

# International Health Care & Wellness Newsletter

June 2019

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

This month's feature article informs readers on the growth of wearable technology, the use within well-being programs, and how financial incentives and group challenges are utilized to drive participation. Also included are brief summaries on technological advances in skin cancer detection and eye illnesses.

In the legislative realm, France has introduced a three-year plan mandating hearing, dental, and vision benefits to be covered under employer-provided health insurance.

Also, proposed legislative updates in the European Union would enhance the current provisions on paternity leave, while proposed legislation in Oman would require all private sector employers to extend minimum coverage levels to employees' spouses and children. Further, in Ireland, legislation has been put forward which could result in the introduction of paid parental leave.

## What's Inside

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## Legislative & Regulatory Update



### Oman

The Omani government has suggested that it will be mandatory for all private sector employers to provide employees and their dependents with health insurance. Now, a Unified Health Insurance Policy (UHIP) template has been proposed which sets out what the health insurance policies would look like.

Some of the proposed features include:

- Minimum coverage levels with regards to treatment.
- Introducing caps on in-patient and out-patient treatment.
- Extending coverage for spouses and children (age limit on children being 21 years old).

Terms of the policy will be upheld for one year initially.



### France

In France, the Ministry of Solidarity and Health has a three-year plan named "100% Health," which is looking to mandate the coverage of hearing, dental and vision benefits under employer-provided health insurance.

Over the next three years, the following will be rolled out:

- **2019:** For hearing and dental benefits, rates and cost caps will be negotiated.
- **2020/2021:** Throughout 2020 and 2021, the reform will look to eliminate out-of-pocket spending for the insured member. Vision and dental care will be addressed first, followed by hearing.



### European Union

In the European Union, a provisional agreement has been reached on a new directive which looks to enhance the current provisions of paternity leave. If passed, the new law would be applicable in all EU member states, and would be implemented within three years into local law, replacing the 2010 Parental Leave Directive.

Two key points around parental leave, applicable to all employees, are:

- Paternity leave would be set at 10 days with pay at least equal to sick pay.
- Four months of parental leave would be granted. Two of the months would be nontransferable; during these two months there will be a level of pay replacement and certain provisions for flexible use. Specific details will be decided at member state level, for example, which party would be responsible for payment.



### Ireland

Currently, Ireland is one of six EU member states that does not offer workers any form of paid parental leave. However a new bill (the General Scheme of the Parental Leave and Benefit Bill), has been released which, if enacted, would introduce paid paternal leave in November 2019.

There are a number of key main provisions:

- Paternal leave will be paid by social security and at the same rate as maternity pay.
- Within a year of the birth or adoption of a child, employees who have 1+ year of service will be entitled to 2 weeks of parental leave.
- At least 4 weeks' notice must be given before taking parental leave - while on leave the employee is protected from termination.

The employer would be obliged to pay the cost of the premium and also the 'inpatient treatment costs' do not include any contribution from the worker.

## Wearable Technology and Uses Within Well-being Programs

The wearable technology market has seen significant growth over the past few years, with Gartner predicting that worldwide shipments of wearable technology devices will increase by over 25% in 2019 to 225 million units<sup>1</sup>. Further, technology industry analysts, CCS Insights, predict that the wearables market will be valued at over \$27 billion by 2022<sup>2</sup>.



**\$27 billion**

*the predicted market value for wearables in 2022<sup>2</sup>.*

As the market in wearables continues to grow we look at the areas of impact these devices are having and how they can support corporate well-being strategies.

### Encouraging Wearable Technology Usage

A recent study by Rand Europe and Vitality examined the correlation between financial incentives and increased physical activity. The study, which analyzed data from over 420,000 people across the US, UK and South Africa, revealed that when a financial incentive was offered, users tended to do more physical activity<sup>3</sup>. Furthermore, Duke-National University of Singapore Medical School undertook research around the use of incentives and Fitbit usage. They found that initially, cash incentives significantly increased daily activity; however, once the incentives stopped only 1 in 10 people involved continued to use their Fitbit<sup>4</sup>.

### Incorporating Wearables into your Well-being Strategy

A study conducted by Springbuk in 2017 found that 35% of employers were using wearable technology as a foundation to building successful, cost-effective well-being programs<sup>5</sup>. Plan sponsors can use wearables to promote and encourage participation in well-being programs, with the ultimate goal of a healthier workforce. As studies have shown, financial incentives typically increase participation; however, incentives may not be a long-term solution to encourage healthy habits.



**35%**

*of employers were using wearable technology as a foundation to building successful, cost-effective well-being programs in 2017<sup>5</sup>.*

Plan sponsors may consider introducing a competitive aspect of their well-being offering by incorporating wearables, for example, into a global step count challenge. Global shoe retailer FitFlop challenged teams of employees from all of their international sites to 'virtually' walk from their London office to their Vietnam site in Ho Chi Minh, with the winning team members each receiving an additional day of vacation.

### Alternative Use of Wearables

Traditionally, wearable technology comes in the form of a watch-like gadget which can track your steps, your heart rate and in some cases, your sleeping pattern. But as technology and research advances, wearable technology is being developed to provide insight into individual's habits and offer data driven results to help improve overall well-being.

LYS Technologies has developed a piece of wearable technology which measures the amount of natural light a user is exposed to on a daily basis, with a goal of helping people get better sleep. The user wears 'LYS Button' - a simple and sleek coin-sized wearable that clips onto clothing – for 7 days, which tracks the amount of natural light the user is exposed to via an app. The app then helps educate the user about their lighting environment and delivers insights to help boost energy and sleep quality.

<sup>1</sup> <https://www.gartner.com/en/newsroom/press-releases/2018-11-29-gartner-says-worldwide-wearable-device-sales-to-grow>

<sup>2</sup> <https://www.ccsinsight.com/press/company-news/3695-success-of-apple-watch-means-more-growth-in-sales-of-wearable-technology/>

<sup>3</sup> Incentives and physical activity: An assessment of the association between Vitality's Active Rewards with Apple Watch benefit and sustained physical activity improvements

<sup>4</sup> Effectiveness of activity trackers with and without incentives to increase physical activity (TRIPPA): a randomized controlled trial.

<sup>5</sup> Springbuk 2017: Employer Guide to Wearables 2.0: A Follow-up Review of Devices & Technology

## ***Apple Heart Study***

Stanford Medicine researchers recently published the results of the Apple Heart Study, a project funded by Apple, which examined over 400,000 users' heart rate to check for an irregular pulse via the Apple Watch. When an irregular pulse was detected, some of the participants were sent a seven-day electrocardiography (ECG) patch to qualify the results against what the Apple Watch recorded. The results showed that in 71% of cases there was a positive correlation between what the Apple Watch and ECG patch recorded. As a result of this study, 34% of people who were sent an ECG patch were diagnosed with atrial fibrillation<sup>6</sup>.

## ***Technological Advances with Skin Cancer Detection and Eye Illnesses***

### ***Skin Cancer Detection***

Technological advances mean smartphone apps and cameras can be used to help detect illness.



SkinVision is an app which uses the camera on your smartphone to help detect the risk of a mole or dark spot on your skin being skin cancer<sup>7</sup>.



After taking a picture of the spot, the app gives the user a high or low risk indication within 30 seconds. Participants are then encouraged to schedule their next skin checkup to get a professional diagnosis.

The NHS Innovation Accelerator – a body which supports new innovations in the healthcare space - selected the app to join and be supported in scaling their high impact, evidence-based innovative technology.

### ***Detecting Illness via Eyes***

Artificial Intelligence is making detection of illness easier, which means people can access treatment quicker and have a greater chance of not compromising their sight.



Google's DeepMind and the Moorfields Eye Hospital have partnered to help diagnose eye conditions. Optical coherence tomography (OCT) scans are normally assessed by an eye specialist however the new AI can interpret the scans and diagnose with unprecedented accuracy. The specialist can then confirm the AI diagnoses and recommend appropriate treatment on a patient-by-patient basis<sup>8</sup>.

<sup>6</sup> <https://med.stanford.edu/news/all-news/2019/03/apple-heart-study-demonstrates-ability-of-wearable-technology.html>

<sup>7</sup> <https://www.skinvision.com/>

<sup>8</sup> <https://deepmind.com/blog/moorfields-major-milestone/>

## ***Considerations for Plan Sponsors***

If incorporating wearables into your well-being strategy is something you are considering, a couple of key takeaways are:

- Studies have shown that incentives can be used to encourage use of wearable devices. A financial incentive may encourage participation initially; however, that participation may not be sustainable. A global step challenge with a competitive element and 'prize' at the end may encourage continued employee engagement and provide longevity to the use of wearables.
  - Technological advances in wearable technology mean detecting potential medical conditions is becoming more commonplace. As this market continues to develop, we may see linkage between wearables and health care plans, indicating when (following data tracking such as heart rates) an individual should visit with a health care professional. The potential early detection of certain conditions in the future could lead to early diagnosis and treatment and hopefully better outcomes.
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## About Fidelity International Workplace Consulting

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

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

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