

Employee Assistance Programs

Employees are under increasing stress as they try to balance their family and work responsibilities. Faced with downsizes, mergers and reorganizations, employees are finding that more and more of their time is being demanded at work while leaving less time to deal with family issues such as sick children or caring for elderly family members. Additionally the increasing speed of technological advances is adding to the stress of the employees as they have to constantly learn and adapt to a changing work environment resulting from the advances.

According to the Canadian Institute of Stress:

- One in three working Canadians will suffer temporary emotional problems during their lives, with one in six being serious enough to require professional care.
- Each day, one in five Canadian workers suffers from personal or emotional problems severe enough to cause injuries, absenteeism or reduced productivity.
- 80% of problems treated by family doctors are considered stress and psychosomatic cases.

The cost to employers resulting from this stress is immense. It is estimated that the cost of mental and emotional disorders cost Canadian employers approximately \$1.4 billion each year (based on absenteeism, accidents, lower productivity and short and long-term disability claims) while alcoholism costs them approximately \$1.6 billion each year.

One way employers can assist employees in dealing with the stress of balancing their family and work responsibilities is by providing them with access to an Employee Assistance Program ("EAP").

EAPs offer employees confidential access to professional counselling services which will help them and their families identify and deal with the stresses that are impacting their lives. By doing so, the EAP will help prevent these stresses from becoming increasingly serious for the employee and becoming more costly for the employer.

Among the services provided under EAPs to help employees deal with the stress of balancing their family and work responsibilities are:

- Short term counselling to deal with immediate emotional issues.
- Referral to community resources (e.g. psychologists) to help deal with long term emotional issues.
- Addiction counselling.
- Work-place seminars that deal with issues such as stress management, time management and life stage transitions.

It has been estimated by some experts in the field of EAPs, that for every \$1 invested in an EAP by an employer, there is a savings in the range of \$7 to \$20. These savings are measured through an increase in productivity and morale and a decrease in absenteeism, accidents, disability claims and hiring and training costs for replacement employees.

If you should wish to learn more about Employee Assistance Programs and how they may benefit your organization or what Employee Assistance Programs are available from the IAG Group of Companies, please contact your benefits advisor or your IAG group sales representative.

Your Input

We are always interested in hearing from you. If you have any comments or questions regarding any of the articles included in this bulletin, or if you would like a particular topic to be covered in a future issue, please contact your IAG group sales representative.



The Industrial Alliance Group



The INFO Bulletin is presented to you by the Industrial Alliance Group.

Combining the strengths of Industrial Alliance, National Life and Industrial Alliance Pacific, the Industrial Alliance Group 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, the Industrial Alliance Group insures more than 1.5 million Canadians and has over \$17 billion in assets under management and administration, making it the 7th largest life and health insurance provider in Canada.



Information Bulletin
for Group Insurance Plan Administrators and Benefit Advisors

3rd Quarter 2003



www.inalco.com



www.NationalLife.ca



www.iaplif.com

Administration

The Importance of Correct Member Information

When a new group benefit plan is implemented, the insurer gathers information on group members in order to determine their eligibility. Member information is also used to determine the coverages they are entitled to as well as to calculate the monthly premium. The quality, accuracy and timeliness of information provided to the insurer is fundamental to sound plan administration and to avoid unnecessary delays or problems for plan members. This article outlines the most important information that needs to be provided and updated for groups administered and billed by the insurer.

Earnings

Members' earnings are used in the premium calculation for benefits that are earning-related, generally life and disability benefits. In addition, when a claim is submitted for one of these benefits, earnings information is also used to calculate the benefit amount. If the information is not up-to-date, the amount payable will differ from what the member or the member's beneficiary expects. Finally, the earnings information must be up-to-date when the policy is renewed so that the pricing accurately reflects the group's demographics.

It is the plan administrator's responsibility to make sure that changes in earnings are reported to the insurer on the date of the changes or at the latest, 31 days after they take place.

Employment Status

A member's employment status is directly linked to the group plan's eligibility. The plan administrator must communicate to the insurer all information regarding a member's

status, including termination of employment, retirement, temporary layoff, maternity or parental leave. Changes should be submitted to the insurer within 31 days of the date they occur so that each member is eligible for the benefits he or she is entitled to.

Dependants

There are two ways to collect dependant information: positive enrolment or direct enrolment. With positive enrolment, dependant information is registered by the insurer at the time of the member's enrolment. Only those claims submitted on behalf of a registered dependant are processed. In the case of direct enrolment, dependant information is collected at the time of their first claim. The plan administrator of a group with positive enrolment should update dependant information as soon as changes occur in order to ensure prompt and accurate claim processing.

Students

Most group plans allow for coverage of legal age children attending a recognized educational institution full-time. The Industrial Alliance Group will perform an annual update of students' records so that they continue to receive coverage under the group benefit plan. Before the beginning of each school year, plan administrators will receive a letter for each member with legal age children still attending school. The letter must be returned to confirm the dependant's student status and avoid any delays in the processing of the dependant's claims.

Consequences of Late or Incorrect Updates

Most insurer activities which are related to a group benefit plan depend on the member information that has been provided and which is stored in various administration systems. Erroneous, late or missing member information updates will negatively impact these activities. The impact can be seen in the following:

- Billing statements will be wrong and will have to be adjusted the following month;
- Mailing of drug cards will be incorrect or delayed;
- Claim processing may be postponed or inaccurate;
- Pricing may not reflect the actual group demographics;
- Various reports or statements will be erroneous;
- Evidence of insurability may be unjustly required.

This shows the importance of a plan administrator collecting, submitting and updating member information in a timely and accurate manner.

For additional information regarding the importance of providing up-to-date and precise plan member information to the insurer, please contact your IAG group sales representative or your benefits advisor.

Legislation

Recent Changes to the Quebec General Prescription Drug Insurance Plan

Contribution Requirements

The contribution requirements for the Quebec General Prescription Drug Insurance Plan were increased on July 1, 2003 for the following items:

	Before July 1, 2003	As of July 1, 2003
Monthly deductible	\$9.13	\$9.60
Coinsurance	27.4%	28.0%
Maximum annual out-of-pocket	\$822.00	\$839.00
Annual premium	\$422.00	\$460.00

The changes generally do not directly affect private group benefit plans with employees in Quebec, except for the maximum annual out-of-pocket contribution. Some plans that duplicate the parameters of the public plan may also be affected.

In accordance with the Quebec *Prescription Drug Insurance Act*, the contribution requirements are adjusted on July 1 of each year.

Transfer of Year-to-Date Contributions

Since January 1, the Quebec *Prescription Drug Insurance Act* requires that insurers provide, upon request of a member moving from one plan to another, a statement of year-to-date out of pocket contributions towards drug expenses made by the member or the member's dependants. The request must be made to the insurer within six months following termination of the member's insurance coverage. The member must then submit this statement to the new insurer in order for the new insurer to take into account past contributions and prevent the member from incurring more than the maximum annual out-of-pocket contribution.

For more information on the Quebec General Prescription Drug Insurance Plan, please contact your benefits advisor or your IAG group sales representative.

Changes to the British Columbia PharmaCare Program

On May 1, 2003, the Government of British Columbia implemented changes to the PharmaCare Program with the introduction of the Fair PharmaCare Program. The introduction of the Program has significant implications for group plans covering residents of British Columbia.

What Changed?

Combining the Universal and Seniors' plans into one plan, the Fair PharmaCare Program introduces an income-based deductible for British Columbia residents. Where previously they had been subject to a flat dollar deductible (\$1,000 for the Universal Plan and \$275 for the Seniors' Plan in 2002), they will now be subject to a deductible based on their net income. This will mean that the lower the individual's net income, the lower the deductible that must be satisfied before financial assistance is provided under the Program. Conversely, the higher the individual's net income, the higher the deductible that must be satisfied before financial assistance is provided.

To ensure that annual drug costs do not exceed an individual's ability to pay, the Fair PharmaCare Program includes family maximums after which the Program pays 100% of the individual's eligible drug cost for the rest of the year.

Need to Register

Employees and seniors must register with the Fair PharmaCare Program. During the registration process, individuals must provide their net income so that their deductible and family maximum can be calculated. Consent is also necessary to verify this information with the Canada Customs and Revenue Agency ("CCRA") and to receive such information from the CCRA in the future.

Impact on Group Plans

While the introduction of the Fair PharmaCare Program by the British Columbia government was intended to maintain the viability of the provincial drug plan in the future, it will result in an increase in the annual deductible and family maximums for many members. This increase will be absorbed by their group plans.

In addition, failure by members to register will mean that drug claims which should be paid under the Fair PharmaCare Program will not be eligible for reimbursement. This could lead to members submitting these claims to their group plans for reimbursement. To prevent this from happening, plan sponsors should actively encourage their British Columbia members to register with the Program. By doing so, plan sponsors will be ensuring that their group plans are not paying for drugs which should be covered by the Program.

For more information on the Fair PharmaCare Program, you can visit the British Columbia government website at www.healthservices.gov.bc.ca/pharme/.

For more information on how the Fair PharmaCare Program affects your group plan, please contact your benefits advisor or your IAG group sales representative.

Benefits

Drug Utilization Review Programs



What is it?

Many people get their prescriptions filled at multiple pharmacies or visit various physicians who are not necessarily aware of all the medications that they may be currently taking. A Drug Utilization Review (DUR) program compares a member's prescription in relation to other prescriptions already claimed, no matter which pharmacy or which physician was visited.



How does it Work?

When the pharmacist keys in the prescription and data of a member using a drug card, he/she receives, in addition to the plan member's eligibility, messages or warnings to detect potential problems related to drug utilization. Using the pharmaceutical database of the drug card provider, a series of checks are made for interaction, adverse reaction or overuse, such as duplicate prescription or premature renewal. The pharmacist will then use his or her expertise to take the appropriate action to reduce the potential risk to the patient.



Why is it Important?

A DUR program will help ensure quality of care by preventing harmful drug utilization. The DUR program does not dictate what action should be taken nor which product should be dispensed, but rather provides pharmacists with warning messages so that they have all the required information to react prior to any drugs being dispensed. In addition, by ensuring better drug utilization, the DUR program will enhance the cost containment of prescription drug plans. To find out more about DUR programs, please contact your IAG group sales representative.

Consumer Education = Better Prescription Drug Utilization

Better prescription drug utilization starts with proper consumer education. Here are some important tips related to medication as published in the brochure "Knowledge is the best medicine" by Canada's Research-Based Pharmaceutical Companies, Rx&D.

With the Doctor or Pharmacist

- Don't expect a prescription every time you visit the doctor.
- Be prepared for the visit; make a list of questions and take it with you.
- Inform the doctor of all the medication you are currently taking, including non-prescription and herbal remedies. Also mention any allergies or reactions to medications experienced in the past.
- If the doctor writes you a prescription, it is very important to understand what it is, why and how it is taken, and what the side-effects might be.
- If you are unclear as to the information provided, ask the doctor or pharmacist to

explain again. Request written material on the subject that you can read at home.

At Home

- Take the medication exactly as directed. Too much or too little medication could be harmful.
- If one dose is forgotten, don't double the next dose. Call the doctor or pharmacist to ask what you should do.
- Don't share medication with others.
- Finish all of the medication as prescribed unless the doctor tells you not to.
- Don't save a prescription for future use unless your doctor tells you to.
- When certain drugs are mixed with alcohol, the results can be harmful. Ask the doctor or pharmacist if you can consume alcohol while taking that particular drug.
- Check expiry dates. Return extra or outdated medication to the pharmacist.

- Watch for side effects or adverse reactions and contact the doctor or pharmacist immediately if they are severe.
- Keep medication in a dry place out of sunlight.
- Don't store medication in the bathroom. The heat and moisture could affect it.
- Store medication in its original container.
- Some medications are stored in the refrigerator while others are kept at room temperature. Ask the pharmacist if there are any special storage requirements.
- Store all medication in a safe place, out of reach of children.

By following these simple guidelines, you will be helping to control the cost of prescription drugs and improve all round patient health.

To obtain a free copy of the brochure "Knowledge is the best medicine" with a medication record book enclosed, call Rx&D at 1-800-363-0203.