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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

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 access 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:

Dave@mainstayinsurance.ca

Did you know that...

We have room to take a few group clients this year? Due to the mergers of some great long-term clients (by larger firms), we have an opportunity to accept new clients.

We provide employee benefits for businesses as small as 2 full-time employees to as high as 200.

If you know an employer that is less than pleased with their current broker, who is having issues with their rates, their insurer or is just having problems with their benefit plan in general, please call Dave at Mainstay (905) 886-9203. With your introduction we'll with meet them and do our best to solve their group insurance challenges.

High Cost Drugs? Apply to the Ontario Trillium Drug Plan

Are you (or someone in your family) using a high cost drug? If so, you should look into the Ontario Trillium Drug Benefit (TDB) plan.

https://www.ontario.ca/page/get-help-high-prescription-drug-costs

The program helps Ontario residents with high drug costs and has a deductible based on household income of approximately 4% of net household earnings.

Not all drugs are covered but many of the high cost drugs we typically see are.

You can go online to the TDB site to search if your drug is eligible. If you have a 100% paid drug plan, then the insurance plan is the first payer and the TDB plan would not be available, but if you have 80% coverage (like most plans), a drug cap, or a health spending account, then you may be eligible to submit the portion of the cost that you pay, to the province for reimbursement.

As an example, if an employee spent $30,000 a year for Remicade and had a benefit plan with 80% co-insurance, their deductible would be $6,000 a year. If their household NET income is $60,000 a year, the TDB program would establish a $2,400 deductible (4%) amount.

In this example, once approved by the TDB, rather than having to pay the $6,000 deductible a year, they would pay the $2,400 that the TDB defines based on the net household income and have the remaining $3,600 reimbursed by the province.

Help to ensure that your benefit plan stays whole

Each year we write about the average increase in costs that employee benefit plans face. Over the past years these rates have gone up between 4 & 5%, more than double the rate of inflation. These increases are due to an aging population, increasing costs of services, as well as people using more of these benefits than ever before.

If we view this change by generation, today we often see a dentist 4 times a year, where our parents would have gone twice a year and their parents once a year, if at all. We also see some new services that have become very mainstream in recent years. An example of this is massage treatment. Your grand father would likely never have considered this, your parents may have after an injury if prescribed by a doctor. Today we use the services as part of our general physical and mental health and wellness. There is nothing wrong with this evolution, but it helps us understand how the benefit costs your employer is paying has grown so much over time. It also explains why so many employers are faced with cutting benefits, just to try and keep costs at the same level they were last year.

So in a world of fast rising costs, what can employees do to ensure their plan stays whole? To start, always ensure that you are not committing fraud, while this sounds obvious, many employees do not realize that the practitioners they are dealing with may have actually involved them in a practice that can end their employment and even face criminal charges. These are often identified by accepting billings for services that you have not received or that are misidentified (e.g. pedicure billed as a massage).

Taking advantage of these "offers" is fraud and you are actually stealing from your employer who pays your benefit costs, not the insurer.

Ensuring that your plan is not being abused is another area where you can help. If your condition has improved, but the practitioner suggests that you keep coming until your plan limits are reached, this may be abuse.

In the end, we want plan costs to remain reasonable

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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…

…how to locate the Ontario Government Changing Workplaces Review reports…

The Summary Report

https://www.ontario.ca/page/changing-workplaces-review-summary-report

The Full Final Report

https://ontario.ca/document/changing-workplaces-review-final-report

Lots of Legislative Changes Coming to Ontario

It is not often that we see so many workplace changes coming to Ontario and especially so many that affect Ontario employers in so many different ways.

We saw the provincial budget introduce an extension to maternity from 12 to 18 months starting in January 2018. We have not had the Employment Standards Act (ESA) updated to reflect this change, but are confident we will see updates in the months leading to that effective date. The largest impact of this change on employers will be the requirement to hold positions open for the 18 month time period. Employers are also likely going to have to maintain benefits and we may see more employees requesting the option to opt out of their benefit plan, to avoid paying for their share of the premium, thereby creating huge liabilities for employers that allow it. Our advice is NOT to allow opting out.

We are also seeing the new Youth under 25 OHIP + program rolling out in 2018 that will provide free drug coverage for those under age 25. This is an interesting first step toward provincial pharamacare as those under 25 and over 65 will now have drug coverage. This will not provide much of a savings to employers, as this age group tends to have low drug claims anyways and the formulary offered is quite limited.

Mainstay continues to work on the coordination of high cost drugs with the Ontario Trillium Drug plan. It looks like this will happen later this fall or early in the New Year. This could result in great savings for employers who have staff with high cost drugs. Administration will be handled automatically at the pharmacy making it easier for employees too.

The Changing Workplaces Review report has recently been issued and with it 173 recommendations aimed at making Ontario a better place to work. These changes come with more enforcement staff and higher penalties to ensure compliance. So what types of changes are coming? The suggested changes range from how part time, contract, sub contract ,seasonal and staff working through personnel agencies are defined and treated, to changes to leave for personal emergencies, and medical reasons, to an increase to vacation entitlement for staff with over 5 years of service.

A review was also requested to look at a minimum standard for health benefits, but it appears not to have been "jumped upon" by the government, possibly due to the potentially high employer costs.

The one take away is that contract staff and sub contracted independent contractors should be kept in clearly defined arms length relationships to avoid problems. Mainstay does not allow plans that include these type of employment relationships due to legal, tax and contractual reasons. This recent report further strengthens that argument.

Communicating with clients

We like to think that we do a good job of keeping you up to date on the areas that effect you around employee benefits. We accomplish this through our conversations, renewal meetings, and the quarterly newsletters. We often go well beyond the basics around benefits to also identify issues that involve taxation, legal and human resource issues. That said, sometimes there is just so much going on that we can't get it all to you in a timely manner. For this reason we recently started a blog through the Mainstay website. We generally e-mail 3 posts a week (on topics that are of relevance to our clients. The information in the article above is a good example and was further covered in 4 or 5 different posts over the past few weeks.

If you'd like to be added, just go to our web site and subscribe on the blog page. If you have others in your firm that may be interested, please feel free to let them know they can follow us by subscribing to both the newsletter and/or the blog.

Want to learn even more? Ask us about the CGIB seminars. Our November 1st seminar will have the Ontario Trillium Program for high cost drugs launching their updated program.