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# From the Masthead



**Mainstay Insurance Brokerage Inc. Phone: (905)886-9203**

## In order to serve you better

To assist you with your employee benefit plan, we are continually updating our website. Located at:

[www.mainstayinsurance.ca](http://www.mainstayinsurance.ca)

The site provides easy access to many insurance company's websites and to the health and dental claim forms you utilize on a regular basis. We have also added links to the log on pages for members (employees) to provide quick access to other websites.

## Did you know that...

... one of Canada's biggest medical breakthroughs was the discovery of transplantable stem cells by Drs. James Till and Ernest McCulloch in 1961 at the Ontario Cancer Institute in Toronto.

The duo developed the first clonal method to identify stem cells, which is considered one of the most significant breakthroughs in human genetics. This discovery laid the foundation for all subsequent stem cell research, revolutionizing our understanding of cellular biology and opening new avenues for medical treatments.

Who knew?

Need help finding a form, phone number, or just help in general, please do not hesitate to call us at: 1-905-886-9203

or send us an e-mail at:  
[Dave@mainstayinsurance.ca](mailto:Dave@mainstayinsurance.ca)

## **Benefit choices: Be aware of what you may give up.**

When considering whether to waive coverage or opt for family coverage in an employee benefit plan in Canada, there are several risks associated with waiving coverage that employees should be aware of.

### **Limited Coverage and Coordination:**

By waiving coverage, you lose the ability to coordinate benefits with your spouse's plan. Coordination of benefits allows you to maximize your coverage by submitting claims to both plans, potentially receiving up to 100% reimbursement (to plan limits) for eligible expenses.

Without this option, you're relying solely on one insurance plan for coverage, which may result in higher out-of-pocket expenses.

### **Late Applicant Status:**

One of the most significant risks of waiving coverage is the potential to be considered a late applicant if you decide to enroll in the plan later. Most insurance companies require late applicants to go through a health evidence process. This process is designed to protect the insurer from high claims, as the insurer assumes that someone who is joining the plan later is doing so because they will have costly claims to submit.

### **Loss of Immediate Coverage for Life Changes:**

Waiving coverage can also lead to complications when life changes occur.

For instance, if you get married and don't add your spouse right away, even waiting a month could result in a problem. The insurer may suspect that your spouse suddenly needs coverage due to a health crisis and may require medical underwriting or provide reduced or no coverage at all.

### **Missed Opportunity for Comprehensive Coverage:**

By waiving coverage, you miss out on the opportunity to have more comprehensive health and dental protection. While you may save on premiums in the short term, you could face significant out-of-pocket expenses if unexpected health issues arise.

**Example:** If you waive dental coverage and later require extensive dental work, you would be responsible for the full cost of treatment, which can be substantial without insurance.

Opting for family coverage in your employee benefits plan offers several advantages.

**Comprehensive Protection:** Family coverage ensures that both you and your dependants have access to necessary health and dental services.

**Coordination of Benefits:** With family coverage, you can coordinate benefits between your plan and your spouse's plan, maximizing your overall coverage and potentially reducing out-of-pocket expenses.

**Flexibility:** Family coverage allows you to add dependants as needed without going through additional health evidence processes, provided you do so within the specified timeframe (usually within 31 days).

**Cost-Effective:** While family coverage may have higher premiums, it can be more cost-effective in the long run, especially if you or your dependants require frequent medical or dental services.

While waiving coverage may seem appealing due to potential premium savings (short term), it comes with significant risks and limitations. Opting for family coverage provides more comprehensive protection, flexibility, and the ability to coordinate benefits, ultimately offering better financial security for you and your family in the face of health-related expenses.

Any questions? Just reach out.



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This information is provided as a reference to clients of Mainstay Insurance Brokerage Inc. It is not intended as advice. Your situation and the contract provided by your insurer plus any relevant legislation shall always take precedence. Always obtain appropriate legal, human resource or accounting advice.

Note: This side of the newsletter is intended for you the plan administrator. The information on the 'front' is targeted more to your staff and can be copied and distributed for their reference.

### **Just in case you were wondering...**

*We are always as close as an e-mail or call away if you need help. Never hesitate to call. We love to hear from you, our clients/partners.*

*Most situations are much easier to deal with if you ask a question upfront rather than after the fact.*

*Be it unusual employment relations issues, terminations, lay-offs, leaves or other HR issues, we have many resources available to support your needs.*

## **Update on National Pharmacare and Dental Care**

As of September 2024, significant progress has been made in implementing Canada's national pharmacare and dental care programs. These initiatives aim to expand healthcare coverage for millions of Canadians, potentially impacting employer-sponsored benefit plans.

Here's what you need to know about recent developments.

The first phase of the pharmacare program focuses on providing coverage for diabetes medications and contraceptives. These medications will be covered through a universal, single-payer system, contingent on provincial and territorial agreement.

Everyone in Canada with a health card will be eligible for coverage under the national pharmacare plan, not just the uninsured. Unlike the Canadian Dental Care Plan (CDCP), there will be no income cut-offs or eligibility rules that exclude people covered by existing plans, public or private.

The contraceptives that are covered are all fairly inexpensive and as a result are expected to have a minimal affect on premiums. The diabetes drugs, on the other hand, may provide employers with a small savings (~2%) depending on the number of employees impacted and their type of drug treatment.

The Canadian Dental Care Plan (CDCP), has also made strides in both implementation and provider participation.

The program is being implemented in phases. At this point coverage is available for seniors aged 65 and over, plus children under 18 and people with a valid disability tax credit certificate. The remaining Canadian residents (ages 18-64) can apply starting in January 2025.

In order to be eligible, an individual must be a Canadian resident with NO access to any dental insurance, have an adjusted family net income of less than

\$90,000 and have filed their 2023 tax return. As employers are blind to family income, dropping private dental plans is likely not a good option for most employers as it may result in employees having no coverage from either plan.

Coinsurance levels on the plan range from 100% down to 40% depending on family income. In addition, dental providers are allowed to "balance bill" for the remaining amounts which include differences between the current fee guide and that which the plan uses. This means employees could be required to pay up to 75% of the cost with no limits.

Initially very few dentists were "signing up" to the plan, but there has been a notable increase in provider participation. Now, over 70% of dentists are accepting patients and over 650,000 patients have received care. We will continue to monitor and provide updates as available.

## **Mainstay Blog Posts**

Mainstay started a regular blog post in March 2017 to help clients stay atop of issues that may affect them or their staff.

We send out one post each week (on average) on issues we think may be relevant to plan sponsors. These include information on changes in legislation, taxation, and employment law plus other informative articles and information.

Many clients find this information to be useful when shared with managers, or in some cases employees.

Most of our clients have subscribed or been subscribed over the years. If you are not receiving our blog posts and interested in doing so, or have others in your organization who might be interested in being

added, please visit our website at:  
<https://www.mainstayinsurance.ca/blog/>

Conversely, if you are no longer interested in receiving this information, you may unsubscribe any time.

We hope you find the information useful and are always open to feedback.