

Fidelity Benefits Consulting

# International Health Care and Wellness Newsletter

December 2018

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 landscape.

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## Legislative Updates



### Cyprus

Implementation of the General Healthcare System is due to start from June 1, 2019 with full implementation scheduled for June 1, 2020. The new system will be funded through individual and company contributions (starting from March 1, 2019) as follows (contributions from the state and self-employed also apply):

- Employees and pensioners – 1.70% of earnings (maximum earnings ceiling of EUR 180,000).
- Employers – 1.85% of earnings (maximum earnings ceiling of EUR 180,000).

Contributions will increase from March 1, 2020 following expansion of the system to include coverage for inpatient treatment. Employers may wish to review any supplementary medical coverage following full implementation of the system and budget for additional costs.



### Bahrain

A new Social Health Insurance Program is due to be implemented in January 2019. The new system will be administered through SHIFA (Social Health Insurance Fund Authority), a new independent governmental authority and will bring mandatory health insurance for nationals, GCC citizens, expatriates and visitors.

Employers will be required to fund the cost of cover for resident expatriates. We expect most employers already to cover such expenses but they will now need to split out locally approved coverage for expatriates.



### Australia

Private health insurance reforms are expected to be fully implemented by April 1, 2019. The reform aims to make private health insurance simpler and more affordable for Australians through a number of measures including (but not limited to):

- Categorizing insurance products under a gold, silver, bronze and basic framework.
- Upgrading the government website to allow a simple comparison between insurance products.
- Allowing insurers to offer discounts based on an individual's age.
- Increasing the maximum voluntary excess for the first time since 2000.
- Increasing the powers of the Private Health Ombudsman.

The reforms should help to remove complexity from the current climate and may present employers with an opportunity to review any medical benefits provided to employees.



### South Africa

On June 21, 2018 the Minister of Health presented two new pieces of legislation to the public, which are designed to begin reforming the healthcare system. The proposals will create a state-run structure, with the aim of providing free care for all. Funding for the new scheme is likely to be through general taxation, employee and employer contributions; however the full details are yet to be confirmed. A phased implementation is expected with full operation expected for 2026.

## Other Developments

**India:** A National Health Protection Scheme has been launched in India which will cover over 100 million poor and vulnerable families. It is said to be the world's largest state-funded health insurance scheme with the Prime Minister, Narendra Modi, stating the number of beneficiaries of the scheme will be approximately equal to the population of the EU, or the combined populations of the US, Canada and Mexico.

**UK:** It was announced in summer that NHS funding will increase by £20.5 billion per annum for the next 5 years. The autumn 2018 budget outlined that at least £2 billion of the additional NHS budget will be allocated to improvements in mental health services. Some of the ways the money will be spent include 24/7 telephonic mental health support, comprehensive mental health care in every A&E, additional specialist mental health ambulances and more community services such as crisis cafes.

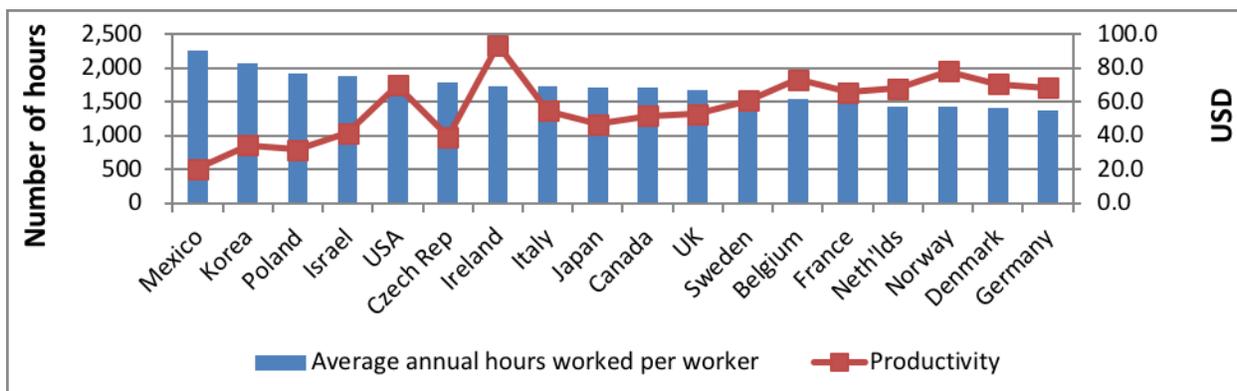
## In The News: Work-Life Balance

Amazon CEO Jeff Bezos recently advised all new employees to stop attempting to achieve balance between their professional and personal lives and instead to embrace a more holistic relationship between work and home life. Fidelity's Jeanne Thompson drew a similar conclusion in 2015 when she suggested that we should retire the term "Work-Life Balance" and instead aim to achieve Work-Life Sway<sup>1</sup>.

Global research has long dispelled the myth that the more hours your workforce works, the more productive the workforce is. Recent statistics from the OECD<sup>2</sup>, shows a general trend that the fewer hours in a working week,

the greater the level of productivity (determined as GDP per hour worked). According to the study:

- Mexicans work the most hours per year at 2,255; however, Mexico was also ranked as the least productive country.
- In the USA, people work 474 hours less, on average, than Mexicans but are over 3 times more productive.
- Germany where employees work the least amount of hours (1,356 hours per annum) is ranked significantly higher than the US and UK for productivity.



The hours worked data seems to indicate that employers need to do more to ensure focus moves from presenteeism to productivity and this evidence supports the increased focus on well-being strategies in the workforce. There are several examples where attempts to improve the balance between work and life have been deployed:

- A study in Sweden – which was fully funded by the government – examined nurses at a retirement home who worked six-hour days for almost a year, but were paid for 8 hours work. The results showed an increase in productivity; the nurses who participated took half as many sick days as those in a control group at a similar facility<sup>3</sup>.
- In January 2017, the French government introduced a new law that required employers with more than 50 employees to establish hours in which staff should not send or answer emails.

Corporates have also been exploring ways to improve well-being at work. NASA has experimented with short naps during the workday and both Uber and Google have started providing "nap rooms" at some of their locations.

<sup>1</sup><https://www.linkedin.com/pulse/lets-retire-term-work-life-balance-jeanne-thompson>

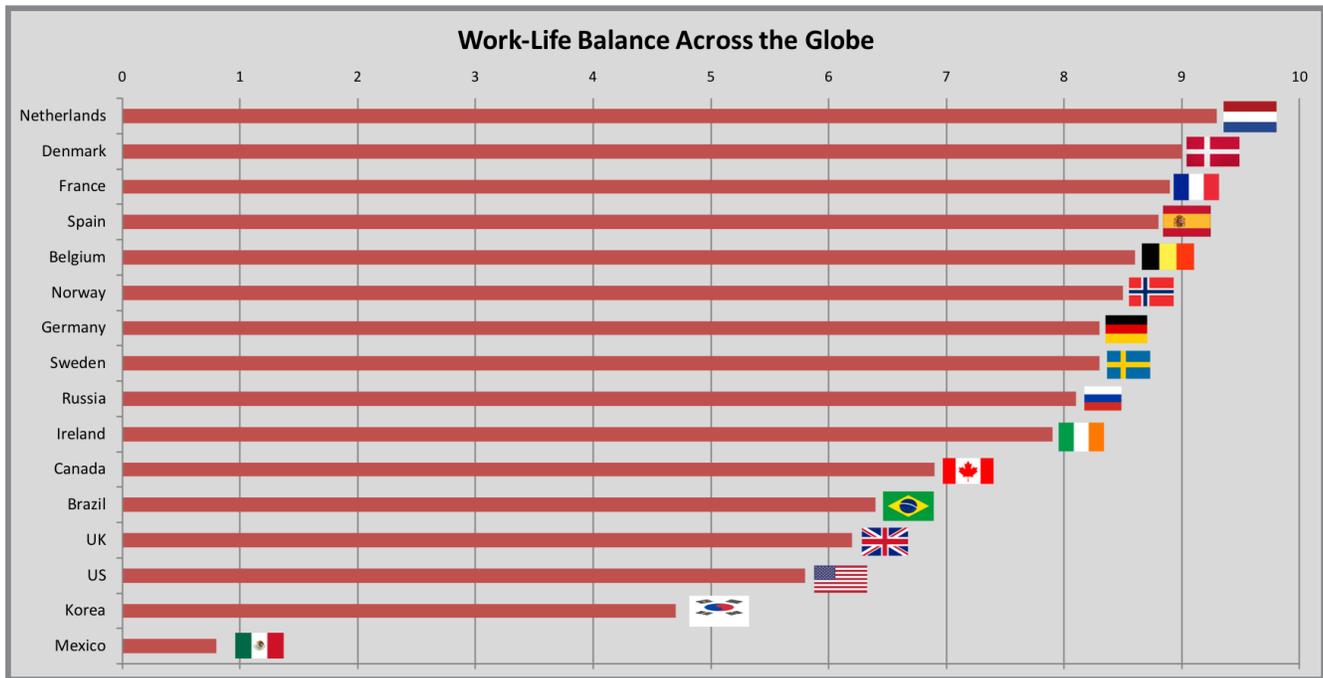
<sup>2</sup>Data taken from the OECD looking at average hours worked in a year and productivity which is measured as GDP per hour worked. All figures taken as at 2016.

<sup>3</sup>[https://www.bloomberg.com/news/articles/2016-05-10/the-six-hour-workday-works-in-europe-what-about-america?utm\\_source=feedly&utm\\_medium=webfeeds](https://www.bloomberg.com/news/articles/2016-05-10/the-six-hour-workday-works-in-europe-what-about-america?utm_source=feedly&utm_medium=webfeeds)

## So do fewer hours and greater productivity translate into better well-being?

Measures to support employees achieve a more harmonious approach to work and personal life are increasingly valued. For employees, work-life balance can boost mental well-being and motivation at work; for employers, in addition to increased productivity, improved employee retention rates and better positioning as an employer of choice are just some of the benefits work-life balance can bring.

The chart below displays the countries with the best work-life balance, ranked on a scale 0-10, based on indicators such as working hours and time for personal and leisure time<sup>4</sup>.



Combining this data with that on working hours and productivity shows an apparent correlation:

- Mexico not only ranks lowest from a productivity perspective but also from a work-life balance perspective.
- Conversely both Netherlands and Denmark have high work-life balance scores and are amongst the best performers in terms of assessed productivity.

Curiously the US features well for productivity but has poor work-life balance scores, caused in part due to the number of hours worked.

So the question for multinationals is, can they improve the well-being of their workforce whilst also delivering improved productivity? The research from the OECD and the corporate sector would seem to suggest there is a global opportunity to do precisely that.

<sup>4</sup><http://www.oecdbetterlifeindex.org/topics/work-life-balance/>

## Mark Your Well-being Calendar: World Cancer Day, 4th February 2019

World Cancer Day is marked every year on 4th February to help raise awareness of cancer, as well as encourage its prevention and detection. Over the past 3 years the World Health Organization (WHO) has been collecting data and has compiled a report which highlights the global success of World Cancer Day. Here are some of the initiatives that took place across the globe in 2018:

- Bahrain – The Gulf Campaign for Cancer Awareness, which included a range of events such as educational seminars and a walk-a-thon, was hosted by the Bahrain Cancer Society. The event drew participants from various segments including government, schools and businesses and included a fundraiser to help support cancer patients.
- Canada – A report released by the Canadian Partnership Against Cancer gained national media coverage in Canada after sharing the voices of over 30,000 people living with cancer. Major landmarks across the country, including the Niagara Falls Illumination Board and the CN Tower in Toronto, illuminated the World Cancer Day colors to recognize the day.
- The Netherlands – The Dutch Cancer Society launched a new online news program which discussed the latest news around fighting cancer, followed by a Q&A with a panel of experts. They also used celebrities to help the promotion by pairing them with experts and helping them understand the ways to detect certain types of cancer.

Across the world, 17 people die every minute from cancer. Campaigns such as World Cancer Day can help with the detection and prevention of cancer. Incorporating World Cancer Day into an existing well-being strategy could help ensure your workforce stays healthy through education around how to detect potential signs of cancer and easy self-check methods. In 2018 alone, World Cancer Day reported some impressive engagement numbers<sup>5</sup>:



- #WorldCancerDay trended worldwide on Twitter
- There were 14,037 press mentions
- 3.26 billion social media impressions were recorded
- Across 137 countries, 985 activities took place on World Cancer Day

More organizations are including their own activities as part of their global well-being programs and World Cancer Day is an excellent opportunity to reinforce a truly global initiative.

<sup>5</sup>[https://issuu.com/uicc.org/docs/wcd2018\\_impactreport\\_eng?e=10430107/59845328](https://issuu.com/uicc.org/docs/wcd2018_impactreport_eng?e=10430107/59845328)

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***About Fidelity International Benefits Consulting***

Fidelity's International Benefits 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 Well-being	International Health Care & Wellness	International Miscellaneous
Governance structure & operating model  International audit, benchmarking and compliance review  Management and reporting  Ongoing support to global benefits committees  Advice on global financing opportunities	Fiduciary and compliance oversight  Best practice implementation  Development of preferred provider arrangements  Enhancing employee experience	<b><i>Financial Well-being</i></b>  Benchmarking/ implementation of global best practice  Design/ implementation of programs to support financial well-being  Vendor selection and oversight	<b><i>International Health Care</i></b>  Vendor selection  Strategic plan management advice  Cost optimization	Global insurance programs  Corporate transactions  Second opinions on local advice  Strategy to respond to legislative changes  Facilitation of global stock plan advice
		<b><i>International Retirement</i></b>  Benchmarking/ setting of financing assumptions  Advice on opportunities for de-risking  Consolidation of financial reporting & budgeting	<b><i>Wellness</i></b>  Global wellness education strategies & programs  Benchmarking and deployment  Vendor selection	