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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.

Did you know that...

... amounts paid by you to a fertility clinic or donor bank in Canada may now be eligible for a tax credit? Some medical expenses associated with surrogacy may also be eligible.

The expenses incurred in the taxation year of 2022 or after can now be submitted for the Medical Expense Tax Credit (METC).

Details are below, but speak to your accountant or tax preparer for more detail

<https://fin.canada.ca/drleg-apl/2022/ita-lir-0822-n-2-eng.html#metcsurrogacy>

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

or send us an e-mail at: Dave@mainstayinsurance.ca

What is Prior Authorization?

From time to time employees may encounter situations where a drug that has been prescribed by their doctor requires "Prior Authorization" (PA) approval by the insurance company before being considered for reimbursement.

Prior authorization helps to ensure that the right drug gets covered for the right patient at the right time. It makes sure that the prescribed drug(s) is being used based on the medical use or indication specified by Health Canada. Health Canada uses a rigorous process of evaluating and approving drugs based on their safety, effectiveness and quality before approving them for their intended use. Following these rules helps protect you.

In some cases a drug may be used to treat more than one condition. An example of this

is the drug Ozempic that is a new diabetes treatment. It is also often used "off-label" for weight loss. The prior authorization process for Ozempic will likely ask if you have been on diabetic drugs previously to ensure it's being used for the correct medical condition.

Ozempic has another version called Wegovy that has been made specifically for weight loss. Many benefit plans will not cover this version of the drug and if they do it may be by PA in specific circumstances only.

Each insurer has a team of specialists who develop prior authorization criteria for a specific, or class of drugs.

The criteria are based on factors like efficacy (ability

to produce the desired results), cost, and clinical guidelines.

If you are approved for a prior authorization drug by your insurer, you can be assured that its use is in line with Health Canada and current clinical practice guidelines. This protects both the patients, and the employer by ensuring that higher cost drugs are only reimbursed for the appropriate medical condition.

The PA process also provides you an opportunity to speak with your doctor about alternate treatment options, some of which may be less costly.

Regardless of whether the drug claim is approved or declined by your insurer, you and your doctor still have the final choice of treatment.

Dealing with mental health challenges?

We have received a number of requests for information to support employees who are stressed, depressed, anxious or facing other mental health challenges.

We have listed here several resources that are available from both public sources and privately through benefit plans.

Many benefit plans have Employee Assistance Programs (EAP) to support

employees and their families when they are facing challenges including: addictions, anxiety, depression, and financial or legal issues.

If your plan offers EAP coverage you can find contact numbers in your employee booklet, from your insurer, their website or reach out to us directly. Some plans may also provide coverage for

therapy provided by psychologists (or MSW's). Check your employee booklet for more information. Additional public resources can be found at:

<https://www.canada.ca/en/public-health/services/mental-health-services.html>

<https://ontario.cmha.ca/mental-health/>



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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...

The Canada Pension Plan (CPP) was introduced in 1965 as a government-sponsored pension program in Canada funded by both employers and employees.

The introduction of the CPP marked a significant shift in Canada's approach to retirement income. It aimed to address the concern that many Canadians were not adequately saving for retirement, particularly as the country's population aged.

Benefit plan costs are increasing faster than normal

Our clients are experiencing benefit plan renewal cost increases at a much faster rate than we have seen in decades. In fact as of our July renewals, the average increase has been 9.6% which is significantly higher than the 4% average we've seen in recent years.

Renewal rate adjustments result from a combination of factors such as aging, more and longer disability claims, and costlier health and dental claims, which are increasing faster than normal.

We initially shared a blog post in late April about the rising cost of health care globally. Canada was prepared to see costs increase about 7.5% in 2023.

We are in fact seeing this occur in addition to base health costs like drugs increasing. We've also seen medical equipment and paramedical claims increasing at a rate higher than expected.

In early 2023, we received (and shared) that the Ontario Dental Fee Guide adjustment for 2023 was 8.5%. This was nearly 4 times the average and double the highest increase that has been seen over the past 20 years. This, combined with higher trends and utilization rates is causing average dental rate increases to be over 10%. We generally see life and disability rates increase at

about 7-8% a year due to aging of your population (assuming you keep the same employees and they all age a year from one renewal to the next). In addition we've seen the number, duration and cost of disability benefits paid increase, further compounding the problem.

The good news is that benefits are being utilized and valued by employees more than ever. They also remain one of the last "non-taxable benefits" left for employers to provide to employees, making them more valuable than a corresponding salary increase.

Employee terminations, resignations and retirements

The majority of our clients are growing and as a result, they are recruiting new staff.

While very few are reducing staff levels, it does happen from time to time. Ensuring that terminations and benefit extensions are handled properly is important in these situations.

Most terminations are simple resignations or retirements. In these cases, the employee benefits end on the last day of work, with no other action required.

Some terminations are complicated "involuntary terminations" that may not require legislated notice to be paid, or any benefit extension. Terminations such as these can come with complications. The employer may be under the impression that they have "just cause" such as in the event of an

assault or theft of company property. After consulting an employment lawyer, this may actually change to a "non-causal" termination.

If this happens, payment for the legislated notice period and an extension of benefits will be required. To avoid a problem, we want to ensure that benefits are NOT terminated until the situation is finalized as benefits may not be able to be reinstated by the insurer.

We also see cases where an employee has abandoned their job and the employer wants to terminate their benefits and/or employment. In these situations, you must proceed very carefully as there may be a reason,

such as illness or injury that may have the employee hospitalized. In some of these cases, a disability claim may need to be filed, versus a termination.

Lastly, there are the most common "non-causal" terminations. These are the garden variety poor fit, poor performance, lack of work or organizational restructuring. In these cases, the employee must be provided with pay in lieu of notice as per the Ontario Employment Standards Act and employee benefits must also be kept whole during this period.

Consult with an employment lawyer or call us if you're unsure of how to manage an employee termination.