew Gaudry, Director, Product Support & Management, Great-West Life.

Sitting (L to R): Joe Farago, Executive Director Private Markets and Investment, Innovative Medicines Canada; Suzanne Nagy, Drug Consulting Leader-Canada, Mercer; Yun-Suk Kang, Senior Vice President and Chief Broking Officer, Aon Hewitt; Sherry Shaw, VP, Benefits Practise, Accompass, a division of Gallaher Benefit Services (Canada) Group Inc; Dean Bergeron, Vice-President, Administration and Claims - Group Insurance, La Capitale; Louis Kerba, VP-Product Development, Marketing and Information Centre, Desjardins Group.

those who could benefit most may be reluctant to participate or drop out. "They don't always see the big picture of what their employer is trying to do, in terms of making them healthier and more productive," said Joe Farago, executive director, private markets and investment, Innovative Medicines Canada.

The whole industry has to work harder at educating plan members to see how a program will add value in the long term, added Kang, and messaging has to be strategic, not patronizing. "We've been lecturing people and nobody likes to be

where millennials are, for example, and where we are as an industry," he said.

It can also make plan members aware of their shared responsibility in ensuring they have robust and cost-effective benefits plans going forward. To this end, insurers are steadily shifting from the traditional "pull" approach for communications to "push" engagement strategies that are increasingly popular—even expected—in today's digital world.

The industry recognizes that without plan member buy-in, the success of initiatives is threatened. A multi-faceted approach involving all parties—employers, healthcare providers and insurers—is critical.

"We have to find ways to communicate more often with the plan member, raise awareness and provide lots of insight into how we can improve and satisfy their needs," concluded Bergeron.

lectured to," she noted.

Louis Kerba, vice-president of product development at Desjardins, believes gamification can be an effective strategy in getting buy-in from plan members as it can make a program more interactive and engaging for the cohort it's targeting. "It can help bridge the gap between

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