

2020 THE SANOFI CANADA HEALTHCARE SURVEY

CANADA'S PREMIER SURVEY
ON HEALTH BENEFIT PLANS

Future Forward

Frontline Perspectives on the
Future of Health Benefit Plans



SANOFI

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COVID-19 PANDEMIC



Please note that *The Sanofi Canada Healthcare Survey* was conducted in January 2020, before the COVID-19 pandemic was declared on March 11th. Members of the advisory board met to discuss the survey results on February 20th. The report was written in March and April.

Thank you to our Sponsors

For 23 years, *The Sanofi Canada Healthcare Survey* has monitored the pulse of health benefit plans, analyzing the changing opinions of plan members and plan sponsors on topics including workplace wellness, health concerns and the impact of chronic disease.

DIAMOND SPONSORS:



PLATINUM SPONSORS:



Health, our most precious commodity



MARISSA POOLE

General Manager, SANOFI GENZYME
Country Lead, SANOFI CANADA

2020 will be remembered as the year the world stood still. Yet it will also be remembered as the year when we mobilized like never before to protect ourselves and our loved ones from the invisible, deadly threat of COVID-19.

While the costs of worldwide lockdowns will be formidable, the costs of not shutting down would have been incomprehensible. The more we learn about this capricious disease, the more we realize that, had it spread unchecked, it would have crippled our economies, our healthcare systems and our daily lives.

Some describe COVID-19 as a wake-up call on many fronts. Perhaps first and foremost, it serves as a reminder that health is our most precious commodity. Both individually and at the population level, good health is an essential predictor for success. And when one becomes ill, be it due to an infectious or chronic disease, a return to sufficient good health is paramount for personal productivity and happiness and societal prosperity.

COVID-19 threw this simple truth into sharp relief. Sanofi is in a unique position where through global efforts we're working toward solutions to support detection, prevention and treatment of COVID-19. We have a clinical study looking at the efficacy of IL-6 receptor blocker in COVID-19 patients as well as a partnership with a company called Luminostics to develop a smartphone-based self-testing solution for COVID-19. When it comes to the COVID vaccine, Sanofi's global efforts to produce one include multiple approaches with partners like BARDA, Translate Bio and GSK.

Beyond the vaccine, we are more resolved than ever to collaborate with additional key stakeholders, including the benefits community. We are proud to continue to partner with insurance carriers and other benefit providers to produce *The Sanofi Canada Healthcare Survey*, now in its 23rd year. Improved health is our common mission, and we look forward to increased collaboration in the years ahead.

Future Forward



ANDREA FRANKEL

Private Payer Lead
SANOFI CANADA

When we selected a theme for this year's edition of *The Sanofi Canada Healthcare Survey*, we felt that "Future Forward" would be appropriate given the start of the second decade of the 21st century. Little did we know what a pivotal year 2020 would be in terms of planning for the future, given the explosive impact of COVID-19 just weeks after the survey results came in.

We hope you agree the results provide a conclusive summary of our priorities going forward. If anything, the new realities of a post-COVID world serve to reinforce these priorities, while also opening our minds to new possibilities in health benefits. Among the highlights:

- Vaccinations against infectious diseases and virtual care top the list of desired benefit offerings for both plan members and plans sponsors.

- Plan sponsors increasingly want to do more to support plan members with chronic disease (who are at highest risk of complications due to infectious disease).
- Plan members between the ages of 18 and 34 are far more likely to take sick days or report reduced productivity at work due to stress and chronic health conditions.
- Plan members confirm that a health benefit plan and a wellness culture in the workplace are strong incentives to stay with an employer.

This year's report also includes "Forward Thinking: 7 Steps into the Future," a handy one-page wrap-up of key findings and action steps (page 36). As we all consider the future of health benefit plans in a world that's quite unlike what it was at the start of this year, we sincerely hope that the 2020 edition of *The Sanofi Canada Healthcare Survey* helps map your way.

A better understanding of wellness in the workplace

Survey results confirm that a workplace environment or culture that supports personal health and wellness provides dividends to employers as well as employees. This year's survey takes a look at what comprises a positive wellness culture, with a majority of plan sponsors signalling their continued commitment to employee wellness.

Workplace culture takes centre stage

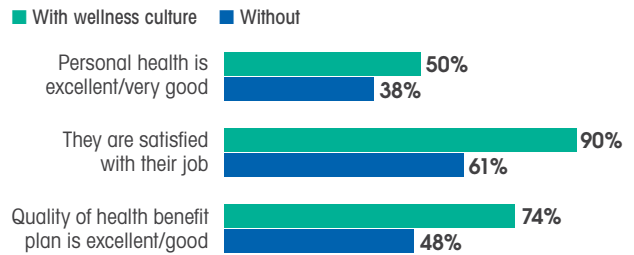
- Seventy-seven percent of plan members agree that their workplace culture or environment encourages health and wellness, unchanged from last year. A wellness culture is a consistent determinant of ratings in other areas, including personal health and job satisfaction (see chart).
- When broken down by size, 71% of plan members working in organizations with fewer than 50 employees agree that they have a wellness culture, compared to 82% among those working for organizations with 500 or more employees.
- Eighty-eight percent of plan sponsors agree that they have a wellness culture, again an important determinant of ratings in other areas. These employers are more likely to invest in wellness areas outside of health benefits, such as personal financial planning (78% versus 54% among those without a wellness culture), and to have specific objectives for their health benefit plans (64% versus 36%).
- Eighty-six percent of plan members agree that a workplace environment that encourages health and wellness is an important factor when deciding on a job offer or remaining at an organization; 29% strongly agree.

What builds a wellness culture?

- When presented with a list of 13 possible factors, both plan members (55%) and plan sponsors (67%) most often select safety as a way their environment encourages health and wellness. This increases to 70% among plan members in the utilities/resources/transport sector.
- Good relationships with co-workers are virtually tied at the top for plan members (54%), followed by a good relationship with their immediate supervisor (44%).
- While plan members and plan sponsors generally agree about the ranking of factors, plan members are less likely to indicate that their own organization is active in certain areas, such as reasonable workloads (see chart).

PLAN MEMBERS

HOW A WELLNESS CULTURE INFLUENCES PLAN MEMBERS' PERCEPTIONS THAT:



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: Plan members with a wellness culture (n=1,146); Plan members without a wellness culture (n=359)

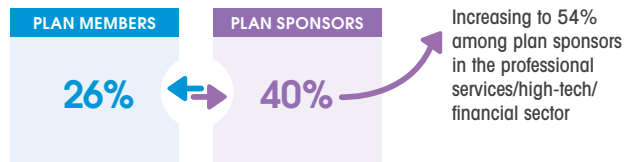
JOHN McGRATH • ZLC FINANCIAL



"A culture of wellness doesn't happen by accident. If we're going to do this right and create the value proposition around it, as advisors we need to make sure we cover this off as part of our checklist of discussion points. That may not be easy when clients barely have time to meet at all, so let's get creative. Let's help create the momentum."

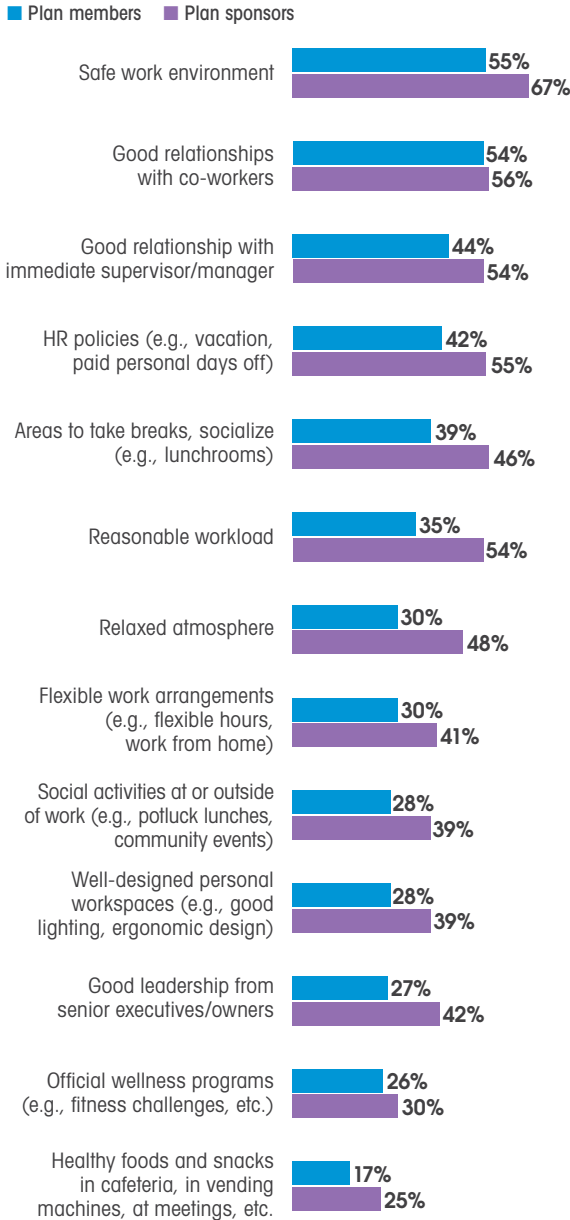
← KNOWLEDGE GAP →

WORKING FROM HOME RESPONDENTS WHO SAY THEIR ORGANIZATION ALLOWS EMPLOYEES TO WORK FROM HOME



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan members (N=1,500); All plan sponsors (N=516)

THE WAYS IN WHICH THE WORK ENVIRONMENT ENCOURAGES HEALTH AND WELLNESS



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: Plan members with a wellness culture (n=1,146); Plan sponsors with a wellness culture (n=448)

SHANNON DARVILL • SILVERBERG GROUP, A PEOPLE CORPORATION COMPANY



“The message is clear that the high marks go to workplaces with a positive wellness culture. All stakeholders—plan sponsors, insurance carriers and consultants—can really build on that together. And for employers who don’t have a wellness culture—yet—we can make it a goal to bring them onsite, one small step at a time.”

Continued commitment to wellness

- Over the next three years, 74% of plan sponsors plan to dedicate funding and/or staff resources outside of the health benefit plan to at least one out of five possible health and wellness areas. Among them, they will most likely do so in the area of emotional/mental health (58%), followed by the prevention of illness and/or management of chronic conditions (49%), physical fitness (45%), social well-being (44%) and financial well-being (40%).
- Forty percent of plan sponsors offer incentives for employees to participate in health and wellness programs or activities, up from 30% in 2015, and increasing to 50% among plan sponsors who get reporting on the top disease states in their organization.
- When asked which actions or incentives are most effective, plan sponsors most often cite senior leadership that sets the example (42%), followed by individual financial awards (e.g., gift cards) (36%) and a wellness account (33%).

HIGHS & LOWS PLAN SPONSORS

PLAN SPONSORS WHO PLAN TO INVEST IN HEALTH AND WELLNESS AREAS OUTSIDE OF THE HEALTH BENEFIT PLAN IN THE NEXT THREE YEARS

88%	500 or more employees	Fewer than 50 employees	52%
89%	Have a specific objective for the health benefit plan in the coming year	Do not have a specific objective	53%
84%	Receive analyses of top disease states	Do not receive analyses of top disease states	54%

SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan sponsors (N=516)

KEY TAKEAWAYS

- A wellness culture** plays an important role in attraction and retention as well as job satisfaction, which in turn drives productivity. More can be done to capitalize on this, given the gap between plan members’ and plan sponsors’ perceptions on what contributes to a wellness culture.
- Plan members’ top** three factors for a positive wellness culture are safety, good relationships with co-workers and a good relationship with the immediate supervisor.
- Alternate work arrangements** are highly valued by some workforces; to facilitate that, plan sponsors on The Sanofi Canada Healthcare Survey advisory board recommend moving away from standardized, possibly limiting, policies toward a more informal, employee-centric approach.
- Senior leadership and fun activities** (such as online team challenges) are essential, including nonfinancial incentives to boost engagement in health and wellness initiatives. Leaders and managers may also need to provide time for participation, particularly among shift workers.

Taking the pulse of personal health

Plan members report generally good health; however, those in poor health are much more likely to indicate that their health benefit plan does not meet their needs. More plan members are using at least one digital device to help achieve health or fitness goals, which presents opportunities for benefits providers.

Health and job satisfaction linked

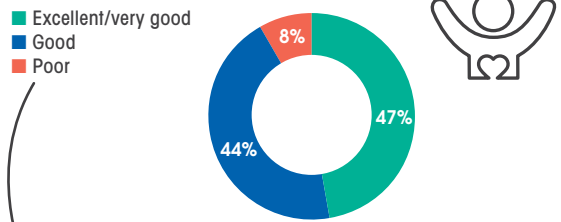
- Forty-seven percent of plan members report being in excellent or very good health and 44% in good health, leaving just 8% in poor health. These results are similar to previous years.
- Job satisfaction can have an influence on health (see chart). As well, plan members in poor health are far less likely to agree that their health benefit plan meets their needs (49%, compared to 72% among those in excellent/very good health).

Greater use of digital tools

- Fifty-three percent of plan members used at least one digital device or mobile app to help achieve personal health or fitness goals in the past year, up from 32% in 2015. They are most likely to use a fitness tracking device (28%), followed by an app (23%).
- Plan members aged 18 to 34 (70%) are much more likely to use a device or app than plan members aged 55 and older (31%).
- In 2015, plan members in excellent/very good health (38%) were more likely to use a device or app than those in poor health (26%). This year's results of 60% and 54%, respectively, suggest the gap is closing.
- Fifty-six percent of plan members with chronic conditions used a device/app in the past year, up from 34% in 2015, and compared to 47% among those without chronic conditions.

PLAN MEMBERS

PLAN MEMBERS' DESCRIPTION OF PERSONAL HEALTH OVER THE PAST YEAR



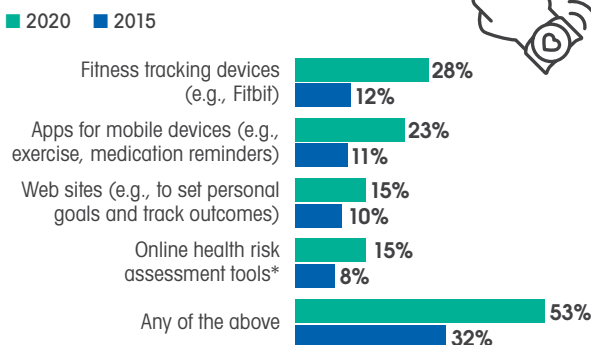
POOR HEALTH MORE LIKELY WHEN:



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan members (N=1,500)

PLAN MEMBERS

PLAN MEMBERS' USE OF DIGITAL DEVICES/ MOBILE APPS FOR PERSONAL HEALTH OR FITNESS IN THE PAST YEAR



*To provide overall picture of health and determine personal risk factors for illness based on weight, stress, etc.; SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan members (N=1,500)

*** KEY TAKEAWAYS

- The increased use** of digital devices and apps to help achieve health or fitness goals is encouraging—particularly among plan members with poor health or a chronic condition or disease, who were historically less likely to use these tools.
- Members of the advisory board** emphasize the opportunity to renew efforts for plan members to complete insurers' online health risk assessments (HRAs), since they can offer up a "bedrock" of validated data for employers to design, revise and upgrade health benefit plans.
- HRA participation rates** jump significantly when incentives are in place, observe insurers and plan sponsors on the advisory board. Personal financial incentives (e.g., gift cards) are most effective.
- Participation also improves** when the HRA is a visually appealing "app-like" experience that avoids clinical language.

Everyone benefits from a healthy workplace

Get started on yours



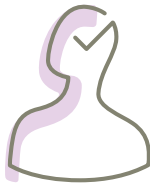
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Mental health: a call to action

The incidence and impact of high levels of stress are disconcerting, especially among younger employees. The advisory board applauds plan sponsors who have increased maximums for mental health counselling services and emphasizes that more can be done in the area of prevention.


Stress very much a factor

- Thirty percent of plan members report high levels of stress on a typical day over the past three months, comparable to 33% in 2018, and increasing to 52% among plan members who are not satisfied with their job and 48% among those in poor personal health. Age is also a factor: plan members aged 18 to 34 (34%) are more likely to report high levels of stress than those 55 and older (22%).
- The top three sources of stress are personal finances (39%), workload (34%) and work-life balance (32%). These results are similar to two years ago, when the question was last asked; however, interactions with people at work have moved up to become the fourth-highest source of stress (see chart).
- Thirty-seven percent of plan members agree that workplace stress has been so overwhelming in the past year that they have felt physically ill, a result that has been relatively consistent since the question was first asked in 2009. It increases to 63% among those who are not satisfied with their jobs and to 52% among those who say that interactions at work are a main source of stress. And again, those aged 18 to 34 (42%) are much more likely than those aged 55 and older (23%) to say they have felt physically ill as a result of stress.
- When it comes to work-related stress, plan members are somewhat equally divided about the main source of the stress: 36% say it is the work environment (e.g., physical space, supervisor, co-workers) and 30% say it is the job itself. The remaining 35% say both are the main causes of stress. Plan members aged 18 to 34 (42%) are much more likely than those aged 55 or older (28%) to indicate the environment is the main source of work-related stress.

Impact on productivity

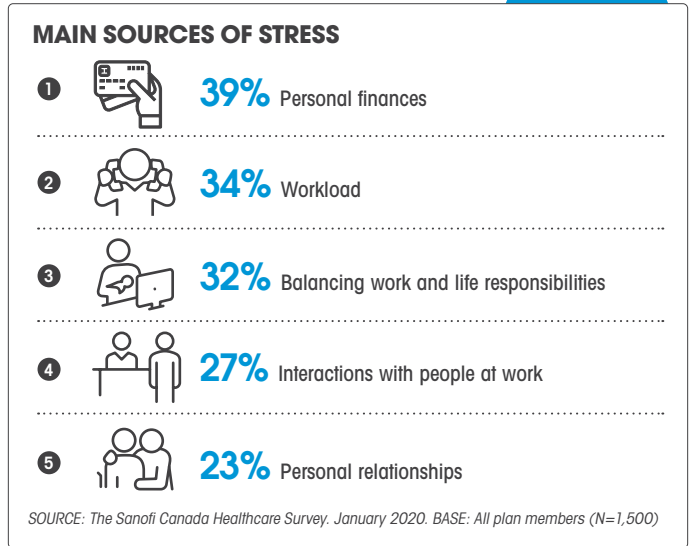
- Thirty-six percent of plan members mention they arrived late or left work early due to stress at least once in the past year; among those who did, they arrived late or left early an average of 4.9 times. Younger plan members are more likely to be absent in this way, as are those in poor health (see chart).
- Forty-one percent of plan members took at least one full sick day off due to stress in the past year; those who did missed an average of 5.1 days during the year. Again, age and health influence results (see chart).

BILL PAPADIMITRIOU • DESJARDINS INSURANCE

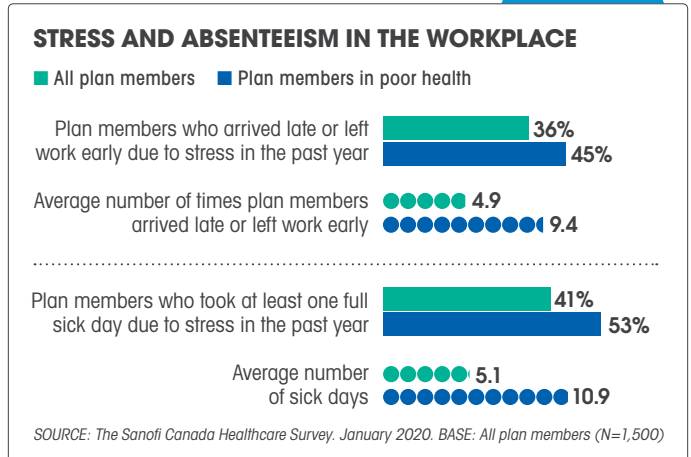


“Mental illness has reached alarming levels among teens and students in universities, and that’s our future workforce. We already see the shift in claims data. The solution is not just about more money, it’s about using technology to improve access and increase cost-effectiveness. We have to get at this now, or else mental health claims at staggering levels are going to be the new norm.”

PLAN MEMBERS



PLAN MEMBERS





“Cost, stigma and issues around access can be huge barriers for mental health. Some plan sponsors are prepared to increase their paramedical maximum for mental health providers, which is a good thing to help address the cost barrier. However, we can help more people while addressing stigma and access challenges by considering the proven benefits of scalable digital solutions.”

HIGHS + LOWS PLAN SPONSORS

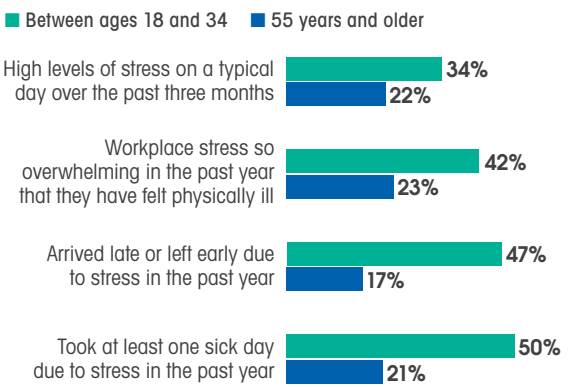
PLAN SPONSORS WITH MENTAL HEALTH TRAINING PROGRAMS FOR MANAGERS AND/OR EMPLOYEES

72%	500 or more employees	Fewer than 50 employees	22%
67%	Unionized	Non-unionized	45%
66%	Quebec-based	Western Canada-based	44%
66%	Public sector	Private sector	46%
65%	Receive analyses of top disease states	Do not receive analyses of top disease states	21%

SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan sponsors (N=516)

PLAN MEMBERS

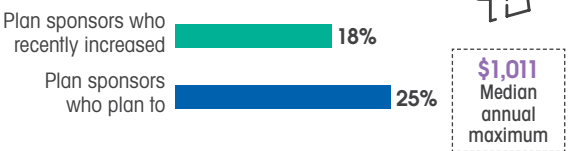
LEVELS AND IMPACT OF STRESS: A COMPARISON BY AGE



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan members (N=1,500)

PLAN SPONSORS

CHANGES TO THE MAXIMUM OF COVERAGE FOR COUNSELLING SERVICES FOR MENTAL HEALTH



\$1,011
Median annual maximum

SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan sponsors (N=516)

Support for mental health

- Sixty-one percent of plan members state their employer effectively helps employees manage stress, up from 42% in 2011. More plan sponsors (74%) also report they effectively help staff manage stress, up from 58% in 2011.
- Among plan members experiencing high levels of stress on a typical day, 53% say their employer effectively helps employees manage stress.
- Fifty-one percent of plan sponsors have a mental health training program in place for managers and/or employees to help them recognize and appropriately respond to signs of mental illness, unchanged from 2019. This result varies somewhat by the size of workforce, region and other factors (see chart).
- Eighteen percent of plan sponsors recently increased the maximum amount of coverage for counselling services related to mental health (e.g., psychiatry, psychotherapy, etc.). Unionized workforces (29%) and public sector employers (29%) were more likely to do so. An additional 25% of plan sponsors intend to increase the maximum.
- The current median annual maximum coverage for counselling services related to mental health is \$1,011. The majority (68%) have a maximum that is less than \$1,000.

KEY TAKEAWAYS

- 1. Younger employees report** higher levels of stress and are much more likely to require time off work as a result—this is an urgent call to action for all stakeholders to better understand the causes and possible solutions, state members of the advisory board.
- 2. On the surface,** organizations appear to be more effective at helping employees manage stress. However, this perception by plan members and plan sponsors may not consider the growing rate of stress, since reported levels have not declined and the negative impact on job performance is high.
- 3. The advisory board members** recommend that mental health training expands beyond support for mental illness to include preventative measures such as resilience training. For plan sponsors with employee assistance programs, managers can be trained to know what’s available across the healthcare continuum (from prevention to treatment).
- 4. Internet-based cognitive behavioural therapy** (iCBT) is an emerging option; in the disability space, insurers on the survey advisory board report significant reductions in the duration of leaves when iCBT is available for plan members.
- 5. Increased maximums** for mental health counselling services are the right move, agree members of the advisory board—furthermore, it signals that funding can be made available for benefits that better meet the needs of plan members. On a related note, the advisory board recommends expanding the list of eligible providers to include, for example, social workers.

Stepping up for chronic disease management

Two-thirds of plan members live with a chronic condition and/or chronic pain, and more than half of them report negative impacts on job performance as a result. Younger employees especially appear to be struggling. The advisory board calls on all stakeholders to take more assertive actions to support these plan members, which in turn will help manage associated costs.

Dominant presence in workforce

- Consistent with previous years, more than half of plan members (58%) report having at least one chronic condition, increasing to 70% among those aged 55 and older and 93% among those in poor health.
- The top conditions are mental illness (20%), hypertension (12%), high cholesterol (12%), arthritis (11%), asthma/lung disease (9%) and diabetes (8%).
- Plan sponsors, meanwhile, estimate that just 34% of their workforce has a chronic condition.

Factoring in chronic pain

- Forty-eight percent of plan members report experiencing chronic pain (i.e., pain that never really goes away, or lasts for months, or “flares up” from time to time), compared to 42% in 2019. This increases to 58% among those with diabetes and to 83% among those with arthritis.
- When other chronic conditions and diseases are factored in, 70% of plan members report having a chronic condition and/or chronic pain.
- Fifty-three percent of plan members are concerned about their chronic condition, increasing to 67% when chronic pain is factored in. Levels of concern regarding their condition and/or pain are highest among those with arthritis (81%) and diabetes (79%).

Huge impact on productivity

- Thirty-eight percent of plan members report that their chronic condition has caused them to miss work or made it harder to do their job, down from 47% in 2018 and comparable to 38% in 2016.
- When chronic pain is added to the equation, the result jumps to 58% who report they have missed work or found it harder to do their job. Younger employees (aged 18 to 34) and those with certain conditions are most likely to report these negative impacts on job performance (see charts).
- When asked to describe how their condition and/or chronic pain caused them to miss work or made it harder to do their job, tiredness or fatigue was by far the number one factor (51%), followed by time off for healthcare appointments (35%), difficulty concentrating (32%) and leaving work early due to feeling ill (31%).
- Fifty-one percent of plan members with a chronic condition and/or chronic pain arrived late or left work early due to their condition in the past year; among those who did, they arrived late or left early an average of 4.7 times. Younger plan members are more likely to be absent in this way, as are those with a mental illness (see charts).

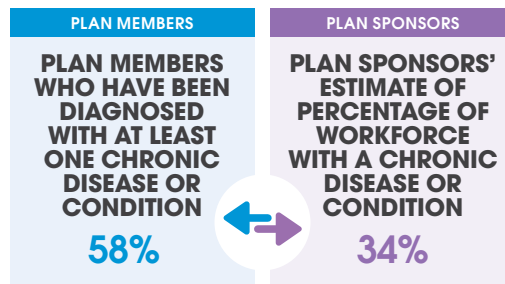
SUSAN BELMORE-VERMES • HEALTH ASSOCIATION NOVA SCOTIA



“It can be a struggle to get the data to support future actions. Plan sponsors want to do more in chronic disease management support, but we need constructive, integrated claims data analyses. We need simple benchmarks to tell us if we’re above, below or on track. Insurers and advisors who do this can really set themselves apart—and plan sponsors need to seek them out.”

← KNOWLEDGE GAP →

CHRONIC DISEASE IN THE WORKPLACE



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan members (N=1,500); All plan sponsors (N=516)

DR. ALAIN SOTTO • MEDCAN WELLNESS CLINIC & TORONTO TRANSIT COMMISSION



“Employers must ensure the safety of their employees—that’s the law. But you can’t really be safe at work without being healthy first. Employees who struggle with chronic diseases may contribute to workplace injuries. When we make that paradigm shift that recognizes that health benefits are part of the safety strategy, health and wellness solutions are far more likely to fall into place.”

PLAN MEMBERS

CHRONIC CONDITIONS AND/OR CHRONIC PAIN



48%
Plan members with chronic pain



70%
Plan members with a chronic condition and/or chronic pain

SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan members (N=1,500)

PLAN MEMBERS



58%
PLAN MEMBERS WHO MISSED WORK OR FOUND IT HARDER TO DO THEIR JOB DUE TO A CHRONIC CONDITION AND/OR CHRONIC PAIN



74%
Have arthritis



73%
Have asthma/lung disease



69%
Have mental illness

SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: Plan members with a chronic condition and/or chronic pain (n=1,096)

PLAN MEMBERS

IMPACT OF CHRONIC CONDITIONS AND/OR CHRONIC PAIN IN THE WORKPLACE

■ All plan members ■ Have mental illness ■ Have asthma/lung disease

Arrived late or left work early due to a chronic condition and/or chronic pain in the past year

All plan members	51%
Have mental illness	64%
Have asthma/lung disease	63%

Average number of times arrived late or left work early

All plan members	4.7
Have mental illness	6.6
Have asthma/lung disease	4.5

Took at least one full sick day due to a chronic condition and/or chronic pain in past year

All plan members	63%
Have mental illness	71%
Have asthma/lung disease	73%

Average number of sick days

All plan members	6.0
Have mental illness	8.0
Have asthma/lung disease	6.0

SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: Plan members with a chronic condition and/or chronic pain (n=1,096)

TELENA OUSSOREN • SUNCOR



“A key message for employers is to try to not boil the ocean. Focus on one tactic that may help plan members manage their chronic condition. Building on these successes one step at a time, we look to our benefit providers to continue to integrate – working better together will lead to better results for employers, providers and plan members.”

- Sixty-three percent of plan members with a chronic condition and/or chronic pain took at least one full sick day due to their condition in the past year; those who did took an average of six sick days. Age is again a factor, as are certain chronic diseases or conditions (see charts).

Cost burden underestimated?

- Plan sponsors estimate that 36% of overall benefits costs are attributable to chronic diseases or conditions, including chronic pain.
- This estimate likely falls well short of the actual cost burden. For drug plans alone, chronic diseases or conditions account for 68% of costs, according to the 2016-2019 Cost Drivers Analysis of Private Drug Plans in Canada, a report by Innovative Medicines Canada (see page 24).

PLAN MEMBERS

IMPACT OF CHRONIC CONDITIONS AND/OR CHRONIC PAIN: A COMPARISON BY AGE

■ Between ages 18 and 34 ■ 55 years and older

Missed work or found it harder to do their job	63%	47%
Arrived late or left early in the past year	66%	32%
Took at least one sick day in the past year	70%	51%

SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: Plan members with a chronic condition and/or chronic pain (n=1,096)

KEY TAKEAWAYS

1. **Survey results suggest** that chronic conditions can have a significant negative impact on job performance, particularly when chronic pain is present.
2. **As noted in the section** on mental health (page 8), greater attention must be paid to younger employees (18 to 34 years old). The impact of chronic disease is higher in this age group, and members of the advisory board add that the disability rate is also climbing, largely due to mental illness.
3. **The workplace itself** does not appear to be a driving factor behind the greater impact of chronic conditions, as employees aged 18 to 34 give high marks for job satisfaction and working in an environment that promotes health and wellness.
4. **Actionable data is key** to guide decision-making. More plan sponsors, particularly smaller employers, need to regularly receive reporting on areas such as top disease states (page 34). Plan sponsors should also seek out advisors for whom claims data analyses are standard practice, and from there carve out the time to determine a strategy and implement short- and long-term objectives.

SPOTLIGHT:

Asthma and atopic dermatitis



Q & A WITH JASON KIHYUK LEE, MD

Dr. Jason Lee is a specialist in clinical immunology, asthma and internal medicine in Toronto, Ontario

This year, *The Sanofi Canada Healthcare Survey* found that employees with asthma or lung disease are much more likely to miss work or find it harder to do their jobs, compared to employees with other chronic diseases. Why is that?

Many of my patients tell me they have to miss work or are late getting to work. If they're suffering a flare or are not able to control their asthma, their respiratory muscles are working harder than they need to and that's a constant drain on the body that contributes to a decreased quality of life and fatigue. They could be up all night coughing and wheezing for example. And even when they sleep, sleep apnea may be a comorbid condition. Fatigue is absolutely a problem.

Anxiety and mood disorders are also much more common if you have asthma. Just imagine the feeling of not being able to breathe. For someone who doesn't have asthma it can be hard to wrap your head around how this disease can impact all aspects of life. And unfortunately, by the time patients are referred to me, many of them have become habituated to their decreased quality of life in addition to having physiologic changes to their airways and lungs. For example, they think that hearing themselves wheezing is normal.

What other conditions associated with asthma can affect productivity?

People with asthma have a dysregulated immune system, which means they are at higher risk of infections. They tend to be sick longer and are much more likely to be off work due to illnesses with respiratory infections such as bronchitis and sinusitis. Their asthma as well is exacerbated by the infection. Infections that cause common cold and influenza are not efficiently cleared in patients with asthma.

It's also important to know that the same dysregulated immune system that causes asthma can cause atopic dermatitis, which is a form of eczema. You wouldn't think a lung disorder and a skin disorder have anything in common, but they do, very much so. People with asthma are much more likely to have atopic dermatitis, and vice versa.

What do employers need to know about the impact of atopic dermatitis?

Canada has one of the highest rates of atopy—atopic dermatitis, allergic rhinitis, allergic asthma—in the world. The effects of moderate to severe atopic dermatitis can be devastating. It is more associated with depression and anxiety than asthma. We are a society obsessed with cosmetic looks and when you don't look "normal" you can

QUICK STATS ON ASTHMA

- **8.3%** of Canadians report a diagnosis of asthma, according to the [2018 Canadian Community Health Survey](#) by Statistics Canada.
- In response to a 2019 survey by [Asthma Canada](#), **71%** of Canadians with asthma aged 18 to 34 have trouble sleeping due to asthma symptoms. The result is **61%** among those under 18 years old and **61%** among those aged 35 to 64.
- **74%** of respondents report having some form of health-related anxiety.
- **31%** need to use their “rescue inhaler” more than four times a week, which is an objective indication that the asthma is not controlled.
- **30%** indicate that their current drug coverage (public and/or private) is not enough to help them keep their asthma symptoms under control; **21%** skipped filling an asthma medication prescription because they could not afford it.
- **51%** report that inadequate air quality regulations at their workplace are a barrier to asthma management; **51%** also report that lack of information/education on how to manage asthma is a barrier.

QUICK STATS ON ATOPIC DERMATITIS

- **9%** of plan members have eczema or atopic dermatitis (AD), according to the 2020 edition of *The Sanofi Canada Healthcare Survey*. The prevalence is much higher in children, and the [Canadian Skin Patient Alliance](#) estimates that up to **17%** of all Canadians have AD (based on a survey of Canadians in 2003).
- A 2017 survey by the Canadian Skin Patient Alliance found that among Canadians with AD, **55%** of adults and **68%** of children have moderate or severe AD.
- For those with moderate/severe AD, the most common effects are sleep deprivation (**46%**), anxiety (**45%**) and depression (**37%**). They miss an average of 2.4 days of work or school per month and **46%** say the condition negatively affects their ability to be at work/school.
- **16%** of those with moderate/severe AD report having to stop a treatment due to cost.
- The more severe a person’s AD, the more likely they will have asthma as well.

experience high social anxiety and face ostracism. A few of my patients have become unable to rejoin the workforce because they feel so stigmatized.

Sleep loss can also be a big problem because the skin becomes very itchy. Parents of children with atopic dermatitis are up at night as well, which means they’re not working at their best the next day.

When it comes to the coverage of treatments by private drug plans, do you have any suggestions for plan sponsors and insurance carriers?

I understand why drug plans require that patients try approved therapies that cost less than other therapies first. That’s fair. What’s unfair is that some employer plans require patients to try a therapy that has not been approved for a condition, because it costs less. I come across this off-label use of medications for both asthma and atopic dermatitis, and every day I argue against it with insurance companies. Not all of them, but enough to be a problem. For employers reading this, I hope they go back to their insurers and ask about their criteria for coverage. Their plan should not require any medication that’s not approved for the indication.

For example, some plans require a chemotherapeutic for atopic dermatitis. A chemotherapeutic is effective for treating cancer, but its off-label use for patients with atopic dermatitis has limited evidence. The side effects can be long-lasting and devastating. Essentially, some plans force the patient to take a literal poison that has not undergone rigorous scientific research for their condition before approving coverage for a drug that costs more and has been rigorously tested and proven to work well.

Are biologic drugs available to treat asthma and atopic dermatitis?

Yes, and their cost is much higher than traditional therapies. But we prescribe them only for the small subset of patients at the severe end of the spectrum. For these patients, the biologic can be the difference between profound disability and a normal, productive life. There is a net societal gain from this.

Any other thoughts to share with employers with health benefit plans?

By the time people with asthma come to see me, they have been suffering for about five years and sometimes a decade or more. Their quality of life is poor. Yet I can still usually help them after the first visit by starting from the basics. For example, I check—and often correct—their inhaler technique. I go over how to minimize triggers. Last but not least, I update their inhalers to more modern devices—you won’t believe how many are using inhalers approved in the 1970s or 80s.

My point being that for many people who are having trouble with asthma management—and with atopic dermatitis or chronic disease management in general—success hinges upon early intervention, continued education and encouragement. If that happens early enough and often enough, they won’t need to see specialists like me.

Making quality connections

Health status, wellness culture and job satisfaction are among the factors that influence opinions about the quality of health benefit plans. This year's survey also explores perceptions of value from a number of perspectives, including a comparison with the public healthcare system.

Quality good, though it depends

- Forty-seven percent of plan members describe the quality of their health benefit plan as excellent or very good, which is at the low end of results gathered since 2006. Results have ranged from 47% to 59% over this 15-year period. Among remaining respondents, 44% describe their plan as good, leaving 7% describing it as poor (5%) or very poor (2%).
- When the answer options for this question are adjusted to include a neutral response, the results are as follows: 20% describe their plan as excellent, 48% good, 28% adequate (neither good nor poor), 3% poor, 1% very poor. Health status, a wellness culture, job satisfaction and health spending accounts (HSAs) influence results (see chart).
- Plan sponsors are somewhat more positive about the quality of their health benefit plan: 64% describe it as excellent or very good, which is consistent with results since 2011, when this question was first asked.
- When a neutral response is added to the answer options, the results are 28% excellent, 52% good, 20% adequate (neither good nor poor), less than 1% poor.
- Consistent with past years, 57% of plan members report that their health benefit plan meets their needs extremely or very well; 36% say it does so somewhat well and just 7% say not very or not at all well. Those in poor health are less likely to report their health benefit plan meets their needs extremely or very well (49%, compared to 72% among those in excellent/very good health).
- Health spending accounts are also a determinant: 68% of those with HSAs say their health benefit plan meets their needs, compared to 49% among those without HSAs.
- 45% of plan members feel that their health benefit plan will definitely or very likely meet their and their families' needs in five years' time; 35% feel that this is somewhat likely. Those with HSAs and a wellness culture are more positive (see chart).

CAROL CRAIG • TELUS



"If you are considering a plan redesign, ask plan members what they value. Focus groups can give especially good insights. But don't engage employees unless you're truly ready to listen, let go of assumptions and respond to the feedback you receive."

HIGHS • LOWS PLAN MEMBERS

QUALITY OF PLAN IS EXCELLENT/GOOD

80%	Personal health excellent/very good	Personal health poor	54%
78%	Have a health spending account	Do not have a health spending account	61%
74%	Workplace wellness culture	No workplace wellness culture	48%
71%	Satisfied with job	Not satisfied with job	49%

SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: Split sample of plan members (n=750)

HEALTH BENEFIT PLAN WILL MEET NEEDS IN FIVE YEARS

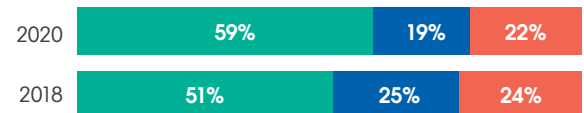
58%	Personal health excellent/very good	Personal health poor	36%
57%	Have a health spending account	Do not have a health spending account	38%
53%	Have additional coverage under another plan (e.g., spouse)	Do not have additional coverage	41%
50%	Workplace wellness culture	No workplace wellness culture	28%

SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan members (N=1,500); Size of subgroups varies

PLAN MEMBERS

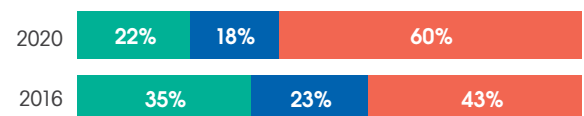
PLAN MEMBERS VALUE THEIR HEALTH BENEFIT PLAN BECAUSE IT:

- Helps pay for regular or routine healthcare costs
- Both
- Provides insurance for unexpected and possibly high healthcare costs



PLAN MEMBERS VIEW AND USE THEIR HEALTH BENEFIT PLAN AS:

- Extra compensation, and try to use it as much as possible to get money's worth
- Both
- A way to help take care of health, and try to use it only when sick or to prevent illness or injury



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: Split sample of plan members (n=750 for each question).

★★★ KEY TAKEAWAYS

1. Health benefit plans fall short for those who likely need it most; as in previous years, plan members in poor health are much less likely to be positive about the quality of their health benefit plan or to say that it meets their needs.

2. Plan members' perceptions of value reflect, in part, plan sponsors' efforts to position benefits as part of compensation; at the same time, the finding that fewer members appear to feel entitled suggests a greater appreciation of their health benefit plan's intrinsic value (i.e., to support health).

3. The association between perceptions of value and health spending accounts illustrates the value that plan members place on having some control over how they can use their health benefit plans, agree members of the advisory board.

Less of an entitlement mentality?

- When asked to choose between two statements to describe what they value most about their health benefit plan, employees are more than twice as likely to say it helps pay for regular or routine health costs (59%) than it is insurance for unexpected and possibly high healthcare costs (22%).
- Fewer plan members appear to have an entitlement mentality: only 22% view their plan as extra compensation and “try to use it as much as I can to get my money's worth,” down from 35% in 2016.
- Fifty-eight percent of plan members would rather keep their health benefit plan than get an extra \$5,000 in cash per year (42%). In 2003, when the question was first asked, 65% of plan members opted for their benefit plan over \$5,000 in cash.

More important than public healthcare system for some

- Thirty-three percent of plan members say their workplace health benefit plan is more important to them than the public healthcare system. This increases to 42% among plan members in Quebec and to 41% among those with flex plans.
- Thirty-seven percent say that both are equally important, and the remaining 30% say the public healthcare system is more important.

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A sense of purpose

Plan sponsors' opinions on the purpose of their health benefit plan have evolved somewhat over the years. Plan members, meanwhile, affirm the effectiveness of the plan—and a wellness culture—to help attract and retain employees.

Health and productivity top the list

- Plan sponsors are most likely to indicate that the main purpose of their health benefit plan is to support employee health and productivity (60%), followed closely by peace of mind (56%), attraction and retention (55%), and the protection of employees from undue financial burdens (55%).
- When this question was last asked in 2014, the top responses were peace of mind (67%), attraction and retention (57%), and health and productivity (52%).
- Size appears to influence results: employers with fewer than 50 employees put attraction and retention (64%) and peace of mind (64%) at the top of the list, while larger employers give top rankings to health and productivity (61%) and avoidance of financial hardship (54%).

Also important: to attract and retain

- Eighty-six percent of plan members agree that their health benefit plan is an important factor when deciding on a job offer, up from 78% in 2014; 33% strongly agree.
- Seventy-one percent of plan members agree that the health benefit plan is a strong incentive for them to stay with their employer, up from 61% in 2012. Age is among the factors influencing this result (see chart).
- A wellness culture is also an important factor when deciding on a job offer or remaining at an organization, agree 86% of plan members.
- Almost half (46%) of plan sponsors indicate that it has become more difficult to attract employees over the past five years; only 14% feel it has become easier. When it comes to retention, 40% feel it has become more difficult and 16%, easier.

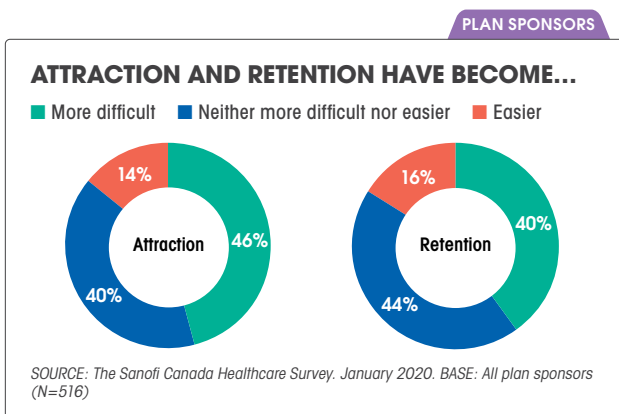
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“Organizations that promote the health and well-being of their employees certainly stood out in the context of the labour shortage before the COVID-19 health crisis. They will stand out even more after this crisis! A healthy workplace environment has never been more valuable to Canadian workers. Workplaces that are culturally focused on the well-being of their employees will do best when the economy returns to normal.”

HIGHS • LOWS		PLAN MEMBERS	
THE HEALTH BENEFIT PLAN IS A STRONG INCENTIVE TO STAY WITH EMPLOYER			
82%	Have a health spending account	Do not have a health spending account	64%
75%	Workplace wellness culture	No workplace wellness culture	56%
75%	18 to 34 years old	55 and older	64%
74%	Satisfied with job	Not satisfied with job	53%

SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: Split sample of plan members (n=750)



★ ★ ★ **KEY TAKEAWAYS**

- Plan sponsors appear** to be more mindful of the health benefit plan's role to support health and productivity. The advisory board confirms that a growing number of plan sponsors recognize the importance of this purpose for their health benefit plan and seek to be more tactical in its achievement.
- Members of the advisory board** agree that the purpose of attraction and retention tends to rise to the top in highly competitive sectors and when recruiting for senior positions.
- On the other hand**, plan members across the board are quite decisive about the importance of both a health benefit plan and wellness culture when it comes to accepting a job offer or deciding to remain with an employer.

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Design also matters

Plan members and plan sponsors alike give high marks to flexibility or choice in the utilization of health benefits, as evident by the rise in health spending and wellness accounts. However, the advisory board strongly recommends that when promoting the advantages of spending accounts, it is equally important to promote the value of insurance provided by the core health benefit plan.


A preference for flex

- Seventy-two percent of plan members have a traditional plan and 28% have a flex plan, results that are mirrored in the survey of plan sponsors (71% with a traditional plan, 29% with flex). In 2017, when this question was first asked of plan sponsors, 80% reported having a traditional plan and 19% a flex plan.
- As expected, employers with 500 or more employees (39%) are more likely than employers with fewer than 50 employees (18%) to have flex plans.
- Among plan sponsors with a traditional plan, 67% would prefer a flex plan, broken down into 43% who are considering it and 24% indicating there are too many barriers. Employers with 250 or more employees (79%) are more likely to prefer a flex plan, as are employers in Quebec (77%).

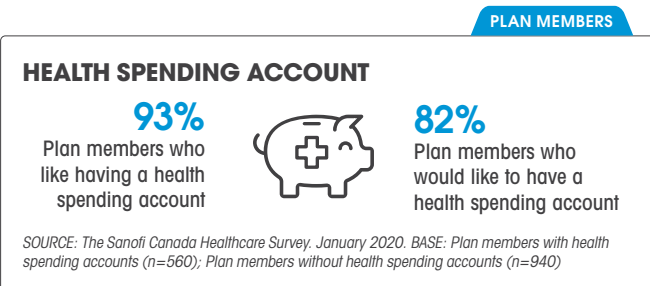
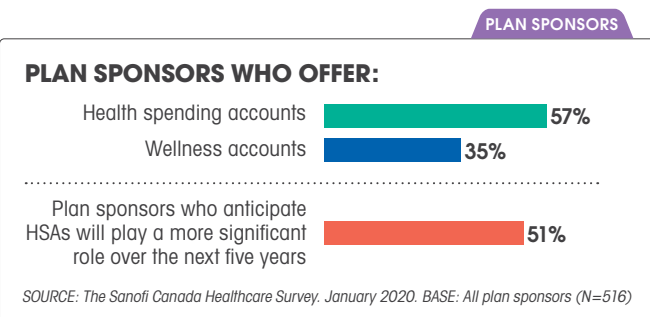
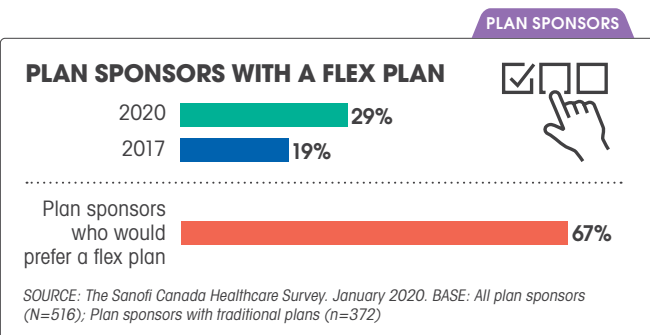
Popularity of health spending accounts

- Fifty-seven percent of plan sponsors offer health spending accounts (HSAs), comparable to last year (61%) and up significantly from the previous two years (33% in 2018 and 31% in 2017).
- While large employers (500 or more employees) are much more likely than smaller employers (fewer than 250 employees) to offer HSAs (73% versus 42%), growth is strong across all sizes. In 2018, 22% of smaller employers offered HSAs.
- Fifty-one percent of plan sponsors anticipate that HSAs will play a more significant role over the next five years, up from 36% in 2018. This ranges from 43% among smaller employers to 61% among large employers and increases to 64% among plan sponsors with a drug plan maximum.
- Thirty-five percent of plan sponsors offer a wellness account for health-related taxable items, comparable to last year (37%) and up from 14% in 2017. Again, employers with 500 or more employees (49%) are much more likely than employers with fewer than 250 employees (21%) to offer wellness accounts.
- Among plan members with an HSA, 94% used at least some of it in 2019. Those who used it report spending 62% on average of the funds available, ranging from an average high of 73% in Alberta to a low of 56% in British Columbia. Plan members in the public sector used more of it (70%) on average than those in the private sector (57%).

MARC BERTOSSINI • DESJARDINS INSURANCE



“By offering options like health spending accounts, plan sponsors who can’t afford flex plans can give plan members some of the flexibility they want. But traditional health benefits are also very important—for preventing disability, for example. Plan sponsors should determine what they want their health benefit plans to accomplish and then decide what will best meet their objectives and plan members’ needs.”



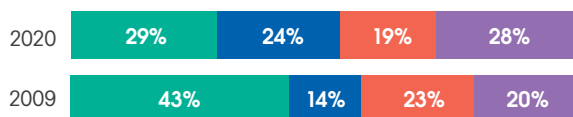


“Technology is enabling the industry to explore new and better ways to bring flexibility into plan design. And as plan members exercise their choices and become more familiar and engaged with their benefit plan, we will see greater opportunities to proactively interact with them—for example, with recommendations that support healthy behaviours.”

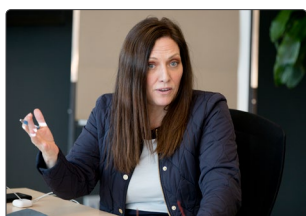
PLAN MEMBERS

IF THE COSTS OF THEIR HEALTH BENEFIT PLAN INCREASED AND THEIR EMPLOYER WAS UNABLE TO PAY, PLAN MEMBERS WOULD PREFER TO:

- Pay higher premiums to maintain same level of coverage
- Reduce benefits received but pay same premiums
- Pay a higher portion of the cost when using the benefit
- Do not know



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan members (N=1,500)



- When asked why they did not use all the funds available, plan members most often report they did not need it (43%). The remaining top two reasons come some distance behind: they will carry over to next year (27%); they forgot about it (16%).
- Virtually all plan members (93%) with HSAs agree that they like having one; 53% strongly agree.
- Eighty-two percent of plan members without HSAs agree that they would like to have one as part of their workplace health benefit plan.

Pay more or reduce benefits?

- When presented with the scenario that the cost of their health benefit plan had increased and their employer was unable or unwilling to pay, plan members were asked if they would prefer to pay higher premiums to maintain current benefits, reduce the benefits and pay the same premiums, or pay a higher portion of the cost upon use of the benefit. They could also indicate “do not know.”
- Results show a steady shift over the years. Twenty-nine percent prefer to pay higher premiums, down from 43% in 2009; 24% are willing to reduce benefits, up from 14% in 2009; and 19% prefer to pay more at the time of use, down slightly from 23%. That leaves 28% who do not know, up from 20% in 2009 (see chart).

★ ★ ★ KEY TAKEAWAYS

- 1. The migration toward** more defined contribution benefits reflects the growing desire among both plan members and plan sponsors for greater flexibility; as well, it is a win-win in terms of perceived value for members and as a cost-management tool for sponsors.
- 2. The advisory board** agrees that HSAs and wellness accounts can cost-effectively add flexibility, particularly when flex plans may not be an option (e.g., for small employers).
- 3. The jump in HSAs** likely also reflects the emergence of new providers in this space in recent years.
- 4. However, the advisory board** strongly cautions against crossing over fully to HSAs and wellness accounts. Dropping all insurance protection will lead to unintended consequences, such as more sick days and higher employee turnover. Communication efforts need to give equal weight to the value of insurance coverage available from the core health benefit plan.
- 5. Before making any changes** to plan design, the advisory board recommends benchmarking against the rest of the industry and clearly defining what the plan sponsor is trying to achieve with the health benefit plan. This definition of purpose needs to guide all decision-making.

PLAN SPONSOR PROFILE: **ONTARIO TECH UNIVERSITY**

Internal champions and external partners: cornerstones for wellness

It was 2013 and Mary Steele decided to do more to promote personal health among the faculty and staff at Ontario Tech University in Oshawa, Ontario. But with slim resources, the manager of pensions, benefits and wellness knew it would take a lot of persistence, innovation and determination to create and sustain what is now a well-established wellness program.

She began by recruiting employee volunteers to join her on a Healthy Workplace Committee. “As we had a very small budget, we looked internally and accessed some of the most talented academic minds and those who supported them,” says Steele.

The committee then took the time to develop a plan, starting with a mission and vision statement. “Everyone had lots of ideas, but we had to consider a framework that aligned with the university’s strategic plan, and recognized what we could do then and down the road.”

That initial planning process also helped the committee come together as a team. “We recognized that our organization’s culture is unique in that not only do we have talented people, but we also have a strong desire to help each other by collaborating and working together to make our university the employer of choice,” recalls Steele.

The university employs 2,000 faculty and staff, including research assistants, teaching assistants and sessional teachers. Women outnumber men and the average age is



“Our committee members have become our champions of workplace wellness and provide good feedback on our initiatives.”

40 to 45. The students have their own wellness program, with a strong emphasis on mental health.

Faculty and staff from across the campus sit on the committee, including representatives from communications and marketing, health and safety, and the campus recreation centre. Membership is a three-year term. “Our committee members have become our champions of workplace wellness and provide good feedback on our initiatives,” says Steele. Internal experts from among the faculty and staff provide a range of wellness classes including yoga, fitness, mindfulness and mental health training.

The committee also works with an organizational health consultant, available through its health benefit plan provider. After analyzing aggregate data of employees’ health claims, the committee decided to focus initially on three top areas: mental, musculoskeletal and cardiovascular health. The four main pillars of health—mental, physical, social and financial—helped guide action in these areas.

A partnership with the Durham Region Health Department also provides access to the Department’s programs, workshops and many other resources and tools. Over the years, the university has received the Department’s “Gold Healthy Workplace Award.”

The “Clear Mind—Open Heart” challenge for mindfulness and the annual “Just for the Health of It” photo contest are just two examples of programs with high participation levels. Every two years the wellness committee hosts Mental Health Week and a Healthy Workplace Fair. “It is important that employees know that the University cares about their well-being so they can reach their full potential,” Steele says. “It’s not just good business, it is the right thing to do.”

Programs evolve to meet employees’ changing needs. “Data shows the top health areas have changed since 2013 to mental health, cardiovascular and diabetes,” notes Steele. And while more work is needed to better understand the impact of the programs, it’s not necessary as an indicator of success. “Based on feedback through surveys, conversations and committee members’ input gathered from their teams, I think people are happy with what we do,” says Steele.

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Putting adherence on the agenda

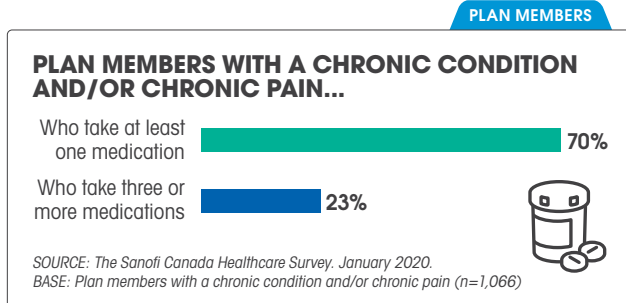
More than half of plan members take at least one medication on a regular basis, and a significant number do not always take it as prescribed. Plan sponsors are right to be concerned, and the advisory board urges a fresh look at initiatives that support adherence.

Snapshot of utilization

- Fifty-five percent of plan members take at least one medication on a regular basis, increasing to 70% among those with a chronic condition and/or chronic pain and 87% among those in poor health.
- Twenty-three percent of plan members with a chronic condition and/or chronic pain and 48% of plan members in poor health take three or more medications.

Non-adherence a concern

- Forty-three percent of plan members who take at least one medication agree that they sometimes do not take their medication, increasing to 61% among those aged 18 to 34.
- Forgetfulness (41%) is by far the biggest reason for not taking their medication, followed by the perception that they don't need it because they feel fine (24%) or that they ran out (20%).
- Convenience may be a factor: 69% of plan members regularly taking at least one medication agree that it is inconvenient to go to their physician to get their prescriptions renewed.
- Fifty-two percent of plan members who do not always take their medication indicate that this occurs at least a quarter of the time; this frequency is significant because it crosses the threshold for non-adherence (which is 20%), at which point the drug may not work as effectively as it could. Job satisfaction is among factors that appear to influence results (see chart).
- Forty-four percent of plan sponsors are concerned that the overall cost of their drug plan is negatively impacted by plan members not taking their medications properly, comparable to last year's result (48%). Employers with 500 or more employees are more concerned (59%), as are employers in Quebec (60%) and those who receive reports on top disease states (54%).



ADRIAN EBRAHIMI • SSQ INSURANCE

“Non-adherence to prescribed medication can have significant health consequences, and yet some plan members are running out of their medications. They’re telling us it’s inconvenient to go to their doctors for renewals, and they are willing to go to the pharmacist instead or to use virtual care. Let’s connect those dots and close this gap on medication adherence.”

HIGHS • LOWS **PLAN MEMBERS**

PLAN MEMBERS WHO DO NOT TAKE THEIR MEDICATION(S) AT LEAST A QUARTER OF THE TIME

66% Not satisfied with job	Satisfied with job	49%
62% 18 to 34 years old	55 and older	31%
59% High level of stress in past three months	Little stress in past three months	22%

SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: Plan members who take at least one medication (n=848)

PLAN MEMBERS

43%
PLAN MEMBERS TAKING AT LEAST ONE MEDICATION WHO SOMETIMES DO NOT TAKE THEIR MEDICATION(S)

SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: Plan members who take at least one medication (n=848)

KEY TAKEAWAYS

- The 2020 Express Scripts Canada Prescription Drug Trend Report** states high rates of non-adherence among members with diabetes (48%), inflammatory conditions (40%) and depression (38%).
- The levels of non-adherence** are a call to action: first, to raise awareness among plan sponsors that they could be seeing a better return on investment from their drug plans, and second, to revisit and update initiatives that support adherence.

Coverage for higher-cost drugs

Plan members are divided when it comes to their health benefit plan's ability to cover higher-cost drugs. They agree that government should take the lead in paying for these drugs, while workplace drug plans should be primarily responsible for more common, less costly drugs.

Perceptions of coverage

- Forty-nine percent of plan members are confident that their health benefit plan will cover medications for serious diseases such as cancer and diabetes, which cost between \$1,000 and \$10,000 per month. Those who are unionized (57%) or work in the public sector (57%) are slightly more confident.
- When presented with the scenario of a drug that can treat or even cure very rare, very serious diseases, but that may cost \$1 million per patient, 46% of plan members feel that government should pay most of the cost and the workplace drug plan should pay the remainder; 13% feel that government should pay all of the cost. Plan sponsors echo these results, at 45% and 16%, respectively (see chart).
- Twenty-two percent of plan members and 15% of plan sponsors feel the workplace drug plan should pay most, and government the remainder. And 6% and 13%, respectively, indicate that neither government nor workplace plans should pay, as these drugs are unaffordable, and it should be up to the individual to arrange payment.
- The survey then presented additional scenarios to plan members. For higher-cost drugs to treat serious conditions such as cancer, they believe that government should pay (78%), followed by employers (36%) and employees (11%). For drugs to treat more common serious conditions such as high cholesterol, where cost is not specified, plan members indicate that employers should pay (57%), followed by government (48%) and employees (21%).

Drug plan maximums

- Twenty-two percent of drug plans have an annual maximum, comparable to last year (21%) and a modest increase over 2018 (17%). Twenty-four percent of plan sponsors do not know if their drug plan has a maximum.
- The average annual maximum is \$9,900, compared to \$7,800 in 2019 and \$4,100 in 2017, resulting in a median maximum of \$2,000. Just over half of plan sponsors (55%), however, have a maximum that is less than \$2,500.


PLAN MEMBERS

PLAN MEMBERS WHO ARE CONFIDENT THEIR HEALTH BENEFIT PLAN WOULD PAY FOR DRUGS WITH A MONTHLY COST OF:



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: Split sample of plan members (n=500 each)

BARB MARTINEZ • CANADA LIFE

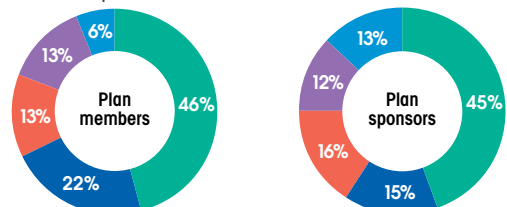


"I don't think any employer envisioned a drug that costs hundreds of thousands of dollars annually on a recurring basis. Our benefit plans were not designed for that. Pooling protection is an absolute must in this environment as well as having a strong philosophy and objectives for the drug plan so that it can be designed to manage risk and share costs appropriately and sustainably."

PLAN MEMBERS PLAN SPONSORS

OPINIONS ON WHO SHOULD PAY FOR DRUGS THAT MAY COST \$1 MILLION PER PATIENT, TO TREAT OR EVEN CURE VERY RARE, VERY SERIOUS DISEASES

- Government should pay majority, workplace the rest
- Workplace should pay majority, government the rest
- Government only should pay
- Workplace only should pay
- Neither government nor workplace should pay; it should be up to the individual



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan members (N=1,500); All plan sponsors (N=516)

★ ★ ★ KEY TAKEAWAYS

- Plan members** are uncertain about their workplace drug plan's ability to pay for higher-cost medications and feel that government should be the primary payer.
- Drug plan maximums** appear to have plateaued, which the advisory board interprets as a positive sign; however, it cautions that benefits advisors remain polarized on their use. Plan sponsors who consider drug plan maximums need to be made aware of the possible unintended consequences to health, productivity and workplace morale.
- Rather than a drug plan maximum**, the advisory board recommends an out-of-pocket maximum for plan members, which can serve as a risk-management tool for both employees and plan sponsors.

SPOTLIGHT:

An analysis of cost drivers

Chronic diseases consistently cut a wide path when analyzing claims data for private drug plans—although Ontario’s OHIP+ program certainly made for an interesting detour in 2018 and 2019, reports the *2016-2019 Cost Drivers Analysis of Private Drug Plans in Canada*. The annual publication presents research based on IQVIA data and can be accessed through Innovative Medicines Canada (www.innovativemedicines.ca), which funds the project.

This year’s report uses a three-year timeframe to better illustrate the impact of OHIP+ in Ontario. From January 1, 2018 to April 1, 2019, OHIP+ was the first payer for all residents under the age of 25; after April 1, people in this age group with access to private group insurance were no longer eligible for OHIP+.

The changes in OHIP+, which saw plan members aged under 25 return to private drug plans in 2019, is reflected in a compound annual growth rate (CAGR) of 5.3% for drug costs from 2016 to 2019, states the *Cost Drivers Analysis*.

What can we expect in 2020? “Given the significant impact of COVID-19 on plan members’ ability to see their physicians, we should expect to see lower growth rates in 2020 due to a slowdown in new prescription starts,” says Joe Farago, executive director, private payers and investment, Innovative Medicines Canada.

Chronic disease

Drugs for chronic diseases account for 68% of all private drug plan costs. When we break down the overall CAGR of 5.3%, drugs for chronic diseases contribute 4.2% while all other drugs (e.g., analgesics, anti-infectives) contribute the remaining 1.1%. In other words, chronic disease drugs account for 79% of the overall CAGR of 5.3%.

For the most part, people with chronic diseases use very few and affordable drugs; however, some struggle to manage their condition or conditions. This may lead to the need for additional drug therapies and other benefits. This year’s *Cost Drivers Analysis* reveals that 9% of claimants take more than six chronic medications—and account for 32% of the costs.

“The results highlight the importance of focusing our attention on chronic disease and the more frequent users of private drug plans,” notes Farago. “These plan members would benefit from chronic disease management programs that support them in making lifestyle changes. An important benefit for plan sponsors is that this can lead to reduced costs because patients would need fewer medications or other therapies.”



Utilization

As in past years, utilization remains the largest driver of growth in drug costs in private drug plans, no matter the cost of treatment. “Contrary to popular opinion, newly launched drugs contribute minimally to drug cost growth. Non-specialty drugs still account for the bulk of drug costs: 70% in 2019,” says Farago.

Utilization has consistently been the main driver of the CAGR since the first *Cost Drivers Analysis* report in 2017, which looked at 2012 to 2016 drug costs. “When it comes to drug plan management, we want to continue to focus on ensuring appropriate utilization,” says Farago.

Prior authorization is a commonly used tool, but more can be done to manage utilization and improve adherence through wellness and disease management programs.

“For some time we have been hearing that the sky is falling in private drug benefits because of the growth in specialty drugs. However, year after year the data has shown that the overall market growth is moderate, in the low single digits, and mostly due to the working population getting sicker and using more drugs,” says Farago.

“The solution is not to cut access to drugs, which may lead to worse outcomes or greater cases of disability leave, which can cost even more. The solution is preventing or reducing illnesses in the first place and making sure their treatment is optimal and keeps people productive and at work. This is what will save costs in the long run.”

Opinions on national pharmacare

Survey results support consumer polls showing that plan members support a national pharmacare that does not negatively affect workplace drug plans, yet plan sponsors appear to be open to a public-payer drug plan, likely as a means to remove or mitigate their exposure to higher-cost claims.


Knowledge better, but not great

- Sixty-six percent of plan members describe their level of knowledge about a possible national pharmacare program in Canada as low (34%) or medium (32%), compared to 35% with low knowledge and 21% with medium knowledge a year ago. Twenty-seven percent do not know anything at all about pharmacare, down from 42% in 2019. Just 8% report a high level of knowledge (up from 2%).
- Among plan sponsors, 73% describe their level of knowledge as medium (42%) or low (31%), comparable to a year ago (70%); 13% report not knowing anything at all about pharmacare, down from 22% a year ago. Employers with fewer than 50 employees are more likely to have no knowledge (23%). Fourteen percent of all plan sponsors report a high knowledge level (up from 7%).

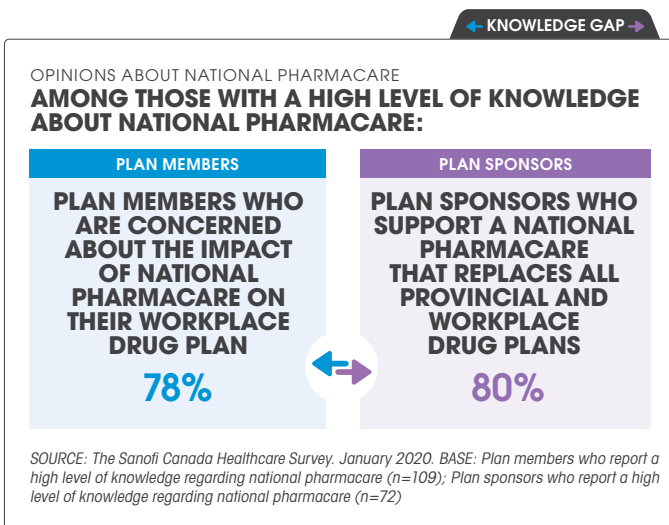
Gap between plan members and plan sponsors?

- Fifty-nine percent of plan members are concerned about national pharmacare’s potential impact on their workplace benefit plan, unchanged from last year (59%). This jumps to 78% among plan members with a high level of knowledge.
- Seventy-seven percent of plan sponsors support a national pharmacare that would replace all current provincial and workplace drug plans, to ensure everyone gets the same coverage and the same drugs are covered everywhere. This increases to 83% among plan sponsors with a high level of knowledge (with 61% in strong support).
- The level of support decreases to 68% when the scenario is modified to include the likelihood that the plan sponsors and/or Canadians would have to pay a new tax, that pharmacare may cover fewer drugs and that coverage for new drugs may take longer. The modified scenario also suggests that if there is a new tax for the plan sponsor, it may be offset by not having to pay for the current drug plan. The result increases to 80% among plan sponsors with a high level of knowledge (with 57% in strong support).
- Looked at another way, 65% of those who support the general concept of national pharmacare remain supportive under the modified scenario, while 20% who oppose it continue to oppose the idea. Twelve percent moved from support to opposition, while 3% moved from opposition to support.

CHRIS BONNETT • H3 CONSULTING



“If pharmacare were defined as the federal government taking on coverage for drugs for rare disease, you would have every employer and probably every insurer saying, ‘Let’s get that done.’ That’s a win for everyone. As an industry we can do more to tackle the tough first steps. We can’t wait on government. Plan sponsors should not be stuck in the middle, nor should patients.”



★ ★ ★ KEY TAKEAWAYS

1. An **Abacus poll** in 2019 found that 94% of Canadians support a national pharmacare plan where government and insurers work together for universal, affordable access to the most common drugs, and where workplace plans remain intact. The support drops to 45% for a plan that shifts everyone to a government-run plan that may cover fewer drugs.
2. The **complexity of** drug coverage today, due largely to the higher cost of some new drugs, is likely a factor behind the finding that the majority of plan sponsors support a national pharmacare that would replace workplace benefit plans. It underscores the need for government to take leadership on coverage for higher-cost drugs.

Opportunities and challenges

Plan sponsors feel strongly about doing more in the area of chronic disease management, and drug plan sustainability remains their chief concern. More plan sponsors are warming to the idea of targeted health communications, but speed bumps appear to have come up in the road ahead.

Priorities for improvement

- When asked what they consider to be the most important improvements they would like to make to their health benefit plan, based on a list of 10 options, plan sponsors are most likely to cite improved coverage options for higher-cost specialty drugs (43%), more benefits/services to manage chronic diseases (43%) and more benefits/services to prevent illness (40%).
- The desire for more benefits/services to manage chronic diseases increased from 34% in 2019 to 43% in 2020.
- The next three desired improvements are improved disability management (30%), improved prevention and detection of fraud (23%) and reduced coverage options for specialty drugs in order to free funding for other benefits (22%).
- Across the board, large employers feel much more strongly about improvements than small employers (see chart).

Emphasis on chronic disease management

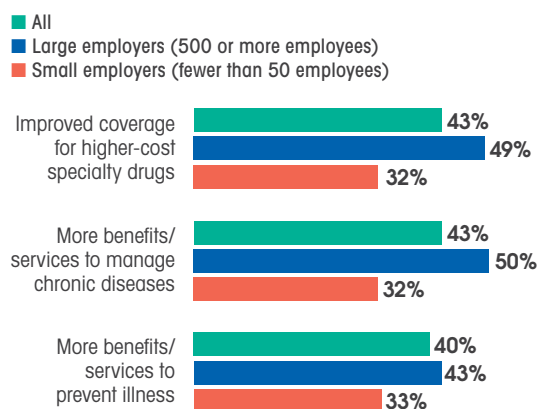
- Eighty-eight percent of plan sponsors agree that they would like their health benefit plan to do more to support plan members with chronic diseases, up from 82% in 2019 and 79% in 2018; 32% strongly agree.
- 88% of plan sponsors agree—31% strongly—that they would prefer for their insurer to go ahead and make products or services related to chronic disease management available in their health benefit plan, so that they do not have to request or “opt in” for the new benefit.
- Forty-one percent of plan members with chronic conditions and/or chronic pain would like their health benefit plan to provide higher levels of coverage for existing products or services, and 23% would like coverage for new products or services.

Mixed results on targeted messaging

- Sixty-two percent of plan members would consent to receive health-related information based on their personal use of benefits from the insurance company that manages their workplace health benefit plan, comparable to previous years (65% in 2019, 66% in 2018).
- This increases to 74% among those who are confident their personal information will be kept confidential, compared to just 38% among those who are not confident.
- Plan sponsors, meanwhile, are increasingly interested in having their benefits providers send targeted communications to plan members: 79% in 2020, up from 74% in 2019 and 64% in 2018.
- Plan members who would consent are most interested in receiving recommendations from local healthcare professionals/experts (45%) and information about their medications (44%) to help manage their health conditions (44%) and to learn how to stay healthy (43%).

PLAN SPONSORS

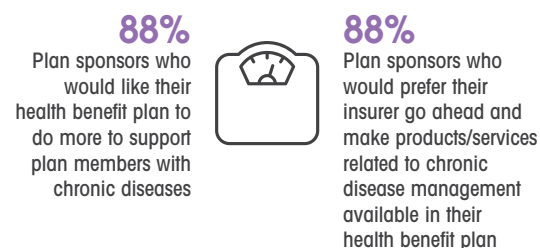
THE TOP THREE MOST IMPORTANT THINGS PLAN SPONSORS WOULD LIKE TO DO TO IMPROVE THEIR HEALTH BENEFIT PLAN



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan sponsors (N=516); 500 or more employees (n=175); <50 employees (n=173)

PLAN SPONSORS

CHRONIC DISEASE MANAGEMENT



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan sponsors (N=516)

PLAN MEMBERS

PLAN MEMBERS WITH A CHRONIC CONDITION AND/OR CHRONIC PAIN WHO WOULD LIKE THEIR HEALTH BENEFIT PLAN TO PROVIDE:



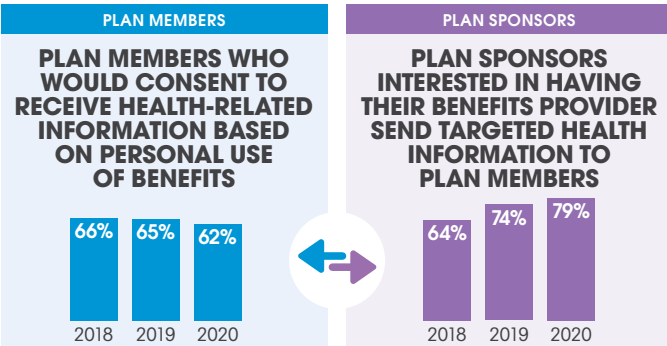
SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: Plan members with a chronic condition and/or chronic pain (n=1,096)



“Our role as insurers is evolving in terms of how we support the way plan members use their benefits. It could be through targeted communications or providing access to additional services to support their well-being. But we also need to evolve how plan members view us, so that they come to accept and expect insurers to be a part of the health conversation.”

KNOWLEDGE GAP

TARGETED HEALTH MESSAGING



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan members (N=1,500); All plan sponsors (N=516)

- When this question was asked in 2017, the intensity of opinion was stronger: 65% were interested in information to help manage their health conditions (compared to 44% in 2020) and 57% were interested in general health information (compared to 43%).
- Plan members aged 18 to 34 are more interested in getting reminders for activities related to health, such as eye testing or dental checkups (41% compared to 30% among those 55 and older) and for taking medications and/or getting prescriptions refilled (35% compared to 18%, respectively).

Privacy matters

- Plan members’ experiences as consumers may be a reason why interest is not growing in targeted health information. When asked if they are fine with organizations such as Facebook or Amazon suggesting items based on past browsing activities, just over half (59%) agreed. This increases to 62% among those aged 18 to 54, compared to 48% among those 55 and older.
- Sixty-six percent of plan members are confident that their insurance company will protect their privacy when sending targeted health information, unchanged from last year (65%). Plan sponsors (79%) are more confident of their insurer’s ability to protect plan members’ privacy. A number of factors, including a wellness culture, appear to influence results (see chart).

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Drug plan sustainability the top concern

- Seventy-nine percent of plan sponsors have at least one major concern about their health benefit plan, up from 66% in 2018, and increasing to 89% among large employers (500 or more employees).
- Among the 79% who have concerns, the top five concerns are drug plan sustainability (42%), dental plan sustainability (39%), absence/disability (32%), use of paramedical benefits (29%) and fraud (28%). These rankings mirror the top-five list in 2018 with the exception of fraud, which is new on the list.
- The use of paramedical benefits is a major concern for more plan sponsors, cited by 29% in 2020 compared to 21% in 2018.
- The rankings shift for large employers, and results are much tighter: drug plan sustainability (39%) and absence/disability (39%) are tied in first position, followed by fraud (34%), dental plan sustainability (32%), use of paramedical benefits (30%) and the lack of time for long-term strategy (30%).
- Further down the list, the growing number of complaints or appeals by employees (in response to denials of coverage) appear to be an emerging concern, cited by 20% of plan sponsors compared to 14% in 2018.
- In a separate question, half of plan sponsors are concerned about the utilization levels of short- (51%) and long-term (50%) disability benefits. This increases to 61% and 59%, respectively, among large employers.

HIGHS - LOWS PLAN MEMBERS

PLAN MEMBERS WHO ARE CONFIDENT THEIR INSURER WILL PROTECT THEIR PRIVACY WHEN SENDING TARGETED HEALTH-RELATED INFORMATION

72%	Health benefit plan meets needs extremely/very well	Health benefit plan does not meet needs	43%
70%	Workplace wellness culture	No workplace wellness culture	55%
70%	18 to 34 years old	55 and older	62%
68%	Satisfied with job	Not satisfied with job	58%

SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan members (N=1,500)

RYAN WEISS • CANADA LIFE



“Insurers are piloting targeted member communications and refining approaches based on the feedback. For example, we’ve found that people are really interested in learning about their risks for future health issues, and what to do about that, and plan sponsors see real value in helping their members be proactive about reducing these risks.”



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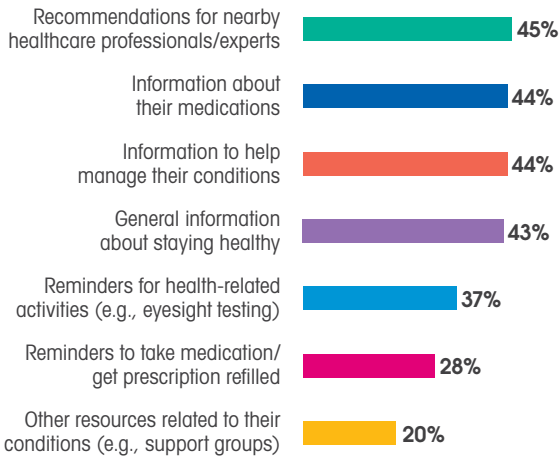


Insurance and Financial Services

19-2754E (05-2020)

PLAN MEMBERS

THE TYPES OF TARGETED INFORMATION THAT PLAN MEMBERS WOULD LIKE TO RECEIVE



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: Plan members who agree to receive targeted health information (n=928)

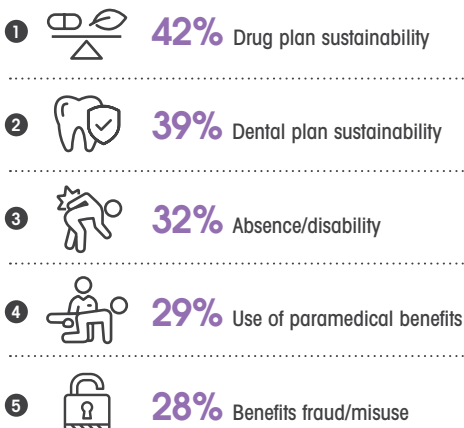
DAVE PATRIARCHE • MAINSTAY INSURANCE BROKERAGE



“Every dollar you save on fraud is a dollar you can invest elsewhere. Advisors sometimes see a scary amount of fraud, and not just by the obvious criminals. Plan members misuse benefits and don’t realize it or they rationalize it. They need to know that if they go to a vision provider and ask for sunglasses, that’s fraud. If they go along with their dentist waiving the co-insurance, that’s fraud. And they could lose their job.”

PLAN SPONSORS

PLAN SPONSORS’ TOP FIVE MAJOR CONCERNS REGARDING THEIR HEALTH BENEFIT PLAN



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: Plan sponsors who have at least one major concern (n=407)

Fraud also a concern

- Fifty-one percent of plan sponsors are concerned about the misuse of health benefits by plan members, suppliers and/or healthcare providers, increasing to 67% among large employers and 63% among those based in Quebec.
- Eighty-seven percent of plan sponsors are confident in their insurer’s ability to detect and manage fraudulent claims; 33% are very confident.
- Both plan members (85%) and plan sponsors (77%) are willing to get certain products and services, such as orthopedic shoes or massage therapy, from a list of approved providers—and at discounted rates—in order to prevent benefits fraud.
- Only 23% of plan members indicate that they are aware of a way to report possible benefits fraud anonymously.

★ ★ ★ KEY TAKEAWAYS

- 1. Survey results strongly** suggest that plan sponsors would like new options or approaches for the coverage of higher-cost specialty drugs so that they can better manage their exposure to risk.
- 2. The finding** that almost nine out of 10 plan sponsors would prefer their insurers to include new benefits for chronic disease management, rather than require opt-ins, is a powerful indication of their desire to do more in this area—especially given that the survey question made no mention of potential costs.
- 3. For their part,** plan members with a chronic condition and/or chronic pain are almost twice as likely to want increased coverage for existing benefits rather than coverage for new benefits. This suggests co-insurance may be a challenge for some.
- 4. Like last year,** the advisory board feels that more plan sponsors should be concerned about the use of disability benefits, especially given the fact that the cost of disability claims can exceed the cost of drug benefits. It adds that improvements are relatively easy to make in the disability space.
- 5. The growing gap** between plan members and plan sponsors regarding targeted health messaging is a cause for concern. Benefits providers and plan sponsors can step up communications on how privacy will be protected and, equally important, how such messaging can help manage chronic conditions or diseases and overall health.
- 6. Providers also need** to tread carefully to avoid language that suggests the “selling” of a product or service; instead, the focus must be on recommendations or advice based on credible sources of information.
- 7. Last but not least,** plan members’ reluctance may be because current interactions with insurers are largely transactional; it will take time and education for members to accept that insurers can play a role in personal health management.

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Future directions for health benefits

Immunizations against infectious diseases rise to the top of both plan members' and plan sponsors' wish lists. This year's survey uncovers additional alignments—and a few obvious gaps—in what plan members would like in their health benefit plans and what plan sponsors would be interested in covering.

What's hot, what's not


- When presented with 15 possible new benefit offerings, some of which would be covered by health spending or wellness accounts, plan members' top five selections are immunizations for infectious diseases (37%), fitness classes (33%), health risk screenings with healthcare professionals (32%), 24-hour virtual care (32%) and genetic testing to help determine risk for certain diseases (29%).
- When asked what they would be interested in covering, plan sponsors are aligned with plan members regarding immunizations (32%), which are also at the top of the list. They are somewhat aligned with screenings (28%), virtual care (24%) and fitness classes (22%). However, genetic testing (13%) is well down the list for plan sponsors. Instead, they are more interested in covering one-on-one education with a healthcare expert for people with chronic conditions (27%).
- Plan members and plan sponsors diverge further when the list is expanded to the top 10 products or services (see chart).

MÉLINA LAMARCHE • LA CAPITALE



“Virtual healthcare is expanding and rightly so. It provides personalized medical support anytime, anywhere. The financial benefits are significant, and employees are very interested. They are ready. The time has come to seize such opportunities to reinvent group insurance through digital means.”

PLAN MEMBERS



71%
PLAN MEMBERS WILLING TO USE VIRTUAL CARE TECHNOLOGY TO RECEIVE HEALTHCARE SERVICES*

*Services may include prescription renewals and new prescriptions from healthcare providers other than usual providers; consultation information could be shared with usual providers if requested.

SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan members (N=1,500)

PLAN MEMBERS PLAN SPONSORS

TOP 10 PRODUCTS/SERVICES THAT PLAN MEMBERS WOULD USE IF ADDED TO THEIR HEALTH BENEFIT PLAN*				TOP 10 PRODUCTS/SERVICES THAT PLAN SPONSORS ARE INTERESTED IN COVERING*			
		RANK					
Immunizations for infectious diseases	37%	1	32%	Immunizations for infectious diseases			
Fitness classes	33%	2	28%	Health risk screenings with healthcare professionals			
Health risk screenings with healthcare professionals	32%	3	27%	For plan members with chronic diseases, one-on-one education with a healthcare expert			
24-hour virtual care	32%	4	24%	24-hour virtual care			
Genetic testing to determine risk for certain diseases	29%	5	22%	Fitness classes			
Personal fitness trainer	28%	6	20%	Personal financial planning services			
Fitness tracking device	25%	7	19%	Healthcare apps			
Genetic testing to determine which drugs would likely work best	24%	8	17%	Fitness tracking device			
Pet insurance	23%	9	15%	Genetic testing to determine which drugs would likely work best			
Personal financial planning services	23%	10	13%	Genetic testing to determine risk for certain diseases			
			13%	Personal fitness trainer			

*Some of these items would have to be made available under health spending or wellness accounts; SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: All plan members (N=1,500); All plan sponsors (N=516)

- When presented with the option that these items would be offered at discounted rates rather than added to the health benefit plan, 63% of plan members would view their employer more positively as a result. Only 4% would view their employer more negatively.
- Plan members aged 18 to 34 (69%) are more likely to have a more positive view than those 55 and older (59%), as are those who say their current health benefit plan meets their needs extremely/very well (68% versus 52%).

Thumbs up for virtual care

- This year’s survey asked plan members if they are willing to receive healthcare services (including prescription renewals and new prescriptions) via secure chat and/or video using a digital device. The healthcare providers would not be their usual providers; however, they would be able to share the consultation information with the plan member’s usual providers if requested.
- Seventy-one percent of plan members say they are willing to use this form of virtual care, increasing to 76% among those aged 18 to 34 (compared to 63% among those 55 and older).

Pharmacogenetic testing gets nod

- Seventy-six percent of plan members agree that they would allow their physician to get a sample of their DNA (by cheek swab) so that they could prescribe a medication that is most likely to work for them, comparable to a year ago (74%).
- In the 2019 edition of *The Sanofi Canada Healthcare Survey*, 65% of plan sponsors indicated being interested in providing coverage for pharmacogenetic testing.



20%
PLAN MEMBERS WHO WOULD USE MEDICAL CANNABIS AUTHORIZED BY A HEALTHCARE PROFESSIONAL IF COVERED BY THEIR HEALTH BENEFIT PLAN

36%

Have asthma/
lung disease

35%

Have mental illness

28%

Have arthritis

26%

Have chronic pain

SOURCE: The Sanofi Canada Healthcare Survey, January 2020.
 BASE: All plan members (N=1,500)

MARIE-CHANTAL CÔTÉ • SUN LIFE



“A growing role for insurance carriers is to vet possible providers of new benefits, to evaluate the quality of the outcomes and identify which providers are a good fit for the unique needs of the workplace. Plan sponsors can be a valuable part of that process by participating in pilot projects.”



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★★★ KEY TAKEAWAYS

1. **Vaccinations against infectious** diseases emerge on top as a new benefit that plan members would use and plan sponsors would like to cover—a remarkable result since the survey was conducted months before the COVID-19 pandemic.
2. **Virtual care** is another benefit that is ready for deployment, as a number of benefits providers have begun partnerships with suppliers in the past year. The high ranking for virtual care has likely climbed significantly since the survey was done in January, given its wide-spread deployment during the pandemic.
3. **Plan members' desire** for items such as fitness classes, genetic testing and pet insurance point to the value that they would likely place on wellness accounts or optional, discounted benefit offerings.
4. **Regarding pharmacogenetic testing**, insurers on the advisory board confirm that, based on results of pilot projects, a process to facilitate private purchase at a discount makes more sense at this time than coverage as a standard benefit. This may change in a few years, once the industry is regulated and enough physicians are trained and on board to use the technology.
5. **Plan sponsors who** offer health spending accounts appear not to be aware that they cover medical cannabis that is authorized by a healthcare provider. This could be an opportunity for advisors to raise awareness among both clients and plan members.

Medical cannabis settling in

- Within the list of 15 possible new benefits (see page 31), 20% of plan members indicate that they or family members would use medical cannabis that is authorized by a healthcare provider if it was covered by their health benefit plan.
- Plan members with the following chronic conditions are more likely to use medical cannabis: asthma/lung disease (36%), mental illness (35%), arthritis (28%) and chronic pain (26%).
- Thirty-seven percent of plan sponsors report covering medical cannabis under their drug plan (17%), their HSA (13%) or their extended health plan (7%). An additional 15% of plan sponsors would like their health benefit plan to cover medical cannabis.
- While results from previous years are not directly comparable due to a change in question wording, coverage of medical cannabis appears to be growing. In 2019, 12% of plan sponsors reported coverage, and in 2018, 8%.

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Insurance

Driving toward better value

Year after year, the survey shows how the setting of objectives and data analysis are predictors of actions that support plan member health and productivity; however, the past few years show no forward momentum in these areas.

Strategy is the engine

- Sixty-one percent of plan sponsors agree that they have a specific objective for their health benefit plan in the coming year (e.g., increased education of employees), comparable to previous years (65% in 2019, 56% in 2018).
- Twenty-one percent of plan sponsors strongly agree that they have a specific objective, increasing to 32% among employers with 500 or more employees.
- While plan sponsors may have broad interpretations of “specific objective,” as noted in the 2018 edition of *The Sanofi Canada Healthcare Survey*, the presence of an objective is a consistent indicator of actions that support employee health and productivity (see chart).

Data analysis is the fuel

- Twenty-two percent of plan sponsors report regularly receiving claims analyses that help identify the main disease states in their workforce, comparable to previous years (24% in 2019, 19% in 2018). An additional 48% report getting that information occasionally (23%), when requested (20%) or by pulling the data themselves from the carrier’s system (5%).
- Employers with 500 or more employees are somewhat more likely to get this information regularly (27%).
- Among the 31% who do not get this data at all, more than half (58%) would like to.

SARAH MURPHY • GREEN SHIELD CANADA



“Analysis should include a critical evaluation of what’s in health benefit plans today. A key touchpoint is medical evidence: what does the research say about health outcomes? If benefit plan dollars are limited, should we continue to pay when there is not enough evidence? Strategies include making some benefits optional, moving them to spending accounts or discontinuing the benefit. This process makes space for new offerings with proven health outcomes.”

PLAN SPONSORS

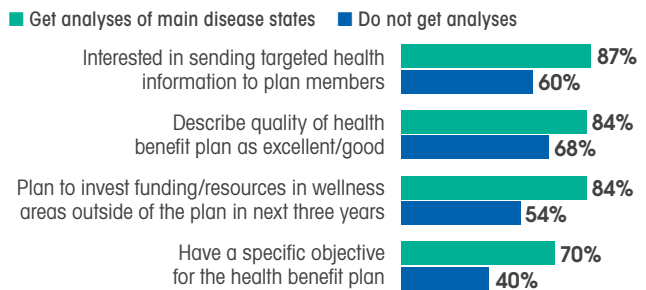
HOW SPECIFIC OBJECTIVES INFLUENCE PLAN SPONSORS’ OPINIONS OR ACTIONS



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: Plan sponsors with a specific objective for health benefit plan (n=306); Do not have a specific objective (n=210)

PLAN SPONSORS

HOW DATA ANALYSES ON THE MAIN DISEASE STATES INFLUENCE PLAN SPONSORS’ OPINIONS OR ACTIONS



SOURCE: The Sanofi Canada Healthcare Survey, January 2020. BASE: Plan sponsors who get analyses of main disease states (n=355); Do not get analyses (n=161)

KEY TAKEAWAYS

1. **The 21% of plan sponsors** who strongly agree to having a specific objective for their health benefit plan likely more accurately represent those with objectives that are truly strategic in nature (i.e., beyond cost containment), notes the advisory board.
2. **Plan sponsors’ lack** of time can be a major barrier to the sharing of data, let alone the setting of strategic objectives. To carve out time, the most successful benefits providers identify and continuously communicate the one or two top opportunities to derive better value from the health benefit plan.
3. **The stronger the connections** made between health benefit plans and overall business objectives, the greater the level of engagement by plan sponsors—and the greater the returns in employee health and productivity.

SPOTLIGHT:

Immunization against infectious diseases



Q & A WITH BRIAN AW, MD

Dr. Brian Aw is a family physician and specialist in travel health and immunization in Toronto, Ontario

Vaccinations top the list of new health benefits that plan members would use—and this was before COVID-19. Why the interest, even then?

Before COVID-19, the travel health side of my practice was thriving. People didn't want to get sick during their dream vacation, and they certainly didn't want to bring a disease home. They knew they had to get immunized, and most were paying out of pocket. I can see how they would appreciate coverage for those vaccinations.

Another important reason has nothing to do with travel and everything to do with age. I believe people aged 50 and older were really starting to 'get it' when it comes to immunization. They were coming to understand that if they have a chronic condition like asthma, COPD or diabetes—and 44% of Canadians between the ages for 50 and 64 have a chronic condition—the stakes are much higher. It would take them longer to recover from an infectious disease. They could be hospitalized or disabled, or even die.

Now that COVID-19 is part of our world, what do you think the survey results would be today?

You can bet that employees are much, much more interested in vaccines. As a species we have come to realize how vulnerable we are to communicable disease. We see how a treatment regime can be futile and how testing has limitations. Now everybody is waiting for a vaccine. And I think people are looking at existing vaccines with a new-found respect. They should. Vaccination is the number-one medical intervention in the world for saving lives. COVID-19 is a forceful reminder of that.

What else has COVID-19 taught us?

The world has had a tremendous education in infectious respiratory disease. COVID-19 is not just about the lungs. It's systemic, which means that if you have underlying health conditions it can affect other organs. In medical terms we call it an inflammatory systemic cascade, which leads to complications that can be devastating, even deadly.

Influenza and pneumococcal pneumonia are also systemic respiratory diseases, like COVID-19. Both are leading causes of hospitalization. We already have vaccines

for them, and I'm really hoping to see higher vaccination rates for those in the coming months. We need to do what we can to strengthen our immunity against all infectious diseases. It would be good for employers to help spread the word on the importance of vaccinations.

How does this connect back to private health benefit plans?

There are gaps in coverage for adult vaccinations. People seem to rely on what provincial programs do, but there is no basis for that. If something is not covered by a public program, that doesn't mean that it's not needed. For employers who want to be proactive about vaccinations, the proper reference is Canada's National Advisory Committee on Immunization, or NACI.

NACI recommends two pneumococcal vaccines for people with certain comorbidities and everyone over 65. But provincial programs tend to cover just the older vaccine. The newer vaccine is more effective to prevent community-acquired pneumonia, which is what employers would be most interested in.

NACI also recommends the high-dose influenza vaccine for everyone over 65, but so far only Ontario funds it for all older adults, and certain provinces and territories cover it for seniors in long-term care only. More people are working past the age of 65 and I think they would really value coverage for this vaccine.

And let's not forget the shingles vaccine. Not one public plan covers the newer vaccine that NACI recommends for everyone over 50. One in three people will get shingles, which can have a huge impact on workplace absenteeism and productivity.

Any final words for plan sponsors?

Infectious diseases were already hurting your business and you didn't know it. COVID-19 has taken the blinders off. It's time to make coverage of vaccinations part of the standard health benefit plan. The investment is small compared to what you gain in risk reduction in terms of reduced medical insurance claims and absenteeism. And your employees will truly appreciate it in the post-COVID-19 world.

Forward Thinking: 7 Steps into the Future

The 2020 edition of *The Sanofi Canada Healthcare Survey* captures frontline perspectives on a sweeping range of topics to do with personal well-being, the workplace environment and health benefit plans. When asked to boil the findings down to the most important—and doable—action steps, members of the advisory board land on the following seven priorities.



1. Stay on target: analysis and strategy

Results consistently show that plan sponsors who receive analyses on disease states and who have specific strategies for health benefit plans are more likely to support employee health and productivity. Yet only about one in five plan sponsors regularly receives such analyses or feels strongly about having specific objectives.

Take small, iterative steps to secure ongoing leadership (internally and from providers) and dedicated time for strategic, evidence-based decision-making, stresses the advisory board.



2. Nurture a wellness culture

Plan members are more likely to be satisfied with their job and stay with their employer when a positive workplace environment or culture is in place. The top three factors for a wellness culture are safety, good relationships with co-workers and a good relationship with the immediate supervisor.



3. Embrace technology

From virtual care to targeted communications and healthcare apps, plan members are receptive and ready for more technology in personal health management—and that translates into scalability and cost-effectiveness for plan sponsors. However, privacy concerns need to be addressed. As well, insurance carriers need to communicate why and how they can play a greater role in accessing health-related products and services, both within and outside of health benefit plans.



4. Focus on younger plan members

Stress and chronic health conditions are far more likely to negatively affect the productivity of plan members aged 18 to 34. The advisory board urges a deeper dive into the reasons behind these results, especially given that millennials comprise the largest cohort of workers today. Resilience training, internet-based cognitive behavioural therapy and increased maximums for mental health counselling services are among the possible emerging supports for plan members of all ages.



5. Add flexibility to health benefit plans

Plan members with health spending accounts (HSAs) are more positive about the quality of their health benefit plan. The advisory board agrees that HSAs can cost-effectively add flexibility to health benefit plans as well as encourage accountability among plan members. However, communication efforts should position spending accounts as a supplement to the main health benefit plan, which guarantees coverage of essential items, including prescription drugs, and provides insurance in the event of high healthcare costs or disability.



6. Consider these high-value benefits

Vaccinations against infectious diseases and virtual care top the list of possible new benefit offerings that are of interest to both plan members and plan sponsors—and likely much more so today, given the advent of the COVID-19 pandemic since the release of these results. In virtual care, the advisory board recommends a focus on mental health in tandem with increased maximums for counselling services. Providers are well aligned in terms of levels of readiness to implement these benefits.



7. Move the dial on chronic disease management

Two-thirds of plan members have at least one chronic health condition and/or chronic pain, and more than half say it negatively affects job performance. For many chronic conditions, depression or anxiety often become an additional condition. Plan members in poor health are much more likely to say their health benefit plan does not meet their needs. For their part, plan sponsors repeatedly indicate they would like their plans to do more to support those with chronic diseases. Year after year, survey results show we need to move the dial on chronic disease management—and steps one to six can help map the way.



IMPROVING HEALTHCARE FOR GENERATIONS

At Sanofi Canada, we work passionately to bring patients the most advanced healthcare solutions – medicines and treatments that enable generations of families to live healthier, more active lives. But our work extends beyond product research and manufacturing.

For more than 20 years, we have been publishing *The Sanofi Canada Healthcare Survey*. This valuable exchange of insights between plan sponsors and their members supports workplace productivity, better chronic disease management and improved illness prevention. Each year, we strive to better understand Canadians' needs with the hope of supporting health benefit plans that are cost-effective, relevant and sustainable.



SANOFI

Advisory board

The Sanofi Canada Healthcare Survey is shaped through the guidance and expertise of the advisory board. The members of the advisory board tapped into the concerns of today's plan members and plan sponsors. Throughout the year, they took time out of their schedules—as key stakeholders in the Canadian health benefits industry—to participate in every stage of *The Sanofi Canada Healthcare Survey*, from reviewing the questions asked of Canadian plan members and employers to promoting the report and answering questions about the findings. Their continuing support of this important project is essential.



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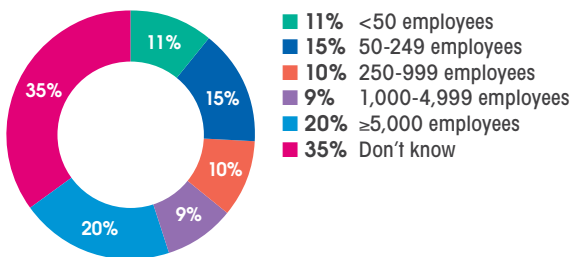
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Methodology

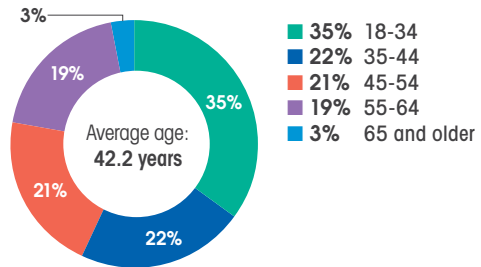
Ipsos Reid fielded the plan member survey on behalf of Contex Group using an online (Internet survey) methodology from January 28 to January 31, 2020. In total, a national sample of 1,500 primary holders of group health benefit plans completed the study. At the time of each interview, these adults were the primary holders of employee plans with a health benefits portion. The online completes were conducted using a random sample drawn from the 200,000+ members of the Ipsos Reid Canadian i-Say Panel. The total results of a probability sample of this size would be considered accurate to within +/-2.5%, with 95% certainty of what they would have been had the entire population of Canadian plan members been polled. It is important to note, though, that the margin of error is higher among sub-sample respondent groups. The data has been statistically weighted to ensure that the age, gender and regional composition of the sample reflect those of the adult working population according to the 2016 census data. Additionally, some response categories in this report do not add up to 100%—this is due either to the rounding of numbers or questions that allowed plan members to provide multiple responses. In addition, Maru/Blue fielded a separate online survey for Contex Group with 516 benefit plan sponsors from across the country from January 28 to February 3, 2020. The data was statistically weighted to accurately reflect the geographic distribution of business and business size according to Innovation, Science and Economic Development Canada.

PLAN MEMBER DEMOGRAPHICS

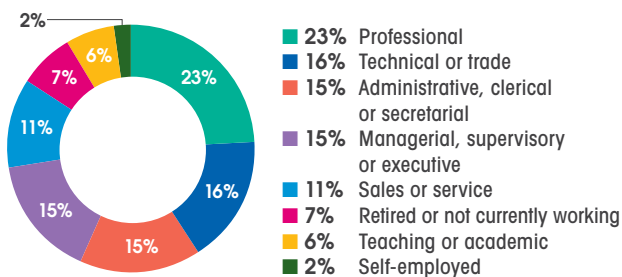
ORGANIZATION SIZE



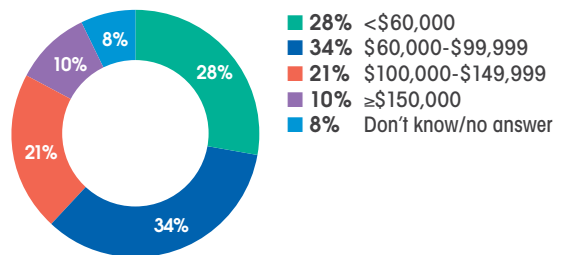
AGE



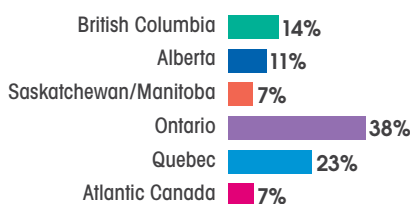
POSITION



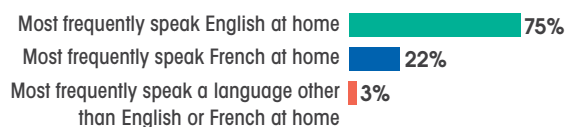
HOUSEHOLD INCOME



PROVINCE/REGION



LANGUAGE



GENDER



Note: Due to rounding, response categories may not add up to 100%



The Sanofi Canada Healthcare Survey is published by Contex Group Inc.

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