

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...

The recent 2016 Federal Budget laid out several potential changes to Employment Insurance (EI) that may affect employers.

The current waiting period for EI claimants, before receiving, benefits is two weeks. If or when the proposed changes are implemented the waiting period will be reduced to one week.

Employers with short-term disability plans in place, that also apply for EI premium reductions, may see their benefits changed to match

How this change integrates with Long Term Disability (LTD) and the standard 119 day waiting period remains to be seen.

High Drug Claims? Apply for the Ontario Trillium Drug Plan

Do you have high cost drug claims for you or your dependants? Are you an Ontario resident under the age of 65 and covered by OHIP? If yes then the Ontario Ministry of Health and Long-Term Care may be able to provide financial support for your eligible high cost drugs, which could save you thousands of dollars each year.

The Trillium Drug Program (TDP) assists with the payment of many prescription drugs if your "out of pocket" costs exceed approximately 4% of you household's net income.

As an example, if you take a

drug that cost \$20,000 a year, are single, and your net income is \$35,000, then your Trillium deductible would be \$1,119 per year. This means that you would have to pay the first \$1,119 of your drug cost and the province would pay the remainder provided the drug is listed on the Trillium formulary and you are eligible.

If you had a typical 80% co-insurance drug plan, your 20% share of the cost (\$20k) would be \$4,000 each year. By applying and being approved by Trillium, you would save \$2,881 per year (your \$4,000 share of the cost, less the Trillium

deductible of \$1,119).

The program can be quite complex, but there is a guide to understanding it that is available at: <http://www.forms.ssb.gov.on.ca/mbs/ssf/forms/ssfforms.nsf/FcRmDetail?OpenForm&ACT=RD&TAB=PROFILE&ENV=VWWE&NO=014-S46850E-87>

The guide walks you through the application process and explains how the plan operates.

General information on the program is available, at most pharmacies for the asking and also at: http://www.health.gov.on.ca/en/public/programs/drugs/program/odb/opdp_trillium.aspx

Ensure your information (and dependants) is up to date

You, as an employee, have a responsibility to keep your employer up to date on status changes that can affect your employee benefit plan. Most plans require that such changes be updated within 31 days of the change taking effect.

Status changes may include: birth or adoption of a child, marriage, same sex or common law cohabitation, separation or divorce.

If you have a child attending post secondary school full time or out of the country or the child is over age 21, there is special information that must be provided to the insurer in order to maintain or obtain benefit coverage.

In addition to family changes, modifications in your spouses benefit coverage (such as the addition or loss of coverage) must be reported to the insurer as it can affect the way your claims are (or are not) paid.

It is important that all personal information is kept current so that your dependants are eligible for their benefits. Failing to make a timely status change can result in the insurer invoking late enrolment penalties. Such action can require you and/or your dependants to complete health questionnaires and may risk having your coverage declined.

Most carriers also have a late enrolment benefit limit on dental care if you do not make changes in a timely fashion. This usually limits an employee and their dependants to a maximum of \$125 for dental care during the first year of coverage. This limitation could be a financial hardship if a family required even minimal dental work during that timeframe.

If your information is not correct, or if you are anticipating a change in status, please contact your plan administrator immediately.

Don't forget to update your home address too!



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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...

Effective July 1, 2016 Ontario has a Patient Ombudsman who will respond to unresolved complaints from patients, residents and clients about their health care experience at hospitals, long-term care homes and Community Care Access Centres.

This is part of the government's plan to build a better Ontario through its **Patients First: Action Plan for Health Care**.

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.

Benefit Fraud Continues

We have written about benefit fraud several times over recent years and unfortunately see the problem continue. In the Greater Toronto Area (GTA) fraud occurs in all areas of the city and all types and sizes of employers. There have been articles in the media regarding the 600 TTC employees who were being investigated for over \$5 million in health care fraud. Several of these employees saw their employment terminated. Air Canada also made the news for terminating staff for committing health care benefit care fraud.

The Canadian Health Care Anti-Fraud Association estimates that as much as 10% of every dollar spent on

healthcare in Canada is wasted on fraud. This could add up to well over \$10 billion each year.

We are now seeing the repercussions of this behaviour. Many employers are reducing paramedical coverage or moving to Health Spending Accounts (HSA's) to reduce the financial loss resulting from abuse. Another effect is the increase in audits being performed on employee claim submissions.

As the claims payers (insurers etc.) encounter more fraudulent claims, they tighten audit procedures to protect your employer's costs. They do this by requesting receipts when e-claiming (more often) and

checking the credentials of practitioners who they have not encountered before. These audits delay claims and waste employees time.

An excellent show was produced for CBC's "The National" that provides great insight into real life benefit fraud. It is entitled "Massaging Receipts" and goes undercover to show how fraud happens at clinics in the GTA. You can Google the shows name or follow the link below.

<http://www.cbc.ca/news/thenational/massaging-receipts-1.1792355>

The important lesson here is that fraud is that benefits fraud is actually theft against the employer who is the actual payer of the benefit claims.

What are other employers paying for benefits?

Each year we meet to discuss your plan's renewal. During the meeting we review the change in rates based on changes in your staff demographics and claim cost and the claims of all small business in the pool. Some of you see higher increases and others experience lower increases or even the occasional decrease.

The average annual increase in rates for our block of business, over the past five years has been about 3.4%. Over the past ten years it has been 4.1%. This past year has been the highest in almost 15 years with an increase of 7.2% on average.

We have included the highest increases and decreases in the chart

following to illustrate the range of cost changes that our clients have encountered. These numbers are compiled from our current Mainstay clients only and are un-weighted.

Annual Premium Changes

| Year | Best | Avg. | Worst |
|------|------|-------|-------|
| 2011 | -25% | 3.9% | +30% |
| 2012 | -13% | 4.5 % | +39% |
| 2013 | -28% | 1.1 % | +31% |
| 2014 | -20% | 0.3 % | +30% |
| 2015 | -17% | 7.2 % | +45% |

The initial response we often get is "we want that 28% rate decrease". In actuality you likely would not.

The firm that had that rate reduction grew their staff population, while at the same time REDUCING their

overall claim costs. They were really overpaying at their old rates until the pricing was adjusted to reflect the new staff added and the declining claims of the firm.

What this summary tells us is that the average client paid a benefit cost slightly higher than inflation, but not as high as many might expect.

Is it likely to get better or worse? We never know for sure but we can expect costs to continue to increase as we see the generic drug savings taper off; drug costs rise for products like the new Hep. C "cure" increased utilization of some services and increased provincial downloading.

Stay tuned for updates.