Employee Benefits | Advertising Feature

The changing face of employee benefits

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Congratulations! You're a small to medium sized Canadian business and you have survived the recent turbulent economy but not without sacrifice.

You became lean and mean, with your strongest and most talented employees steering your way through the storm. You slashed costs wherever possible — including cutting back on employee benefits.

You made it this far, in part, because you put your best team forward. The longer-term outlook for the Canadian economy has not changed — it's very important that you retain your skilled workers.

Employee benefits play an important role in the attraction and retention of a skilled Canadian workforce. With the spiralling cost of healthcare in Canada it will take knowledge, planning and creativity for employers to successfully maintain an employee benefits program that will be attractive to a valued workforce, while at the same time be cost effective and cost contained.

The first step in achieving this goal is to ensure that your plan advisor — broker or consultant — is aware of your budgetary goals and works to provide options. It's the beginning of a new year and your advisor should be meeting with you to perform an annual review necessary to ensure that you will achieve your goals. If you don't have a plan advisor or if this is not standard procedure for your advisor — it might be time to get a new advisor.

As you set your budget it's important to include an educational/communication component. Your employees play a huge role in whether or not your cost-saving measures are successful. remember an educated shopper is a smart shopper.

The days of 100 per cent employer paid programs seem to be far behind us and many employers have implemented some form of cost-sharing.

Cost sharing can be applied in a number of different ways. Within the drug plan, the dispensing fee is required to cover the pharmacy cost of providing the drug. Dispensing fees can range from $5 to $18 per drug dispensed. Employees should be sharing or covering this cost.

Employee education and/or preferred provider networks with community pharmacies could also have a positive impact in this area.

Your Plan Advisor is essential in helping you understand where you stand, demographically within your own organization and externally within your industry. Within your own organization there may be certain health conditions that are driving your cost increases. A Drug Utilization Review may be essential in setting up future cost containment strategies.

Cost shifting from the public to the private sector is also expected to continue, with more drugs being administered in private. This could result in a greater number of high cost drugs being covered by employers' budgets.

Generic drugs are an option that help to reduce the costs for taxpayers and employers alike.

Traditionally a generic drug enters the market at 70 per cent of the cost of its brand name equivalent. The generic drug has a different name and may look a little different. but it works the same as the brand-name. A generic drug is allowed to be produced when the patent has expired on a brand name drug.

For example, in 2010 the following brand names will lose their patent protection and become available in generic form: Lipitor (cholesterol) in March 2010, Aricept (for symptoms of early Alzheimer's), and Cozaar in April 2010, (high blood pressure and diabetes)

These are just a few examples of options available to not only cut costs but to also contain on-going costs, without significant negative impact on your valuable human resource complement.

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