



Ipsos Reid

Supplementary Health Benefits Research

Final Report
June 2012





Outline

- Background and Objectives
- Methodology
- Key Findings
- Detailed Findings (General Public)
 - ⇒ Incidence of Supplementary Health Benefits
 - ⇒ Source and Type of Supplementary Health Benefits
 - ⇒ Gap in Health Care from Lack of Coverage
 - ⇒ Concern about Reduced Government Health Insurance and Views towards a Public Program
 - ⇒ Views Regarding Supplementary Health Coverage
- Detailed Findings (Employer Survey)
 - ⇒ Provision of Supplementary Health Benefits/Programs to Support Health
 - ⇒ Type of Coverage and Employee Contribution
 - ⇒ Changes in Supplementary Health Benefits Coverage
 - ⇒ Concern about the Ability to Provide Supplementary Health Benefits and Views Towards a Public Program
- Conclusions



Background and Objectives

- There appears to be a growing consensus amongst health economists and health policy makers that more funding will be required for health care in Canada over the next few decades. A number of proposals for raising additional revenue have come forward in the past few years, several of which propose a social insurance approach to funding services beyond those covered by the Canada Health Act. However, little is known about how receptive employers and taxpayers would be to these proposals. Such information would be helpful to those advocating on behalf of employers and to health policy-makers.
- In this vein, the Canadian Medical Association (CMA), in partnership with the Canadian Health Services Research Foundation (CHSRF) and the Institute for Health Economics (IHE), commissioned Ipsos Reid to conduct research among Canadians and employers. The general public research sought to better understand the extent to which Canadians have supplementary health coverage (including the source and type), the gap in health care from lack of coverage, and support/opposition for a public program funded by increased taxes. The objectives of the employer research were to better understand the extent to which employers provide supplementary health benefits, concern about reduced government coverage of insured health services, and views regarding a public program funded by increased taxes.



Methodology – General Public Survey

- The methodology for this study involved placing questions on the Ipsos Reid Online Omnibus. The Omnibus surveys a nationally representative sample of Canadians each week drawing on sample from the Ipsos Reid Online Panel.
- In this case, two waves of the omnibus were used, achieving a sample of n=2,020. The following table shows the unweighted sample distribution by region:

Region	% of Completes	Sample Size
British Columbia	13%	270
Alberta	10%	201
Manitoba/ Saskatchewan	7%	148
Ontario	31%	616
Quebec	31%	623
Atlantic	8%	162
TOTAL	100%	2,020

- The surveys were completed from April 23rd to 30th, 2012.



Methodology – Employer Survey

- The methodology for this study involved a custom online survey using the Ipsos Reid Online Panel. The survey was conducted among employees with human resources responsibilities.
- A total of n=500 surveys were completed. The following table shows the unweighted sample distribution by business size:

No. of Employees	% of Completes	Sample Size
0-99	36%	176
100-499	25%	119
500+	39%	191
TOTAL	100%	500

- The surveys were completed from May 7th to 14th, 2012.



Key Findings – General Public Survey

- **Most respondents (82%) have some form of supplementary health coverage.**
 - ⇒ Coverage is most common among those who are employed (89%), those working for large companies (96%), those in the prairies (particularly Alberta at 89%) and Quebec (86%), men (85%), those 35 or over (84%), and those with more favourable socio-economic circumstances (peaking at 88% among those with household incomes of \$60,000 or more a year).
 - ⇒ While coverage through a current or previous employer is most common (51%), about 3 in 10 have coverage through a spouse or family member's plan (29%) and 1 in 4 through the provincial government (26%). Relatively few have coverage through a private insurance company (7%) or a post secondary educational institution (3%).
 - ⇒ In terms of the services covered, prescription drugs is most common (98%). About 4 in 5 have coverage for dental, vision care, or other services such as physiotherapy etc.
- **About 1 in 3 respondents have either personally (36%) or have a family member (34%) who has gone without needed health care because of insufficient coverage.**
 - ⇒ This gap in care is highest among those in Atlantic Canada, those with lower levels of income, women, and those who are self-employed, employed part-time, or unemployed.



Key Findings – General Public Survey (cont'd)

- **2 in 3 respondents (66%) express concern about the possibility of a reduction in government insured health services in the next few years.**
 - ⇒ Concern is highest among those in Atlantic Canada (74%) and Ontario (70%) and lowest among those in Manitoba/Saskatchewan (56%) and Quebec (57%).
- **Of those with supplementary health benefits through their employer, a plurality (42%) indicate that their benefits program would be a determining factor in whether or not they switch jobs.**
- **A near majority of respondents (50%) tend to support a public supplementary health benefits program funded by increased taxes (with 2 in 5 who oppose it).**
 - ⇒ Residents of British Columbia (62%) and Alberta (59%), those with lower levels of income (peaking at 55% among those with household incomes of less than \$30,000 a year), older respondents (peaking at 57% among those 55 or older), and those who are retired (55%) are most likely to support a public program. Interestingly, those without benefits are not significantly more likely than those with them to support a public program (55% vs. 48%).



Key Findings – Employer Survey

- **7 in 10 (70%) employers provide supplementary health benefits for their employees.**
 - ⇒ The provision of coverage is most common in large companies (95%) and those in British Columbia (82%) and Alberta (79%) (and lowest in Quebec at 57%).
 - ⇒ Roughly half (54%) offer workplace programs to promote health (such as fitness and/or mental health), which is also most common in large companies (80%).
 - ⇒ In terms of the coverage provided, prescription drugs is most common (96%), followed closely by dental (91%), and other health services such as physiotherapy and massage therapy, etc. (88%). About 4 in 5 offer coverage for vision care.
 - ⇒ Post-retirement benefits are offered by 4 in 10 employers (38%).
- **The majority of supplementary health benefit programs offered by employers require an employee contribution such as a payroll deduction (78%).**
 - ⇒ In cases where the employee is required to make a contribution, in most cases it is possible to opt out (61%), however employers report that for the most part (63%) less than 30% choose to do so.
- **6 in 10 employees indicate that changes have been made to their supplementary health benefits coverage over the last few years.**
 - ⇒ The most common changes relate to increased costs, premiums, or deductibles (32%), less coverage or benefits (19%), or mentions of changes to specific elements, such as changes in dental (12%), vision care (9%), and prescription coverage (9%).



Key Findings – Employer Survey (cont'd)

- **3 in 4 express concern that the government will reduce coverage of insured health services over the next few years, and about half are concerned about the cost of providing supplementary health benefits now or in the next five years.**
 - ⇒ Concern that the government will reduce coverage of insured health services is highest among those in Atlantic Canada (91%) and Ontario (80%).
- **Employers are divided with respect to a public program for supplementary health benefits funded by increased taxes that would eliminate the need for one's business/firm to provide health benefits.**
 - ⇒ Nearly half (47%) indicate support while 44 percent indicate opposition and the remaining nine percent indicate don't know. In terms of company size, support is highest among those in companies with 100-499 employees (53%).
- **Even if a public program was in place, most employers (85% agreement) would recommend that their company/organization still offer a supplementary program because of the competitive advantage it would provide in terms of employee recruitment/retention.**

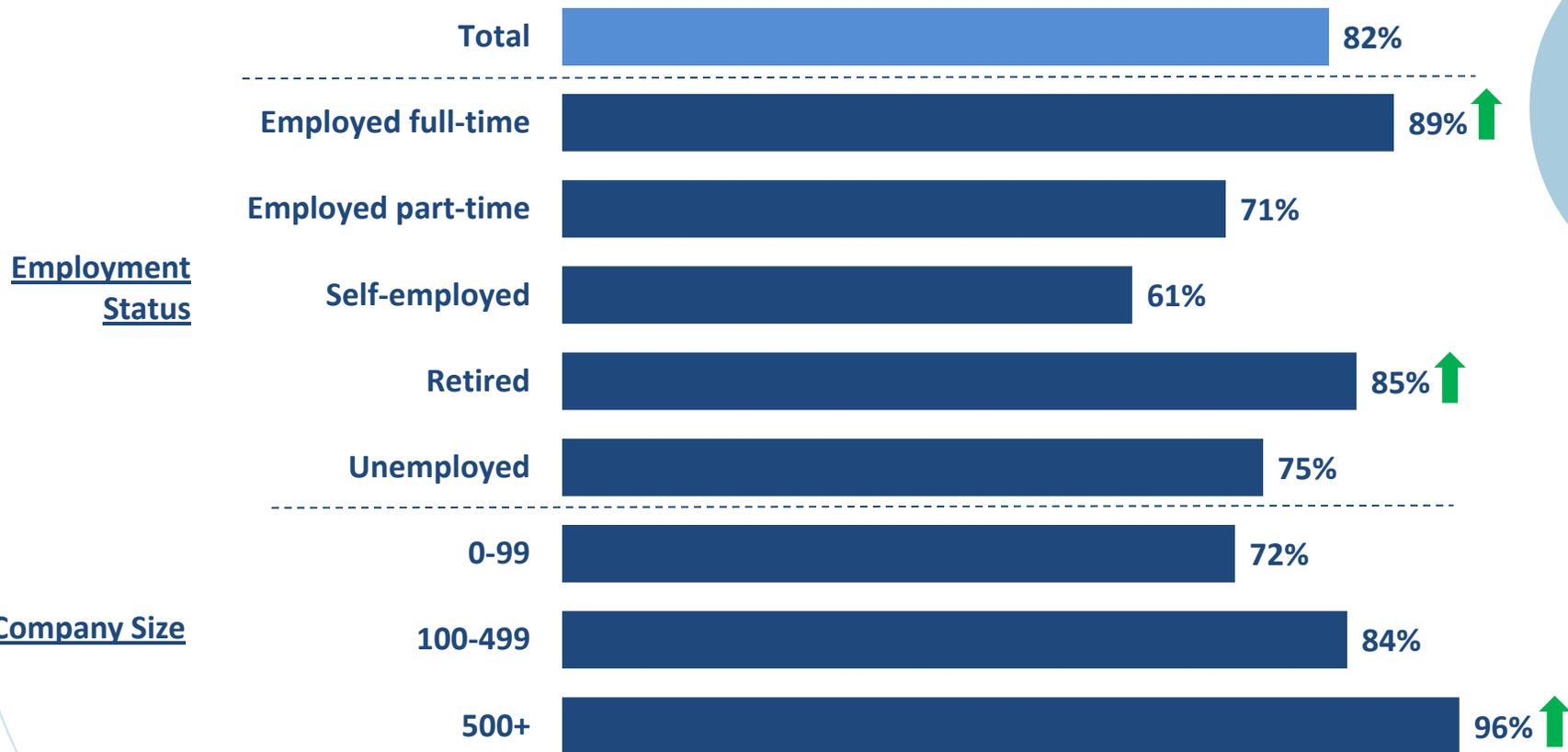
Detailed Findings – General Public Survey

Incidence of Supplementary Health Benefits



4 in 5 have some form of supplementary health coverage; this peaks at nearly 100% among those working for companies with 500+ employees

Any Supplementary Health Benefits

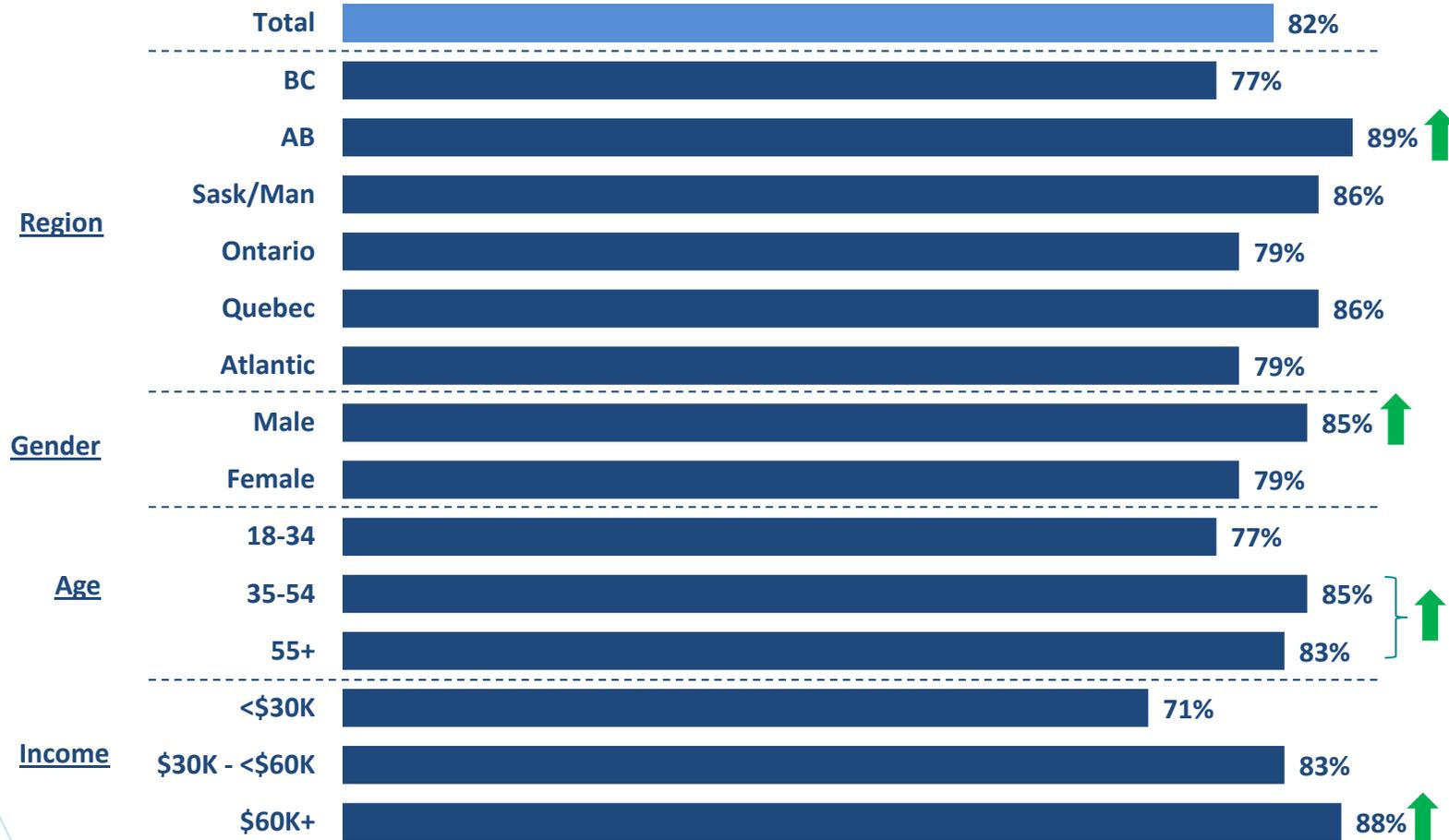


Q3. Do you have supplementary health insurance coverage through your current/previous employer, the provincial government, a spouse's/family member's plan, etc. for any of the following? Base: All respondents n=2,020



Those in the prairies, Quebec, men, older respondents and those with higher levels of income are more likely to have supplementary health benefits

Any Supplementary Health Benefits

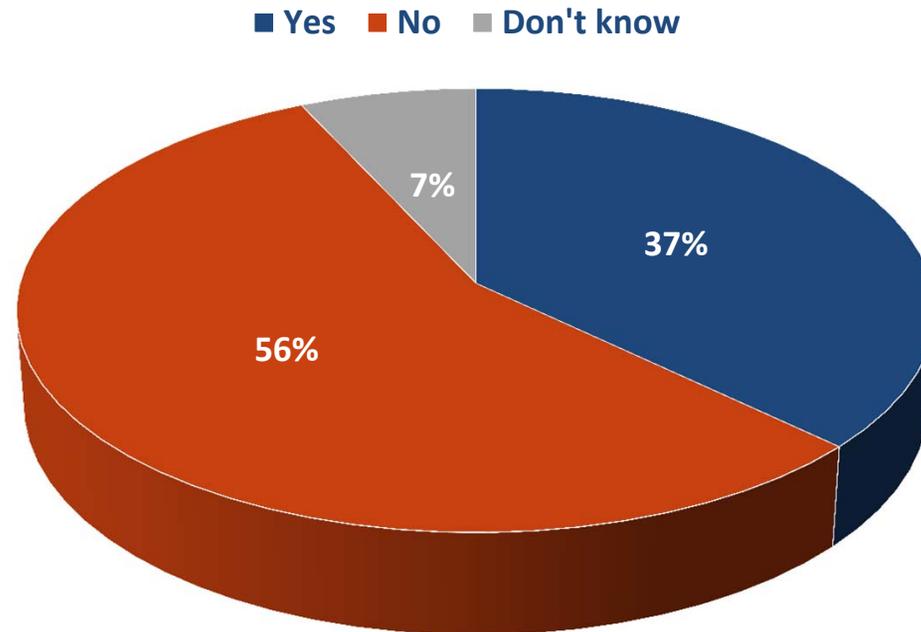


Q3. Do you have supplementary health insurance coverage through your current/previous employer, the provincial government, a spouse's/family member's plan, etc. for any of the following? Base: All respondents n=2,020



Of those with supplementary health benefits from their current or previous employer, about 2 in 5 would have them through another program, such as through a spouse's plan, if they didn't have their own

Availability of Supplementary Health Benefits



- The availability of coverage through another source is most common among those with higher levels of income (peaking at 47% among those with household incomes of \$60,000 or more a year, and women (43% compared to 32% among men).

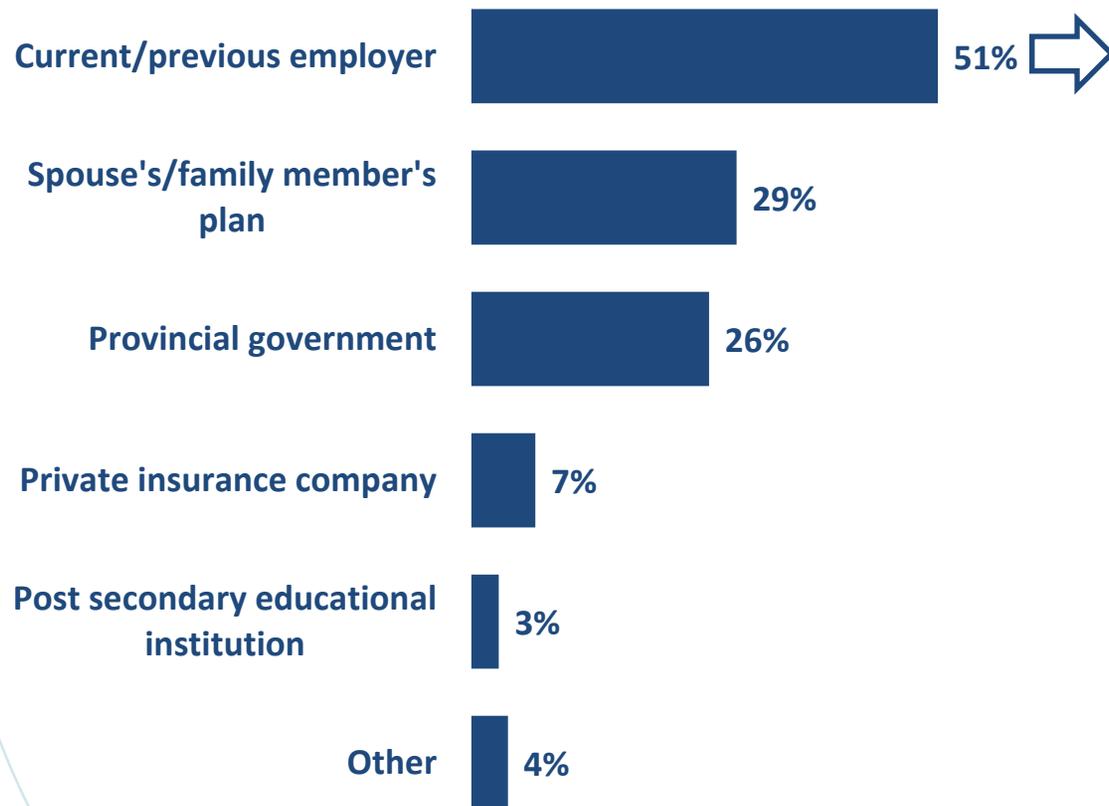
Q4. If you did not have supplementary health benefits through your current/previous employer would you have them through another program, such as through your spouse's employer? Base: Have coverage through current/previous employer n=854

Source and Type of Supplementary Health Benefits



A current or previous employer is the most common source of supplementary health benefits

Source of Supplementary Health Benefits



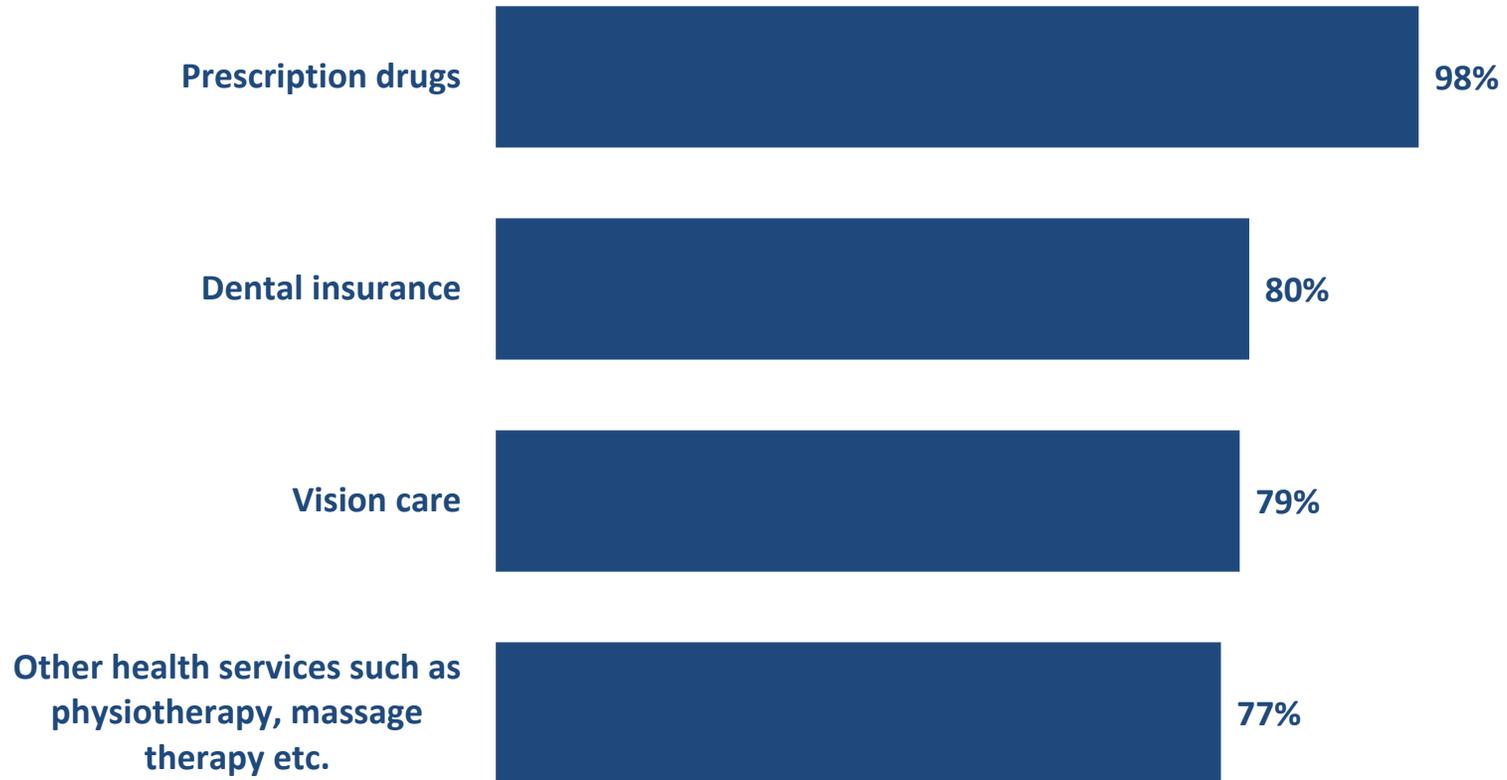
- Those with higher levels of income (peaking at 65% among those with household incomes of \$60,000 or more a year), those in Alberta (60%), men (58% compared to 43% among women), and those 35 to 54 years old (58%) are most likely to have supplementary health benefits from their current/previous employer.

Q3. Do you have supplementary health insurance coverage through your current/previous employer, the provincial government, a spouse's/family member's plan, etc. for any of the following? (Multiple Mentions) Base: Those with supplementary health benefits n=1,693



Supplementary health coverage for prescription drugs is most common

Type of Supplementary Health Benefits



Q3. Do you have supplementary health insurance coverage through your current/previous employer, the provincial government, a spouse's/family member's plan, etc. for any of the following? (Multiple Mentions) Base: Those with supplementary health benefits n=1,693

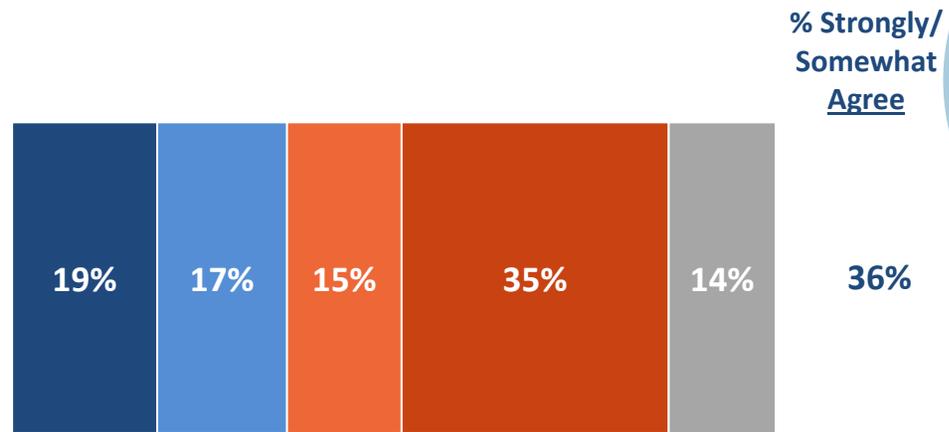
Gap in Health Care from Lack of Coverage



About 1 in 3 have gone without needed health care because of insufficient coverage

■ Strongly agree ■ Somewhat agree ■ Somewhat disagree ■ Strongly disagree ■ Don't know/not applicable

I have gone without needed health care in the past because of insufficient health coverage/I cannot afford it



- Those most likely to indicate having gone without needed health care in the past because of insufficient coverage include: those without supplementary health benefits (48% compared to 33% among those who have it), residents of Atlantic Canada (47%), those with lower levels of income (peaking at 42% among those with household incomes of less than \$30,000 a year), women (40% compared to 32% among men), and those who are self-employed (46%), employed part-time (44%), or unemployed (42%). Those who support a public program (45%) are also more likely than those who do not (25%) to indicate that they have gone without care because of insufficient health coverage.

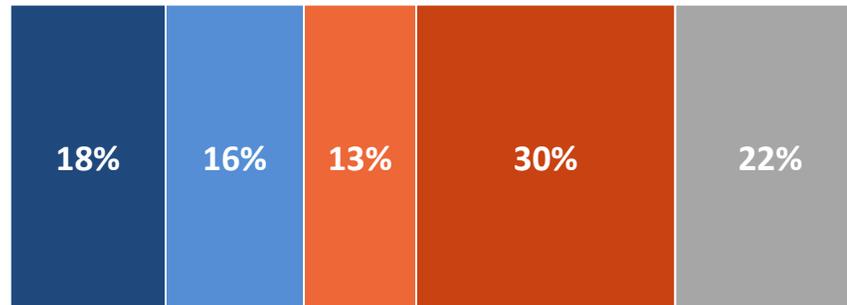
Q7. Please indicate how much you agree or disagree with the following statements.
Base: All respondents n=2,020



About 1 in 3 have a family member who has gone without needed health care because of insufficient coverage

■ Strongly agree ■ Somewhat agree ■ Somewhat disagree ■ Strongly disagree ■ Don't know/not applicable

Someone in my family has gone without needed health care in the past due to insufficient funding



% Strongly/
Somewhat
Agree

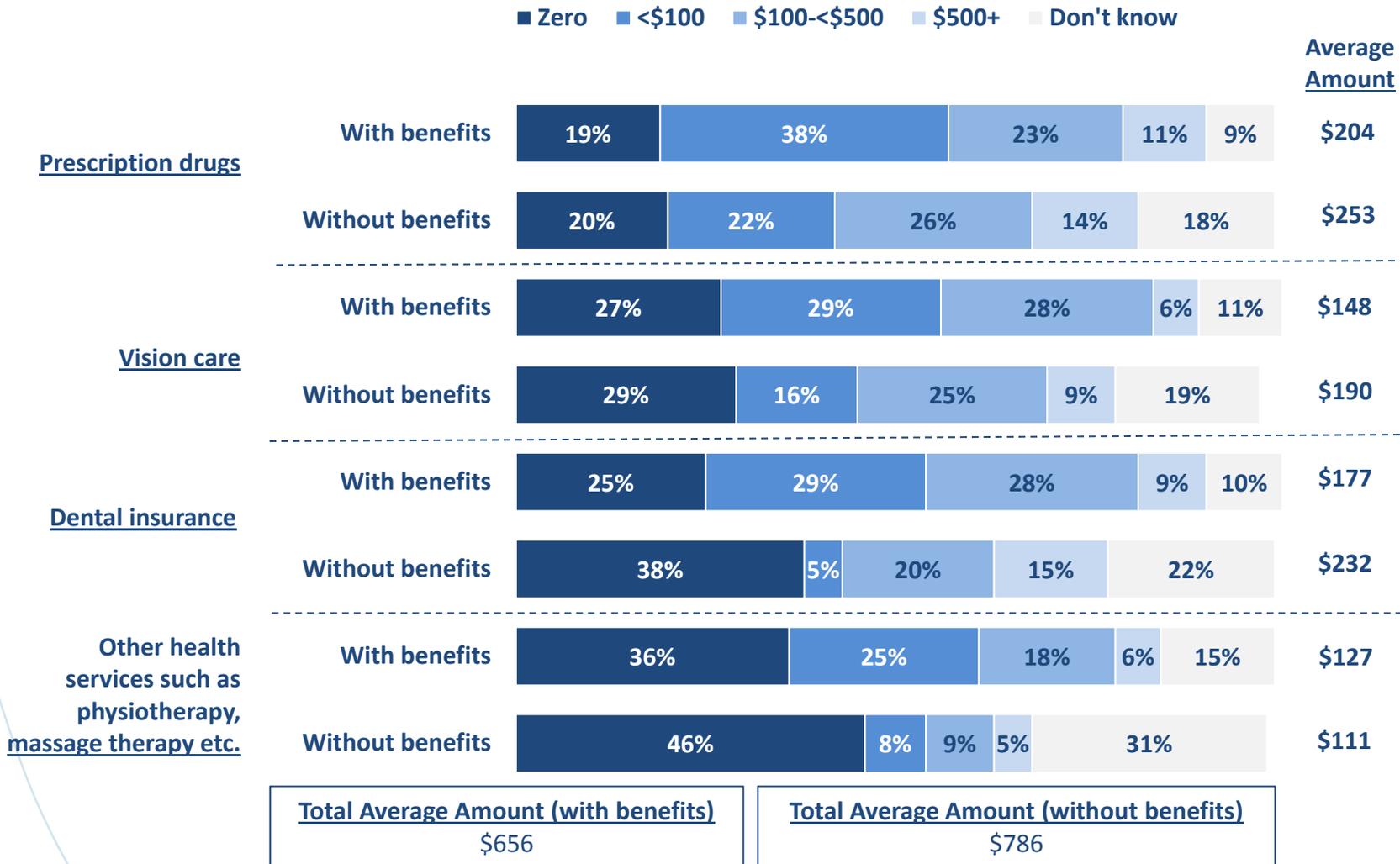
34%

- Those most likely to indicate that someone in their family has gone without needed health care in the past because of insufficient coverage include: those with lower levels of income (peaking at 41% among those with household incomes of less than \$30,000 a year), women (38% compared to 30% among men), those who are self-employed (40%), and younger respondents (peaking at 38% among those 18 to 34).

Q7. Please indicate how much you agree or disagree with the following statements.
Base: All respondents n=2,020



Out of pocket expenses for supplementary health benefits tends to be the highest for prescription drugs



Q6. Despite the fact that you may have supplementary health benefits for each of the following, how much, if any, do you typically pay out of your own pocket for these services each year? Base: Those with or without each type of coverage

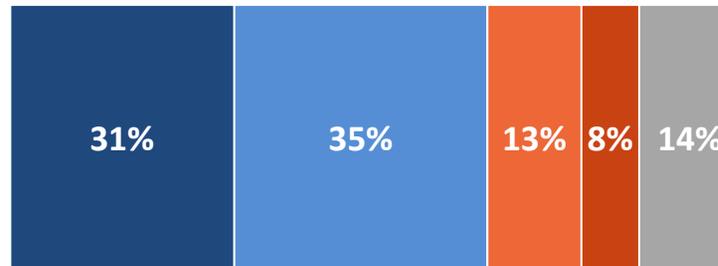
**Concern about Reduced
Government Health
Insurance and Views towards
a Public Program**



2 in 3 respondents indicate concern about a reduction in government insured health services over the next few years

■ Strongly agree ■ Somewhat agree ■ Somewhat disagree ■ Strongly disagree ■ Don't know/not applicable

I am concerned that the government will reduce coverage of insured health services (e.g. vision care) over the next few years



% Strongly/
Somewhat
Agree

66%

- Those most likely to indicate concern about a reduction in government insured health services in the next few years include: residents of Atlantic Canada (74%) and Ontario (70%) – while those in Manitoba/Saskatchewan (56%) and Quebec (57%) are least likely to be concerned, as well as women (68% compared to 63% among men), and those who are employed part-time (74%).

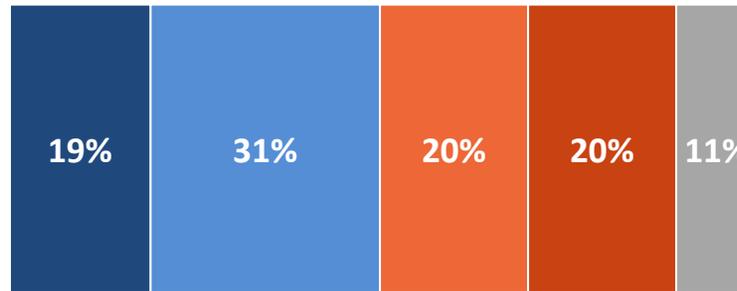
Q7. Please indicate how much you agree or disagree with the following statements.
Base: All respondents n=2,020



Half of respondents indicate support for a public supplementary health benefits program funded by increased taxes

■ Strongly agree ■ Somewhat agree ■ Somewhat disagree ■ Strongly disagree ■ Don't know/not applicable

I would support a public program for supplementary health benefits introduced by the federal and/or provincial government that was funded by increased taxes



% Strongly/
Somewhat
Agree

50%

- Those most likely to indicate support for a public program for supplementary health benefits funded by increased taxes include: residents of British Columbia (62%) and Alberta (59%) – especially compared to those in Quebec (31%); those with lower levels of income (peaking at 55% among those with household incomes of less than \$30,000 a year); older respondents (peaking at 57% among those 55 or older), and those who are retired (55%).

Q7. Please indicate how much you agree or disagree with the following statements.
Base: All respondents n=2,020



Those without supplementary health coverage are not significantly more likely than those who have it to support a public program funded by increased taxes

I would support a public program for supplementary health benefits introduced by the federal and/or provincial government that was funded by increased taxes

	Total (2,020)	Employed FT (735)	Employed PT (218)	Self- employed (139)	Retired (638)	Unemployed (290)	With Supp. Health Coverage (1,623)	Without Supp. Coverage (327)
Strongly agree	19%	16%	23%	17%	20%	22%	18%	22%
Somewhat agree	31%	32%	29%	28%	34%	26%	30%	32%
Somewhat disagree	20%	20%	21%	27%	18%	17%	20%	18%
Strongly disagree	20%	22%	17%	17%	22%	15%	21%	12%
Don't know	11%	10%	10%	12%	5%	20%	10%	15%
Top 2 Box	50%	48%	52%	45%	54%	48%	48%	55%
Bottom 2 Box	40%	42%	38%	44%	40%	32%	41%	30%

Q3. Do you have supplementary health insurance coverage through your current/previous employer, the provincial government, a spouse's/family member's plan, etc. for any of the following? Base: All respondents n=2,020

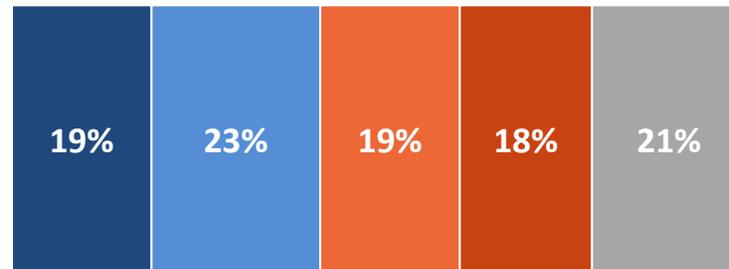
Views Regarding Supplementary Health Benefits



2 in 5 indicate that their employer benefits program would factor into whether or not they switch jobs

■ Strongly agree ■ Somewhat agree ■ Somewhat disagree ■ Strongly disagree ■ Don't know/not applicable

The supplementary health benefits program of my current employer would be a determining factor in whether or not I switch employers



% Strongly/
Somewhat
Agree

42%

- Those most likely to indicate that their benefits would be a determining factor in whether or not they switch jobs include: younger respondents (peaking at 54% among those 18 to 34) and residents of Atlantic Canada (52%).

Q7. Please indicate how much you agree or disagree with the following statements.
Base: Those with supplementary health benefits from their employer n=854

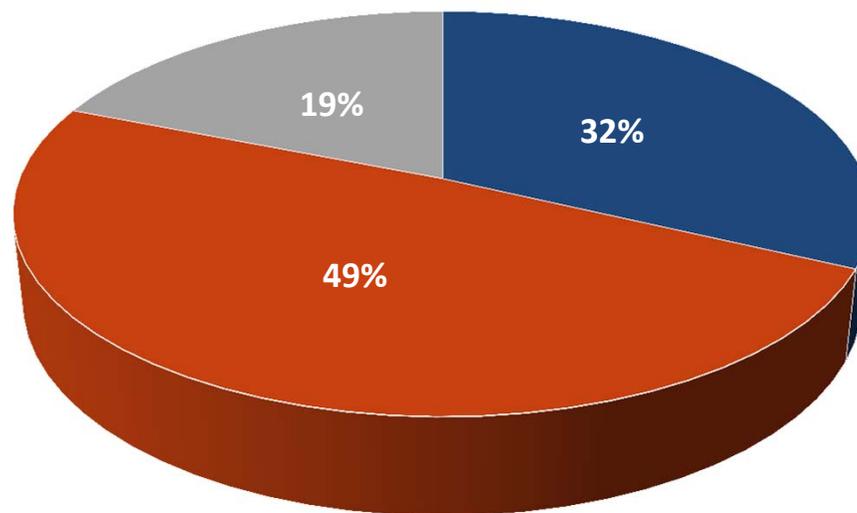


1 in 3 indicate that changes have been made to their coverage in the past few years

- Changes are most common among those with higher levels of income (peaking at 38% among those with household incomes of \$60,000 or more a year), those working in large sized (500+ employees) companies (48%), and those who are employed full-time (40%) or retired (33%).

Changes to Supplementary Health Benefits

■ Yes ■ No ■ Don't know

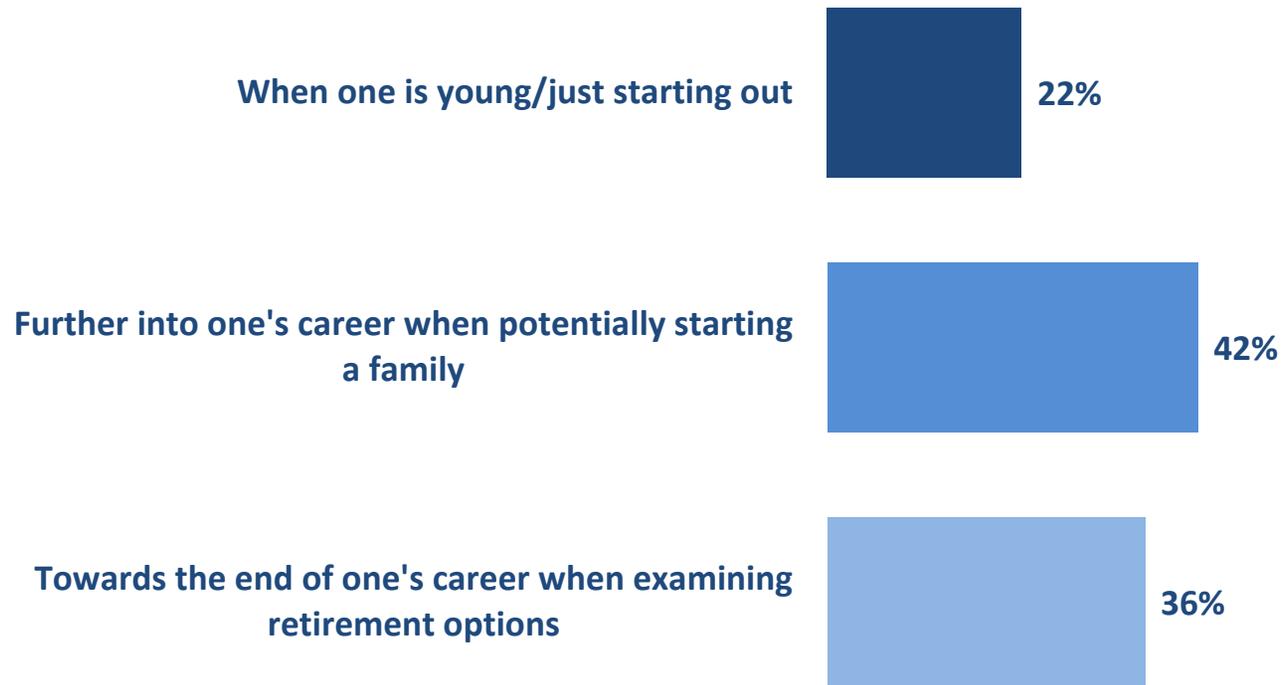


Q5. In the past few years have any changes been implemented to your supplementary health benefits coverage?

Base: Have coverage through any source n=1,693



Supplementary health benefits tend to be considered most important when one is starting a family or closer to retirement



Q8. In general, at what age/life stage do you think having supplementary health benefits is most important?
Base: All respondents n=2,020

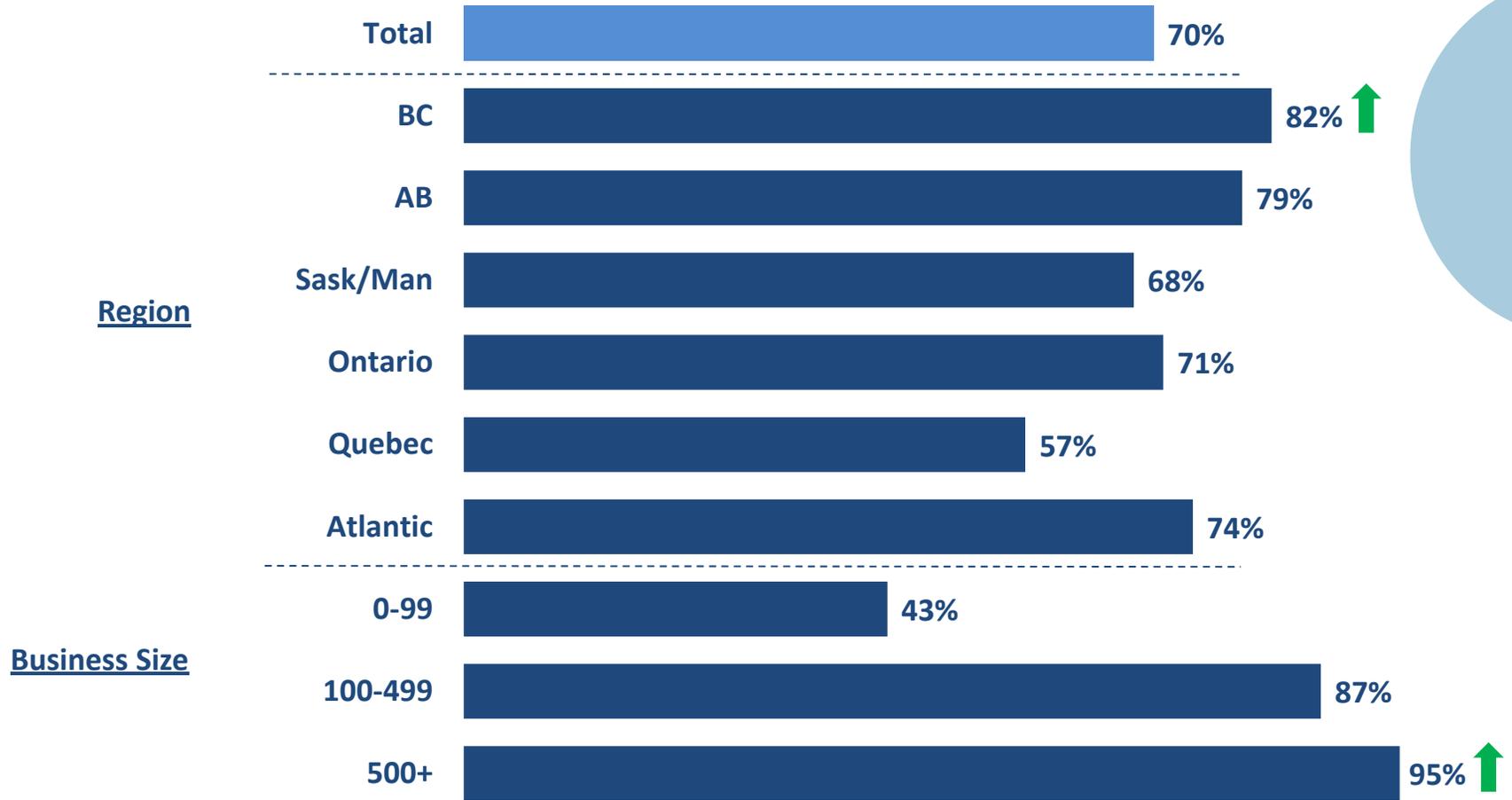
Detailed Findings – Employer Survey

Provision of Supplementary Health Benefits/Programs to Support Health



7 in 10 employers provide supplementary health benefits for their employees; prevalence of coverage is highest among those in BC and Alberta

Supplementary Health Benefits for Employees

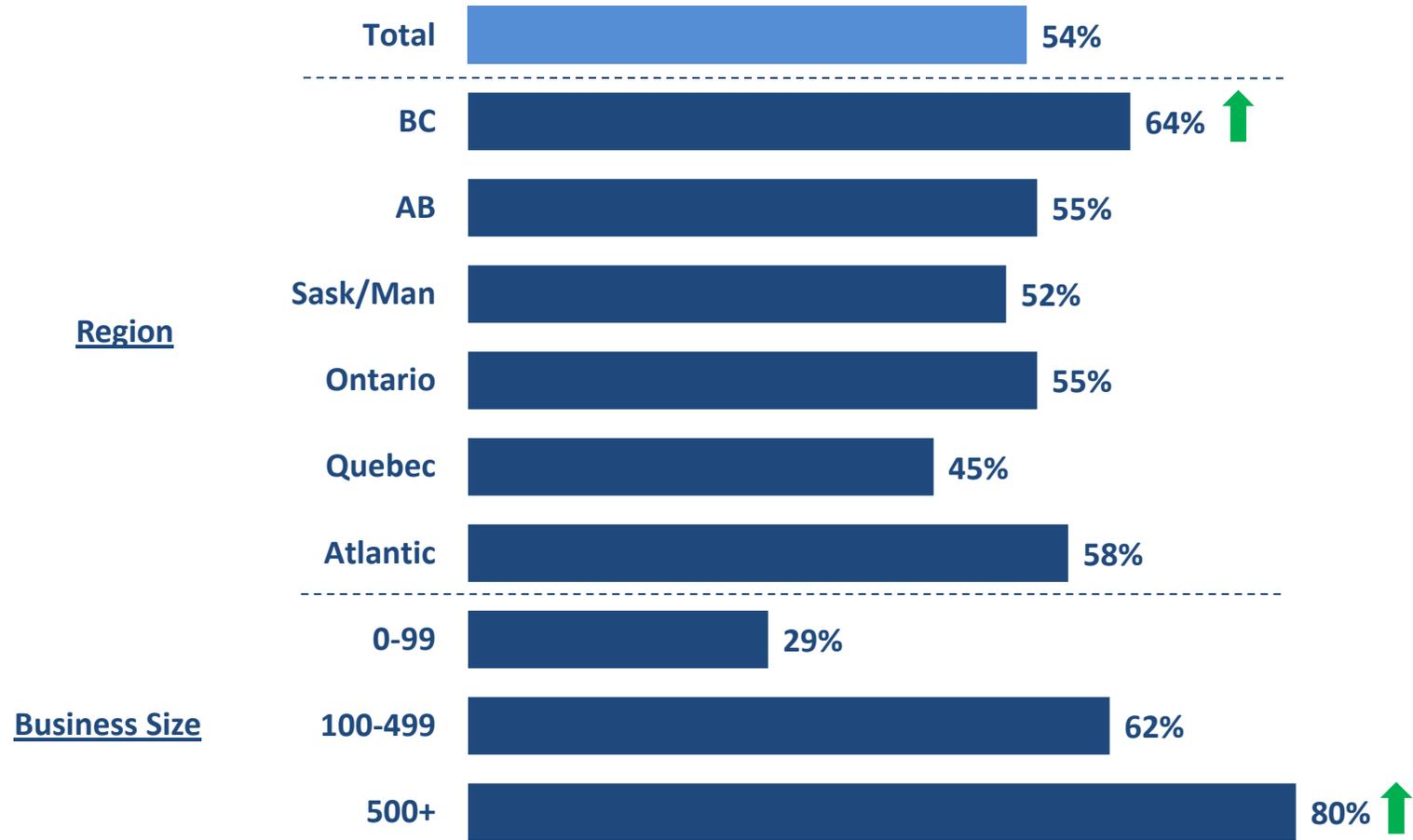


Q9. Does your company/organization provide supplementary health benefits for its employees?
Base: All respondents n=500



The majority of employers offer workplace programs that promote health; these are most common among large companies and those in BC

Workplace Programs to Support Health



Q8. Does your company/organization offer workplace programs to promote health (e.g. fitness and/or mental health)?

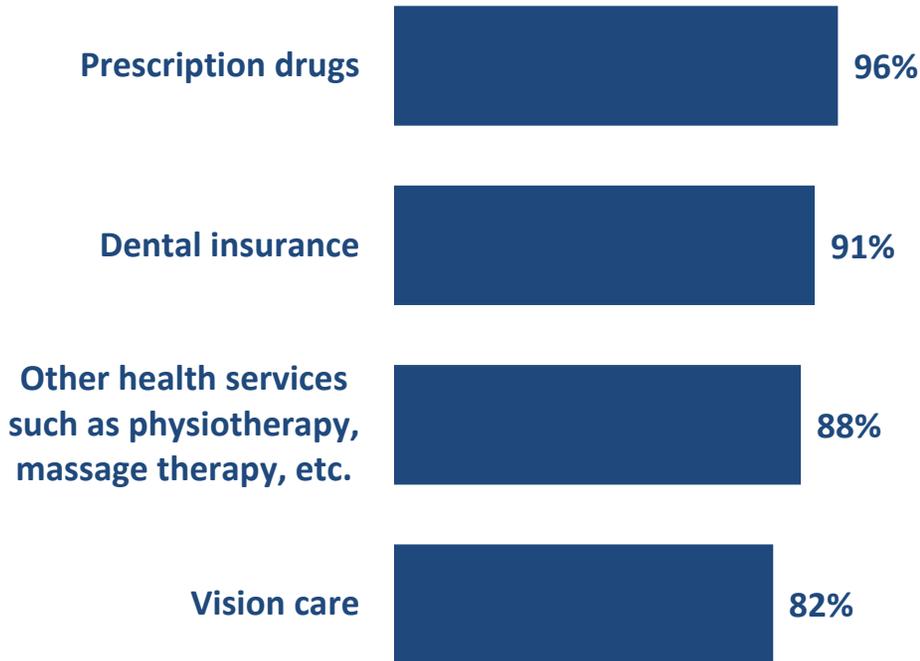
Base: All respondents n=500

Type of Coverage and Employee Contribution

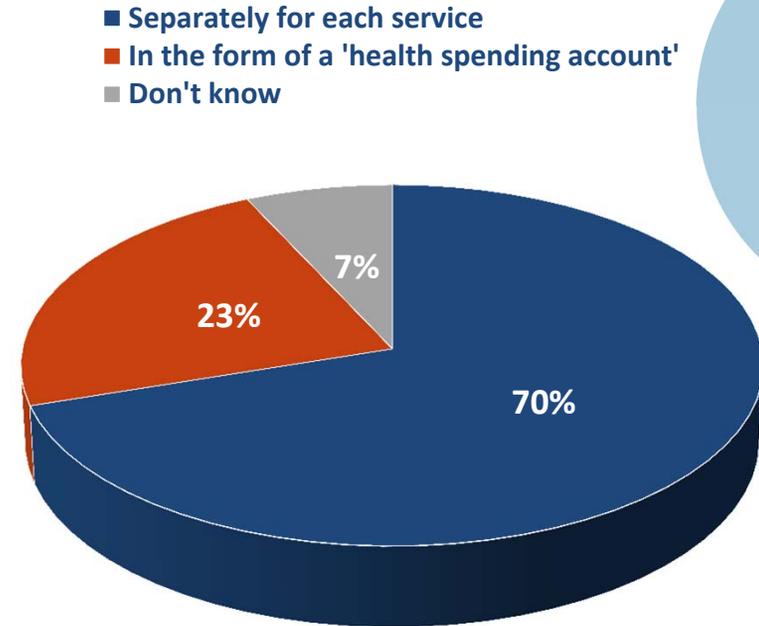


Of those who offer supplementary health benefits, coverage for prescription drugs is nearly universal and the majority provide coverage separately rather than in the form of a 'health spending account'

Supplementary Health Benefits Coverage



Separate vs. Health Spending Account



- Coverage for prescription drugs (99%), dental insurance (97%), and vision care (92%) is highest among those in companies with 500+ employees.
- A health spending account is most common among those in Quebec.

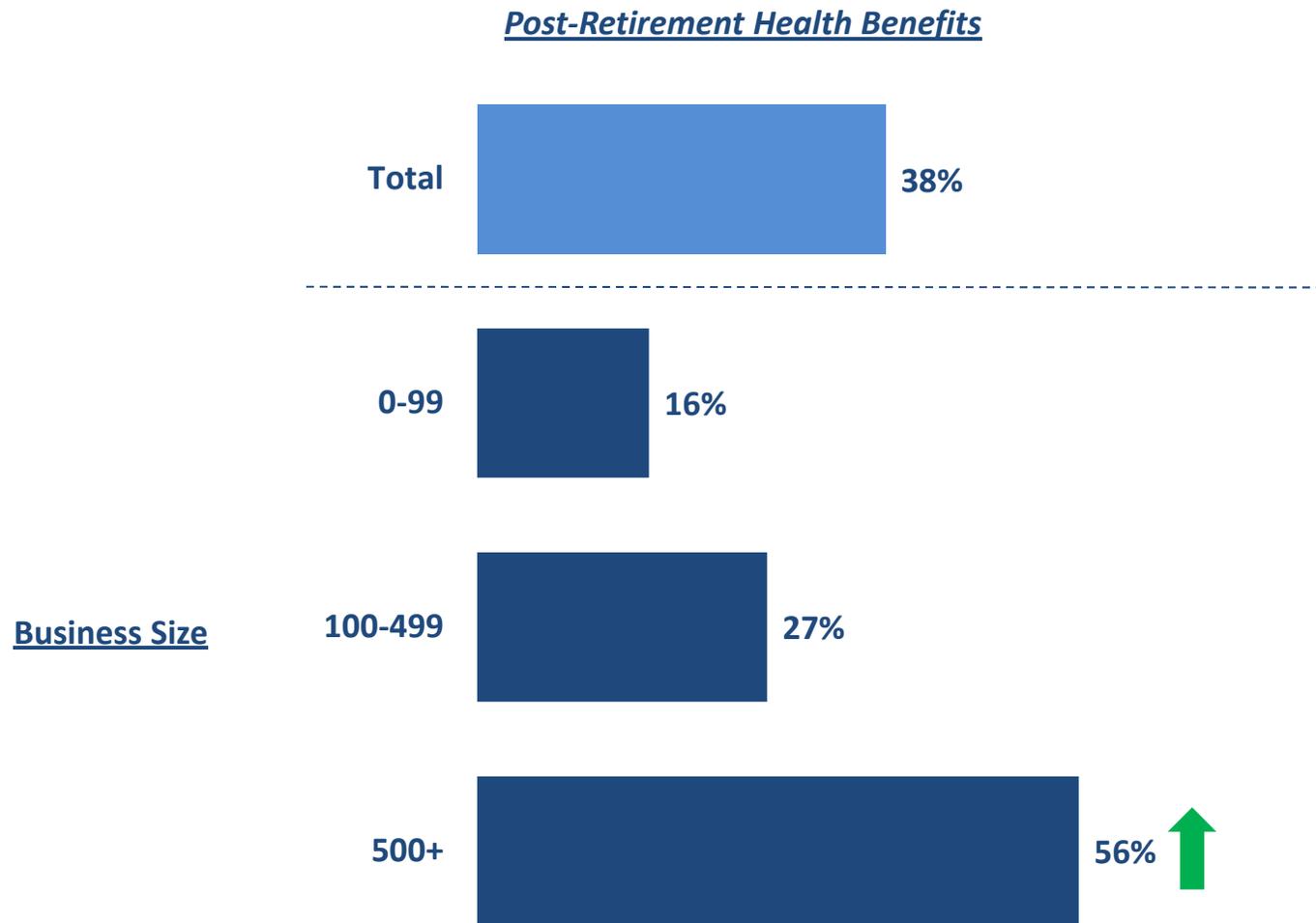
Q10. Do the supplementary health benefits provided by your company/organization cover any of the following?

Q11. Are the supplementary benefits provided separately for each service or are they provided in the form of a "health spending account" that employees can allocate according to their needs?

Base: Company/organization provide supplementary health benefits for its employees (n=367)



A plurality of employers indicate that their company offers post-retirement supplementary health benefits for those who retire

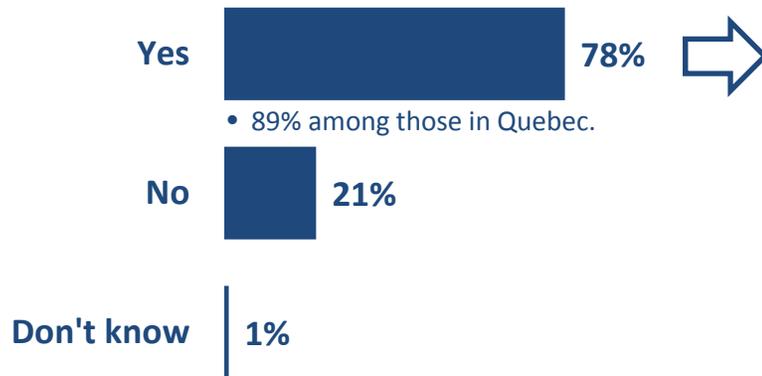


Q15. Does your company/organization provide post-retirement supplementary health benefits for those who retire?
Base: Company/organization provide supplementary health benefits for its employees (n=367)

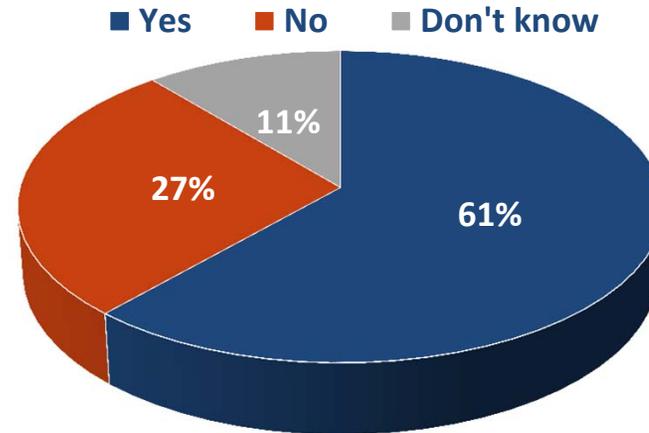


Of the 8 in 10 employees who contribute to the cost of their benefits plan the majority are able to opt out. For the most part, less than 30% choose to do so

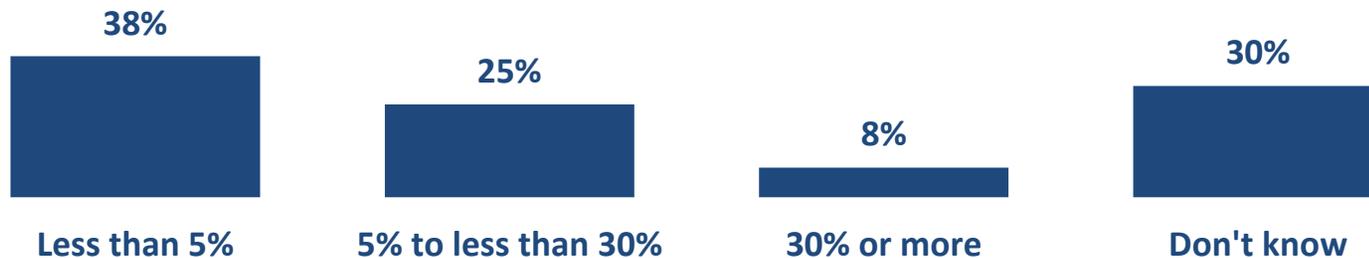
Employee Contribution to Cost of Benefits



Possibility of Opting Out



% of Employees that Opt Out



Q12. Do employees make a contribution to the costs of their benefits plan, for example as a payroll deduction? Base: Company/organization provide supplementary health benefits for its employees (n=367)

Q13. Is it possible to 'opt out' of spending on supplementary health benefits? Base: Employees who make a contribution to the costs of their benefits plan (n=292)

Q14. In general, approximately what percentage of employees choose to 'opt out'? Base: Employees who choose to 'opt out' of spending on supplementary health benefits (n=176)

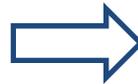
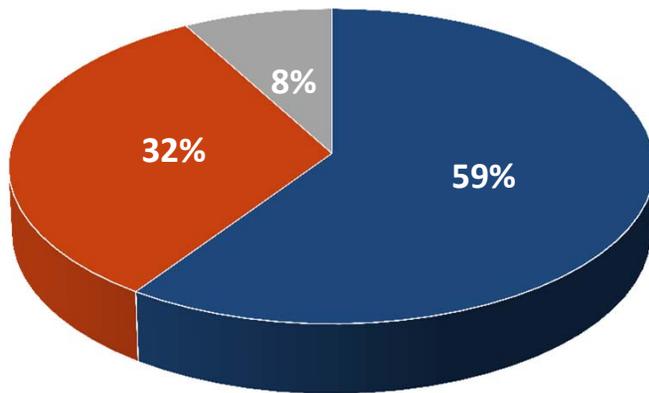
Changes to Supplementary Health Benefits Coverage



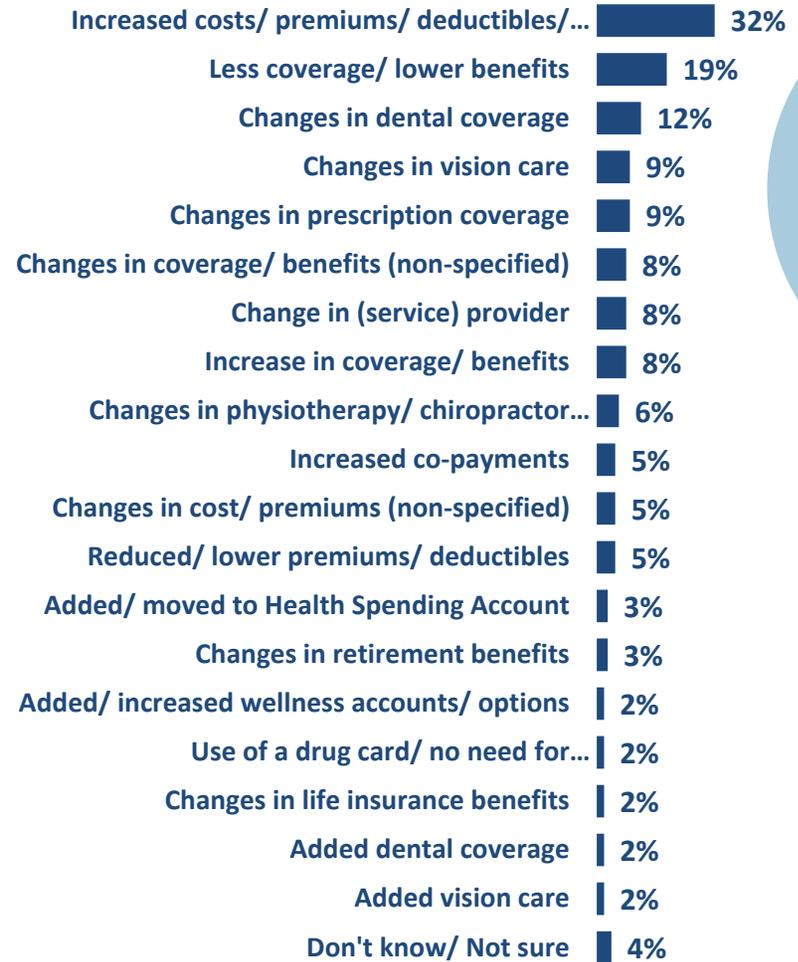
Of those who offer supplementary health benefits, 3 in 5 have implemented changes in their coverage over the last few years. Changes mostly relate to higher premiums/ deductibles or reduced coverage

Changes to Health Benefits in the Past Few Years

■ Yes ■ No ■ Don't know



Changes Made to Health Benefits Program

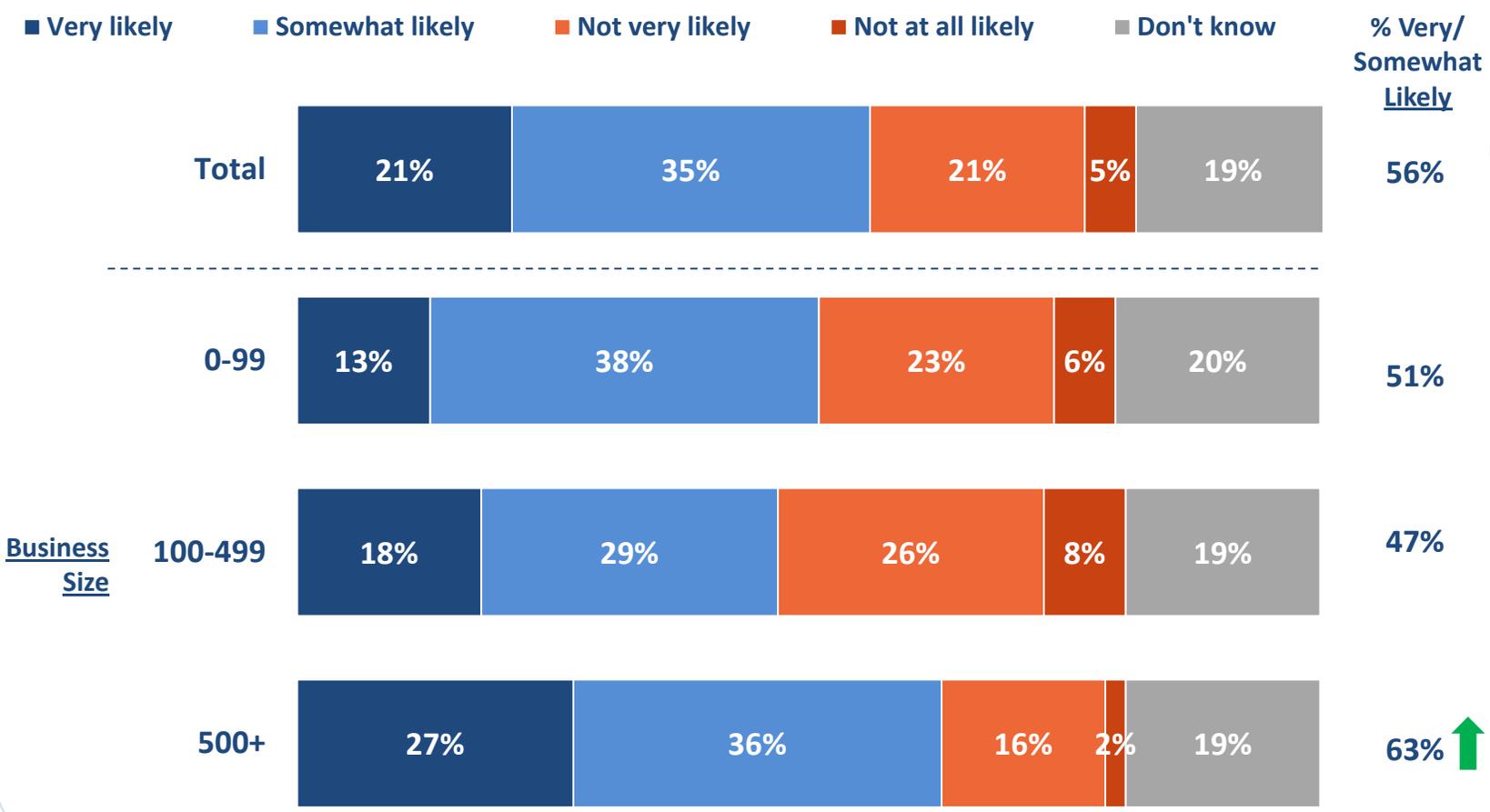


Q16. In the past few years have any changes been implemented to your supplementary health benefits coverage (e.g. changes to the scope of coverage, reimbursement levels, or premiums)? Base: Company/organization provide supplementary health benefits for its employees (n=367)

Q17. Please describe the changes that have been made to your employee supplementary health benefits program. Base: Changes been implemented to supplementary health benefits coverage (n=221)



Just over half of employers indicate that they are likely to make changes to their supplementary health benefits plan in the next few years; potential change is most likely among large companies



Q18. How likely is your company/organization to make changes to its supplementary health benefits plan in the next few years?
Base: Company/organization provide supplementary health benefits for its employees (n=367)

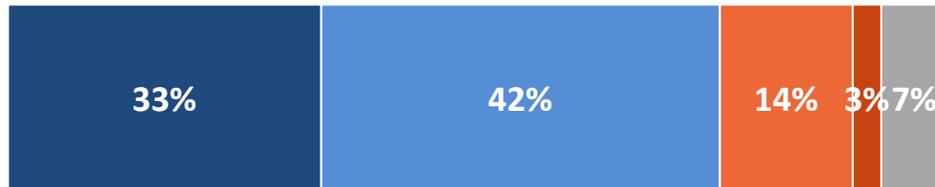
**Concern about the Ability to
Provide Supplementary
Health Benefits and Views
Towards a Public Program**



3 in 4 employers express concern that the government will reduce the coverage of insured health services over the next few years; about half are concerned about the cost of providing supplementary health benefits for their employees at present or in the next five years

■ Strongly agree
 ■ Somewhat agree
 ■ Somewhat disagree
 ■ Strongly disagree
 ■ Not applicable/don't know

I am concerned that the government will reduce coverage of insured health services (e.g. vision care) over the next few years



- Those in Atlantic Canada (91%), Ontario (80%), and BC (78%) are most likely to indicate concern about reduced government coverage.

% Strongly/
Somewhat
Agree

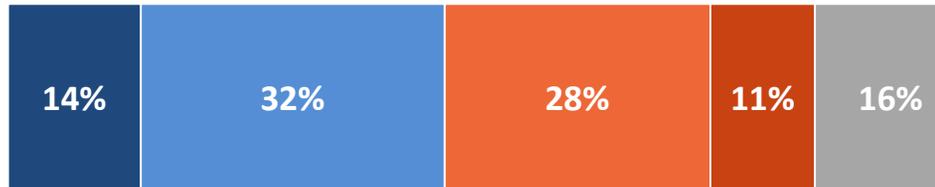
75%

I am concerned about the cost of providing supplementary health benefits for my employees in the next five years



51%

I am concerned about the cost of providing supplementary health benefits for my employees at present



46%

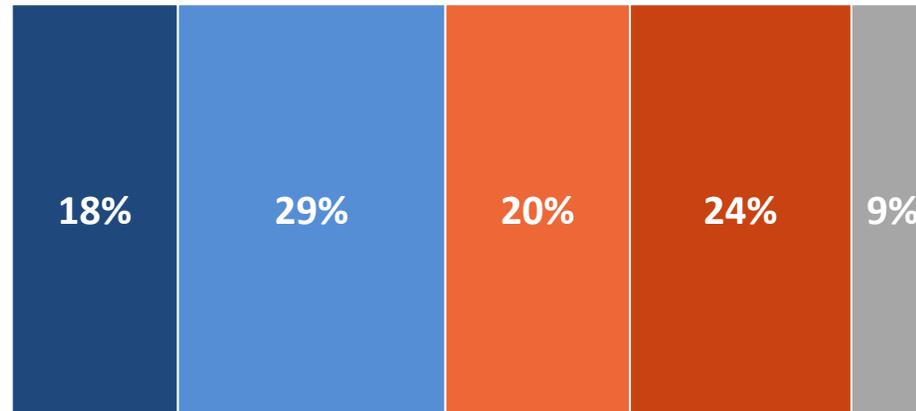
Q19. Please indicate how much you agree or disagree with the following statements.
Base: Company/organization provide supplementary health benefits for its employees (n=367)



Views are mixed regarding support for a public program funded by increased taxes that would eliminate the need for one's business/firm to provide health benefits

■ Strongly agree ■ Somewhat agree ■ Somewhat disagree ■ Strongly disagree ■ Not applicable/don't know

I would support a public program for supplementary health benefits introduced by the federal and/or provincial government (that would be funded by increased taxes) if it would eliminate the need for my business/firm to provide health benefits



- Those in companies with 100-499 employees (53%) are more likely than smaller and larger companies to support a public program for supplementary health benefits introduced by the government.
- Employers who do not offer supplementary health benefits are significantly more likely than those who do to strongly agree with this statement (24% vs. 16%), however there gap lessens in terms of overall agreement (51% vs. 45%).

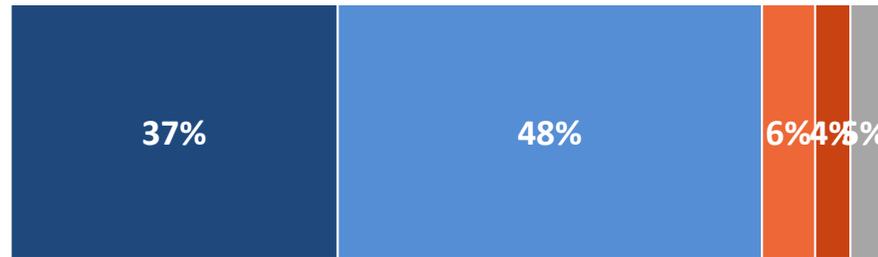
Q19. Please indicate how much you agree or disagree with the following statements.
Base: Company/organization provide supplementary health benefits for its employees (n=367)



The majority of employers indicate that they would still offer a supplementary health benefits program if there was a public program because of the competitive advantage it would provide in terms of recruitment/retention

■ Strongly agree ■ Somewhat agree ■ Somewhat disagree ■ Strongly disagree ■ Not applicable/don't know

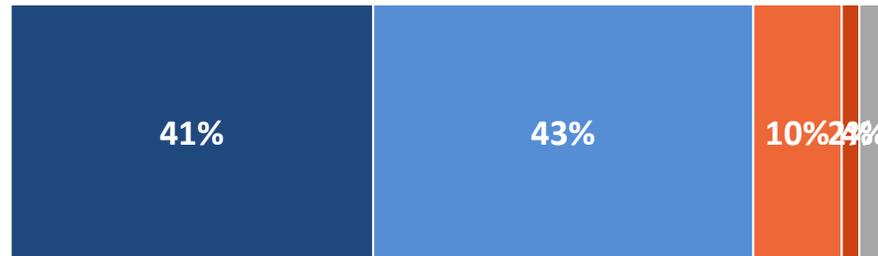
Even if the government implemented a program I would recommend that our company/organization still offer a supplementary health benefits program (over and above the government offer) because it would give us an advantage in recruiting/retaining employees



% Strongly/
Somewhat
Agree

85%

The provision of supplementary health benefits gives my company/organization an advantage in the recruitment and retention of good employees



84%

- Those in companies with 100-499 employees are most likely to agree with each statement (92% and 90% respectively).

Q19. Please indicate how much you agree or disagree with the following statements.
Base: Company/organization provide supplementary health benefits for its employees (n=367)



Conclusions

- In the current environment of widespread supplementary health benefit coverage (albeit to varying degrees) there isn't an overwhelming call for a public program for supplementary health benefits funded by increased taxes. Half of respondents tend to support a public program however ambivalence is evident as those without benefits are not significantly more likely than those with them to support it.
- In terms of the gap in care, about 1 in 3 have gone without needed care in the absence of coverage; moreover, those without coverage pay more out-of-pocket for health services which amounts to a heavier financial burden on those with a lower socio-economic status.
- While an area not fully explored in this particular research, the reasons for measured support may relate to the fact that those most likely to lack coverage (particularly those with lower socio-economic status) are hesitant because of the relatively big impact increased taxes would have on their disposable income. Also, the current public environment of uncertainty with respect to healthcare and unemployment/jobs may impact the perceived urgency and therefore support for such a program if there is increased concern about keeping one's job or access to previously relied upon health care services.
- While about half of employers express concern about the cost associated with providing supplementary health benefits, and an equal proportion support the provision of a public program funded by increased taxes, the majority would still recommend that their company/organization provide supplementary health benefits because of the competitive advantage it would provide.



Ipsos Public Affairs

The Social Research and Corporate Reputation Specialists

Supplementary Health Benefits Research

Final Report
June 2012

