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viewpoint

Is the battle against the rising cost of medical claims one we can win?

Nobody would dispute that a happy and healthy workforce delivers greater productivity and corporate success. Indeed, one study¹ estimates health-related lost productivity costs the UK economy alone £77.5 billion annually. Separate findings from Mercer's 'Why Good Health is Good Business' paper² found the physical and mental wellbeing of staff has one of the largest impacts on the people-related costs of a business.



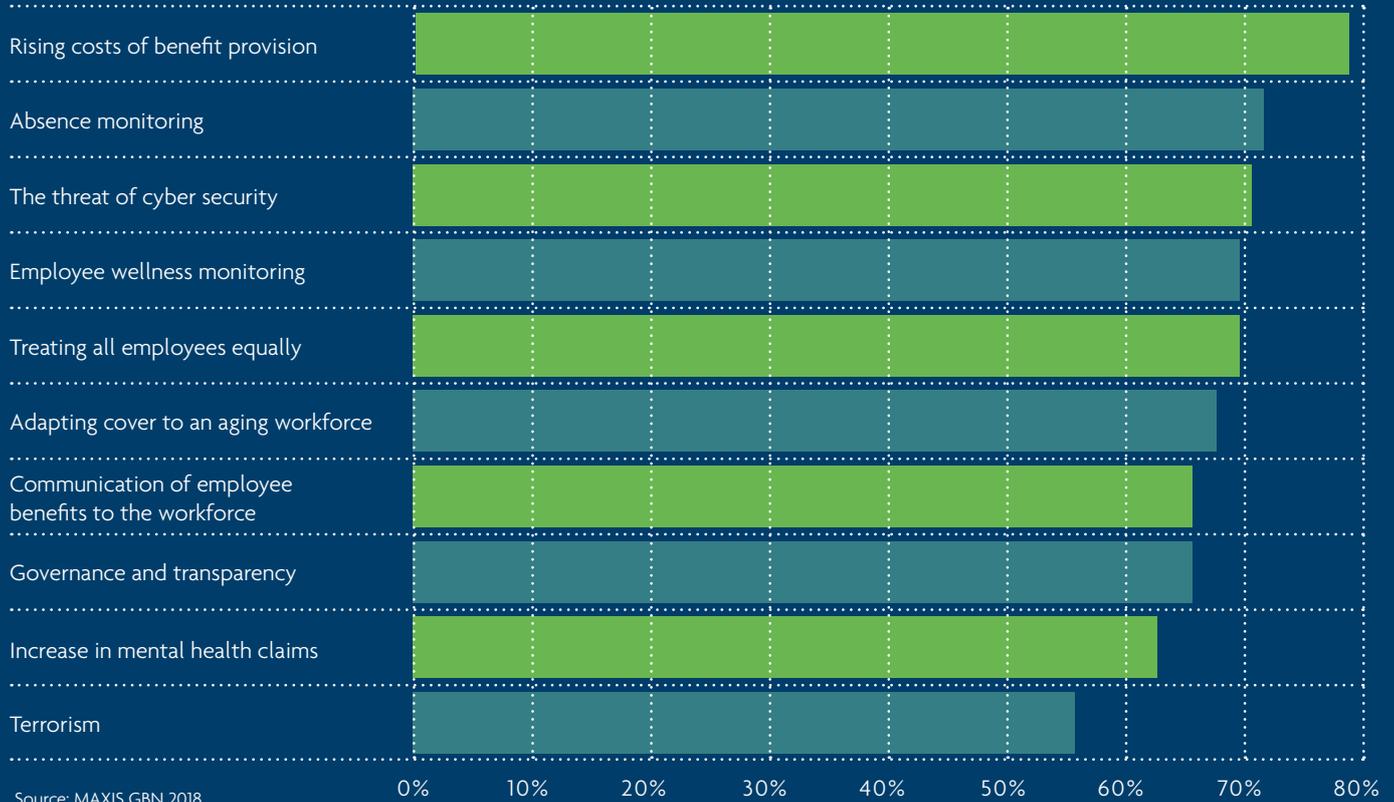
However, annual inflation of medical costs and claims has escalated in recent years: the global medical rate is 8.4% while the average general inflation rate is 3.1% in 2018³. In some regions and markets such as Middle East & Africa and Latin America & Caribbean, annual medical trend rates are even higher at 15.3% and 13.9% respectively.

“...multinational companies cannot simply continue to passively, and indefinitely, bear these increasing costs.”

Recent research commissioned by MAXIS GBN⁴ reinforces the need to focus on solutions that reduce employee benefits cost inflation over the coming years. More than two thirds (70%) of the employee benefits professionals surveyed stated monitoring employee wellness was an area of concern. Nearly two thirds (63%) were worried specifically about the increase in mental health claims as employers become more aware of the impact of stress and depression.

Areas of major concern for the global employee benefits industry over the next two years

Focusing on the next two years, what would you say are the areas of major concern for the global employee benefits industry?



Clearly, we all need to do something...

And so, it becomes clear, multinational companies cannot simply continue to bear these increasing costs passively and indefinitely. Indeed, while many are exploring solutions to reduce costs, many others are actively exploring solutions that can help minimise claims volumes through proactive and preventative schemes: ones that aim to improve the overall health and lifestyles of employees and avoid health issues in the first place.

'Wellness solution' is an increasingly overused and broad term. Wellness programmes cover a huge range of activities designed to encourage

good health outcomes for employees, whether those are mental, physical or financial.

Programmes can include everything from biometric screening to health coaching, from offering access to an employee assistance programme to investing in on-site fitness facilities and even sponsored smoking cessation programmes. More recently, some of the larger firms are trialling wearable technologies such as smartwatches to track fitness activity in return for financial incentives, in spite of the associated 'big brother' style data issues.

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But do we all need a wellness programme?

These days it would be rare to find a global employer that did not invest in wellness programmes and, on balance, you probably wouldn't think they were very wise not to. On average, employees cite an improved benefits package as a leading reason to stay with an employer (second only to salary). And these days, wellness is very much a part of the package.

Global employers have come to understand that wellness programmes – targeting common physical and mental health issues – can provide a positive return on investment through reduced expenditure on medical treatments. On a financial basis, proactive interventions and education are seen to deliver a greater return on investment than reactive treatments, which are subject to rampant cost inflation in many jurisdictions.

Advances in technology and data-driven digital solutions make it much easier to analyse expenditure on benefits and where it is allocated, then work out how a wellness programme could have an impact on mitigating chronic illnesses when caused by lifestyle choices, such as diabetes or high blood pressure.



According to MetLife's 2017 Employee Benefits Trends Survey⁵, the UAE, for example, remains high in the rankings for preventable lifestyle diseases, particularly heart conditions and diabetes. This may explain why wellness programmes had been adopted by increased numbers of employers in the region in 2017 compared to the last study in 2014. In fact, improving employee health and wellness was cited by 87% of employers as a key reason to offer benefits in 2017.

When multinationals consider these factors, they start to uncover interesting insights:

- particular condition can be more common in certain areas of the world
- employees in one country are more likely to be suffering from stress related headaches
- causes can be identified and addressed, such as introducing ergonomic workplace assessments
- the cost of treating a condition is rising more steeply in one region than another.

The question is then, of course, what do you do about not only solving these problems but trying to prevent them in the future.

Prevention rather than cure

At MAXIS, we've been gathering medical claims data for four years and are able to use this aggregated global data to help multinationals address soaring healthcare costs through preventative and educational programmes. The data informs multinational companies about the specific medical conditions driving their costs; this is then monitored every year and benchmarked against other companies within the same market.

Some of the fascinating facts we've discovered include:

- some markets have limited or no options to obtain a second medical opinion and yet this is known to increase the likelihood of preventable surgeries
- in many countries mental health is a largely ignored condition surrounded by social stigma
- non-cardiac chest pains and stress manifestations are often assigned as "symptoms and signs not classified anywhere", increasing the costs associated with expensive diagnostic testing
- the top cost drivers in markets with outpatient services are specialist consultations, resulting in increased pharmacy costs and referrals for laboratory work/radiology
- globally, there is poor chronic disease management programs in place – current initiatives rarely go beyond annual health fairs or weekly newsletters.

For many multinationals, the question has become, when you have this data, what do you do about solving these issues - trying to prevent unnecessary claims in the future and keep your costs from increasing even further?

A comprehensive global wellness programme is a very good way to start. Not only will it bring consistency to the way employees access services it can offer more control over how medical procedures are authorised. A well-designed wellness programme, which includes options for employees to tailor an approach based on their personal requirements and life stages, can educate and is also likely to have a positive effect on employee engagement.

As an employer you can also use your health data analytics to think about specifically where you need to provide the most education and offer the most help through new online or in-person services. Identifying and tackling specific issues, while being able to calculate the likely outcome of your activity, should help you provide the most appropriate programmes and keep your costs from soaring further each year.

MAXIS GLOBAL WELLNESS

POWERED BY HEALTH DATA

MAXIS Global Wellness – what is it?

MAXIS Global Wellness is a centralised set of preventative programmes powered by four years' of health data. It can be customised for you, as a global employer, based on your data drivers. The solution is designed to complement your local offering and plugs any gaps so that you can offer a more consistent experience for your employees – wherever they are based.

The core services provided by MAXIS Global Wellness include:

- Topic specific, educational **Health & Wellness Toolkits** designed to help global employers implement a programme of wellness awareness and education to employees worldwide, effectively driving global-to-local health management strategies. This will then be monitored every year and benchmarked against other companies within the same market.
- A **business case modeler** to calculate the impact on benefits spend and productivity resulting from changes in behaviours alongside access to exclusive country reports.
- Our **wellness technology marketplace** of carefully researched and selected third party suppliers of technology that delivers global wellness solutions and can be managed globally including:
 - **Telemedicine services** acting as a primary care physician in all countries, operating with both international and local licences. This will help avoid expensive hospital visits and offer virtual doctor consultations, especially for those without a primary care physician
 - **Second medical opinion** services to help reduce the spend on preventable surgeries and procedures, as well as providing specialised consultation services when local resources are lacking
 - **Mental health helpline** offering counselling sessions with a mental health expert. Mental health is still seen as a stigma in many countries, so this aims to help those suffering with mental health issues
 - **Chronic disease management platform** offering 1:1 coaching for the management of chronic diseases like diabetes, hypertension and cardiovascular diseases. As comprehensive disease management programmes are not offered in many regions, this platform includes health risk assessments, virtual lifestyle management and a chronic disease risk reduction service.

To find out whether MAXIS Global Wellness would be a good match for your business, please visit maxis-gbn.com

¹ <https://www.vitality.co.uk/business/healthiest-workplace/>

² <https://www.uk.mercer.com/content/dam/mercer/attachments/europe/uk/uk-2016-workplace-benefits-wellness-care-why-good-health-is%20good-business-mercer.pdf>

³ IMF World Economic Outlook Database April 2017

⁴ MAXIS GBN conducted research with 216 employee benefits professionals between 20th and 31st January 2018. The research was undertaken online by an independent third party.

⁵ https://www.metlife.ae/content/dam/refresh/uae_refresh/en/assets/pdf/employee-benefit-trends-study/2017-ebts.pdf

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