

# From the Masthead



Mainstay Insurance Brokerage Inc. Phone: (905)886-9203

## To Serve You Better

In order to assist you with your employee benefit plan, we are continuing to update our website.

Located at:

[www.mainstayinsurance.ca](http://www.mainstayinsurance.ca)

The site provides easy access to many of the insurance company's websites and to the extended health and dental claim forms you utilize on a regular basis.

If you use a form that is not available at our website, or would like additional information included on the website, please send us an e-mail and we will be happy to add it to our site. E-mail us at:

[feedback@mainstayinsurance.ca](mailto:feedback@mainstayinsurance.ca)

### Do you have health questions and don't know where to go?

Wondering about healthy living, the flu shot, quitting smoking, addiction issues, the status of the recent hepatitis or West Nile scare or any other general health related issues?

Here are a number of public service lines available to help serve you.

Toronto Public Health  
416-338-7600

York Region Public Health  
1-800-361-5653

Telehealth Ontario (24hrs/day)  
1-866-797-0000

## New Drugs Driving Up Benefit Costs

Most employers share the cost of benefits with their employees. This may be in the form of staff paying the premium on the long-term disability portion of their benefits to keep any benefit payments non-taxable, or a split of up to 50/50 of total premiums to share costs with the employees.

When health care costs are shared, employees also directly experience the rising costs each year as both their portion and the employers portion escalate. I am questioned at length by employers and employees about the reasons for these rising costs. The increases result from an increase in both the number and cost of claims paid. These arise from a variety of sources including higher prescription drug prices, OHIP downloading, higher utilization of services, and higher fees for services to name but a few.

I have selected a number of new drugs recently introduced to the market and that most plans currently cover to illustrate how substantial an effect the cost of just one drug can have on plan claims and hence overall plan costs.

As you are reviewing this information, consider also the number of Canadians that

have these ailments and the costs that accompany the treatments.

### Remicade / Enbrel

**Use:** Moderate to severe rheumatoid arthritis.

**Replaces:** COX-2 inhibitors such as Celebrex & Vioxx costing \$600-\$700/year.

**Affects:** About 300,000 Canadians

**Annual Cost:** Approximately \$17,000 with higher dosage costs reaching \$30,000.

### Tracleer

**Use:** Pulmonary Arterial Hypertension.

**Replaces:** In severe cases patients were treated on a hospital in-patient basis with costs of treatment being covered by the hospital (OHIP).

**Affects:** About 2,000 Canadians annually.

**Annual Cost:** Approximately \$48,000.

### Gleevec

**Use:** Chronic myelogenous leukemia(CML).

**Replaces:** Patients were often treated with radiation, chemotherapy, and bone marrow transplants on a hospital in-patient basis with

costs of treatment being covered by the hospital (OHIP).

**Affects:** About 500 Canadians annually.

**Annual Cost:** Approximately \$36,000.

### Novantrone

**Use:** Leukemia, multiple sclerosis and various types of cancers.

**Cost:** Approximately \$1,500 per dosage. Length of treatment and cost varies.

These are just a sample of some of the new drugs that have recently entered the market. As we see more powerful and revolutionary new medicines become available, the prices will continue to skyrocket.

Currently the United States is experiencing inflation on health care costs at the rate of approximately 24% annually - and it's rising. Canada trails slightly at about 17%, due to greater government controls on drug pricing and OHIP.

Both employers and employees will continue to be faced with tough decisions in an effort to help control rising costs while at the same time being able to provide benefits when they are most needed.



## Mainstay Insurance Brokerage Inc.

10 Linton Court  
Thornhill, Ontario  
L3T 5M9

**PHONE:**  
**(905) 886-9203**

**TOLL FREE:**  
**1-877-624-6789**  
**1-877-MAINSTY**

**FAX:**  
**(905) 707-0216**

**E-MAIL:**  
[inquiries@mainstayinsurance.ca](mailto:inquiries@mainstayinsurance.ca)

**WEBSITE:**  
[mainstayinsurance.ca](http://mainstayinsurance.ca)

Note: This side of the newsletter is for you, the plan administrator. The information on the 'front' is aimed at staff and can be copied for your employees reference.

### *Just in case you were wondering....*

The York Region & Toronto Public Health Connections mentioned previously also provide *workplace* programs on issues such as: stress, smoking cessation, food handling, heart health, and healthy lifestyles.

They are available to visit your offices to provide workshops, set up displays or supply literature to distribute to assist your staff.

Call the program in your area direct for further information.

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 or accounting advice.

## Personal Information Protection and Electronic Documents Act

### Question:

What is Bill C-6 and what implications will it have for the Canadian group insurance industry?

### Answer:

Bill C-6, also known as **PIPEDA**, is the Personal Information Protection and Electronic Documents Act. It stipulates that consent must be given for the collection, use or disclosure of an individual's personal information. The individual has the right to access personal information held by an organization, and to challenge its accuracy. Personal information can only be used for the purposes for which it was collected; if it is to be used for another purpose, consent must be obtained again.

**PIPEDA** will be implemented in the insurance sector by 2004, and will affect all commercial transactions involving personal information. It will impact

the type of information that can be given by insurers to employers, the type of information that can be given to brokers, the type of information that can be required by insurers and the methods of physical protection and retention of personal information.

Information to Employers:  
Traditionally, insurers have provided employers with detailed reports on everything from health and dental claim activities, drug utilization, incidence of disability, etc. Under PIPEDA, these reports can no longer include any identifying information about specific employees.

Information will be limited to aggregated, non-identifying data. For small groups, this could be even more limited, as identification is often possible with deductive reasoning. Employers will get less information to manage their health plan.

### Information to Brokers:

As with employers, brokers will no longer be provided detailed reports on claim activities, drug utilization, disabled lives, etc. Information will be limited to aggregated and non-identifying data.

### Information required by Insurers:

Detailed information traditionally asked for by insurers at the quote stage will in turn no longer be available. Risk assessment will be based on less information.

### Protection and Retention:

The means for establishing identity needs to be enhanced (i.e.: PIN or password) when requesting information over the telephone. All files with personal information (both paper and electronic) must be sealed, locked up or encrypted.

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## Did you know...

that as a self-employed business owner, you may have the option of combining your key person and buy / sell insurance needs with a Retirement Savings Plan?

By utilizing a universal life (UL) insurance policy, you can financially protect both yourself and your family (or shareholders) against risks such as death, disability and critical illness.

Today's universal life policies have both an insurance component as well as an

investment component that can allow deposited funds to accumulate on a tax sheltered basis.

UL policies have the flexibility to be funded by either personal, or corporate proceeds, or by utilizing a combination of the two sources.

Illustrations can provide a longer term picture of how these policies can assist in maximizing the growth of your investment, while at the same time helping to reduce,

or even recover the cost of insurance.

If you are interested in investigating this type of policy or any other personal insurance needs (such as life, critical illness or disability insurance), please contact us or Mark Bull directly and he would be pleased to discuss them with you.

Mark Bull  
Bull Financial Services  
1-877-727-0757 ext.# 245