



GMS INSURANCE

*Employee Benefits
Group Retirement Plans
Pension Plans
Life Insurance
Corporate Buy-Sell
Funding Arrangements*

**January 2014
Volume 16 Issue 1**

In This Issue

1. *Drug Adherence*
2. *Taxable Benefit Reminder*
3. *Quiz Corner*



Drug Plan Costs

Drug expenses make up the greatest portion of most health care plans. Plan administrators routinely struggle with how to contain costs without impacting coverage. One way is to reduce waste.

When purchasing a prescription, there are many opportunities to reduce waste: shop at a lower cost pharmacy, get a greater supply (if possible) to avoid future dispensing fees, opt for the lowest cost therapeutic equivalent (often a generic drug) whenever medically safe to do so, get a trial size prescription for new drugs to ensure there are no adverse effects before filling the entire prescription, and take the medication as prescribed.

In this newsletter, we want to highlight the importance of drug adherence as a cost containment tool.

First, a bit of history and a few facts to set the scene:

According to a Green Shield Canada audit:

20% of claimants claimed 75% of drug costs
drugs to treat hypertension (i.e. high blood pressure) were the highest claimed category in 2011-2012.
those claimants who claimed blood pressure drugs tended to claim three times more than claimants who did not have any claims for blood pressure medication
the overall adherence to taking

blood pressure medication as prescribed is only 62.3%

To summarize, we have a small number of people making up the greatest amount of claims and less than two thirds of those people are taking the medication as prescribed.

When we look at adherence, it is not just a matter of someone stopping a prescription early but double dosing if a dose was missed, not taking the drug at the right time, combining it with another drug. The impact of this lack of adherence can be costly and even fatal.

A projection of the top three drug categories (high blood pressure, high cholesterol, diabetes) for the next seven years shows that if prescriptions were adhered to:

52,000 cardio and diabetes-related events would be prevented including 3,000 deaths

non drug costs, such as hospitalization, related disease-state treatment, nursing care, ambulance, palliative care, etc., would reduce by \$960 million
society would benefit by \$1.84 billion through increased productivity

Why is there a lack of adherence?

There are many reasons – some intentional; some unintentional.

A belief that the prescription will have no impact

A belief that a double dose will either “catch up” on a missed dose or help you get better

6200 Dixie Road, Suite 201, Mississauga, ON L5T 2E1

Toll Free: 1-877-685-2515

25 Irvin Street, Kitchener, ON N2H 1K6

Toll Free: 1-866-536-0389

www.gmsinsurance.com

faster

The instructions get confused with other medications

The instructions are not clearly understood

Forgetfulness – i.e. forgot to take dose when prescribed

Avoidance of perceived side effects

Start to feel better so you stop taking the drug then start again when symptoms reappear

Procrastination

Financial difficult/affordability of treatment

While there is no one single reason why people do not take prescriptions, there is one way to help increase adherence: education.

The more people understand how their actions/inactions can impact their health and their pocketbooks, the better adherence we will have.

There are a few tools that patients can use:

Pharmacists must describe the medication to you and how to use it. If the information is forgotten, the drug information form included with the prescription should answer your questions but you can always call the pharmacy for more information

Set a reminder on your phone as to when to take the medication and get in a routine

Use pill containers to sort what medications need to be taken when

When costs are a concern, patients can talk to their doctor about alternative treatments (ex. generic drugs) or to get access

to government funded programs (ex. Trillium in Ontario) and drug manufacturer programs.

As an employer or plan administrator, you can help promote prescription adherence with staff notices, inserts in pay packets, and lunch and learn sessions. If you would like assistance with preparing a communication piece, please contact your GMS Insurance associate.

Tax Season Reminder

Employee-paid premiums are not taxable.

Employer-paid premiums for certain benefits are taxable. They include:

Life Insurance

AD&D Insurance

Dependent Life Insurance

Critical Illness Insurance

Short- and Long-Term Disability premiums that are employer-paid are not taxable. However, if the

employer pays the premium, the benefit payment upon claim is taxable. If the employee pays the premium, the benefit upon claim is not taxable.

Health and dental premiums are not taxable except for residents of Quebec.

Flex credits used by employees should be treated as employer-paid expenses.

There are a number of other benefits that employers may confer on their employees such as car allowances, cell phones, laptop use, and other fringe benefits. Many of these are taxable. A complete list is available on the CRA website. (<http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/bnfts/menu-eng.html>)

Quiz Corner

Put your mental mettle to the test and a \$50 prize in your pocket!

How many umbrellas appear on the GMS Insurance website? www.gmsinsurance.com

Answers can be sent to: info@gmsinsurance.com or by fax to 905-670-4146. We will draw a winner from the correct answers and announce the winner in the next newsletter.

Our November Quiz Whiz was Shelley Vaillancourt who knew the correct answer. Congratulations!