

# ARTHRITIS ALLIANCE OF CANADA

## “HOT TOPIC” REVIEW

### PRIVATE PAYERS: IMPROVING OR SUSTAINING ACCESS TO ARTHRITIS TREATMENT

**AAC Member Lead:** Issue was brought forward by Arthritis Consumer Experts

**Background:**

AAC members are taking a growing interest in the private insurance market, from which a majority of Canadians rely upon for essential medications. A total of 23 million Canadians depend on private insurance to cover their prescription drug costs. The bulk – 9.4 million workers and their 13 million dependents – rely on employer-sponsored plans, while another 339,000 self-employed workers purchase health insurance for themselves and their 424,000 dependents.

AAC members have identified increased reporting of issues involving insurers and coverage of arthritis treatments. Such reports include:

1. Case management of drug claims (insurer reviews physician's proposed treatment plan to ensure it's "reasonable;" identifies alternative treatments, monitor adherence; limit payment/decline if not cooperating; targeting biologics as key cost driver)
2. Increase in preferred provider pharmacy networks: "requiring" purchase from specific pharmacies (e.g. Pharmacies give deals and make up difference based on volume)
3. Therapeutic substitution: private plan recommends/requires that patient uses a different drug than the one prescribed.
4. Some plans do require that patient uses a cheaper drug than the one prescribed through tiered formulary where the patient will have to pay an higher percent co-pay for selected drugs.
5. Most major insurers have a special authorisation process for selected drugs, including biologic treatments which might delay the access to optimal treatment for a specific patient

#### **Key Players in Private Payer Marketplace**

*PBM/Insurer*

*Plan advisors*

*Plan sponsors (companies)*

*Plan members (beneficiaries/patients)*

*Pharmacist/Rheumatologist/Physician*

*Unions*

*Government*

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Some reports from Alliance members suggest the criteria used by insurance companies for medication claims are not well informed. Insurance companies have been receptive to learning more about rheumatoid arthritis and hearing ideas about revising criteria. Employers and insurance brokers do not have sufficient understanding or appreciation for inflammatory arthritis, and the importance of proper treatment to improve productivity in the workplace.

In case of Ontario, government is closely following this issue, particularly for cases where insurance companies deny claims for medication and turn beneficiaries to the government drug plan for treatment. The Ontario government does not accept the notion of serving as a primary payer for employed individuals that have health insurance coverage.

### **Issue:**

All key players in the private payer space must be informed about the need for adequate arthritis care to provide a more productive workplace.

Arthritis is the most common cause of work disability in Canada, resulting in both poor quality of life and workplace limitations.

Of particular relevance for insurers is the category of inflammatory arthritis (rheumatoid arthritis, ankylosing spondylitis, psoriatic arthritis and gout), which affects 2-3% of Canadians. Rheumatoid arthritis, strikes approximately 1% of the population. This equates to approximately 100,000 Ontarians or 30,000 British Columbians. Approximately 0.74% of the employed labour force, or 1 in 136 workers is suffering from RA. Within a generation, this will increase to 1.5%, or 1 in 68 workers. Within ten years of the onset of the disease, up to 50% of people living with RA are work disabled if untreated.

Other forms of arthritis affect about 4.6 million (approximately one out of every 6) Canadians, which is expected to increase by nearly 50% in the next decade. There will be a new diagnosis of OA every 60 seconds, resulting in almost 30% of the employed labour force (one in three workers) having difficulty working due to OA. In addition, approximately 500,000 Canadians will be suffering with moderate to severe disability due to OA. Arthritis typically strikes people between ages 35 and 50 - prime working years.

While arthritis consumers are able to contribute mentally, their joints are in severe pain and they are likely to leave the workforce earlier than planned, including going on disability (18% within five years after diagnosis and 27% within 10 years after diagnosis). However, employers can work with their employees to create a workplace more conducive to people who have arthritis.

But a recent survey showed that 49% of Canadians living with arthritis have not told their employer. As a result, these employers and employees are unable to work together to develop positive plans and approaches that make sense for both of them.

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### *What is the Role of Insurance Companies/Advisors?*

With a fuller understanding of arthritis in the workplace, insurance companies and advisors, can provide plans with more rational access to medication that ensures the beneficiary receives the care needed to maintain productivity, while reducing overall absenteeism and presenteeism in the workplace.

### *What Can Employers Do?*

Some high-value assistance that employers can offer include:

1. Offering an ergonomic assessment of a workstation, including providing an adapted workstation if necessary. Providing an adapted workstation to a sufferer of rheumatoid arthritis makes them 2.5 times less likely to be work-disabled.
2. Allowing employees living with arthritis to adjust work hours and work from home if possible when needed, particularly when they experience an arthritis flare. This includes flex-time and virtual work, which allows employers the benefit of their employees' expertise, while accommodating urgent medical needs.
3. Ensuring that employees have access to treatment:
  - Includes disease-modifying anti-rheumatic drugs (DMARDs), which decrease inflammation, pain, swelling, stiffness and fatigue, and also decrease the average days lost from work per year from 32 down to 12 (the equivalent of one work month). The earlier that employees begin DMARD treatment, the more effective the treatment results
  - Another form of treatment is certain biologics. Research has shown that these slow the progression of rheumatoid arthritis and prevent long-term disability. Employees treated with biologics take less time off of work and are more productive.
  - Allowing purchase of arthritis medications from pharmacy locations that are within close proximity to beneficiaries helps improve access for arthritis patients, who experience mobility challenges/limitations.
  - Arthritis treatment also includes services such as physiotherapy and occupational therapy that are important in ensuring employee health and help them be productive and active in the workplace.
4. Educating employees about the signs and symptoms of arthritis and letting them know what support is available to them, including the employee benefit plan.
5. Working with employees who live with arthritis. These employees consider work a way to meet a number of personal needs, including a sense of usefulness, identify, and self-confidence, in addition to financial needs. These employees tend to be very creative in finding potential solutions for accommodating their physical needs and tend to be very loyal and committed to understanding employers