



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) 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](mailto:feedback@mainstayinsurance.ca)

### Did you know..?

The Ontario government implemented three publicly funded childhood vaccinations in July 2004 for chicken pox, meningococcal meningitis and pneumococcal disease.

So far, approximately \$156 million dollars has been spent and about 1.2 million children and youth have been vaccinated. This has saved Ontario families (and their employers benefit plans) up to \$600 per child.

Ontario Ministry of Health and Long-Term Care, Taking Action To Keep Children Healthy With New Free Vaccines Sept. 2006

## Right Drug, Right Person, Right Price - For Whom?

On April 13<sup>th</sup>, 2006 the Ontario Ministry of Health and Long Term Care Drug System Secretariat released a briefing to stakeholders called "Right Drug, Right Person, Right Price: Improving and Governing the Provincial Drug System".

It was the result of a review of the provincial drug system started in 2005 and that consulted experts worldwide. The findings showed that the government was not getting value for its money; nor was it leveraging its huge purchasing power. It also found that the provincial drug system itself sometimes impeded an individual's access to drugs.

The need for collaboration with the private sector to help employers manage costs was also identified as a concern as employers contribute significantly to drug costs.

With these issues identified, a number of initiatives were put forward. All of them make good sense from

the government's position as a large contributor to health care costs. Most also make sense from a patient perspective in terms of accessibility to drugs and overall affordability. Some of the initiatives have encountered resistance by pharmacists and have been reported on in the news in recent months.

From an employer perspective there is both good and bad news. In the area of providing more generic drug interchangeability, employers with generic plans (which are most) will see more prescriptions receive generic substitution and as a result will see lower costs.

With respect to bringing breakthrough drugs to market more quickly we may see some of the higher cost drugs approved and marketed faster than in the past. This may be a boost for patients but it may also be a driver of increased costs as many of these new drugs are more expensive than those that they have replaced.

The end result is that employers who provide drug coverage will see higher claims.

One of the areas that we see as being a concern for employers is when they deal with employees aged 65 or older. Currently these individuals who reside in provinces that provide provincial coverage to people over age 65 are done so as first payer. This means (in Ontario for example) that if the drug is on the provincial formulary (ODB), the province picks up the cost with only the deductible or those drugs not on the formulary being paid for by the employers plan.

One of the initiatives is to make the ODB the second payer when one has private coverage. This would mean that any "working senior" would have their claims paid for by their employer first with the province picking up the remainder. This could mean large benefit cost increases for those with staff age 65 and over.

Stay tuned to see if and how these initiatives are implemented.



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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...*

**YES**, the employer DOES need to complete STD &/or LTD claim forms when there is a WCB/WSIB claim. Employers often make the mistake of thinking that the WCB/WSIB claim will pay the benefit when the claim could be reversed after the fact making the STD/LTD plan the first payer.

Call us if you have questions.

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.

## Keeping Employee Data Up To Date

It is imperative that employers (plan administrators) keep employee data up to date with the insurance company. Any and all changes that affect an employee's coverage MUST be sent to the insurer within 31 days of the effective date.

These changes can include; new hires, terminations, marriages, cohabitations, separations, divorces, birth of children, change in student status, changes in salary or hours worked, in spousal coverage, in class and change in coordination of benefits information just to name a few.

Often the employer is not aware of the changes but it is a good idea to raise the issue with staff at least once a year in order to capture any newer changes. This can help to ensure that any retroactive changes that may be required will have a minimal effect on staff or premiums.

The most common problem we see is couples that live common law and either simply forget, or choose not to inform their employer until they require a claim to be paid. This may save them money in the short term, but when they attempt to correct the

situation and update their status, they are billed back to the cohabitation date.

Changes implemented by the employer should be communicated immediately to the insurer. For plans with benefits tied to earnings (such as life & LTD coverage) must be done within 31 days of becoming effective. Making annual salary adjustments to the carrier are NOT adequate as the coverage that an employee would receive in the event of death or disability could be less than anticipated creating a position of risk for the employer.

## Newsletter Moving to E-mail Distribution

We are considering changing the monthly distribution of this newsletter from a print and post version to one delivered electronically to our clients, friends prospects and associates.

The obvious advantage is the cost savings to us but it also means that we can make the distribution that much wider with multiple copies going to offices with more than one staff who might find the information helpful. This will also help in situations where there

are offices in multiple provinces and/or countries.

Before we go this route, we thought it best to ask clients for feedback and to see what you'd like us to do.

Over the past year we have had more people inform us that they like the articles, and find them useful. Many are making copies and passing them on to their staff or posting articles of interest on bulletin boards. Others are going to the website to obtain and forward the

newsletters to staff electronically.

We have e-mail addresses for most clients and are planning to start distribution with the January 2007 issue.

If you have thoughts that you'd like to pass along, people you'd like to add to the list or if you'd rather receive the newsletter by print and post, please let us know.

You can call 905-886-9203 or e-mail us at [newsletter@mainstayinsurance.ca](mailto:newsletter@mainstayinsurance.ca)