



4th Quarter 2004



[www.inalco.com](http://www.inalco.com)

## Results of the Group Insurance Customer Survey

This past May, Industrial Alliance conducted a survey of our group insurance clients in order to determine their level of satisfaction with respect to various factors pertaining to the administration of group insurance plans. We are proud to present you with the initial findings of the survey, which show that we have been successful in our efforts to offer you quality products and services. We are committed to continuously striving to achieve this objective. We welcome your comments and suggestions, as they will help us continue to meet your needs to the best of our ability. The results of the survey are important for us and will serve as a basis in the choice of future development projects.

The survey was sent to 450 group plan administrators. It included questions regarding the following aspects of group insurance:

1. Administration
2. Call Center Services
3. Health and Dental Claims
4. Disability Claims
5. Additional Services and Future Development
6. Administration via Web@admin

### Results

#### 1- Administration

#### % of clients somewhat or very satisfied

Clarity and ease of use of administration documents	95%
Turnaround time for providing administration documents	93%
Accuracy of administration documents	96%
Accuracy and turnaround time for handling plan change requests	93%
Responsiveness and availability of sales staff	92%

#### 2- Call Center Services

Speed in contacting a customer service agent	94%
Call Center business hours	98%
Quality of answers obtained	95%
Usefulness of the Interactive Voice Response (IVR) System	85%
Courtesy of customer service agents	97%

#### 3- Health and Dental Claims

Turnaround time for handling claims	94%
Accuracy of handling claims	96%
Clarity of the benefit statement included with benefit payment	91%

#### 4- Disability Claims

Turnaround time for handling claims	91%
Accuracy of handling claims	98%
Clarity of the benefit statement included with benefit payment	96%
Quality of disability management and rehabilitation services	92%

#### 5- Additional Services and Future Development

#### % of clients

Interest for the INFO Bulletin	98%
Interest in information on health and wellness	93%
Interest in information on human resource management	85%

#### 6- Administration via Web@admin

#### % of clients somewhat or very satisfied

Quality of the training	94%
Accessibility and effectiveness of technical support	94%
Ease of use of various functions	99%
Quality of the User Guide	97%

# Prevention of Long-Term Disability Due to Back Pain

Disability management in the workplace is a matter of great concern to most employers, and with good reason. Disability is a burden that is growing heavier all the time. Watson Wyatt's Canadian 2002/2003 Staying@Work study estimates that absences from work, whether for short-term disability, long-term disability or employment injury, cost Canadian employers about 4.3% of their total payroll.

What can employers do about this problem? Do they have any tools at their disposal?

The example below concerns one of the most frequent causes of disability – back pain. We will illustrate what employers can do to prevent disabilities of this type or limit their duration.

Back pain is a widespread condition that may be due to a number of causes. Actually, back pain is generally more of a symptom than a condition and as a result, it may be difficult to find the real cause and determine the appropriate treatment. However, it is when the back pain results in absence from work and generates a heavy financial burden that a proactive disability management approach needs to be adopted. In order to ensure a safe and lasting return to the workplace, it is important to look at the big picture and get all the stakeholders (worker, employer, insurer, physician, etc.) to work together.

## Cost

Back pain is usually of short duration. However, frequent recurrences and prolonged absences from work result in a decrease in productivity and a major increase in cost for employers and the health system. According to Health Canada, musculoskeletal injuries (including back pain) rank second among the most costly medical conditions in terms of direct costs such as hospital, drugs and medical care and in terms of indirect costs such as disability and loss of productivity. A total cost of \$16.4 billion was recorded in 1998. According to the above-mentioned Watson Wyatt study, musculoskeletal injuries and back pain are the second most common cause of disability among surveyed companies, after mental and nervous disorders. At Industrial Alliance, musculoskeletal injuries also rank as the second most costly cause of disability, representing 21% of long-term disability costs in 2003 and 2004.

## Causes

Recent research findings from the Disability Prevention Research and Training Center (University of Sherbrooke)<sup>1</sup> demonstrate that disability due to back pain involves a number of factors. Disability is not only due to the worker's characteristics; it is also closely related to the workplace, the health care system and the compensation system, as indicated in the following chart:

## Factors contributing to back pain

### Worker

- Past history of back pain and absence from work
- Length of absence
- Fears and beliefs
- Perception that the work is difficult

### Health care system

- Diagnostic labelling (e.g. you have a lumbar disc prolapse and fear you will never be able to return to work)
- Intensive diagnosis testing
- Various delays
- Communication with other parties (employer, insurer, other health professionals)

### Workplace

- Work pace and amount
- Work atmosphere and relationships with colleagues
- Supervisor's attitude
- Possibility of modifying work tasks to allow for a gradual return to work
- Ergonomic modifications to reduce risk factors

### Compensation system (insurer or public agency)

- Training of rehabilitation specialists and compensation analysts
- Timing of intervention
- Communication with other parties (employer, insurer, other health professionals)

The above suggests that disability due to back pain results from inappropriate actions and interactions that occur between the various stakeholders interacting with the disabled worker. Thus, an approach that also takes the worker's environment into account is the one that should be adopted.

## Prevention and Rehabilitation

The likelihood of a worker's returning to work decreases as the length of the disability period increases. After a couple of months of absence, a problem of back pain that had seemed to be temporary tends to become chronic. It is therefore of utmost importance that prevention and an early intervention program be exercised in order to promote the worker's recovery and return to work.

There are three levels of prevention: primary, secondary and tertiary.

**Primary prevention** concerns employees at large and consists of avoiding the occurrence of a problem by adopting such measures as workplace health, safety and wellness programs, education on postural hygiene, by identifying possible risk factors and by regularly keeping track of costs, incidences and causes of employee absences.

**Secondary prevention** concerns workers who are developing back pain but can still accomplish their work. It also deals with early intervention procedures that may reduce the severity of disability and the length of the disability period. Studies<sup>2</sup> suggest that an early workplace intervention (during the first weeks of absence), combined with the appropriate medical treatment, can provide substantial reductions in terms of time away from work. Moreover, employers who promptly offer to modify the work tasks of employees suffering from a problem of back pain may not only reduce the amount of time away from work, they may also benefit from a reduction in recurrences and frequency of new cases.

Finally, **tertiary prevention** involves reducing the length of the disability period and ensuring a quick resumption of activities through a multidisciplinary team that reviews the case. The intervention plan may encompass ergonomic work adjustments, an exercise program and the elimination of any psychosocial factors that might be obstructing the return-to-work process. Then, a progressive return-to-work strategy may be planned with the collaboration of all stakeholders. Studies<sup>2</sup> suggest that a combination of multiple approaches, in a coordinated workplace linked care system, may achieve substantial reductions in time lost due to back pain.

Insurers have developed **rehabilitation services** in order to meet the need for coordination of care and early intervention. Employers whose disability benefits are provided through an insurer should take advantage of the rehabilitation services offered, in order to resolve disability problems and help employees return to work. Rehabilitation specialists are specially trained to perform a complete evaluation of the needs and factors that led to a period of absence from work and to develop a plan that will allow for a safe and lasting return to work.

For information regarding the rehabilitation services that Industrial Alliance offers, please contact your Industrial Alliance Group Account Executive.

<sup>1</sup> Loisel, P., et al., *Disability prevention: the new paradigm of management of occupational back pain*. Disease Management & Health Outcomes, 2001.

<sup>2</sup> Frank, J., et al., *Preventing Disability From Work-Related Low-Back Pain - New Evidence Gives New Hope - If We Can Just Get All the Players Onside*. CMAJ, 1998.

# Absence Management for Salary Continuance Plans

Employers who purchase disability plans from an insurer – and most do, when it comes to long-term disability benefits – can benefit from a range of disability management and rehabilitation services offered by the insurer. Something you may not know is that similar services are now offered to employers who manage their own short-term disability plans (salary continuance plan).

In fact, for the past few years, firms specializing in disability management offer their services to employers who manage salary continuance plans. These services are often offered through the insurer, which provides the long-term disability benefits. The services encompass a complete set of flexible programs designed to support and guide employers in managing short-term absences.

Here are some examples of absence management programs that are offered for salary continuance plans:

## • Manager Training

Training seminars on procedures and techniques for managing absences, developing successful intervention and return-to-work strategies, and managing difficult or red flag cases.

## • Assessment of Claims

Case-by-case analysis, assessment and recommendations with respect to claims, which may include job site visits and interviews with employees, physicians and other health professionals.

## • Early Intervention

Early intervention procedures to prevent potential long-term claims, by means of rehabilitation specialists.

## • Reports and Analyses

Statistics and reports prepared for employers, which include valuable data on the incidence, length and causes of disability claims, to enable employers to identify problem areas and adopt a preventive approach.

To find out more about the short-term disability management programs that Industrial Alliance offers, please contact your benefits advisor or your Industrial Alliance Group Account Executive.

## Disability Benefits and Employment Insurance Premiums

You may recall that the Federal Court of Appeals has determined that disability benefits paid under Administrative Services Only (ASO) contracts are subject to the Insurable Earnings and Collection of Premiums Regulations under the Employment Insurance Act.

When employers bear the costs and financial risks of the wage loss insurance plan, the benefits are considered as insurable earnings, regardless of whether it was the employer or the insurer who made the payments.

In addition, ASO plans are considered to be salary continuation plans. Employers are thus responsible for making the appropriate payroll deductions to cover EI premiums.

# Provincial Drug Plan Registration

## British Columbia, Manitoba and Saskatchewan

As you may be aware, the British Columbia, Manitoba and Saskatchewan drug programs provide financial assistance to residents for prescription drugs and other covered medical supplies based on the family's net income.

To be eligible for coverage under the provincial plan, residents are required to register and state their income, so that their deductible can be determined. It is important to note that registration of residents in the provincial plans is essential to sound management of group insurance plan. That is because when plan members are registered in the provincial plan, charges for certain prescription drugs and medical supplies are first covered under the

provincial plan. This allows for effective coordination of benefits between the group plan and the provincial drug plan, which is important for controlling the costs associated with group insurance plan.

To help plan administrators effectively manage this process and to ensure that members register in their provincial plan, Industrial Alliance has introduced a drug claim threshold. Once the drug claim threshold of \$1,000 has been reached, processing of claims is suspended until plan members provide proof of their registration in the provincial plan. At that time, plan members will receive a letter asking them to provide proof of registration and informing them

of the steps they need to take in order to provide the information required. Proof of registration may be in the form of a confirmation number or a letter of confirmation from the provincial plan. Upon receipt of such proof, the plan members' drug claims will be processed, unless the charges were already covered under the provincial plan.

We are including the contact information for the above provinces' drug programs, in case you would like to obtain further information on them.

If you have any questions regarding Industrial Alliance's administrative practices with respect to the provincial drug plans, please contact your Industrial Alliance Group Account Executive.

### BC RESIDENTS

Fair PharmaCare Program  
British Columbia Ministry of Health Services  
[www.healthservices.gov.bc.ca/pharme/](http://www.healthservices.gov.bc.ca/pharme/)  
Toll-free: 1-800-387-4977

### MANITOBA RESIDENTS

Manitoba Pharmacare Program  
Manitoba Provincial Health Programs  
[www.gov.mb.ca/health/pharmacare/](http://www.gov.mb.ca/health/pharmacare/)  
Toll-free: 1-800-297-8099

### SASKATCHEWAN RESIDENTS

Special Support Program  
Saskatchewan Health Drug Plan Extended Benefits  
[www.health.gov.sk.ca/](http://www.health.gov.sk.ca/)  
Toll-free: 1-800-667-7581

# Health Resources and Reference Materials

An organization's health and performance relies on that of its team. Given the importance of creating a work environment that is both stimulating and safe for employees, Industrial Alliance would like to offer you links to five interesting health-related articles.

## Work-Life Balance

Many workers find themselves always running between work and home, feeling as though there is never enough time to reconcile work with family life. It is becoming more and more difficult to achieve a work-life balance.

However, there are solutions and programs that could be introduced to help support employees in this regard. In addition to being useful to the employees, these programs may also benefit the organization at the same time. The Department of Human Resources Development Canada has developed a website especially for employers, managers and human resources specialists in order to help organizations design and implement supportive programs and policies that facilitate a work-life balance.

To access this website, go to the following address:

[www.rhdcc.gc.ca](http://www.rhdcc.gc.ca)

- ➔ Business, Labour and Workplace
- ➔ Work/Life Balance and New Workplace Challenges
- ➔ Work-Life Balance in Canadian Workplace (second link)

## Stress and the Workplace

Although stress doesn't always have a negative impact, it is essential that we learn how to recognize stress and manage it, because stress can adversely affect our health. Sometimes, we don't even realize that we are stressed.

The Canadian Mental Health Association's website offers an interactive stress test that enables us to find our stress level. There is also a mini-site, "Coping with Stress," that provides a first aid kit for stress, ways of coping with stress, and tips for relieving stress and tension.

To take the test and access the mini-site, go to the following address:

[www.cmha.ca](http://www.cmha.ca)

- ➔ Info Centre
- ➔ Coping with Stress
- ➔ CMHA Stress Test and mini-site

## Physical Activity and Risks of Heart Disease

Preventing heart disease starts with integrating physical activity into our lifestyle. Regular physical activity helps keep the heart healthy and helps maintain a healthy lifestyle.

The Heart and Stroke Foundation of Canada makes some interesting suggestions for activities in its article entitled, "Don't let winter put a freeze on your workouts."

To read this article or learn more about the risks of heart disease, go to the following address:

[www.heartandstroke.ca](http://www.heartandstroke.ca)

- ➔ Healthy Living
- ➔ Get Active, more info
- ➔ Don't let winter put a freeze on your workouts

## Cancer Prevention

According to Canadian Cancer Society, at least 50% of cancers can be prevented through healthy living and policies that protect the public. It is possible for us to reduce the risk of cancer.

The cancer society suggests seven steps for Canadians to follow. To access these steps, go to the cancer society's website at the following address:

[www.cancer.ca](http://www.cancer.ca)

- ➔ Risk reduction
- ➔ Seven Steps to Health

## Healthy Eating, Diabetes and the Glycemic Index

More and more people are talking about the Glycemic Index (GI) in connection with the subject of healthy eating. The Canadian Diabetes Association describes the GI as a scale that ranks carbohydrate-rich foods by how much they raise blood sugar levels compared to standard foods, such as glucose or white bread.

The Canadian Health Network has published an article concerning the GI in its Healthy bites section. To read this article, go to the following address:

[www.canadian-health-network.ca](http://www.canadian-health-network.ca)

- ➔ Past articles
- ➔ Magazine features
- ➔ September 2004
- ➔ What you need to know about the Glycemic Index

## Compassionate Care Leaves

### Important notice

On January 1, 2004, Employment Insurance began to provide a compassionate care benefit to individuals who take an absence from work to provide care or support to gravely ill family members who are at risk of dying within 26 weeks. Since that date a number of provinces have amended their employment standards acts to require that employees be allowed to take compassionate care leaves.

For an employee who takes a compassionate care leave we will extend all benefits that are applicable to the employee under your group plan for a maximum period of 8 weeks, which is the maximum benefit period under the Employment Insurance compassionate care benefit (2 week waiting period plus 6 weeks of benefit payments)

We will not be automatically amending your group contract to reflect the extension of coverage during a compassionate care leave. Should you wish to have your contract amended to reflect the extension of coverage or if you should require additional information regarding compassionate care leaves, contact your Account Executive.

### About Industrial Alliance The INFO Bulletin is presented to you by Industrial Alliance.

Industrial Alliance is among the most solid financial institutions in the country and is a leader in insurance and financial services. With offices from coast to coast, Industrial Alliance insures more

than 1.7 million Canadians and has over \$25.5 billion in assets under management and under administration, making it the 5<sup>th</sup> largest life and health insurance provider in Canada.