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Engagement = Satisfaction + Commitment

In the excess of the eighties, searching for excellence was all the rage. Twenty years later, it was emotional intelligence. Now, engagement is the new “e” word. Is this just the latest trend?

In a survey of over 300 leaders from CEO, HR and financial backgrounds, engagement was defined as satisfaction and commitment, and these are demonstrated in workplace behaviours that can improve mental health, retention, absence and performance. Getting the psychological and social factors right is much, much more important than compensation and perks. So, save your cold hard cash, and invest in culture, two-way communication, recognition, and training for leadership skills.

The survey compared what is and what ought to be in the workplace. Of 37 important measures affecting organizational performance, respondents identified just five that were present at levels that exceeded their expected importance. (One of these was a competitive benefits package.) Characteristics such as negative interactions with co-workers or customers, mistrust, poor understanding of the organization’s direction, and confusion about how employees help achieve organizational goals were the biggest deficits.

Engagement is associated with high performance, and an outcome of a strong, trusting culture. Rather than separate concepts, the three “e” words seem to be a convergence of common sense.

From: *How Much and How Important: An Executive View of Employee Engagement Factors.* WarrenShepell and Canadian HR Reporter, 2006.

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Economic Evaluation Made Easier

Faced with scarce resources and competing demands, how do we calculate the value of our drug plan? How do we measure better health? What are the consequences of spending less from the point of view of employees?

These are not simple questions of calculating a cost. Economic analyses assess value from different perspectives:

- **Cost minimization:** Identifies the least expensive option leading to a desired result. What's the cheapest drug that will cure that bacterial infection?
- **Cost-benefit:** Identifies the costs and benefits of different options in monetary terms. What's the cost of a flu vaccination clinic relative to the financial saving in avoided absence?
- **Cost-effectiveness:** Identifies the cost and health outcomes of different approaches, in both financial and non-financial terms. What is the relative value of alternative treatments for depression (e.g., drugs vs. counselling) in the number of disability-days avoided?
- **Cost-utility:** Identifies the monetary cost of a specific level of improved health. How much did a treatment improve an employee's quality of life?

Economic analyses are not needed for everyday decisions. However, they can ensure the full value of employer investments in benefit plans becomes known to plan sponsors and members.

From: Institute for Work & Health. *At Work*, Summer 2006, p. 6-7. Available at www.iwh.on.ca.

Monitoring Prescription Drugs: A Split Decision

As usual, the 2005 annual report of Ottawa's Patented Medicine Prices Review Board has good news. Prices of brand-name drugs are relatively low, and are increasing more slowly than general inflation. The 2005 report also notes:

- Sales of all prescription drugs rose 1.3% in 2005, the lowest increase in 15 years. New products, and particularly new blockbuster drugs, now have a much smaller market impact.
- Cancer drugs were the leading contributor to sales growth.
- At 8.7%, the R&D:Sales ratio was below the 10% benchmark for the third year in a row. R&D was \$1.2 billion, up 5.5% over 2004.

The PMPRB also examined non-patented prescription drug prices for the first time. It found:

- Prices for generic drugs were lower in all eleven countries that were compared to Canada. The mean foreign price was 77% of Canada's price.
- Generic prices fell in all eleven countries in 2005, but fell least in Canada (0.3%). In comparison, the price of patented drugs increased 0.7%.

Slower growth in drug sales is good news for most payers. The generic drug industry, itself increasingly foreign-owned, needs to help us understand why Canadians pay more than those in other countries.

From: Patented Medicine Prices Review Board, 2006. *Annual Report 2005*, and, *Non-Patented Prescription Drug Prices Reporting, Canadian and Foreign Price Trends*. Available at: www.pmprb-cepmb.gc.ca.

Canadian Employers Could Improve Mental Health

A March 2006 survey of 1,501 Canadians indicates a largely positive attitude about our own health, and our access to private health plans. However, we believe our employers could do more to help people with mental health issues.

Eighty-seven percent say they are in at least good health. Just over half can access a private health plan. About three-quarters believe they will have to pay for some healthcare expenses. It is worrisome that half of those believe they will not be able to afford their share.

The survey focused on mental health, and found that 51% have either been personally affected by mental illness, or know someone who has. Other findings:

- Almost 6 in 10 workers believe their employer, union, or professional association could do more to support those with mental illness.
- Fifty-nine percent see work pressure as the largest cause of stress, anxiety or depression.
- About half of employees have an Employee Assistance Plan, and one-fifth have used it.
- Sixty-two percent have a device that allows their employer to reach them at any time. Of those, 83% say it either maintains (54%) or increases (29%) their stress.

The survey indicates the corporate role in managing health is recognised and highly valued, but so is the need to do more.

From: *Desjardins Financial Security Survey on Health, 2006 Edition*. Available at: <http://www.dsf-dfs.com/en-CA/NtrCmpgn/SIIPrss/SndgsNtnx/SndgsNtnx.htm>.

Help Wanted: Dealing with an Aging Population at Work

Canada's demographic situation is not quite a crisis, but close. The Conference Board calls this "one of the great challenges facing the country". Why? Such changes will attack pension and retirement savings, reduce the growth of the tax base, and set the stage for some serious inter-generational conflict.

Much has been written about our aging population:

- Over 20% of us will be over age 65 by 2025, and the ratio of working people to those over age 65 will have dropped to 3:1 from 5:1 today.
- The average retirement age is now 61.4; thirty years ago it was 64.9.
- In 25 years, there could be almost twice as many seniors as children.

The Board argues Canadians will have to accept later retirement in order to maintain economic growth and vitality. This will mean removing incentives for early retirement, encouraging employers to accept older workers, and ending mandatory retirement. The report offers several examples of policy changes made elsewhere to address aging populations.

Of course, the health issues of an older population are already upon us. With employers steadily reducing their post-retirement health plan liabilities, governments will need to get to work to fill the gaps.

Conference Board of Canada, 2006. *Canada's Demographic Revolution, Adjusting to an Aging Population*. Available at: www.conferenceboard.ca/Boardwise/ii/LayoutAbstract.asp?DID=1599.

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