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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 of the insurance company's websites and to the extended health and dental claim forms you utilize on a regular basis.

If you use a form that is not on our website and would like it added, please send us an e-mail at:

[feedback@mainstayinsurance.ca](mailto:feedback@mainstayinsurance.ca)

## Do you have a child that is going away to school?

If you have a dependent child that is under 25 and a full-time student at an accredited school, college or university, they may be covered by your benefit plan.

If your child is attending an out-of-town school, a call to the insurer or your plan administrator may also help. For example, in many cases you can request an extra drug card for your child to use while they are away.

If the student is attending school in another country, you will want to investigate an OHIP extension and obtain a benefit extension from your group insurer to provide emergency out of country coverage for the duration of their stay.

Contact the insurer or your plan administrator directly for more information.

## Where did my claim cheque go ????

If you are like most clients today, you probably take advantage of Electronic Data Interchange (EDI) to submit your dental claims. This is the process where your dentist submits your claim directly to the insurer. Depending on your plan design, it means faster claim turnaround time with cheques typically being mailed within days of service and direct deposits appearing as soon as the next day.

There can however be a problem with this system. It can be **too** efficient. The information that is

sent by the dentist contains not just the billing information (codes and costs) but also the patient's mailing address. This is to ensure that the claim cheque is mailed to the most current address.

A problem can occur if you have moved and have not updated your dentists records. It can also be a problem when a dependent is at a different address than that of the employee (e.g. away at school). When the claim is submitted, it takes the information that is transmitted and overwrites

what was there and then mails the claim to that "old" or "wrong" address.

This can cause delays as the claim cheque must then be forwarded to the new address or it can be returned to the insurer.

This delay can also cause problems in cases such as marital separations where you or your partners claim cheque is sent to your former spouses address.

To avoid these problems, ensure that your dentist has your most up to date information when you next visit.

## Update your plan administrator too!!

You as an employee, have a responsibility to keep your plan administrator up to date on status changes. Most benefit plans require that such changes be updated within 30 days of the change taking effect.

Status changes can include: birth or adoption of a child, marriage, same sex or common law cohabitation, separation or divorce. In addition, changes in spousal benefit coverage must be reported if it affects the way claims are submitted. It is important that all such information is kept current so that your dependents are eligible for coverage appropriately.

Failure to make a status change within the 30 day period can result in the

insurer invoking late enrolment rules. Such action can require you and/or your dependents to complete health questionnaires and may place you at risk of having benefit coverage declined.

Most carriers also utilize a late enrolment benefit limit on dental care. This typically limits an employee and/or their dependants to a maximum of \$125 for dental care during the first year of coverage. This could be a serious limitation if a family had even minimal dental expenses during that timeframe.

Another area to be aware of is the impact that a lack of response to an insurance company's request for additional information can

have. Often an insurer will ask for health questionnaires, information on paramedical visits or additional data in order to fully assess an individual's situation. It is your responsibility to ensure that such requests are complied with as soon as possible in order to maintain the level of benefit coverage that you are eligible for.

It is your responsibility to ensure that your employer and insurer has all the current and relevant information regarding yourself and your family.

If your information is not shown correctly on your benefit wallet card, or if you are anticipating a change in status please contact your manager or plan administrator immediately.



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Note: This side of the newsletter is intended more 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...

"New Drugs" accounted for only 3.2% of claims and 4.8% of the total cost of drugs in 1997. However, due to the cumulative effect of additional new drugs marketed between 1997 and 2001 and their growth in market share, "New Drugs" represented 29.6% of claims and 45.6% of the total cost of drugs in 2001. For 2003 and beyond? Only time will tell.

Green Shield Canada

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 as well as any relevant legislation shall always take precedence. Always obtain appropriate legal, human resource or accounting advice.

## Ensure those dates of birth are correct !!!

One of the most common problems faced by employees is the decline of a claim due to incorrectly submitted information. The situation that arises most often is incorrect dates of birth causing drug card or Electronic Data Interchange (EDI) dental claims to be denied.

These problems can often be avoided by ensuring that employees complete enrolment forms clearly and correctly. Ensure that staff write numerical dates in the order the form requests them or preferably write the date as 02 MAR 1965 instead of 02/03/65.

Name misspellings can also cause problems so ensure that enrolment or change forms are written legibly.

One embarrassing problem that is often

encountered is watching employees complete forms and guess at their spouse and children's dates of birth. If you as a plan administrator see this, encourage the employee to contact the spouse in order to provide the correct information. A quick call at form completion can prevent a denied claim and eliminate the extra waiting time caused by having to submit a paper claim later. This can be more serious if the drug is a high cost purchase and the employee does not have the funds available to pay for the purchase while waiting for the payment through regular reimbursement.

Another area that causes problems with EDI drug and dental claims is dependents that have not been added to the plan. Most benefit plans now

utilize "positive enrolment" to protect against fraud and misuse by ineligible dependents. This type of system will only consider reimbursement of claims of those individuals who are enrolled in the plan.

An example of this that is often missed occurs when an employee has a new born or adopted child enter the family and they forget to complete a change form to have them added to the plan. In these situations, no claims will be paid until the child has been added and approved by the insurer.

If you are with a smaller employer and are made aware of staff changes informally (such as contributing to wedding or baby shower gifts etc.) take the opportunity to remind the employee to add their new addition to the plan.

## Help plan members avoid late application costs

When employees become eligible for coverage under your group benefits plan they have 31 days to apply for coverage unless otherwise specified in the group benefits contract. This means completing an enrolment form for themselves and, if they are applying for dependent coverage, for their dependents.

If they don't apply within that time frame, they are considered late applicants and must provide an "Evidence of Insurability" form for approval before

coverage can take effect. Should extra medical information be required to assess late applicants' insurability, it will be the responsibility of the plan member to pay the expense and obtain medical evidence.

To ensure your employees and their dependents have benefit coverage and avoid these costs, please remind them of the need to complete an enrolment form for themselves and their dependents within the 31-day window.

Plan members are not considered late applicants if they waived coverage because of similar coverage under their spouse's plan, then reapply within 31 days of termination of the spouse's coverage. As well, late applicant plan members and/or their dependents who require no additional medical information will not be subject to additional medical expenses.

**Courtesy of Manulife**