

# 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](http://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](mailto:Dave@mainstayinsurance.ca)

## Did you know that...

*You can sign up to the Member website for your benefit plan?*

*This website allows you to view your benefit plan coverage, access claim forms, and set up direct deposit for your claim reimbursements.*

*Many sites allow you to submit claims for medical services and equipment directly on the site. This allows you to be reimbursed quickly, often within days.*

*You can also access information on other health related services that can help you and your family.*

*If you have additional questions about your plan, please read your plan booklet, contact customer service, speak to your plan administrator or give us a call at Mainstay (905) 886-9203.*

## The Medical Expense Tax Credit (tax line 330 & 331)

As we get to "that time of year" with the tax-filing deadline approaching, we find ourselves adding up medical expenses to ensure they are properly reflected on our tax return.

Here are a some items you may want to add to your Medical Expense Tax Credit (METC), or provide to your tax preparer, when you file your return this year.

1. Any amounts that your plan (and your spouses) did NOT pay for, such as: the amount of your
2. Medical expenses that

health and dental co-insurance; and deductibles and amounts that may be in excess of your (and your spouses) plan maximums. You can calculate both these amounts quickly by logging onto your insurers website and review what was submitted and what was actually paid. The difference between these numbers is likely eligible for the METC.

were not eligible for payment by your plan may be eligible for the METC. An example is your child's orthodontic costs that are not covered by your benefit plan.

For more information on what procedures and services are eligible to be used under the METC, please visit the Canada Revenue Agency (CRA) website at <http://www.cra-arc.gc.ca/medical/>

## 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 if your 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 your 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 appropriate benefit coverage. 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 and banking information 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...

...We have continued our communication with the Ontario Ministry of Health & Long-term Care regarding changes to the Trillium Drug Plans administrative process.

At our November CGIB seminar, Trillium announced they would be upgrading their adjudication process this fall. This may have **fantastic** results, by coordinating large drug claims and thereby potentially dramatically reducing employer costs.

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.

## Make sure you get those LTD claim forms in early

Hopefully few of us will see many Long Term Disability (LTD) claims during our lifetime. According to Statistics Canada however "One in seven Canadians aged 15 years or older reported a disability" so the rate of disability is actually much greater than many of us may think. That means up to about 3.8 million Canadians are reporting that they are disabled.

An employer providing an LTD benefit to their staff will likely see a workers compensation (WCB/WSIB) or group disability claim at some point in time that will go past the 120 day elimination period and therefore will become a longer-term claim.

When such a claim occurs, employers will need to...

1. Ensure that the employer portion of the LTD claim form is completed by the employees manager and submitted to the insurer, even though the disability may be a work related WCB or WSIB claim.
2. The employer must get the employee and attending physician forms to the employee for completion soon after the initial disability occurs (if it looks like it will be of some length and evolve to an LTD claim).
3. The completed LTD claim forms should be submitted to the insurer no later than 5 to 6 weeks after the last day worked. This will help to ensure that the doctors have time to complete and submit their forms so that there will not be any delay in benefit payment to the employee.
4. Maintain contact with the disabled employee and provide whatever supports are possible and available.

We see more and more LTD cases each year that are being taken to lawyers before we can step in to assist in getting them paid or even before the employee has appealed the decision.

This can result in employees having to pay large portions of their disability benefits to lawyers (contingency fees) for claims that in many cases would have been paid anyway had the proper steps been taken early on in the disability.

## 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 2.6%. Over the past ten years it has been 3.6%. 2015 was the highest increase in almost 15 years but rates dropped slightly last year.

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 are compiled from our current clients and are un-weighted.

### Annual Premium Changes

Year	Best	Avg.	Worst
2012	-13%	3.6%	+39%
2013	-28%	-0.4%	+31%
2014	-20%	-0.1%	+14%
2015	-17%	6.3%	+44%
2016	-11%	3.5%	+18%

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

The firm that had that rate decrease actually grew their

staff population, while at the same time REDUCING their overall claim costs. They were really overpaying 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 one 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 new biologic products, increased utilization of some services and increased provincial downloading.

Stay tuned for updates.