Health care system reform recommendations may affect group benefit plans

Alberta Blue Cross is closely monitoring continuing health care system reform developments and their potential impact on the structure and function of group benefit plans in Alberta.

Much has happened since the Romanow Royal Commission called on Ottawa last fall to spend $15-billion more on health care over the next three years. The commission’s 356-page report recommended expanded public coverage for home care and limited coverage for “catastrophic” prescription drug costs.

Catastrophic drug coverage

While the report admitted that a program covering all prescription drug costs was too expensive, it said such a system should be the “ultimate objective” of health care reform and suggested federal funding to offset catastrophic prescription drug costs for individuals. The Commission’s recommendations called for a federal transfer to the provinces that would reimburse provincial governments for 50 per cent of the cost of prescription drugs provided under their existing programs after a pre-set threshold of $1,500 per patient is reached. Under the terms of the transfer, provincial governments could use these funds to lower existing deductibles within their programs, broaden eligibility for coverage, or expand provincial drug formularies to include previously uncovered medications that are demonstrably effective in treating particular conditions.

Unfortunately, the report did not specifically acknowledge the growing burden that rising prescription drug costs are having on employers, or indicate whether expanded government programs would offload some of that burden.

However, there has already been much speculation about the impact such a program could have to reduce drug plan costs for employers. If the cost for drugs is capped at $1,500 per person, this could effectively limit an employer’s obligation for drugs to that level—which could bring savings to group plan sponsors. It is too early to tell, however, whether a federally-funded catastrophic drug coverage program would be limited to those without alternate coverage. If such funding flowed to the provinces, it could also be used to fund existing government-sponsored drug benefit programs in provinces like Alberta where such programs already exist.

continued on next page…
Province decides against delisting benefits

When the Alberta government accepted the recommendations of the Premier’s Advisory Council on Health chaired by Don Mazankowski early last year, there was much speculation that reforms could include the delisting of such benefits as chiropractic treatment, physical therapy and podiatry from government programs. Such a change would have transferred greater costs for such services to employer-group plans.

However, Alberta Health and Wellness Minister Gary Mar announced in January 2003 that the government no longer intends to remove some medical procedures from the provincial medicare program. Minister Mar said the committee struck in the aftermath of the Mazankowski report could not decide which procedures to cut, so the government will instead turn its focus on which new procedures merit addition to the program.

Health Reform (continued from page 1)

Following a meeting in February between the Prime Minister and provincial Premiers, the federal government announced that a catastrophic drug coverage program will be in place by the end of March 2006 for those Canadians who require extremely expensive prescription drugs to stay healthy. Eligibility and implementation details have yet to be finalized.

This program will be funded through a five year, $16 billion Health Reform fund that will also support primary health care and home care reforms. New public funding for home care will be aimed at supporting the mentally ill, as well as post-acute medical care, post-acute rehabilitation and palliative home care.

As well, the Employment Insurance program and Canada Labour Code will be changed to allow temporary leave with benefits to care for a terminally ill parent, spouse or child—which will also impact Alberta employers.

Other potential changes

The Romanow report also proposed the creation of a new national agency to test, approve and gather information on drugs, a national prescription drug formulary and a review of Canada's patent laws to improve access to generic drugs.

However, whether all the Romanow report’s recommendations will be adopted remains to be seen. The report has been met with strong objections from many provinces, which say Ottawa is trying to force them to put new funding in certain areas. The Alberta government has said the Romanow report’s recommendations would create bureaucracy and violate provincial jurisdiction. Since the report rules out almost any role for the private sector in delivering publicly funded care, it has also been criticized as stifling innovation and restricting alternative service delivery approaches that could bring cost savings to the health system—and to employer group plan sponsors.

Alberta Blue Cross will monitor continuing health care reform developments, and keep plan sponsors informed of any pending changes that may impact the group benefits you provide your employees.

Alberta Blue Cross web site revamped

If you haven’t been to the Alberta Blue Cross Internet web site lately, the time is right to pay us a virtual visit.

Our web site was recently revamped and features not only a fresh new look, but a wealth of information to assist you in your role as a group benefit plan administrator. The site provides downloadable administrator forms and brochures, group applications and change forms, quick reference tips for group administrators, group billing and administration guides and more—all available 24 hours a day literally at your fingertips. There is also valuable information on the web site for your employees: including common questions and answers, claim forms, claim submission instructions, Coordination of Benefits guidelines and even a glossary of benefit terms.

If you haven’t been using our web site yet, please visit www.ab.bluecross.ca today to discover this helpful resource.
Physical therapy in Alberta is a service that may be covered under the provincial government funded Community Rehabilitation Program (CRP) or through your employees’ Alberta Blue Cross extended health benefits depending on the assessment of need. The CRP program is delivered across the province by each of the Regional Health Authorities to provide services to Albertans with high need, on an assessed need and outcome basis, assuring reasonable equitable access and cost-effective use of available resources.

Key elements of the physical therapy assessment process are:

▲ Albertans seeking physical therapy services from the CRP are assessed and assigned a rating between 3 and 15 using a Determination of Needs form. The assessment must be done by a CRP authorized assessor.

▲ Those assigned a rating of 7 to 15 are eligible for the full range of CRP physical therapy services.

▲ Those assigned a rating of 3 to 6 are eligible under their Alberta Blue Cross Extended Health Care Plan. Claims will be paid depending upon eligibility and benefit plan limitations.

For claim submissions, the following must be submitted to Alberta Blue Cross for reimbursement:

▲ A completed Health Services Claim form

▲ Original, fully paid receipt(s) with breakdown of charges

▲ A completed Determination of Needs Form signed by an authorized physiotherapist from CRP. This form is valid for one year.

Ensuring privacy for your plan members

Alberta Blue Cross corporate privacy policies and procedures are designed to respect and address your group benefit plan members’ privacy needs and meet all legal and business requirements for the protection of personal information. In other words, you can be assured your employees’ private information is protected and used correctly.

Our Customer Services department responds to any questions or concerns your employees might have concerning their benefits. However, in doing so, our staff follow strict guidelines to ensure they maintain privacy guidelines when releasing information.

Customer Services representatives will not release identification numbers or benefit information to anyone other than the cardholder, spouse (or parent of a dependent over 18) without a medical release signed by the appropriate individual.

Group administrators have access to certain information, but specific details cannot be released. Information regarding claims past a termination date, basic claim status, verifying product eligibility and spending account expenses or credits may be provided to the group administrator, but all specific services or details that comprise the privacy of an individual will not be released.

Alberta Blue Cross has always operated in a culture of confidentiality, and protecting the privacy of personal information is inherent in the way we do business.
Prescription drugs continue to be the most popular—and expensive—benefit provided through Alberta Blue Cross group benefit plans.

For your information, here is a listing of the products most prescribed in 2002 and a listing of those products that carried the highest cost to group benefit plans.

These listings are based on a representative sample of our group book of business, profiling the claims experience of 13 of the largest employer groups with direct-bill drug benefit plans across the province.

**Top 10 Prescribed Products (by number of prescriptions):**

1. Tylenol No. 3 with codeine tablet
2. Compound prescriptions
3. Losec 20 mg sustained release tablet
4. Vioxx 25 mg tablet
5. Premarin 0.625 mg tablet
6. Blood glucose test strips
7. Paxil 20 mg tablet
8. Celexa 20 mg tablet
9. Lipitor 10 mg oral tablet
10. Celebrex 200 mg capsule

**Top 10 Products (by total dollars):**

1. Losec 20 mg sustained release tablet
2. Paxil 20 mg tablet
3. Lipitor 10 mg oral tablet
4. Blood glucose test strips
5. Vioxx 25 mg tablet
6. Celebrex 200 mg capsule
7. Lipitor 20 mg oral tablet
8. Prevacid 30 mg sustained release tablet
9. Effexor XR 75 mg extended-release capsule
10. Celexa 20 mg tablet

**TYLENOL NO.3 WITH CODEINE TABLET:** For the relief of pain in a wide variety of conditions. Also used to reduce fever due to colds, flu or other bacterial infections. There are a number of products available with the same ingredients. In the competitive market place, pricing of the “brand name” product is comparable to other alternatives.

**COMPOUND PRESCRIPTIONS:** Compounds are mixtures of ingredients prepared by pharmacists. Dermatologists often order compounds, such as creams, ointments or lotions for example, to meet the specific needs of an individual patient.

**EFFEXOR XR 75 MG EXTENDED-RELEASE CAPSULE:** Antidepressant indicated for both depression and generalized anxiety disorder.

**VIOXX 25 MG TABLET:** Used to reduce pain, inflammation, and stiffness caused by osteoarthritis and rheumatoid arthritis in adults; and to treat menstrual pain.

**CELEXA 20 MG TABLET:** Used as a medication for the treatment of depression.

**PREMARIN 0.625 MG TABLET:** Hormonal replacement therapy for menopausal and postmenopausal women.

**CELEBREX 200 MG CAPSULE:** For acute and chronic use in the relief of the signs and symptoms of osteoarthritis and rheumatoid arthritis in adults.

**LOSEC 20 MG SUSTAINED RELEASE TABLET:** Used to treat ulcers and reflux esophagitis. Sometimes Losec is used in combination with antibiotics to treat ulcers associated with infection caused by the H. pylori bacteria (germ).

**PAXIL 20 MG TABLET:** Used to treat mental depression, obsessive-compulsive disorder, panic disorder, and social anxiety disorder (also known as social phobia).

**LIPITOR 10 MG/ 20 MG ORAL TABLETS:** Used in the treatment of high cholesterol levels and high lipid levels.

**PREVACID 30 MG SUSTAINED RELEASE CAPSULE:** Used to treat ulcers and reflux esophagitis. Sometime Prevacid is used in combination with antibiotics to treat ulcers associated with infection caused by the H. pylori bacteria (germ).

**BLOOD GLUCOSE TEST STRIP:** A chemically treated strip to which a drop of blood is applied. It is used in blood glucose monitoring with a special device to test the sugar level.
Put safety first for better vision

Vision is often something taken for granted by your employees until an injury occurs. Across Canada each year, more than 30,000 employees sustain painful eye injuries that result in time lost from work. In Alberta, eye injuries account for about six per cent of all Worker's Compensation Board lost-time claims.

But eye injuries are not limited to construction sites and chemical labs—they can even happen while seated at a desk in an office. The good news is that most eye injuries are easily prevented.

Recognize hazards

Regardless of the type of work done, our eyes are exposed to many potential hazards. Drying wind can lead to problems over time if eyes are not protected, and ultraviolet rays reflecting off of snow or sand can increase chances of developing a cataract or macular degeneration. Working outdoors in winter is particularly hard on the eyes. UV light reflections increase from five per cent for grass to an incredible 85 per cent for snow, and ultraviolet radiation is 17 times worse in winter and spring than in the summer months.

Obviously such jobs as welding, carpentry, machining work or dealing with chemicals expose employees’ eyes to dangers, but just about any activity that can cause a foreign particle or substance to get into one’s eyes can cause permanent damage or trigger an allergic reaction. Even in an office setting, there are risks; items such as glue, window cleaner and even ink can cause irritation and damage by accidental transferral from hands to eyes. At the same time, employees can suffer eyestrain from staring too much at computer screens.

Eye protection planning

Despite a long list of risks, statistics indicate that wearing protective eyewear can prevent nine out of 10 eye injuries. Here are some quick ways you can minimize potential risks for your employees and encourage them to protect their eyes for the future:

• Require protective eyewear (glasses or goggles) to be worn in all areas where employees may be at risk for eye injuries from flying objects or foreign materials.
• Ensure proper safety precautions are in place; install ventilation systems, safety glass guards and use protective screens when needed.
• In work environments where risks are present, provide an eyewash and clean water supply to flush eyes if needed.
• Encourage employees to wear UV protected sunglasses and a brimmed hat when outside in the sun, regardless of the season.
• Remind employees to wear glasses instead of contacts when working in the presence of chemicals.
• Ensure employees are taking appropriate breaks when working at computers for extended periods.
• Remind employees to be aware of their surroundings and practice common sense.
• Enforce safety regulations in your workplace to ensure compliance.

New group plans coming soon

This spring Alberta Blue Cross will be launching BlueFlex, an innovative new suite of group benefit plans designed for businesses with five or more employees.

The introduction of BlueFlex marks the culmination of more than two years of research that has included extensive consultation between Alberta Blue Cross and thousands of businesses across the province.

BlueFlex marks a departure from the group benefit plans of the past, offering real flexibility and cost control in one innovative single package. By structuring similar benefits into core, complementary and enhanced bundles, BlueFlex will allow employers to choose the benefits and options that meet their employees’ specific needs and preferences, while also allowing greater freedom to select coverage levels and maximums. At the same time, BlueFlex provides a mechanism to better maintain the long-term financial viability of group benefits.

Over the next year, existing Alberta Blue Cross customers in the 5 to 49 employee market size will be provided the option to convert to these new plans or to remain on current plan structures. Information will also be provided on request to groups with 50 or more employees.

Your Alberta Blue Cross group representative will be providing you with more information about BlueFlex over the coming months.

Readership survey results

Thank you to everyone who took the time to respond to the readership survey in the Summer 2002 issue of the Connection Bulletin newsletter. Your responses help us improve this publication to better meet your needs and interests.

Here’s a summary of the results:
100% of respondents rated the overall newsletter of high value/important.
100% of respondents rated plan information of high value/important.
98% of respondents rated suggestions for controlling costs of high value/important.
95% of respondents rated the group administrator’s corner feature of high value/important.
86% of respondents rated benefits trends information of high value/important.
86% of respondents said the Connection Bulletin helps them better understand their plans.
91% of respondents said the Connection Bulletin brings added value to their plans.

In conjunction with the survey, all respondents’ names were entered in a draw for one of five Alberta Blue Cross prize packs. Congratulations to the draw winners: Dinesh Saini of Calgary, Monique Paulson of Edmonton, Dena Carbert of Fort McMurray, Jae Jung of Brooks and Phyllis Huhtala of Red Deer.
Travel coverage strengthened

Based on a review of Alberta Blue Cross employer group travel benefit plans conducted over the last year, we are strengthening your coverage by increasing some key benefits—while clarifying our position on certain exclusions to ensure your plan maintains its financial viability. All enhancements are provided at no additional cost.

These enhancements include:

• increasing maximum from $1 million up to $2 million per incident per year.
• increasing coverage to outside Province of Residence instead of solely out of Canada.
• increasing maximum for return of deceased from $5,000 to $7,000.
• addition of meals and accommodation benefit for a family member or friend to visit a covered person in the hospital or to identify deceased; $150/day to a $1,500 maximum.
• shortening of the waiting period that a family member or friend must undergo for eligibility for coverage to visit a covered person in the hospital, from 7-days to a 3-day inpatient stay.

At the same time, group travel plans are being strengthened by clarifying the following exclusions to better reflect the intention and administration of travel benefits:

• Benefits are not covered if travelling for the purpose of seeking medical advice or a second opinion.
• Benefits are not paid for any experimental or unconventional procedures, elective services or ongoing maintenance of an existing condition.
• Benefits are not covered if emergency medical care expenses are incurred in a country, region or city, when notice has been issued by the Department of Foreign Affairs and International Trade of the Canadian government, advising Canadians not to travel to that country, region or city.
• Alberta Blue Cross will not pay for any benefit relating to an unborn or newborn child, pregnancy, miscarriage, childbirth or complications of any of these conditions occurring nine weeks prior to, or any time after, the expected date of birth.

group administrator’s corner

Photocopied receipts for COB

Through Coordination of Benefits (COB), your employees with more than one benefit plan can combine their coverage for up to 100 per cent of the dollar value for eligible prescription drug, dental, and health services benefits.

In instances where Alberta Blue Cross is a secondary payer for Coordination of Benefits, please note that Alberta Blue Cross requires photocopied receipts with most claims submitted by your employees. This requirement applies to all claims except those for vision care products or services.

For this reason, it is important for your plan participants who have Coordination of Benefits between their Alberta Blue Cross employer group plan and their alternate coverage to ensure they photocopy original receipts prior to submitting them to another benefit carrier.

Without copies of such receipts, Alberta Blue Cross cannot determine product or service eligibility.

We value your feedback

The Connection Bulletin is published twice annually to communicate with Alberta Blue Cross employer group plan sponsors on a variety of topics relating to your plan.

We appreciate your feedback regarding the Connection Bulletin, and welcome any comments you may have about the newsletter or suggestions of topics for upcoming issues. Please send your feedback via e-mail to connection@ab.bluecross.ca, by fax to (780) 498-8096, or via mail to Corporate Communications, Alberta Blue Cross, 10009-108 Street, Edmonton, AB T5J 3C5

Look for the next Connection Bulletin in fall 2003.

For more information on these topics, please call your Alberta Blue Cross group sales or service representative.

www.ab.bluecross.ca