NEWSLETTER

ADVANCED BENEFITS
CONSULTING
Partners in Managing Human Assets

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Optimizing Your Expenses

Dealing with "Cost Drivers"

A 2004 Express Scripts International (ESI) review found that 80% of claims were processed on behalf of 28% of plan members. How do we deal with the last of the **Cost Drivers** (more scripts per person)? Certainly it needs to focus on the 28% of plan members that are driving the cost.

There is a new school of thought that suggests that financial incentives (deductibles, co-insurance) alone are not enough. This can sometimes discourage utilization that has a cost effect in other areas of your company (absenteeism, productivity).

Now, organizations are looking to focus on prevention through **Educational Tools, Employee Assistance Programs and Health Risk Assessments.** Many of today's drug expenses can be eliminated or greatly reduced through the use of properly constructed proactive management efforts.

Customizing Your Program

Sending Employees Outside of Provincial Healthcare

We have recently asked the question of clients and prospective clients alike – what would you do if **a key employee was suffering through wait times for treatment** of a condition that affected their ability to perform.

We have been surprised to learn of the numbers of occasions where **companies have sent key employees outside of their provincial healthcare** for help. The decision seemed second nature.

What employers became uncomfortable with was the decision as to how far they were willing to go to help. In other words, at what dollar level would they have to say no? We have a solution that can allow companies to ensure the best care, provided in an expedient manner, with a built in 'stop-loss' for their exposure to risk.

If you believe that **your employees are your most important asset**, ask yourself what would happen if a key employee were suddenly taken out of the picture due to an unexpected illness.

We believe we have an answer if this is of concern for you.

Thinking Outside Of the Box

"We cannot direct the wind, but we can adjust the sails."
- Author Unknown

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Maximizing the Value of Your Plan

WSIB Changes

In October, companies with operations in Ontario will begin to receive their September 30, 2006 NEER statements from Ontario's WSIB, and some may be shocked by what they find. **WSIB implemented changes to their method of calculating premiums, as well as surcharges, effective January 1, 2006.**

- starting with your 2006 claims, your claims experience will be used for 4 years instead of 3, in calculating your premium.
- while the maximum rebate remains at 33% of your premium, the maximum
- surcharge has risen from 66% to 100% of your premium.
- these changes, along with some changes in how WSIB calculates future costs, means that they have moved a step closer to a "user pays" model.

As such, poor performers within an industry rate group stand to experience significantly higher costs, while good performers will find it increasingly difficult to remain in a rebate position. **The best way to reduce WSIB costs continues to be an actively managed disability claims management program.**

For those looking for assistance, Advanced Benefits has established strategic partnerships with a number of Disability Claims Management specialists. We would be pleased to put you in contact with someone best suited for your organization.

Smart Investing

Hidden RRSP Costs

The 1990's saw a shift away from the 'red-tape' associated traditional Registered Pension Plan (RPP) to an easier to administer Group Registered Retirement Savings Plan (RRSP).

While the **RRSP** may have provided a program that is easier to administer (save for the recent CAP guidelines), it also **brought with it an added cost that many organizations are not fully aware of.**

Only two people are eligible to contribute to an RRSP – the plan member and that member's spouse. As such, for an employer to provide any sort of matching contribution means that they must first pass the contribution to the employee as salary, and then in turn deduct the contribution for remittance to the plan.

The added cost occurs when that contribution passes through payroll. At that time, all payroll-associated costs are affected. You may incur increased EIC, WSIB, CPP and EHT costs dependent upon salary ranges at your company.

We have provided companies with a **simple spread analysis that has shown that their contribution costs have increased in excess of 10%**, and what can be done to eliminate it. We would be happy to meet with you to see if this may be an issue for your plan.

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