Manulife

Results from the 2016 Financial Wellness Index

Six perspectives on the connection between employees' physical, mental and financial health, and what that means for Canadian businesses. Part of Manulife's ongoing Health & Wealth research.

Perspective 5:
How Financial Health Can Impact The Prevalence Of Chronic Conditions In The Workplace

As the 2016 Manulife Financial Wellness Index continued to indicate, financial and physical health are highly correlated. Canadians who are financially well are also more likely to self-report "good" or "excellent" health.[1]

Indeed, health and wealth are so tightly bound together that Canadian employers who want to improve their employees' financial or physical health are best advised to take a holistic approach that embraces both.

Chronic disease on the rise

Among Canadian employers, these issues are taking on increased urgency. Why? Because, as the 2016 Sanofi Canada Healthcare Survey indicates, the prevalence of chronic conditions such as hypertension, elevated cholesterol and mental illness is growing and has exceeded sponsor estimates.[2]

Currently more than half of all Canadian plan members (59%) have a chronic disease or condition. For those 55 to 64 years of age, the incidence climbs to 79%. And, not surprisingly, more than one-third admit these conditions impact their job attendance and performance.[2]

The role of healthy lifestyle habits

Given this evidence, employers are looking at a range of strategies for improving wellness. A growing body of evidence points to lifestyle as an important determinant of health. In fact, one study shows strong evidence that regular physical activity may play a role in in the prevention of chronic conditions and premature death.[3]

As noted above, the 2016 Index also indicates that Canadians who are "financially well" are more likely to engage in activities that can help to avoid or manage chronic conditions. These include regular exercise, going for check-ups, and actively learning about healthier habits and risks.[1]

Chronic conditions driving drug costs

The rise in chronic conditions is in lockstep with the rising costs for specialty drug to treat these conditions. Indeed, treating complex chronic conditions grew from 13% of total drug spending in 2016 to 30% in 2017, and is forecast to continue its upward climb.[4] In fact, one study suggests specialty drugs' share of private drug plan spending will rise to a whopping 42% by 2020.[5]

What's more, these two factors — the surge in chronic diseases and drug costs — may be associated with a rise in drug plan costs, ultimately affecting plan sponsors and members.[4]

Members rank drug plans "first"

These challenges aside, surveyed members appear near unanimous in how they regard their drug plans. In the Sanofi study cited above, members ranked prescription drugs first (94%) among plan components.[2]

Given the high value that members place on drug plans — especially in an era where chronic diseases are growing — sponsors likely need strategies for keeping these plans healthy and robust.

One such strategy is to help reduce the incidence of chronic diseases, while also adopting more sustainable practices that reduce overall drug spending. This means balancing access to the drug therapies employees need for themselves and their families, with the promotion of better lifestyle choices, alternative therapies and a more holistic approach to health, wealth and happiness.

[1] Manulife Financial Wellness Study – 2016 Index
[2] Sanofi Canada Healthcare Survey, 2016
[3] Public Health Agency of Canada: Healthy living can prevent disease, 2011
[4] Express Scripts Canada 2016 Drug Trend Report
[5] Express Scripts Canada 2015 Drug Trend Report

Learn more about our health and wealth approach today, talk to your Manulife representative or visit manulifehealthandwealth.ca

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