

# 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...

... your benefit plan is paid for by your employer, NOT the insurer. Benefit costs rise higher than inflation and many employees are not lucky enough to have an employer who invests in their employees by providing a plan for them like yours does.

Abuse or misuse of your plan is NOT done at the expense of your insurer, but at the expense of your employer.

Ensure that you and your practitioner use the plan like it was your own money.

Using your plan wisely, paying attention to costs and reporting misuse and fraud means that your plan will be around to provide coverage for you and your dependents for the long term.

## Government changes that could affect your coverage

In our January 2018 newsletter, we told you about the new OHIP+ program that announced free access to prescription drugs to eligible Ontario residents under the age of 25. In our October 2018 issue we told you how the new provincial government was revising that plan so that anyone with "private coverage" would no longer be eligible for OHIP+. This became effective April 1<sup>st</sup>.

What this means is that things will essentially go back to the way they were before the introduction of OHIP+, 16 months ago. If you have a child under age 25 who is covered by your

employers benefit plan, that plan will now become the only payer for their prescription drugs.

OHIP+ will still cover those that do not have coverage through a private plan such as; individual coverage, a parent, or school plan etc.

If your dependent takes a high cost speciality drug that was on the provincial Exceptional Access Program (EAP) formulary and had to previously meet the provincial criteria in order to obtain that coverage, they may need to meet a similar test in the form of an

insurer prior authorization program. Many of the clinics that deal with these drugs have been very active in alerting the affected patients as to what must be completed in order to be approved by the relevant insurers.

We understand that insurers will provide a grace period for many drugs to allow time for people to complete the required forms.

If you have any questions, please do not hesitate to reach out to your doctor, pharmacist or us for assistance in navigating this process.

## Dental Rates rising – Pay attention to your bill

As a patient you likely do not pay much attention to your dental bill when you go for treatment. You may notice the amount that you have to pay, but seldom do people compare costs of even a regular check-up and cleaning year after year.

Dental fee guides are set by the Provincial Dental Associations and used by insurers to establish a reasonable and customary cost for each province. These fees show up as the cost for each dental code on your billing.

As an example, scaling (cleaning the tartar off your teeth) has a code for each

"unit" of time that the dentist (or your dental hygienist) spends cleaning your teeth. A "unit" is 15 minutes of time. As a result, if you see a charge for 3 units of scaling, that means they are billing for 45 minutes of work.

Why does this matter? Paying attention to the time you are "in the chair" and the fees you are being charged can help to identify any discrepancies between work done and billed for. Identifying any discrepancies could save your employer on their benefit costs while

preserving and protecting your plan at the same time.

This year the dental fee guide in Ontario is rising 4.2%. This will result in your employer paying approximately 5-6% more than they did last year for exactly the same treatment.

The more we can all do to maintain costs, the less likely your employer will be required to make cuts to benefits or remove them altogether.

If you have questions, please reach out to us anytime.



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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 may be able to connect you with people who do just about anything. We have associates across the country working in almost every part of the insurance and investment marketplace. We also have clients in a wide variety of businesses, so if you need help, reach out.

We may be able to help you with more than just your benefit plan.

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 4.3%. Over the past ten years it has been 3.7%. 2017 saw the highest increase in almost 15 years. While rates continued to increase in 2018 and so far in 2019, they are thankfully not doing so as in 2017.

We have included the highest increases and decreases in the chart 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%	-4.4%	+31%
2014	-20%	0.7%	+29%
2015	-17%	6.8%	+44%
2016	-10%	2.8%	+18%
2017	-7%	8.8%	+44%
2018	-21%	3.2%	+31%
2019	-15%	1.2%	+14%
YTD			

The initial response we often get to this information is "we want that 28% rate decrease". Who wouldn't, one would think, but in reality, 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 number of claims submitted.

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 following; 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.

## OHIP+ & ODA fee guide adjustments will cost your plan

As indicated in our earlier article above, OHIP+ is reverting to private plan coverage being the payer as of April 1<sup>st</sup>.

The ultimate effect of this reversal of payment order is that individuals under age 25 who currently have their drugs paid for by the province for the past 16 months will have them, once again, revert to being paid for by an employer's plan.

On average we saw drug plan costs drop by 4% last year. If your group had no dependent children then there would have been no

change to your rates, but if your plan had a larger proportion of families with dependent children, then the savings you saw could have been as high as 5 or 6%.

The withdrawal of this program will mean that all those costs will come back to your plan at renewal (as well as the other cost drivers) meaning that most employers will see drug and health cost increases in the coming year.

On top of this, the Ontario Dental Fee Guide has been adjusted up 4.2% for 2019 as a result of the costs dentists have incurred to meet the new infection prevention and control regulation changes. Conversations with the ODA indicate this may be amortized over several years and not just a one-year cost increase.

The overall effect of these changes means that 2019 and 2020 are likely to be tougher on employers due to changes out of their and their employees' control.