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Is laser eye surgery the solution?

Freedom from glasses may be possible

Lots of press has been given to laser eye surgery in recent years. And no wonder! People who wear glasses or contacts know how liberating it would be to live without them. Anyone who wears glasses understands the frustration of fumbling for glasses just to see a bedside alarm clock.

But before running to the closest laser clinic, people must know the risks and the benefits of laser eye surgery. They must remember laser eye surgery is not reversible.

Someone considering laser eye surgery should consult with a physician, and be as frank as possible about medical history and what he or she hopes to gain from having surgery. A doctor needs complete information to give good advice about suitable medical procedures.

Types of procedures

The excimer laser, the basic laser used for eye surgery, emits high-energy ultraviolet

see Eye Surgery on page 2

The Script

Prescription drugs can often replace other more expensive forms of therapies, such as hospitalization. So, do drug therapies actually reduce healthcare costs? Well, maybe.

Doctors are increasingly using drug therapies to treat conditions before they become problems. This increased drug usage is just one of the factors contributing to rising drug costs. New and more effective drugs are increasingly expensive. According to an American study conducted by Express Scripts, between 1996 and 2000 the average cost of wholesale ingredients used by each member each year soared by 85 percent. New prescription drugs introduced since 1996 generated about 35.7 percent of this cost.

The benefits industry faces a significant challenge: how to balance the need to provide plan members access to more effective (and more expensive) drug therapies with the need to keep the cost of benefits plans under control.

Express Scripts suggests some ways to help control the cost of drug plans. Helping employees understand the cost of prescriptions can help control rising costs. Increasing the co-payment level has been an effective strategy for some plans, as it discourages any tendency to fill unnecessary prescriptions. Similarly, limiting the number of pills dispensed per prescription for a new drug therapy can also help by preventing waste. Finally, drug utilization reviews prevent multiple prescriptions being issued to treat a single condition – offering the potential for both for cost savings and for member safety.

Express Scripts points out that the solution is not simple. For instance, while higher co-pays may discourage employees from seeking unnecessary prescriptions, it may also deter low-income workers from filling necessary prescriptions, or it may cause patients to reduce dosages so as to spread pills over a longer period. Plan administrators have a role in designing drug plans so as to best meet the needs of plan members.

The challenge for the benefits industry is how to pay for more expensive drugs and still meet the health requirements of plan members. Manulife continues to search for the best way to control costs while delivering the best drug care possible to plan members.

Source: Express Scripts 2000 Drug Trend Report – US data.

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light. The laser is precise, causing minimal damage to surrounding tissue. Two methods of corrective laser eye surgery have garnered the most attention: LASIK and PRK.

LASIK (laser in-situ keratomileusis) is used to treat near-sightedness, far-sightedness, and astigmatism. LASIK is the latest procedure to find wide use in laser eye surgery, as it seems to be more effective and has fewer complications than PRK. In this procedure a surgeon cuts a flap in the stroma (the cornea's middle layer) and then uses a laser to remove some of the tissue under the flap, reshaping the cornea. The flap is replaced and the cornea is allowed to heal naturally. The whole procedure takes less than a few minutes per eye.

PRK (photorefractive keratectomy) can also be used to treat near-sightedness, far-sightedness, and astigmatism. In this procedure a surgeon uses a laser to reshape the cornea by removing tissue from the surface of the cornea. As with LASIK, this procedure takes only a few minutes per eye.

Radial keratotomy (RK), is used less and less often, and corrects mild to moderate nearsightedness. In this procedure the surgeon makes incisions in a radial (spoke-like) pattern in a patient's cornea, causing it to flatten, thus reducing nearsightedness.

This procedure typically takes less than half an hour.

The benefits realized by patients usually involve lifestyle changes, but they can be significant, and can be summed up in one word: freedom.

Free to swim, play basketball, or dance, without contacts or special glasses. Free to look through binoculars or a camera without first having to take off glasses. Free from paying for new glasses every couple of years.

However, some people might require glasses again, even after surgery. As people age, visual acuity often continues to deteriorate regardless of corrective surgery. Surgery corrects vision; it does not cure the underlying cause of visual deterioration.

Recovery is very patient specific. Some patients may be able to see clearly within 24 hours, while others may take several weeks to achieve visual acuity. Although a patient may be able to see clearly in the early stages of recovery, it is important to avoid any great jarring for many months. Physical sports like football, or other strains such as airbags, can cause post-surgical complications.

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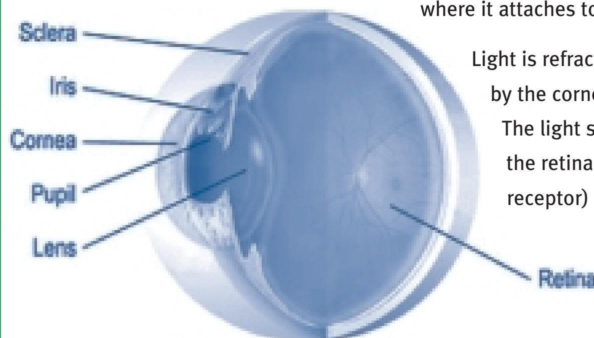
Laser eye surgery

Laser surgery alters the outer layer of the eye, specifically the cornea. The outer eye is composed of three parts: the cornea, the clear part that covers the pupil and iris; the sclera, the white part of the eye; and the limbus, the outer area of the cornea where it attaches to the sclera.



Light is refracted in two stages, first by the cornea, second by the lens. The light should focus clearly on the retina (the optic nerve receptor) for good vision.

Beneficiary designations

Eliminate ambiguity to ease hardship

Life insurance, beneficiary designations, estate taxes: while these topics rarely attract the same levels of interest as mutual fund investments or the latest stock index performance, they do require the same thoughtful attention.

An ambiguous beneficiary designation can add anxiety during an already difficult time. Delays in the release of life insurance proceeds can cause hardship rather than providing support. A few tips may help clarify issues around assigning beneficiary designations.

- Using "estate" as a beneficiary exposes insurance proceeds to creditor claims and, in some cases, estate taxes. If they wish to avoid this, plan members can designate one or more individuals as beneficiaries.
- Where the Estate is designated as the beneficiary, or in the absence of a designation, a plan member should have a will in place. A life proceeds cheque cannot be cashed unless an Executor or Administrator is named. In the absence of a will, the Court will name an Administrator.
- Urge plan members to take questions regarding wills, trustees or estate planning to a legal or financial advisor. Plan sponsors and administrators can't provide personal legal or financial advice.
- Always ensure that the beneficiary designation is signed and dated before it's filed.
- Where the plan member is attaching a second page of beneficiary names, make sure this page is signed, dated and noted as an attachment.
- Never use "and/or" where two or more beneficiaries are named and never simply number the beneficiaries – e.g. do not use "Mary Jones and/or Bob Smith," and do not use "1. Mary Jones, 2. Bob Smith." Instead list all the names one after the other – e.g. Mary Jones, Bob Smith – to indicate each should receive an equal percentage of the proceeds.
  - List all of the names and apply a percentage to each – e.g. Mary Jones to receive 75%. Bob Smith to receive 25% – if the plan member wants different percentage directed to each. The percentages must sum to 100%.
  - Use the words "primary beneficiary" and "secondary beneficiary" to stipulate the primary beneficiary receives the full proceeds unless he/she is deceased. In such a case the full proceeds go to the secondary beneficiary. Primary beneficiary is Mary Jones. Secondary beneficiary is Bob Smith.
- Retain the original designation. In some cases, a copy is not sufficient.
- Never disclose the name of a beneficiary to any third party unless required by law. Beneficiary designations are private information (where a beneficiary designation has been forwarded directly to the carrier, privacy obligations prevent the carrier from providing the beneficiary name(s) to the plan sponsor or any other third party).
- Where one or more of the beneficiaries is a minor, advise the plan member to appoint a Trustee or Guardian of the Estate of the minor, to avoid the proceeds being paid into Court or held until the minor is of legal age.
- When a group member terminates, always maintain the beneficiary designations for individuals on waiver of premium or long-term disability. If an individual dies in the absence of a beneficiary designation, the proceeds of insurance will be paid to the Estate.
- In some cases of divorce or separation, the member may be obliged by Court Order to designate a particular beneficiary. Failure to comply with this obligation could result in payment into Court.

Beneficiary designations must be absolutely clear and precise. Ambiguity creates delays and possible payment to the Estate or into Court if the ambiguity cannot be resolved.

Please note:
This article is for information purposes only and is not intended as legal advice. Always consult with a legal advisor and plan advisor in conjunction with your Manulife Financial representative before making changes to your benefit plans.

Irrevocable designations

Irrevocable designations, as the name suggests, cannot be revoked, or changed.

- In Quebec any designation of a married spouse is automatically irrevocable, unless stipulated otherwise. The entire designation lapses (not just the irrevocability) if there is a divorce. With respect to spousal designations and divorces that occurred prior to December 1982, specific rules apply and legal advice should be obtained in each case.
- An insured can designate any beneficiary irrevocably in any province by adding a notation that the designation is irrevocable.
- An insured must obtain the consent of an irrevocable beneficiary to change the beneficiary unless the irrevocable beneficiary predeceases the insured.
- An irrevocable designation persists even if the policyholder changes carriers.
- The rules for designating beneficiaries are complex. Legal advice may be required.

Stressed out? So is everyone else!

It has been a stressful year for Canadian workers, and most are increasingly pessimistic about the future of public health care, according to a recent study by Aventis Pharma. The 2001 Aventis Healthcare Survey found that workplace stress has increased dramatically over the last year. Also, although currently satisfied with public health care, Canadians are apprehensive about its future.

The study also showed Canadians are generally happy with their group health plans, but are less satisfied than last year. Most employees feel their employer is more concerned with controlling costs than providing an excellent health plan.

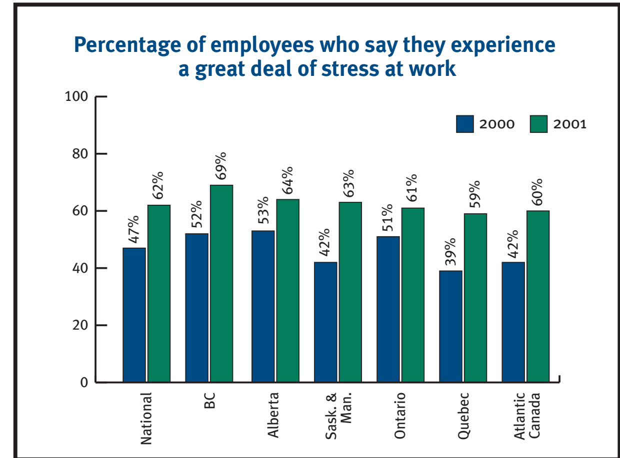
Stress

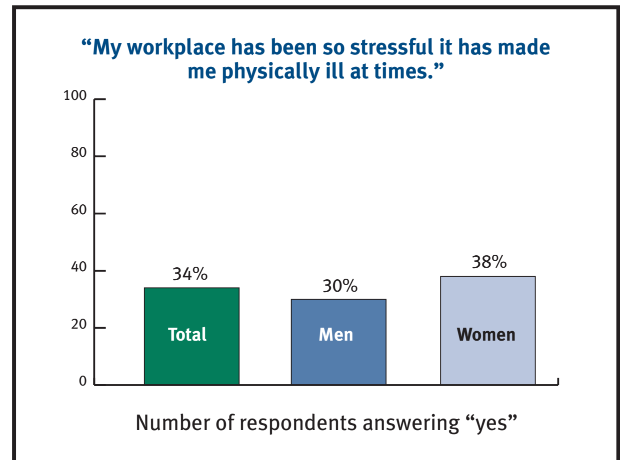
The workplace is stressful for Canadians. The Aventis survey shows 62 percent of respondents feel they experience a great deal of stress at work, up 15 percent from last year. British Columbians fare the worst.

Women suffer more stress than men: 65 percent of women experience a great deal of stress at work, compared to 58 percent of men. Likewise, 38 percent of women reported that the workplace has been so stressful as to make them ill, compared to 30 percent for men.

Workload was cited as the most common factor leading to stress, followed by meeting personal financial obligations. The most common symptoms of stress were irritability and anxiety, insomnia, and getting sick more often and booking more time off work.

A full 41 percent of respondents say employers don't do nearly enough to combat workplace stress, while 57 percent feel their employer does enough or more than enough to combat stress in the work place.

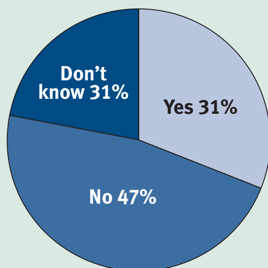




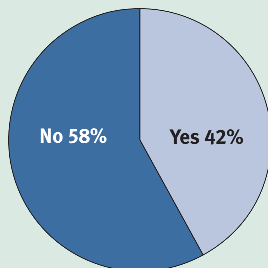
Benefits information online

According to 51 percent of respondents, putting plan information online would help them better understand and make use of their benefits, up from 45 percent in the 2000 study and 44 percent in 1999.

Percentage of employees with Internet access who have their health benefit information online:



Percentage of employees with access to their health benefit information on the Internet who have sourced plan details online:



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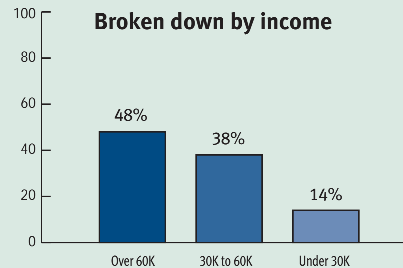
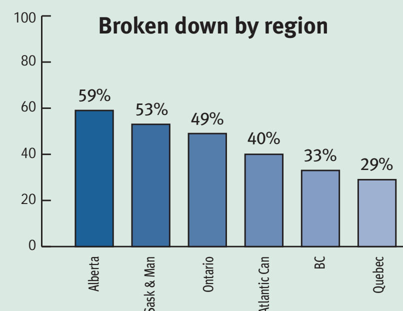




Satisfaction

Fewer Canadians are happy with group health plans: only 66 percent of respondents say their health plan meets their needs, down from 73 percent two years ago. Members of flex plans (69 percent) and full-time employees (67 percent) are most satisfied with their plans – while 55 percent of part-time employees are satisfied with their plans.

When asked if their plans have improved over the last five years, 23 percent of respondents said yes, and 15 percent said no. Improved coverage was the number one reason respondents gave their plan the thumbs up:

1. coverage – unspecified 35%
2. dental coverage 21%
3. vision care coverage 19%
4. prescription drug coverage 16%
5. costs/premiums 10%

Costs or premiums was the top reason respondents said their plans had worsened:

1. costs/premiums 39%
2. coverage – unspecified 38%
3. prescription drug coverage 19%
4. dental coverage 17%
5. vision care coverage 10%

While 81 percent of respondents rate the public health care as "excellent," "very good" or "good," 46 percent feel that the public health care system will deteriorate in the next couple of years; 28 percent say it will stay the same and 24 percent say it will improve.

Respondents that have used the system recently (those with health problems in the recent past) are more likely to disapprove of the system. For instance, 31 percent of cancer patients think our health system is poor, compared to the national average of 19 percent. The top three concerns are access to medical care/facilities (38 percent), shortage of doctors and nurses (32 percent), and delays/waiting lists (23 percent).

Attitudes towards benefits plans

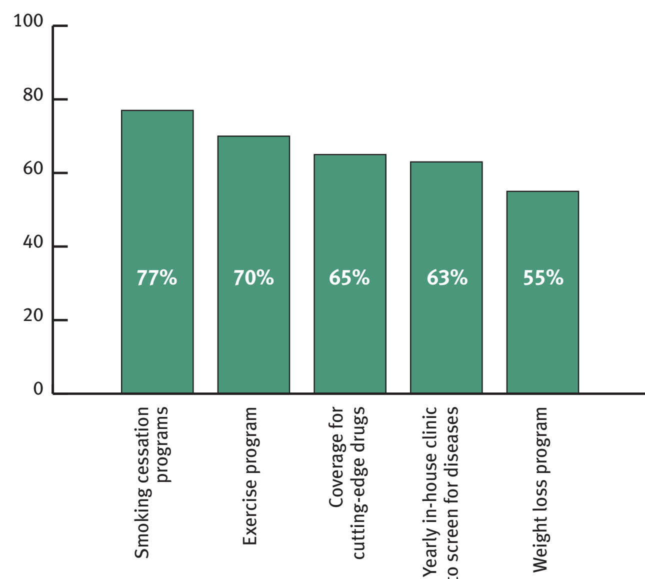
Employees say (51 percent strongly or somewhat agree) that their employer is more concerned about limiting costs rather than providing the best benefits. Employees are also concerned (55 percent) that they have no input into their health care benefits plans.

The majority (56 percent) of respondents say they would be willing to pay higher premiums to maintain their current level of coverage if their employer was unable or unwilling to cover the increase (up from 50 percent two years ago). Only 14 percent prefer a reduction in coverage to an increase in premiums.

Canadians like their drugs… well, at least their drug plans.

When asked to rank what they would consider the most important benefit, 60 percent of respondents chose drug coverage, with 34 percent strongly agreeing.

The vast majority of respondents (90 percent) feel any drugs prescribed to them should be covered by their plan.



e Benefit News

Encryption in action

Last quarter in e-Benefit News we discussed asymmetric keys. Standard cryptography uses symmetric encryption - the same key that padlocks the message can open it. With asymmetric encryption you have two keys, one can close the padlock but only the second can open it. One key can be made 'public', available to someone that wants to communicate with you, while keeping the second key private.

Data transfer

When it comes to group benefits, confidentiality is critical, and asymmetrical keys are an ideal solution for data transfer. A plan administrator can, for instance, send a carrier important data, such as salary updates, using a public key to secure it from prying eyes. The carrier would then open the message with a private key to update systems. A plan member can send a carrier an encrypted e-mail, thus maintaining the requisite privacy and confidentiality required by increasingly rigourous legislation.

Digital signatures

Electronic signatures provide evidence in digital form that some commitment has been explicitly endorsed. The most common form of electronic signature today is the digital signature which can be created and verified using asymmetric keys. A private key can be used to create a digital signature and a public key to verify it. The only person that can create the digital signature is the person with the private key. As long as the private key remains secret and secure, no one can duplicate the signature.

If public key encryption is so perfect, why isn't it more widely used?

First, it takes a reasonably powerful computer to handle the complex calculations needed to unravel encryption.

Second, public key encryption is slow, very slow, even for a modern computer.

Third, how do you know the person sending out a public key is who they say they are? Third party "certificate authorities," such as VeriSign (www.verisign.com), help solve the problem by validating that a specific key belongs to a specific person. They do this by issuing a "digital certificate" that works much the way a driver's license is used to validate someone's identity.

This article finishes our discussion on digital signatures.

Eye Surgery continued from page 2

A patient should also commit to the follow-up regimen prescribed by the physician. Shortcuts should not be taken when it comes to vision.

The risks can range from minor to major. Minor risks may include sensitivity to light, as well as under or over-correction.

Major risks include permanent damage to the cornea due to error or infection. Health Canada notes: "Fortunately, complications are rare. However, it is important to realize that the changes made to your eyes during laser surgery are not reversible, and complications or risks increase significantly if you are not a suitable candidate for laser surgery."

Those considering eye surgery should choose their surgeon and procedure carefully.

Not everyone is an ideal candidate for laser eye surgery. The following points will help those considering a procedure determine whether they are ideal candidates:

- It is important that a person's eyesight has been stable – the prescription has not changed – for more than two years.
- Some medical conditions, including auto-immune diseases such as lupus or HIV, can interfere with the process of healing. Diabetes can also inhibit healing.
- Drugs, such as steroids and certain acne prescriptions, can also inhibit healing.
- People who are pregnant or use an oral contraceptive may not be good candidates.
- A personal and/or family history of eye diseases can affect the outcome of laser eye surgery. Conditions such as herpes simplex, shingles in the eye area, glaucoma or dry eyes, should be brought to the attention of an eye care professional.
- People with large pupils under low light conditions – as determined by an ophthalmologist – may experience symptoms such as glare, halos, starbursts or ghost images after laser surgery. This may interfere with a person's ability to drive at night

Four kinds of refractive error can cause vision problems.

- Myopia, or near-sightedness occurs when the eye is elongated (oval shaped) from front to back. This causes light rays to focus in front of the retina. So while the eye can focus on close objects, distant objects are blurry.
- Hyperopia, or far-sightedness happens when the eye is oval shaped from top to bottom. This causes light rays to focus behind the retina. As a result the eye can focus on distant objects, but close objects are blurry.
- Astigmatism means the cornea itself is misshaped and is oval like a football rather than spherical like a basketball. It causes more than one focal point within the eye, distorting vision both close-up and at a distance.
- Presbyopia occurs with aging as the eye's ability to focus diminishes because the lens becomes less elastic. Close objects are focused behind the retina; this explains why people need bifocals or reading glasses when they get older. This condition affects almost everyone after the age of 50 – presbyopia cannot be corrected by laser surgery.

- In some cases, LASIK surgery can weaken the structure of the eyeball. This can increase the risk to a patient's eyes if that person takes part in activities such as football, wrestling or boxing.
- Even when the surgery goes well, there is no guarantee that a patient won't need glasses or contacts again at some point. As people grow older, their eyes continue to change.
- Stephen F. Brint, M.D., Dennis Kennedy, O.D., and Corinne Kuypers-Denlinger point out in their book The Laser Vision Breakthrough: "Second procedures are necessary for 10 to 20 percent of patients and are more common in patients with higher degrees of refractive errors." (Page 159).
- Some people notice a change in their night vision after laser surgery, and people over 40 will probably still need glasses for reading fine print. Prospective patients should discuss their expectations with their eye care professional so that they won't be disappointed.

Source: Health Canada: © Minister of Public Works and Government Services Canada, (2001).

Benefits Coverage

Some benefits carriers allow plan members to apply vision care coverage toward the cost of laser eye surgery. The maximum is specified by a member's plan, with typical coverage between $100 and $300 every two years.

As of November 1, 2001, Manulife will begin covering laser eye surgery under the vision benefit subject to the prescription glasses maximum (see the Q2 and Q3 Administrative Updates for more information).

Both employers and employees should know long-term evidence is not available to show laser eye surgery reduces the lifetime costs of vision care. Unless long-term cost benefits can be demonstrated, it is unlikely that benefits carriers will pay more than the typical vision care coverage for laser eye surgery.

In some circumstances it may be cost effective for an employer to pay for corrective eye surgery, such as factories where workers wear prescription safety glasses that need regular replacement.

The last word

Laser eye surgery has helped thousands of Canadians to see clearly without glasses or contact lenses. In most cases, laser eye surgery is successful, but potential patients should remember, it is still surgery and carries inherent risk. Anyone considering a laser eye procedure should thoroughly discuss risks and benefits with their eye care professional before they decide to have the surgery.

Other Considerations

- Some jobs have specific vision requirements, and laser eye surgery might affect a person's prospects for employment in some fields. It is wise to investigate this before surgery.
- Medical advances are bound to continue. New reversible surgical procedures are already being investigated. It may be worth waiting until even more reliable surgeries are available. For instance, corneal rings, which are placed inside the edge of cornea causing it to take a new shape and correcting for near-sightedness, are currently being studied for approval. Likewise corrective lenses can be placed behind the cornea to correct any vision problems.

Source: Health Canada: © Minister of Public Works and Government Services Canada, (2001).

Other emerging treatments

New methods are currently under review. LASEK (laser epithelial keratomileusis), for instance, is similar to LASIK; however, a surgeon cuts the flap in the epithelium (the cornea's outer layer) instead of the stroma (the cornea's middle layer). Since the flap is closer to the outer layer of the cornea, if an infection occurs it would be easier to treat.

Corneal rings are emerging as another treatment for mild near-sightedness and mild astigmatism. In this procedure, the surgeon inserts a ring inside the cornea, causing it to flatten, and altering the way light refracts through the cornea. The procedure typically takes 15 minutes and, unlike laser methods, is reversible.

An implantable contact lens is an experimental device that fits behind the cornea. A surgeon places an artificial lens (something like a contact lens) behind the cornea, but in front of the eye's natural lens. This procedure typically takes 20 minutes and is completely reversible. Since this procedure uses a lens, it can correct near-sightedness, far-sightedness, and astigmatism.

EMPLOYEE Benefit news

For further benefit information, please call your usual Manulife Financial contacts.

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The Manufacturers Life Insurance Company

Legislative update

Alberta legislation takes effect September 1

Alberta ASO update

As of September 1, 2001, Alberta companies with benefits plans providing disability benefits in excess of two years must fully insure those benefits beyond the two years. This change has particular impact on plan sponsors with Administrative Services Only arrangements. Under the new legislation, a plan can pay up to two years "combined short term disability and long term disability benefits" on an uninsured/ASO basis.

Details of the changes appeared in two previous issues of Employee Benefits News (Fourth Quarter 2000 and First Quarter 2001).

Companies will have one year to phase in changes to existing plans. The changes are not retroactive. Disability benefits that are already in pay or incurred are not affected.

Changes to ASO recommended in Quebec

A Quebec government discussion paper released in June recommended ASO changes similar to Alberta's. The Quebec recommendations, however, go further than Alberta's; both long-term disability and prescription drugs, says the discussion paper, should be fully insured.

Updates about Quebec's legislation on this issue will be provided in future issues of Employee Benefit News.

OHIP changes coverage for physiotherapy & hearing tests

Effective August 13, 2001, the Ontario Health Insurance Plan (OHIP) stopped covering select physiotherapy and audiologist services.

Physiotherapy provided in a physician's office is no longer covered. Physio provided in a hospital or one of five designated clinics will still be maintained. We expect this will have minimal impact on Extended Health Care (EHC) plans.

Hearing tests performed by audiologists will no longer be covered, unless the audiologist works directly under qualified physicians who interpret the results. These changes will likely have no impact on EHC