

Fidelity Workplace Consulting

International Health Care & Wellness Newsletter

February 2019

Fidelity's international Health Care and Wellness newsletter focuses on the key issues surrounding employer-sponsored health and wellness issues globally.

Issued on a bi-monthly basis, this update from our international team seeks to keep you informed of upcoming changes to local legislation and market trends while providing thought-provoking articles to keep you up-to-date in the ever changing defined contribution landscape.

What's Inside

- ⤵ Legislative & Regulatory Update
- ⤵ Market Update: Focus on Cancer



Legislative Updates



Singapore

As of April 1st 2019, there are to be changes made to the Singapore Employment Act and Employment Claims Act. Additional protection on hours of work, overtime pay and rest days will be provided under the bill. A couple of the changes are as follows:

- A salary cap will no longer be applied to the core provisions under both acts. These provisions will now apply to managers, professionals, executives and technicians earning more than S\$4,500 (approx. US\$3,300) per month.
- Coverage will extend to approximately 430,000 employees.

Action Required

Implement – take necessary actions in advance of impending deadline.



Thailand

In Thailand, amendments have been made to the Labour Protection Act which has the following impacts:

- An extension of maternity leave to 98 days (from 90 days).
- A change to personal leave of up to 3 days unpaid to employer paid.
- An increase in the maximum amount of severance pay paid out to employees with at least 20 years of service to 400 days' pay (previous entitlement was 300 days' pay for employees who have served 10+ years).

Amendments may need to be made to local benefit and leave policies.

Action Required

Implement – amend local benefit and leave policies.



Philippines

New legislation is awaiting the President's signature in the Philippines which looks to increase the duration of maternity leave. This may require employers to top up Social Security benefits. Some of the key features of the proposed legislation are:

- An increase in Social Security paid maternity leave to 105 days, with provision that up to seven days can be transferred to the father, with a compulsory period of at least 60 days after childbirth.
- Employees will have the option to request a further 30 days unpaid maternity leave.
- Single mothers will receive an additional 15 days of paid leave.

Although yet to be signed into law by the President, this will mean the majority of companies will need to alter their maternity pay provisions.

Action Required

Monitor – await further announcements



Mexico

The Ministry of Labour and Social Welfare has introduced requirements for companies to develop internal policies around helping employee wellbeing, with a particular focus on stress and anxiety.

The two year phased approach will begin in October 2019 with companies being required to implement a written risk prevention policy around promotion of a healthy workplace environment. In addition to formal monitoring, companies need to put in place medical support for employees as well as risk mitigation policies and report out on progress (if more than 16 employees).

Action Required

Monitor – await further announcements.

Focus on Cancer

In 2018, there were 18.1 million new cases of cancer around the world. According to predictions from the World Health Organization (WHO) and the International Agency for Research on Cancer, this number is set to rise to 29.5 million by 2040. February 4th marked World Cancer Day, which aimed to focus individuals' and policymakers' attention on preventative and remedial action.

Incidence Rate

Despite advances in science and well-being education, the incidence rate of cancer is increasing. A proportion of this increase in prevalence is most likely down to better education and awareness of cancer, which has taught people how to recognize potential signs and how to check for any abnormalities. As a result, cancer is being detected much earlier and reported incidence rates are increasing. This increase can be seen as a success factor rather than purely as an indicator of worsening health as it enables earlier intervention and better outcomes for many people as early diagnosis leads to better survival rates (more than 90% of bowel cancer patients survive for more than 5 years if they are diagnosed at the earliest stage¹).

We are also seeing significant advances in technology to support early detection. A clinical trial currently being undertaken in the UK is investigating the use of breathalyzers to help detect certain cancers, mainly esophageal and stomach cancer². If the trial is a success and deemed reliable, and early indications are that it is, these breathalyzers may become widespread in the battle against cancer. The use of AI is also being used to analyze test results to support quicker and accurate processing of screening results.

For companies, the incidence of cancer in the workforce not only has an impact on medical premiums; it also impacts on productivity and corporate morale/well-being. Early detection is crucial when it comes to increasing someone's chance of surviving cancer. Approaches increasingly being adopted include:

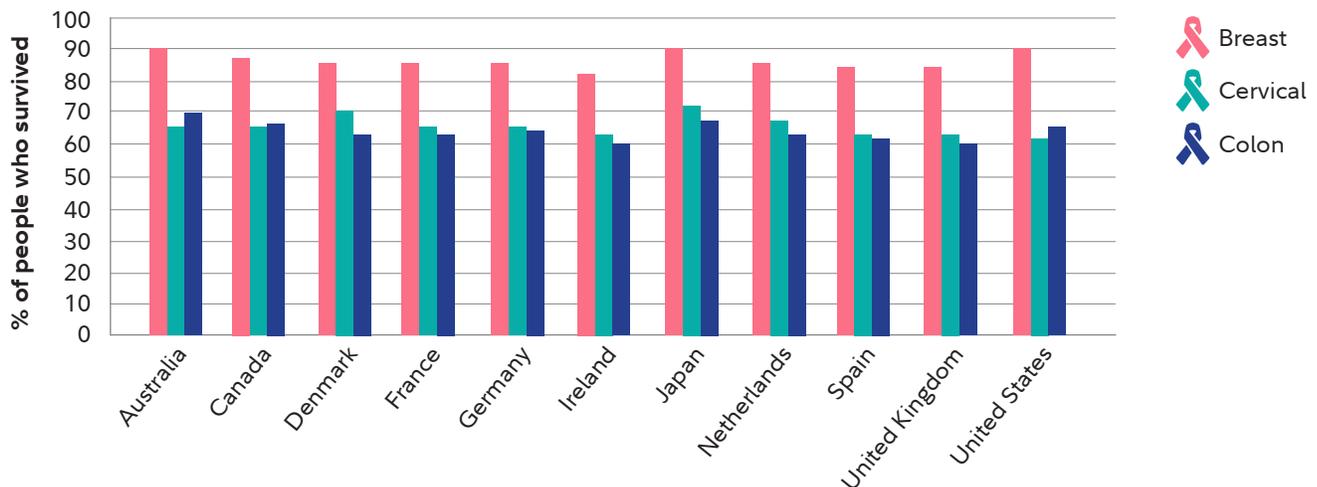
- Running regular campaigns around cancer and preventative measures, examples include promoting advice around UV protection during the summer and healthy eating to reduce obesity. Cancer-related illnesses from excessive UV exposure and obesity account for a significant proportion of workplace cancer.
- Offering clinics or offer annual/bi-annual health assessments to your workforce to support early detection.
- Providing educational materials around how to check yourself for potential signs of cancer.

We are also seeing advances in State support across the globe to better manage cancer related illnesses – these programs act in partnership with any corporate initiative.

Cancer Survival - Impact of Early Detection

The following graph compares the survival rate of 3 common cancers - breast, cervical and colon. The survival rate of breast cancer across the world is significantly higher than cervical and colon cancer. For example, in the US between 2010 and 2014, over 90% of people who were diagnosed with breast cancer survived; in the same period, approximately 63% of women diagnosed with cervical cancer survived. Although breast cancer is easier to treat, there has been more educational and research focus on breast cancer resulting in earlier detection, advanced research studies and drugs development to help cure it. Together, all of these things have led to an improvement in cancer survival rates.

Cancer Survival Rates: 2010 - 2014³



With increased awareness and early detection of breast, cervical and colon cancers, the survival rates are relatively high.

A number of corporate well-being programs have long been focused on addressing the causes of cancer, for example, encouraging smoking cessation and better diets. We are now seeing advances from more organizations as they run specific educational campaigns, advise on available State programs and sponsor screening events to help support earlier detection and intervention.

Companies can help with the education of employees and their families in respect of early identification by means of self-examination for breast and testicular cancer, coverage for annual screenings with age related checks for prostate and cervical cancer, and smoking cessation in the case of lung cancer, for example. Education of the effects of obesity and measures such as wellbeing programs to support weight loss can reduce the potential of contracting both cancer and diabetes. In the developed world, such education and measures exist on a broad basis; awareness is lower in developing countries where access to treatment may be limited or governmental awareness programs may not be as robust.

Drug Innovation (Thalidomide)

We are also seeing a flow of additional or repurposed specialist drugs being developed to tackle some of the less common forms of cancer including, as mentioned in our prior newsletter, the introduction of life-extending pharmacy drugs for some terminal cancers.

Interestingly the drug Thalidomide is being repurposed. As background, on October 1st 1957, the drug Thalidomide was launched; only four years later, the 'miracle' drug – which was prescribed to relieve pregnant women from morning sickness - was completely withdrawn from the market. The drug had severe detrimental effects on unborn babies resulting in an array of birth defects including missing limbs, cleft palate and heart problems.

Since its withdrawal from the market, further research has concluded that Thalidomide has properties that can help treat certain types of cancer. Under very strict measures (to ensure no exposure to unborn children via expectant mothers), Thalidomide was approved by the Committee for Medicinal Products for Human Use (CHMP) in Europe to treat multiple myeloma, a rare bone marrow cancer. Given the rarity of such a cancer – and lack of alternative treatments - it was decided that the curative properties of Thalidomide justified its return to the market.

Despite the dark history of Thalidomide, the repurposing of this drug demonstrates that used for the right reasons with effective restrictions even the most feared of pharmacy drugs can be used positively.

Cost of Cancer

Something which may be overlooked when an individual is diagnosed with cancer is the cost to the employee. Costs can be direct or indirect and can result in an incredibly distressing time for the patient, who is already dealing with their diagnosis.

Some examples of direct costs that a cancer patient may face are:

- Deductibles
- Co-payment
- Co-insurance
- Loss of pay through enforced absence

There may also be unexpected costs. For example, if a specific treatment required is not covered by their provider and the patient must use an out-of-network alternative, costs incurred may not be fully reimbursed which would require the individual to pay the difference.

As well as direct monetary costs, there are also indirect costs involved when an individual is diagnosed with cancer. Some examples are:

- Home help
- Childcare
- Job loss or reduced hours
- Mental health support
- Career costs

There are various ways in which plan sponsors can utilize their employee benefits to support individuals who are diagnosed with cancer. Employee Assistance Programmes (EAPs) offer a wide range of services including mental health support, counseling and emotional well-being support. Additionally, financial well-being and education may be a powerful tool to help employees cope financially during their illness. "Second opinion" support services have been introduced to provide independent medical advice for someone in such a situation.

Some companies may wish to go the extra mile and provide benefits which reimburse the purchase of appropriate equipment or provide support with childcare. Additionally, offering flexibility around working hours and providing return to work support could be benefits that are extremely valuable to those suffering from illness. An option for employee-paid critical illness is also becoming a more common employee benefit. Most companies have various benefit plans that could be relevant in such circumstances; some advanced employers are including cancer diagnosis in their "life events" planning tools to help employees navigate them.

Summary

In summary, cancer remains one of the most significant causes of mortality; however, research shows that there are opportunities for companies and their employees to take steps to reduce the risk of a fatal diagnosis. Further, supporting early detection can have positive results for employee outcomes and well-being in the workforce.

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About Fidelity International Workplace Consulting

Fidelity's International Workplace Consulting team is independent and focuses on supporting clients in meeting their business objectives through the provision of impartial, but tailored, advice reflecting market trends and best practice.

Global Benefits Governance	International DC Governance	International Retirement & Financial Wellbeing	International Healthcare & Wellness	International Miscellaneous
<p>Design/ implementation of a tailored global benefits governance structure</p> <p>International audit and compliance review of overseas plans</p> <p>Benchmarking and development of global policies and standards</p> <p>Independent ongoing support to global benefits committees</p> <p>Advice on global financing opportunities, including risk financing</p> <p>Training on best practices in international benefits management</p>	<p>Developing fiduciary and compliance oversight and policy for international DC plans</p> <p>Cross border implementation of best practice and group policy</p> <p>Development of preferred provider arrangements to drive operational and financial efficiency</p> <p>Support on enhancing employee experience through developing & implementing communication best practice.</p> <p>Ongoing support to global benefits committees</p>	<p>Financial Wellbeing</p> <p>Benchmarking/ implementation of global best practice</p> <p>Design/ implementation of programs to support financial well-being</p> <p>Vendor selection and oversight for globally consistent local implementation</p>	<p>International Healthcare</p> <p>Vendor selection for international healthcare policies</p> <p>Advice on strategies to improve employee behaviors and reduce healthcare costs</p> <p>Development of healthcare policies to improve financial/ operational efficiency</p>	<p>Development of global insurance programs to reduce costs/commissions and improve operational efficiency</p> <p>Advice on country benefits practice (both Mandatory and typical practice)</p> <p>Support for benefit aspects on mergers, acquisitions and divestitures/splits</p>
		<p>International Retirement</p> <p>Benchmarking/ setting of globally consistent financing assumptions</p> <p>Advice on opportunities for de-risking in respect of retirement plans.</p> <p>Consolidation of financial reporting & budgeting</p>	<p>Wellness</p> <p>Global wellness education strategies & programs</p> <p>Benchmarking and deployment of global wellness programs</p> <p>Vendor selection for International providers</p>	<p>Independent second opinions on local advice</p> <p>Strategy to respond to legislative changes</p> <p>Facilitation of global stock plan advice</p> <p>On-site support and benefits leadership</p>

¹Cancer UK research

²<https://itunes.apple.com/us/podcast/ted-talks-daily/id160904630?mt=2&i=1000429393298>

³<https://stats.oecd.org/Index.aspx?QueryId=51882>