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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...

The majority of our benefit plans have been amended to be "mandatory generic". Although the majority of employees use generic drugs, recent changes in doctor prescribing patterns are reducing the amount of generic substitution and as a result we are seeing increases in both employee and employer costs.

If you are prescribed a brand name drug where a generic is available and wish to receive the brand at 3 to 4 times the generic price, there are a variety of "Patient Choice Cards" available to offset the brand cost. Follow the links below for more details.

<http://www.rxhelp.ca>

<http://www.innovicares.ca>

Update your Beneficiary Designation

You should review your beneficiary designations regularly and notify your plan administrator of any personal changes that might affect your benefit coverage.

Typically these include status changes such as marriage, common law or same sex partners that are cohabitating, the birth or adoption of a child, changes in spousal coverage, a separation or divorce, or the loss of a spouse. If such changes are occurring in your life it may be a good time to review your coverage and beneficiary designation.

If you do NOT have the

correct beneficiary designation identified, your life insurance proceeds will be directed to your estate. This is a less than advantageous option as the insurance proceeds may be used to pay final estate costs and taxes rather than be distributed as you had expected or desired.

In the case of underage minor children, a trustee should ALWAYS be listed. If one is not included then the insurer will hold the life insurance proceeds until the children reach the age of majority when the funds can be legally paid out. This may result in a financial hardship for those raising the

child(ren). You should always consult a lawyer experienced in wills and estate planning to review these issues. It makes sense to have a will prepared (or updated) at the same time you are revising your beneficiary information. By doing so, you can ensure that your wishes are carried out upon your death and that there is no confusion as to who should receive what.

If you want to make changes, you can get the form from your plan administrator or from the insurer on their website. The change of beneficiary form must be completed and then submitted to the insurer.

Why are you asked for medical information?

Employees often ask why insurers occasionally ask them to complete personal medical information forms. There are a number of reasons why such information is requested.

One is when a new group is starting and as a result the insurer is taking on a new risk. They may ask employees questions to rule out the risk of a catastrophic drug claim, or a life or disability risk, before they accept the case. If approved, you will receive the benefit and if not, your coverage may be limited to amounts previously granted, if any.

The second reason for the

request may be if your earnings increase by a larger than average amount. This could be due to a change in hours worked such as from part time to full time, a change in position with a significant increase in earnings, a change to commissions or simply a large annual salary increase.

It is important that you fill these forms out completely and send them to the insurer when requested. All information provided is private and should be sent directly to the insurer. Your employer does NOT need a copy, but you should keep a copy for your personal records. If you are asked for

further specific information from the insurer, please provide it as soon as possible.

We (and your employer) want to ensure that you get the maximum benefit coverage that you are entitled to in the event you ever have a claim. A delay or failure to submit this information could result in a reduced benefit amount at a time when you can least afford it.

Proper coverage protects both you and your family. Feel free to call us, your insurer or speak to your plan administrator if you have any further questions.



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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...

We can help with all sorts of unusual questions and requests and can provide referrals to address all sorts of issues.

Looking for a second opinion?
Need a test that you may be having trouble accessing?
Need a healthcare advocate for you, a friend or family member?

We have connections across the country that can assist.
Just ask!

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.

What Other Services Can We Provide?

Mainstay Insurance Brokerage Inc. specializes in providing employee benefit plans for small and mid-sized firms. We do not sell individual life insurance, travel, home and auto, disability, pension or business insurance. That said, we can always point you to people you can contact if you need assistance in these areas.

Our web site mainstayinsurance.ca has a page called "Need Help" that provides contact info for many of these other areas of insurance.

When evaluating a broker, always use your own judgment to find the best fit.

Clients often ask us about making changes to their plans (both enhancements and cost controls) and about other products that can be added to group plans. With benefit plan costs rising higher than inflation; we often take a more reactive than proactive role in these areas. As the majority of our clients have insured plans, any large increase in claims can be handled with changes at renewal before rates are adversely affected. This prevents employees from viewing employers as "taking away" benefits when things are good and instead allows you to make modifications when there are signs of abuse or dramatic claim shifts.

There are a variety of benefits that we can add to your plan. An example is an Employee Assistance Programs (EAP's). This is a great benefit that provides counseling support to employees and their families in the event of personal or family issues.

We can also amend your plan to add benefits that are not always chosen when plans are first introduced such as: short and long term disability, critical illness insurance, upgrades to vision and the addition of items such as major dental and orthodontics.

If you are interested, do not hesitate to ask us for pricing

The Number of High Cost Drugs Continues to Grow

I often sound like I'm repeating myself when I mention the rising cost of drugs, but the fact is that each month we see more and more expensive drugs coming to market. These treatments are helping people respond to diseases, better than ever...but at a cost.

Over the past two years we have seen drugs like the Hep C "cure" enter the market with a one time cost anywhere from \$37,000 to \$127,000. More are also entering the market this year.

A few examples are **Orkambi**, a drug used to treat cystic fibrosis is expected to have an approximately annual cost of **\$275,000 per patient**. This drug is looking to seriously extend the life span of those 4,200 Canadians living with the CF disease
Nucala is a new biologic for

the treatment of severe asthma and is estimated to have an annual cost of **\$30,000 per patient**. This disease affects more than 3 million Canadians a year, though a much smaller subset is deemed "severe", with over 300 deaths annually.

Some of the drugs are a concern not so much for their cost, but for the large patient population that may end up using the drug.

One of the first to be of concern was **Repatha** an injectable (2x/month) used to treat very high LDL (bad) cholesterol levels. The cost of the drug is "only" about \$7,700 a year but could be used by a very large population hence driving total costs up.

Entresto is a drug that will be used by patients that have suffered from heart

failure. Again the drug has a lower cost per patient of about \$3,000 per year, has the potential to be a large driver of total costs due to the anticipated high number of claims.

While it is true that these treatments are fantastic and provide great outcomes for patients allowing them to live longer and lead healthier lives, the costs are being picked up by benefits plans across the country. Even if your employees do not experience one of these claims, you are ultimately paying for it in higher "pooled" rates that all employers share in (except those with HSA's or with drug caps).

Going forward we will, work with insurers in an effort to coordinate costs with the province so that we can attempt to keep these costs drug reasonable.