



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

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) in order to provide quick entry to other websites.

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

Did you know....?

In 1996, over 3 million Canadians, an estimated 12.5% of the population, received chiropractic care from Canada's 5000+ licensed Doctors of Chiropractic.

Over \$500 million dollars was spent on chiropractic services in 1996 in Canada.

The Ontario Chiropractic Association delivered letters and petitions to the Ontario Legislature signed by over 600,000 Ontarians opposed to the government's decision to eliminate public funding for chiropractic services.

Excerpted from the Canadian and Ontario Chiropractic Association websites

Are you traveling anytime soon ? If so READ THIS!!!

Every year we are faced with the challenge of assisting clients to obtain reimbursement for out of country health claims. In most cases, these paper claims would not have had to be filed in the first place had the insurer been contacted at the time the accident or illness occurred.

Most insurers require that they (or the travel coverage provider) be contacted at the time an incident happens. This simple phone call causes several key things to happen. It opens a claim, involves the provider in the treatment process and opens channels for provincial plan coverage and direct payment of the claim where possible.

The first step of opening a claim seems simple. In reality it can become quite complex when the communications involve hospitals and doctors in different countries speaking different languages, charging different currencies and having a variety of different courses of treatment. Many providers assist in routing patients to clinics or hospitals in their area, ensuring the highest levels of quality service. The second step of involving the health care provider goes far beyond giving directions to the nearest hospital. The

provider often acts as a contact point between the attending physician, the patient's family doctor and specialists. This can be invaluable in identifying past health issues and medications that may interfere with emergency treatment.

With changing technology and the costs of newer diagnostic tests rising quickly, providers want to ensure that proper tests are completed while unnecessary tests are not carried out. In many parts of the world, health care providers see "insurance coverage" as a blank cheque to run every test possible as the insurer, not the patient, will pay. In fact, we all pay eventually. The third step is the actual payment of claims and integration with your provincial plan coverage. In Ontario for example, OHIP provides coverage for some in and out patient services while traveling (albeit low amounts). By opening a claim, the provider may be able to file the necessary paperwork with the province to ensure your claim is paid. They will then attempt to arrange direct payment of the remainder of the claim with the treatment facility. This can save you the problem of trying to come up with potentially large sums of cash in order to pay your bill.

We ask clients why they did not call the insurer at the time the incident occurred and the reply is often "We provided all the insurance information to the hospital and they said don't worry, they would take care of it". Clearly there is a big difference in the interpretation of "take care of it". In the United States for example, it can often mean that the hospital will let the patient leave without having to pay but will send a bill to the vacation hotel or condo. The bill is then sent to a collection agency who will chase you down at home demanding a past due payment that you were not even aware you owed. At this point we are often contacted and must tell the person to submit the claim first to OHIP for payment. OHIP requires 4 to 6 weeks for processing before the insurer can even consider payment of the claim. In some cases, payment could be declined for tests or treatment that were deemed unnecessary, leaving the person out of pocket for these costs.

To avoid this situation contact the provider (you or your traveling companion) immediately when an accident or illness occurs in order to open the claim and start the process running smoothly right away.



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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...

Total drug expenditures per capita in Ontario for the year 2003 were \$244 from public funding (e.g. hospital administered medication) with another \$431 coming from private funding such as insurance companies or private payers.

The total drug expenditures in Canada have risen from approximately \$10 billion in 1995 to nearly \$20 billion in 2003.

91% of other services such as paramedicals and dentists are now being privately funded. With the new Ontario budget changes, this will likely increase even more.

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.

New Year "T-4" Reminders

Each year at renewal time we review some of the taxation issues that affect your benefit plan. In many cases your accountant or bookkeeper will also raise these issues.

To ensure that issues are dealt with at the appropriate time of the year, we continue to include an annual reminder in this newsletter. This is not intended to offer advice but simply to remind you of some of the important items so that you can discuss them with your accountant to ensure that your situation is handled in the most appropriate manner.

Employee life and dependent life insurance that is paid for by the employer is a taxable benefit in all provinces and ALL amounts must be shown as such on your employee's T-4. If your employee pays the premium for this benefit then this is not an issue.

Accidental Death & Disability (AD&D) premiums paid for by employers in QUEBEC only are considered taxable and are treated like life insurance premiums.

Long term disability premium paid by the employer are generally NOT a taxable benefit but WILL be taxed at the time a claim is received. Therefore an alternative may be to have the employees contribute 100% of this premium cost throughout the year, to maintain a tax free benefit for them at the time a claim is received.

Health and dental premiums (including Health Care Spending Accounts) are a taxable benefit to Quebec employees. Health plans must also comply with the Quebec legislation RAMQ. Information is available from RAMQ or under additional information at our website.

There are a number of pieces of legislation that interact and contradict one and other. An example of this affects plans with Quebec employees. The provincial rules dictate that any benefit paid to an employee (such as HCSA amounts or cost plus benefits) must be included as a taxable benefit for that individual (in addition to any regular premiums). However, privacy legislation indicates that this data may no longer be provided to the employer to ensure the employees right to privacy. This makes the first piece of legislation difficult to comply with.

Because of the complexity of some of these issues, it is often best to discuss them with your accountant, lawyer or human resource professional to find the method best suited to your particular situation.

Possible issues due to the withdrawal of Vioxx

As many are now aware, Merck Frosst Canada has announced the voluntary withdrawal of their anti-inflammatory arthritis medication Vioxx (rofecoxib) effective September 30th, 2004. Those affected should speak to their physicians (many already have) regarding alternative treatments for their particular situation.

Vioxx is a COX-2 Inhibitor. Many people will make a change to another medication in the same family of drugs, called Celebrex. If the person responds to this treatment the cost is approximately 50% higher than they were previously paying for Vioxx. If the other COX-2 inhibitors have been unsuccessful in

treating the arthritis (or acute pain), a newer family of drugs may be the next progressive step.

Remicade and Enbrel are two of these newer family of drugs called biologics. The initial annual cost of approximately \$15,000 and can be as much as double that in extreme cases. Plan administrators have asked what type of effect (if any) this may have on their plans drug claims. These new drugs would cause a considerable increase in claim costs which in most cases would result in higher premium rates at renewal.

The bigger question we are often asked when there are new drugs brought to market (especially the higher cost

ones) is "what are the chances of us as a small business seeing an impact on our plan?" In the case of Vioxx, it was the 10th most prescribed drug in 2003. To put that into perspective, Flovent for asthma comes in around 20th and the birth control pills Tricyclen and Triphasil are around the 60th most prescribed drugs. The usage is high, hence so are the chances of the drugs appearing on your plan. Due to privacy legislation, we may not see the effect of these changes until your plan renewal. If you have a concern or are aware of this or any other high cost drug that you would like to address, please contact us and we can further review your particular situation.