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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...

...it is often easiest to resolve any claim issues you may experience at the point of sale. In many cases the pharmacist will see a code on their system that explains the problem and will assist them in resolving it.

If you are purchasing prescription medicine, and the drug appears not to be covered or the portion you are required to pay is higher than expected, you can also have the pharmacist, or yourself, call the number on the back of your drug card to get help.

Many issues can be resolved on the spot, such as when the pharmacy fills the script with a brand name drug when a generic is available, or if the pharmacy is charging higher than the normal price.

Watch out for fraud – It could mean losing your job!

Every year or so I find myself writing an article on benefits fraud for our newsletter or an industry publication. This is because the fraud continues to occur, in spite of efforts by the insurers and others in the industry to stop it.

In the past few years we have seen headlines about employees who have been terminated from a variety of large and high profile organizations for benefits fraud.

Recent examples include: the Toronto Transit Commission that investigated over 600 employees and terminated 223 due to fraud; and Air Canada that had 6 employees arrested and charged with benefits fraud.

You would think that those in law enforcement and the healthcare sector would be smart enough to steer away from this type of risky behavior, but it appears not after St Michaels hospital fired 31 staff and a York Region Police officer was fired after submitting fraudulent claims worth just \$1,225.

We and many others have written about benefit fraud several times in recent years and still the problem continues. In the Greater Toronto Area (GTA) fraud occurs in all areas of the city and within all types and sizes of employers.

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 annually.

We are now seeing the repercussions of this behavior. Many employers are having to reduce coverage in areas such as paramedical coverage or move to Health Spending Accounts (HSA's) to reduce the financial loss resulting from this type of abuse. Another effect that employees are seeing is an increase in the number of 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 for e-claim submissions and checking the credentials of practitioners who they have not encountered before. These audits delay the payment of claims, increase costs and waste your 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 benefits fraud is actually theft from your employer who is the actual payer of your benefit claims. This theft can result in dismissal with cause and potential criminal charges.

Examples of fraud include: submitting receipts for treatments not received, or for treatment performed by someone other than whose name and credentials are on the receipt, or for services that do not match the receipt. All of these activities can result in criminal charges and termination of employment.

If you think that there are others submitting fraudulent claims, or utilizing providers that have deals that are too good to be true, remember this is hurting both your employer and your plan. Contact the Confidential fraud hotline of your insurer to make them aware and to investigate.



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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...

You (as clients of Mainstay) are always welcome as our guests, to attend the Canadian Group Insurance Brokers seminars that we run each year.

These seminars are designed to help educate brokers in the benefits field and the topics may also of interest to our clients. In many cases the brokers attending are sharing the information with their clients. By your attendance, you get the message undiluted.

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 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 costs and the claims of all small businesses 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 3.8%. Over the past ten years it has been 3.5%. 2017 was the highest increase in almost 15 years but rates appear to be dropping slightly this 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
2013	-28%	1.1%	+31%
2014	-20%	0.4%	+29%
2015	-17%	6.7%	+44%
2016	-10%	3.1%	+18%
2017	-7%	7.5%	+44%

The initial response we often get to this information is "we want that 28% rate decrease". Who wouldn't, one would think, but in actuality you likely would not want it.

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 at renewal 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 products (medical marijuana comes to mind); increased utilization of paramedical services; and increased provincial downloading.

Stay tuned for updates.

Need help creating HR policies and employee handbooks?

We often spend time with clients discussing Human Resource (HR) issues related to benefits and beyond. Often times we suggest policies that might be incorporated to help avoid problems, clarify how benefits are administered or just to provide clarity around how other HR situations are handled. We realize that employers are often lacking the resources to put these into effect due to limited resources such as time, resources and finances within your business.

Recognizing this need, we have utilized the buying power of the benefits association that we founded, Canadian Group Insurance Brokers, to put together a complete and comprehensive set of HR resources for our clients.

We have an arrangement with an HR resource firm that can provide a solution for you that is affordable and that can be customized to your company.

We are also pleased to announce that we will cover the annual subscription cost for the program for all current Mainstay clients. Details will be coming out in the next few months, but we wanted to let you know what to expect, in the event you were starting to explore this process on your own. We are very pleased to be able to offer this support to you, our valued clients.