

THE INSIDE STORY[®]

FEBRUARY 2010 | GREENSHIELD.CA



INSIDE

2

Defining Added Value:
What is the 'value' in
'added value'?

5

Changing our perspective
on change

7

Drugs over the internet:
Buyer Beware.

8

In the Chair with Dr. Zieba-
Dental Implants Defined.

*Get the most out of 2010
through added value
Here's how...*

These days, there is a lot of talk about added value and it has evolved into a common buzz word. But what does it really mean? ...and how can you make sure that you are receiving a healthy dose of it and, in turn, that you are offering your plan members their fair share?

Defining Added Value: What is the 'value' in 'added value'?

If you asked your accountant or an economics professor what the term added value means, he would likely describe an equation related to the difference between the cost of producing a product or service and its price; output minus input. However, from a consumer perspective, the concept of value is not as straightforward as just the tangible product or service and its price. The true measure of value for the consumer comes in the form of the 'complete package'; the bundle of perks that is included in the price of the product. These 'bonuses' go well beyond what the consumer can see or touch of the actual product or service.

For instance,

- that courtesy car when you have your windshield replaced

- that cup of coffee or bottled water while you have your hair done
- that unexpected basket of fresh buns that arrived at your restaurant table that gift store that throws in the wrapping

All added value. You paid for a hotel stay, but also had someone...

- park your car,
- take your luggage to your room,
- call to wake you up, clean your room, and
- place a tasty chocolate surprise on your pillow.

—and all of this with a smile—and all included in the price of the room.

Here's the catch: the consumer now *expects* added value. It is no longer considered a bonus—it is an expecta-



tion. When we put our 'customer hat' on as plan sponsor or plan member, we expect added value too.

As a plan sponsor, we expect all that "extra good stuff" that is included in the price and similarly, the plan member has the same expectations: good stuff. No matter where we each fall along the service delivery continuum, how our suppliers add value and in turn, how we add value for plan members, is today's deal maker... and deal breaker.



Who decides exactly what to add?

It's not added value if the customer doesn't care about it. Many organizations make the mistake of trying to add value by adding something they think is valuable, but do their customers agree? For instance,

- Telecommunications providers with product bundles that include services their customers have zero interest in like 'call interrupt' (telephone call waiting) or the 'bizarre channel' (very specialized television programming).
- Banks offering complimentary 'add ons' that are services their customers will never use.
- Magazine subscriptions that come with 'bonus packs' headed directly for their customers' recycle bins.

None add value. If your offering doesn't match your customers' definition of value, then it's not added value and, in fact, might do more harm than good in terms of turning off existing customers and turning away potential customers. One of the best ways to determine what to offer is to get up close and personal with your customers and ask them what you can do to make their lives easier:

- Help them understand products, services, and issues
- Help them get something done that they want to do
- Help them save time
- Help them save energy
- Help them save money

For instance, carriers are starting to adopt this big picture viewpoint recognizing that a plan sponsor's organizational success is significantly tied to efficiency and productivity through healthy, engaged employees. Accordingly, the all-inclusive bundle or 'complete package' offered to

plan sponsors by a carrier should include a wide range of added value—everything from "A"djudication advantages to "Z"ero paperwork options. Assuming that the carrier builds their A to Z list of added value on what the plan sponsor defines as valuable, then different advantages should catch the interest of different plan sponsors depending on their specific situation and needs.



For example, in the benefits world, what about carriers who offer a 'complete package' of added value—complete with all-inclusive pricing—how refreshing is that?

Pricing all inclusive of:

- Customized reports with complete analysis
 - Single system technology
 - Tailored plan member communication materials
 - Transition team and plans completely customized
- ...and so on



Your Turn:

What have your suppliers done for you lately? What is their A to Z value list?

Next time you are sitting around the lunch room—or even better, the board room—and you hear the term added value being thrown around, ask the hard questions, the important questions, “Are our suppliers offering value?”

Then it’s time to look in the mirror, “What value do you offer those that you serve?”

For example, ask your carrier the hard questions:

Do you charge separately for:

- Amendments?
- Plan revisions?
- Customized communication materials?
- Reports?
- Plan Member web access?

NEWS AND EVENTS

Winner of the draw for an iPod shuffle



Congratulations to **Scott Fleming**, of Delta, BC, the winner of Green Shield Canada’s monthly draw for an iPod shuffle. Through this contest, one name will be drawn each month from plan members who have registered for Plan Member Online Services for that month. To learn more, visit greenshield.ca.

More of *The Inside Story*[®]

Download additional copies of *The Inside Story*[®] on our website greenshield.ca/English/CorporateOverview/Publications/InsideStory/



Changing our perspective on change

Do we need to learn more coping strategies— or do we need a lesson in adaptation?

As they say, like death and taxes, change is inevitable. It's here to stay. The rapid rate of change makes it seem like coping with continual change is a recent challenge, but in reality, change is nothing new. Change has been here forever; it's evolution. For the benefits industry:

a fast-paced, mind-boggling, hectic but exciting evolution. As an industry, how can we keep up and even get ahead?

The best way to get ahead may be to look *back*. Time to take a page from evolutionary principles and lessons

learned from the animal kingdom. In terms of survival of the fittest, the 'fittest' refers to those most able to adapt to their evolving environment. Those that adapt, survive and even thrive. Those that don't, become extinct.

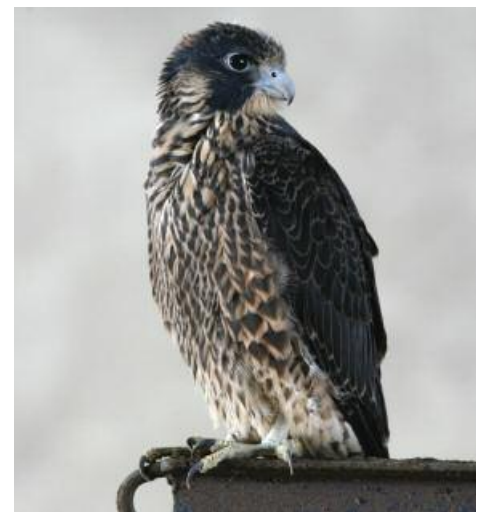
Adapt to change by changing to become adaptive—through flexibility

Consider the raccoon that can survive in the city feasting on a menu of whatever is in your recycle bin...

Consider the falcon that happily makes its nest on the top of a skyscraper rather than mountain top...

Consider the turtle that lays its eggs in a children's backyard sandbox...

What do they all have in common? The answer is flexibility.



Like the raccoon, falcon or turtle, the way to successfully adapt to change is to be flexible—and the benefits industry is no different. We need to build flexibility into the way we function—both as an industry as a whole, as well as within each of our roles. Flexibility enables us to not only see what lies ahead and be proactive, but it also ensures we have a response mechanism always at the ready. For instance, our rules-based adjudication system allows us to react immediately to plan sponsor needs while at the same time, ensuring we have the tools for adaptation in place—today and tomorrow—so we can embrace change.

Today there is only one speed—fastforward

There's no stopping it. Change is inevitable, however, instead of trying to stop it or slow it down, we can challenge its threat by meeting change head on. Flexibility is our best offense and our best defense: whether proactively brainstorming new plan designs to address potential budget cuts, or reacting to unpredictable events like a sudden government delisting, the 'fittest' will be those who have built flexibility into all that they do.



"It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change." ~ Charles Darwin

What rapid technological change could mean for you in the future...

DNA read in eight hours for \$100 or less...

■ Researchers are experimenting with a chip that may isolate very long strands of DNA molecules. If successful, this would allow a physician to biopsy a tumour, sequence its DNA, and use the information for diagnosis and treatment—all for less than the cost of an X-ray.

Diagnostic testing using a disposable piece of paper the size of a postage stamp...

■ Researchers are refining a test where a small, square piece of paper is dipped into a urine sample or pressed against a drop of blood and, depending on the chemicals present, it reacts in different colours turning the paper blue, red, yellow, or green. A colour key helps interpret the results. If successful, this would make it possible to diagnose a range of infectious diseases and chronic conditions quickly, simply, and cheaply.

Everything from improving hearing to detecting bone-loss enhanced through miniature electronics or nanoelectronics...

■ Researchers are testing how miniature electronics or nanoelectronics (nanowires, nanosensors, nano-generators, etc.) could lead to nanodevices for everything from advancements in health care to airplane engineering to signature verification. If a practical nanoscale power source can be engineered to successfully harness the tiny vibrations all around us like sound waves and wind, the possibilities are endless for a world full of exciting 'nanoopportunities'.

Drugs over the Internet: “Buyer Beware”

What drug-selling websites aren't telling you...



*It is dangerous to take a prescription drug without being examined in person by a health care professional and **monitored** to check that the drug is helping and not harming you.*

This is the message missing on most online drug-selling websites. Although some sites are legitimate, many are not, and do not even require that you have a prescription to purchase a prescription drug online. The message from Health Canada is clear – if you order from an online drug-selling website, you are at risk of:

- Drugs that are counterfeit with no active ingredients, or drugs with the wrong ingredients, dangerous additives, or past their expiry dates
- Dangerous drug interactions with other medications you are taking
- Harmful side effects
- Financial scams

In addition, without being examined and monitored in person by a health care professional, you may be misdiagnosed and not receive appropriate treatment. The best advice is to rely on reputable, established pharmacies that are well known and, most importantly, licensed. Continue to buy your medications in-person and if your pharmacy happens to have an online option, talk to the pharmacist about it—and make sure you know the warning signs.

Warning Signs: Know what you are getting into...

Any licensed pharmacy that offers Internet services must meet the standards of practice within its province or territory. Watch for these red flags, sure signs that an 'online pharmacy' is not legitimate:

- Offers prescription drugs without a prescription
- Issues a prescription based on an online questionnaire
- Claims to have a 'miracle cure' for a serious condition
- Sells products that do not have DINs (Drug Identification Number: all drugs approved for sale in Canada have an eight-digit DIN issued by Health Canada)
- No street address, telephone number or way of contacting a pharmacist

Play it safe—continue to rely on the pharmacies you have grown to know and trust. If online options become available, talk to your pharmacist so you are an informed consumer.

In the Chair with Dr. Zieba

Dental Implant Defined:

- A dental implant is a titanium cylinder that the dentist surgically places into the bone where a tooth is missing to become the foundation for a replacement tooth.
- The dentist either screws the replacement tooth into the implant and cements crowns or bridges into the implant, or uses special attachments on the implant to adhere a removable denture.

Dear Dr. Z

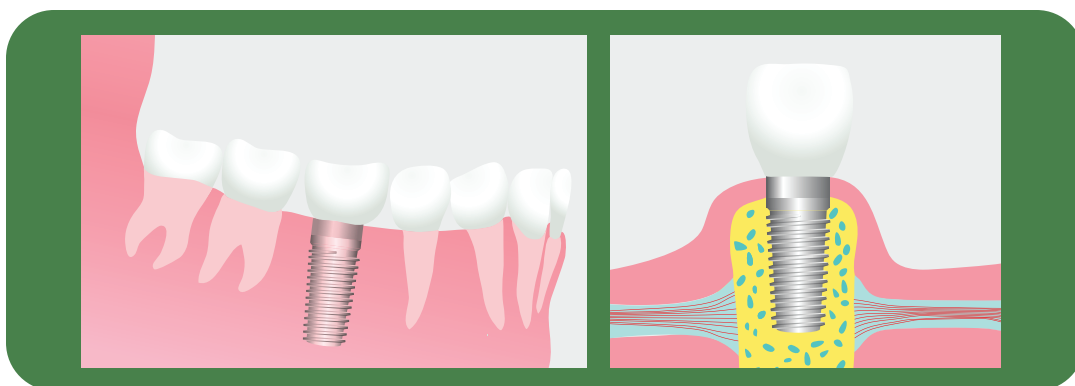
I'm hearing a lot lately about dental implants and that they are the new standard of care, but that they are expensive and not typically covered on standard dental plans. I'm wondering if they should be covered, and what you would recommend.

Sincerely, "Curious about Implants"

Dear Curious

You are right in terms of the new standard of care—dental implants are becoming the new standard for replacing missing teeth. This is the case because to replace a tooth with a conventional bridge, the adjacent teeth are drilled to help support the bridge. This is not the situation with implants because they do not require any involvement of the other healthy teeth, plus implants have the potential to last longer than conventional bridges. Standard dental plans typically allow a replacement bridge once every five years whereas implants often last a lifetime.

Regarding costs, implants are more expensive than bridgework because in most cases, a dental specialist places the implant. Having said that, when you take into consideration everything associated with a traditional bridge versus an implant, including lifespan, the costs are comparable over time. In terms of coverage, standard dental plans do not typically cover implants or anything associated with implant placement such as the posts and screws that attach the crown to the implant. Usually, the only implant-related eligible benefit is the crown.



Whether your organization should cover implants in your dental plan or not really depends on your overall benefit plan strategy. If your organization is in cost containment mode,

then making implants an eligible benefit may not be a good idea because people who currently pay out-of-pocket for implants will likely access the benefit. Alternatively, if

you are focused on building employee satisfaction and retention, then implants provide plan members with choice, which is usually seen as a good thing.

Show me the money...

Implant versus bridge:

3-unit bridge

\$2,724.17*

1 implant
+ 1 crown

\$2,888.20*

1 implant
+ 1 crown

\$3,696.24**

*Based on the 2009 Ontario Dental Association General Practitioner Fee Guide and additional lab expense.

**Based on the 2009 Ontario Dental Association Specialist Fee Guide and additional lab expense.

In your existing dental plan, if you have bridge coverage under Major Services and decide to add implant coverage, here is what implant coverage often looks like:

- Same co-pay and lab allowance (including expense charge) as bridge
- Include in overall annual dental

maximum; if no overall dental maximum, include in major services maximum

- Limit to one attempt per tooth with frequency of once per lifetime
- Change frequency limit of crown to once every 10 years
- Specify ineligible on second molars or wisdom teeth

- Require pre-determination for multiple implants (e.g., include eligibility restrictions regarding implants to support dentures)
- Use the same administrative rules that apply to all dental benefits: make individual implant and implant-related procedure codes payable only to the cost of standard procedure codes. For example, only reimburse an implant crown with a higher fee to the amount of the lower standard crown fee.

Here's another way to look at your coverage options:

The demographic of the employee group usually influences what is considered important in a benefit plan. Also take a look at your current dental plan utilization – if your dental plan utilization is 70% Preventative Services, adding implant coverage may not enhance employee satisfaction.

Implant or bridge, the good news for plan member health is that both represent an effective solution. So "Curious": if you or other readers are still curious about implants, check out the Canadian Dental Association website at cda-adc.ca

Got questions? Dr. Zieba has answers. Email your questions to gs.marketing@greenshield.ca

WHAT'S NEW

Customer Service Centre expanded hours of operation

Good news – now we are here for you longer each day! New Customer Service Centre hours: Monday to Friday

Hours of Operation	Time Zone	Hours of Operation	Time Zone
5:30 am to 5:30 pm	Pacific Time	8:30 am to 8:30 pm	Eastern Time
6:30 am to 6:30 pm	Mountain Time	9:30 am to 9:30 pm	Atlantic Time
7:30 am to 7:30 pm	Central Time	10:00 am to 10:00 pm	Newfoundland Time



London	1-800-265-4429	Vancouver	1-800-665-1494
Toronto	1-800-268-6613	Windsor	1-800-265-5615
Customer Service	1-888-711-1119		

greenshield.ca

