



Ontario Reforms Drug System

The Ontario government is making numerous reforms to its drug system. These reforms were first introduced in April as part of a briefing entitled **Right Drug, Right Person, Right Price: Improving and Governing the Provincial Drug System**. Some of the reforms are to be implemented through the **Transparent Drug System for Patients Act, 2006**, also known as **Bill 102**. This bill recently passed in the Ontario legislature. The remaining reforms will evolve and take place through regulatory or policy changes.

According to the government of Ontario, the reforms are intended to improve patients' access to drugs under the public program, promote appropriate use of drugs, strengthen the government's position on getting value for money, reward innovation and bolster the governance and operation of the public drug system.

It is expected that the immediate impact of these reforms on group benefits plans will be limited. The anticipated effects on the public drug plan, plan sponsors, patients and pharmacies are outlined in the following, along with the expected impact of changes to second payor provisions.

Impact on the Public Drug Plan

Plan governance

- Governance and operation of the public drug system will be strengthened with the creation of an executive officer whose role includes making decisions on the listing of drugs, which are currently made by cabinet.

Drug costs

- Off-formulary interchangeability will be allowed for products that have the same or similar active ingredients, providing greater access to lower-cost generic drugs. This change is now in effect.

- The government had initially announced it intended to try to secure competitive pricing for generic drugs by limiting reimbursement to 50 per cent of the cost of the brand name drug, rather than the current 70 per cent to 90 per cent. The government has backed away from this proposal and will maintain the 70 to 90 per cent rule.
- Volume discount benefits will be secured for the Ontario government for drugs purchased for the public system.

Impact on Patients

- Drugs covered by the Ontario Drug Benefit (ODB) include the general formulary listing, limited use drugs and Section 8 requests. (In exceptional circumstances, a request for special

coverage of a drug not normally covered under the ODB program can be made. This process is known as Section 8.) The intent is to make the process of obtaining approval for drugs that are not part of the general listing less onerous for patients and physicians.

- A review of the current formulary will be undertaken, along with the elimination of limited use and Section 8 processes. A "conditional list" and "exceptional access mechanism" with specific criteria for listed drug products will be established.
- A rapid review process will be introduced for "breakthrough" drugs.
- Citizens will play a larger role in decision-making with the inclusion of two patient members on the Drug Quality and Therapeutics Committee and the creation of a citizens' council. An "all drugs, all people" model will provide access to electronic drug history for all residents.
- There will be no changes to co-pay amounts, deductibles or eligibility

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Canada's Talent Pipeline Drying Up: Deloitte

Energy and resource companies are facing a labour crunch, which is expected to get worse in the coming years.

A Deloitte survey of 55 oil and gas, utilities and mining companies finds that 80% of respondents said a talent shortage has limited the productivity and efficiency of their organizations. More than half acknowledged the lack of skilled workers has impacted production requirements and customer demand.

Nearly half of companies are experiencing a high-level shortage of blue collar workers and a similar number of respondents also anticipate the serious shortage to continue over the next three to five years. Earlier

this year, the Conference Board of Canada predicted that by 2025, Alberta could face a shortfall of 332,000 workers.

The Deloitte survey also found employers are relying more on offering career growth options to attract talent and less on financial incentives.



DB Plans No More Effective Than DC in Workforce Planning: Survey

Defined benefits (DB) plans are no more effective than defined contribution (DC) plans as a workforce planning tool, according to a survey by Morneau Sobeco.

Of the 218 employers surveyed, 52% mainly provide DB plans to their non-union employees, 32% mainly provide DC plans while the rest offer a combination of both or no employer-sponsored plan.

The biggest surprise was that DB plan sponsors offered retirement incentives more often than DC plan sponsors and when they did, the incentives had a greater value.

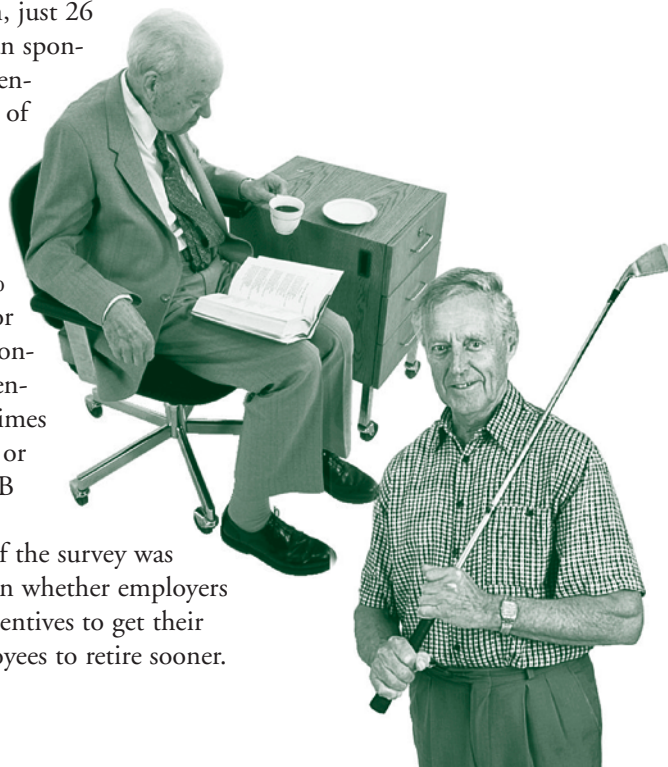
The survey found that practices vary widely— 63% of respondents almost never provide incentives to get non-union employees to retire early. Of the 37% that do offer incentives, 15% provide incentives rather frequently and the other 22% offered incentives at least occasionally.

The size of incentives offered by DB plan sponsors was larger on average than what DC sponsors offered. Of the 51 DB sponsors that provided incen-

tives at least occasionally, the average value was at least 50% of annual salary. Fifteen of these DB sponsors typically offered incentives worth 100% of annual salary or more.

By comparison, just 26 of the 70 DC plan sponsors provided incentives with a value of at least 50% of annual salary, and only six of these gave incentives worth 100% of annual salary or more. No DC sponsors reported incentives worth two times the annual salary or more, but two DB sponsors did so.

The purpose of the survey was to gain insights on whether employers gave financial incentives to get their non-union employees to retire sooner.



Concerns Over Money Squeeze the Zest Out of Life for Canadians

Earning money comes first for Canadian workers. 59%, when ill, put work ahead of family and personal obligations.

Concerns over money are causing Canadian workers to lose the work-life balance battle. In Canada, employees put work first - before family and friends - even when sick, according to the third edition of Desjardins Financial Security's national survey on health. The survey measures Canadian perceptions about financial security, physical and mental health.

Financial concerns are the root of the work-life imbalance, which is a source of stress at both home and on the job. On

the home-front, 44% of respondents said money issues were the main source of stress, anxiety and depression. At work, the potential hardship caused by losing pay is why many employees don't take the necessary time off to recover from health problems.

"The costs and effects on people and companies are tremendous," says Alain Thauvette, senior vice president of Group and Business Insurance for Desjardins Financial Security. "Forty-eight per cent of Canadian workers, who took time off of work because of physical health problems relating to mental health issues, told us they were absent from one to five business days from work. But, 37% of Canadian

workers, who attempted to keep to their work schedule while dealing with physical health problems resulting from a mental health issue, said they had to return to work to avoid lost wages.

People returning to work because of perceived lost income is a growing issue for employers. Presenteeism, the feeling that you must show up for work even if you are too sick to be there is a main factor in employee stress and distraction. The results are productivity losses for companies.

Nearly two-thirds of Canadian workers (62%) with physical health problems resulting from mental health issues continue to make work a priority when ill, not devoting the necessary time to recover.

Seven Steps to Health

At least 50% of cancers can be prevented through healthy living and policies that protect the public. Take the following steps to reduce your risk of developing cancer.

Don't smoke, avoid second hand

Smoking causes about 30% of all cancer deaths in Canada. Lung cancer is the leading cause of death for men and women in Canada. Smoking also increases your risk of developing other cancers. Non-smokers exposed to second-hand smoke are also at higher risk of getting cancer and other lung diseases. Health Canada estimates that more than 300 non-smokers die from lung cancer each year because of second-hand smoke. If you are a smoker, quit. If you are a non-smoker, avoid second-hand smoke.

5-10 servings of vegetables & fruit

Research suggests as much as one-third of all cancers may be related to what we eat and drink. Eat 5 to 10 servings of vegetables and fruit a day. Eat plenty of whole grain fibres and keep your dietary fat intake low. Balance your daily meals with foods from the 4 food groups described in Canada's Food Guide to Healthy Eating. Limit your consumption of alcohol. Having one or more alcoholic drinks a day is associated with a slight increase in breast

cancer risk. If you are pregnant or breastfeeding, avoid alcohol.

Be physically active regularly

Most people know that regular exercise is necessary to remain healthy. Not only will this help you maintain a healthy body weight, studies strongly suggest that exercise reduces your risk of colon cancer. Also, the evidence of a link between physical activity and breast cancer is convincing.

Protect your family from the sun

Even though we are heading into the winter season, the sun's rays continue to be harmful. The reflections off the snow amplify the power of the sun. Check your skin regularly and report any changes to your doctor. Skin cancer is the most frequently diagnosed cancer in Canada.

Reduce sun exposure during peak periods - early afternoon. Seek shade. Keep babies under one year old out of direct sun. Tanning parlours and sunlamps are not safe. When you are in the sun, always remember SLIP, SLAP, SLOP. Slip on clothing to cover your skin, Slap on a wide-brimmed hat, and Slop on sunscreen (SPF 15 or higher).

Follow cancer screening guidelines

For women, discuss mammography,

Pap tests, and breast exams with a health professional. For men, discuss testicular exams and prostate screening for colon and rectal cancers. Even people with healthy lifestyles can develop cancer. One way to detect cancer early is to have regular screening tests. These tests can often find cancer when it is still in an early stage. The earlier the cancer is found, the more successful the treatment is likely to be.

Visit your doctor or dentist

Know your body and report any changes to your doctor or dentist as soon as possible (for example, sores that do not heal, a cough which goes on for more than 4 weeks or a change in bowel habits). Health care professionals are trained to spot the early warning signs of cancer and other diseases.

Follow health and safety instructions

At home and at work, take care to follow safety instructions when using, storing and disposing of household pesticides or any other chemicals. Health Canada and Environment Canada have guidelines for handling cancer-causing substances. By following these guidelines, you can protect yourself against the risk posed by these materials. These guidelines are printed on the packaging and posted in workplaces.

Ontario Officially Abolishes Mandatory Retirement....

December 12, 2006 marks the end of mandatory retirement in Ontario

The Ending Mandatory Retirement Statute Law Amendment Act, 2005, which takes effect on December 12, 2006, will amend the Ontario Human Rights Code to protect people aged 65 and over from age discrimination for most employment purposes.

The new act generally makes mandatory retirement illegal in Ontario, except where age is a "bone fide occupational requirement" due to the nature of the job, in which case an employee may be required to stop working at a specified age such as 65 or even younger.

If you are an employer, make sure that you are familiar with the require-

ments of the act and its possible effects on your workplace policies and practices, including any changes to existing policies or to collective agreements that might be required to ensure compliance with the end of mandatory retirement.

For more information about how the new act will affect employers and employees, visit: www.ontario.ca/mandatoryretirement

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criteria for public plan recipients. ODB and hospital formularies will be aligned to make patient care more seamless

Impact on Pharmacies

- The allowable dispensing fee for drugs covered by the provincial plan will increase to \$7 from \$6.54. Plan members will continue to be responsible for the per prescription deductible of \$6.11.
- Pharmacists will be compensated by

the Ontario Health Insurance Plan for their role in patient counseling, such as providing assistance in chronic disease management.

- Allowed pharmacy markups on the ingredient cost of a drug (for drugs under the provincial plan) will be reduced to 8 per cent from 10 percent.
- The government will allow pharmacists to receive defined professional allowances according to a new code of conduct, with a cap equal to 20 percent of the generic cost in the public system. No limit will be put in

place for generic drug rebates for private sector sales.

Impact of Changes to Second Payor Provisions

- ODB will become second payor for the Federal Public Service Health Care Plan, the Canadian Forces and the RCMP, as well as retired members of Parliament and federal judges.
- ODB will become second payor to working seniors who have private insurance coverage.

Status of Legislation

The Transparent Drug System for Patients Act, 2006 passed in the Ontario legislature in June. The bulk of the act became effective October 1, 2006.

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