

COMMUNIQUÉ

To Group Insurance plan administrators
Health and wellness

The ups and downs of group insurance plans

The 2023 Benefits Canada Healthcare Survey¹ reveals that the pandemic has helped plan sponsors stand out in the eyes of plan members. But staying the course comes at a cost.

This is one of the key findings of the 2023 Benefits Canada Healthcare Survey, in which plan sponsors and plan members expressed their perceptions of group insurance plans.

iA Financial Group is a platinum partner of the 26th edition of this annual study.

In this second of a series of three articles, the results of this vast survey on healthcare plans provide food for thought and action.

Increasing importance

If you were asked about another impact that COVID-19 has had on the Canadian group insurance market, you might answer this: the pandemic has shown plan members the importance of their healthcare coverage.

Nearly three out of four (72%) say they are more satisfied with their healthcare plan today than they were before the pandemic. Appreciation of quality is also on the rise, with 77% saying their coverage was excellent or good in 2023 and 2022, compared to 68% in 2021 and 2020.

Good knowledge of coverage details seems to correlate with appreciation of its quality, underscoring the importance for plan sponsors of communicating the terms and conditions of the plans they offer. This communication can also lead to a clear understanding of the financial value of a plan, an important issue in the context of total compensation.

Concerns

The proportion of sponsors who feel they offer good or excellent coverage is down, from 80% in 2020 to 72% in 2023.

We note that sponsors have major concerns: viability of dental plans, inflation and competitiveness are among the most important issues cited. Added to this are rising costs: 60% feel they have increased over the past three years.

Sponsors are more concerned about the viability of dental plans than drug plans, while plan members often consider their dental coverage to be inadequate. This has led to discussions among sponsors about implementing a cost management approach similar to that used for drug plans.

Flexible... and virtual plans

Almost two plan sponsors in five (39%) offer an à la carte plan, compared with 29% in 2022 and 19% in 2017. The remainder offer a traditional plan (60%).

Large sponsors, with 500 or more employees, are the most likely to offer à la carte plans: 46% do so, compared with 27% of those with fewer than 50 employees.

As for virtual healthcare, almost a third (29%) of sponsors offer it as part of their plan, a proportion stable compared to 2022. It should also be noted that the results differ very little according to organization size.

Virtual care can be a solution for access to care during periods of disability, for example, enabling people to return to work sooner.

Opportunities to seize

Sponsors are working hard: over the past year, 28% have added benefits or enhanced existing levels of coverage. This is comparable to 2022 (30%), but significantly higher than 2021 (11%).

Half of all plan members complain that certain levels of coverage are limited, depriving them of necessary treatment. And this proportion rises among those who have suffered a serious injury (84%), use mental health therapies (82%), massage therapy (82%), physiotherapy (78%) or chiropractic (75%).

Reaching coverage maximums can interrupt continuity of care → waiting for benefits to start up again – increasing the likelihood that chronic pain will set in, mental health problems will arise or more drugs will be needed. This translates into higher costs for sponsors.

Solutions exist: reviewing coverage levels for paramedical care could result in lower drug costs. An employer can also focus on staff wellbeing with a referral service to help navigate the multiple resources available, which could improve productivity and reduce stress.

What's next?

Both supply and demand for healthcare plans have evolved significantly in recent years, highlighting the financial challenges this poses for sponsors, who must strike the right balance between the coverage offered and the cost of guaranteeing benefits tailored to the needs of plan members.

More effective cost management, better communication and addressing new priorities such as mental health and virtual care are key to the future of health plans.

Don't miss the conclusion of our series in the December issue: wellness in the workplace.

You can also read the first article of this series on [physical and mental health](#).

Interested in learning more about how iA can help you implement a strategy that integrates cost management, improved communication and consideration of total wellness needs? Talk to your Client Relationship Manager.

¹ The online plan member survey was fielded by Ipsos on behalf of Contex Group between March 28 and April 4, 2023. In total, a national sample of 1,004 primary holders of group health benefit plans completed the study. For all the details, visit the [Benefits Canada](#) website.

If you, as the plan administrator, have an important role to play in informing your plan members about their group insurance plan. We also look to your support to give them all explanatory and administrative documents upon enrolment or upon request. We will help you show them where they can consult this documentation if it is not available in hard copy. If you have any questions, please feel free to consult your administrator's guide or to contact your local Account Executive or Client Relationship Manager.

This communiqué and past publications are also available on our website [ia.ca](#).

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