Manion Magazine

VOLUME 2 ISSUE 4
OCTOBER 2015

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MANION
We Care,
You Benefit.

Ontario Drug Benefit Act Changes

Effective October 1, 2015 the Ontario government has announced changes to the Ontario Drug Benefit Program (ODB). The changes are as follows:

- Reduction in the ingredient mark-up allowed for high cost drugs. The mark up will be reduced from 8% to 6% for drug costs equal to or greater than $1,000 per claim.
- Restricting the number of dispensing fees charged in a year to five per patient for certain chronic care medications.
- Require patients to try more than one generic drug before the brand name drug will be reimbursed under the ODB program as a "no substitution" claim.
- Reduction by $1.26 in dispensing fees paid to pharmacies that supply drugs listed on the ODB formulary to residents of long-term care homes.

It is expected that there will be minimal impact to plan members whose group benefit plans are based on the Ontario Drug Benefit Formulary.

In addition to the above changes, the Ministry of Health and Long Term Care announced changes to the regulation made under the Ontario Drug Benefit Act to support implementation of the generic drug pricing framework retroactive to April 1, 2013. The rules that now apply to generic drugs listed under the ODB formulary are as follows:

- Where there is only one generic drug listed on the formulary, the maximum benefit payable for that drug will be 75% of the brand reference product, or 85% if no province or territory has a volume discount agreement with the manufacturer.
- Where there are two generic drugs listed on the formulary, the maximum benefit payable will be 50% of brand reference product.
- Where there are three or more generic drugs available, the standard 25% (solid form) and 35% (non-solid form) pricing continues to apply.

These changes are not expected to have a material impact on private drug plans as long as most of the generics that are approved by the ODB continue to have more than two suppliers.

National Standard for Access to Rheumatoid Arthritis Biologics

The Canadian Life and Health Insurance Association (CLHIA) and the Canadian Rheumatology Association (CRA) announced the establishment of a national standard for access to biologic drugs to treat rheumatoid arthritis patients who are members of private insurance plans. This means that there will be a standard set of criteria that private insurers will adhere to in providing this access.

"Canada's life and health insurers believe that the best way to help these patients is to have a common, clinically-based, best-practice standard for access to biologic drugs," notes Stephen Frank, Vice-President of Policy Development and Health of the Canadian Life and Health Insurance Association (CLHIA). "This is a significant step in the right direction and our industry is committed to helping ensure that all Canadians, no matter where they live or who they work for, can access their needed drugs in a more consistent and transparent manner."

There should be very little impact, if any, to plan members as a result of this. Plan sponsors will be able to opt out of this new criteria.

Canada Revenue Agency (CRA) confirms Medical Cannabis Allowable Medical Expense

In early September, The Canadian Medical Cannabis Industry Association (CMCIA) announced that the Canada Revenue Agency (CRA), officially confirmed that medical cannabis purchased by an individual from a licensed producer under Health Canada's Marijuana for Medical Purposes Regulations (MMPR) would be considered an allowable medical expense under the Income Tax Act.

CRA confirmed in a letter dated August 24, 2015 to the CMCIA that registered patients under the MMPR who receive a prescription for medical cannabis from a physician and purchase cannabis from a licensed producer, may claim the cost of the cannabis as an allowable medical expense on their income tax. The letter notes that while amendments to the Income Tax Act have yet to be introduced to recognize the MMPR, "The CRA will not disallow eligible medical

expenses claimed for the purchase of medical marijuana allowable under these new regulations".

In our July 2014 edition of the Manion Magazine we published an article on the potential impact of medical marijuana on benefit plans. With CRA now considering medical marijuana an allowable expense we can expect to see these types of claims made against Health Care Spending Accounts going forward.

Manion Claims Corner

As a new edition to the Manion Magazine we will be bringing you the ***Manion*** *Claims Corner* on a regular ongoing basis. The ***Manion*** *Claims Corner* will provide you with information to ensure proper claims processing and other helpful tips. Below are a few areas to help ensure your claims are dealt with correctly and fairly:

Physician's Referral

A referral from your physician is required once every 12 months for some paramedical services. Please refer to your plan booklet to determine what paramedical services require this referral.

Medical Appliances

Medically necessary appliances require a physician referral and diagnosis including an estimate of the length of treatment. It is suggested that an estimate be submitted prior to the purchase or rental of medical equipment.

Receipts for Services Provided

An official medical receipt for services or supplies/equipment must include the following information:

- ✓ Patient Name
- ✓ Date of Service
- ✓ Service Rendered
- ✓ Provider's name address & telephone number
- ✓ Total amount paid (broken down per service /supply)

Student Proof

Proof of Full Time studies for eligible dependents over the age of 21 and under 25 (26 in the Province of Quebec) is required annually. You can send in a copy of the student photo ID, time table or paid invoices. The proof must include the student's name and a clear indication that they are registered for the coming year.

COB Information

Coordinating benefits with your spouse's coverage can be tricky.

- ✓ You are covered under your own benefits first and your spouse's second.
- ✓ Your spouse is covered under their benefits first and yours second.
- ✓ Dependents are covered first under the spouse with the earlier birthday and second under the spouse with the later birthday.
- ✓ Be sure to submit both the explanation of benefits from the other carrier, as well as a copy of your receipts, to the secondary plan.

Member Online Claims Submission

There is a user guide under the "forms and booklet" tab, that is helpful when a plan member uses our electronic claim submission system. Our contact centre staff can also walk you through the process.

Fraud Awareness Tips

Insurance carriers are experiencing a significant increase in fraudulent claims. These claims include medical supplies, medical equipment and paramedical services, such as claims for registered massage therapy (RMT). The following are some Fraud Awareness Tips:

- Protect your health card (both your provincial and benefit plan health cards). These are your identity cards and the link to your health records. Don't let someone else use your benefit card to obtain services or products. When you do this, these services are recorded in your name and the resulting corruption of your health record may result in eligibility issues when you need services at a later time. Similarly, don't use someone else's health card or identification to obtain services.
- Watch for others abusing your health plan and report these abuses to HR or to your insurer.
- Check the receipts and explanation of benefits you receive for products or services. Make sure these accurately reflect what product was received or what service was done. If there is a difference, report!
- Don't sign your name to blank claim forms.
- Ask for copies of any forms that you do sign.
- Don't let others use your health spending account. These are your funds.
- Be wary of "free" services that require your health insurance information. Remember, if it is free, there isn't any need to share insurance information.
- Alert your health insurance company of any providers who routinely waive your co-payment or deductible.

Fraud: Recognize it, Report it, Control it.

Pension Legislation Update

British Columbia

The new Pension Benefits Standards Regulations will come into effect September 30, 2015. An amendment to the plan text document must be filed before December 31, 2015. The new legislative requirements are summarized below:

- Enrolment into a collectively bargained multi-employer pension plan is 2 years of employment and earnings of at least 35% of the Year's Maximum Pensionable Earnings.

- A member is immediately vested and locked-in for all plan membership.
- Locking-in requirements are solely based on a dollar threshold amount equal to 20% of YMPE.
- Partial windup / termination reports have been eliminated.
- Mandatory provisions to the pension plan text for unlocking due to shortened life expectancy and non-residency.
- Written governance and funding policies must be in place by January 1, 2016.
- Written notification to the Superintendent when contributions are not remitted by a participating employer must be provided within 45 days.
- Defined benefit plans now have the option to establish a solvency reserve account to hold special payments which are intended to amortize solvency deficiencies.
- There are enhanced disclosure requirements.
- All collectively bargained multi-employer plans must file audited financial statements, regardless of the value of plan assets or type of provisions.
- New record retention rules must be in place by January 1, 2016. The requirements will be published at a later date.

Update on the Ontario Retirement Pension Plan (ORPP)

The ORPP is the new mandatory pension plan program introduced by the government of Ontario, with an effective date of January 1, 2017. The purpose of the ORPP is to offer employees, without a comparable workplace pension plan, a steady stream of lifelong income in retirement.

ORPP has been the subject of much debate since the adoption of the *Ontario Retirement Pension Plan Act* creating it a few months ago. The main item of discussion was the definition of what constitutes a comparable plan that would exempt employers from participating in the ORPP. The original design for ORPP provided that defined benefit and target benefit pension plans would be considered comparable plans. On August 11th, Premier Kathleen Wynne announced that employers that offer defined benefit pension plans (DB pension plans) with a minimum benefit accrual rate of 0.50% would be considered to have a comparable plan. Employers that offer defined contribution pension plans (DC pension plans) with an employer contribution of at least 4% and combined employer-employee contributions of at least 8% are also considered to have a comparable plan, and would be exempt from the ORPP. The Ontario government has developed comparability tests for various types and combinations of DB and DC pension plans.

Employers that offer DB pension plans or DC pension plans that do not meet these requirements can choose to make changes to their current plan to meet the eligibility requirements and be exempt from ORPP participation or simply decide to adhere to the ORPP while continuing to offer their employees the added benefit of the workplace pension plan they

currently have in place. Employers offering other types of workplace savings plan arrangements, such as Group RRSP's or DPSP's will have to participate in the ORPP, unless they decide to convert their plans to a comparable plan that would meet the eligibility requirements.

Not all employers and employees will see their obligation to join the ORPP happen simultaneously. The enrollment obligation will occur in stages:

- Category 1: Larger employers (500 or more employees) effective January 1, 2017.
- Category 2: Medium employers (between 50 and 499 employees) effective January 1, 2018.\
- Category 3: Small employers (fewer than 50 employees) effective January 1, 2019.
- Category 4: Employers with a workplace pension plan that's not modified or adjusted to meet the comparability test as well as employees who are not a member of the workplace's comparable plan are subject to the ORPP January 1, 2020.

For the first three categories employer and employee contribution amounts will be phased in starting at 0.8% each in the first year, 1.6% in the second year and 1.9% each in the third and continuing years. With respect to the fourth category, employer and employee contributions amounts will be 1.9%.

The ORPP Administration Corporation will contact all Ontario employers in early 2016 to verify their existing plans. Employers with a registered workplace pension plan that exists on August 11, 2015 or has begun the process of registering one will be assigned to Category 4. "If the plan meets comparability thresholds by the time Category 4 begins, the employer (plan sponsor) will not be required to enroll in the ORPP," the government says.

Manion continues to follow the implementation of the ORPP very closely particularly now with the change in the federal government. The federal Liberals stated in their election platform they would support enhancing the CPP. The ORPP was developed as a result of the former government's refusal to enhance the CPP.

CNIB Ontario Eye Safety Program

CNIB is currently developing an Eye Safety Program in Ontario that focuses on educating and motivating participants to think about eye safety in the workplace, at home or at play. In particular, the program centers on the consequences associated with eye injuries anywhere.

The program will be offered in three distinct formats; 1) a flexible classroom workshops delivered by an individual with vision loss, 2) eLearning training modules that focus specifically on eye safety awareness and 3) a webinar that combines elements of both the classroom and eLearning models. Each of these formats contains a combination of real-life stories, impactful visuals and interactive exercises.

Qualitative Goals of the Eye Safety Program

- To create and instill a 'Culture of Eye Safety' among Ontario's current and future workforce, as well as at home or play.
- To effectively motivate workshop participants to practice eye safety awareness.
- To create a sustainable, long term educational Vision Health/Vision Loss prevention initiative.

In Ontario over the last five years almost 10,000 workplace eye injuries were reported to the Workplace Safety and Insurance Board (WSIB). The costs associated with these injuries were over 200 million dollars. Young workers, in particular, are at risk for injuries as they are 3 times as likely to be injured on the job. Non- occupational eye injuries over the last 10 years totaled 2,072 at an estimated cost of $350,000.

Severe eye injuries have an enormous impact on a person's life and on those close to them. Employers also incur a direct cost for these injuries, such as loss and replacement of the injured worker, low morale among coworkers, increased insurance premiums and, in some cases, fines.

CNIB recognizes the importance of creating a culture of safety in the workplace. CNIB's Eye Safety Program works in support of current injury prevention mandates. Through education and motivation, eye injuries can be reduced and ultimately prevented.

For more information on this program please contact:

Ray Smith – Consultant, Eye Safety Program – CNIB
Email: ray.smith@cnib.ca

Helpful Tips when Purchasing Out Of Country/Province Emergency Medical Travel Insurance

Now that summer has come to an end, many people will be turning their thoughts to travelling to warmer climates. Below are some things to consider should you need to purchase additional Out of Country/Province Emergency Medical Travel Insurance to extend what is covered under your group plan or to replace lost group coverage.

- Read the policy wording! Yes it's long and wordy but you really have to look at these things and make sure you have the right product to suit your specific needs.
- Ensure the insurance carrier has a toll-free telephone number for emergency assistance and they can be reached from where you are travelling to.

- The information you provide must be accurate and complete. If you are unsure about how to answer any of the medical questions on the application and/or your medical history, including prescription drugs, tests and others treatments; contact the insurance carrier and ask them to clarify how this may affect your policy in the event of a claim.
- Make sure the medical questionnaire (if required) is answered correctly otherwise the contract may be considered null and void.
- Understand the stability exclusion period that applies to you. This is different for every person depending on the medical questions answered.
- Understand the restrictions, limitations, exclusions and pre-existing condition clauses.
- Even with annual multi-trip plans, new conditions which occur between trips will trigger new pre-existing condition exclusions and limitations.
- Standard policy exclusions do not include coverage if the emergency resulted from hang-gliding, rock-climbing, mountaineering, parachuting or skydiving or participating in a motorized speed contest.
- Standard policy exclusions do not include coverage for any medical condition you suffer or contract in a specific country, region or city for which Foreign Affairs, Trade and Development Canada has issued a formal Travel Warning, before your departure date, advising Canadians to avoid all or non-essential travel to that specific country, region or city. In this exclusion "medical condition" is limited to the reason for which the formal Travel Warning was issued and includes complications arising from such medical condition. An example of this would be travelling to a country where Ebola is prevalent and there is a Travel Warning in place advising Canadians to avoid all or non-essential travel to that specific country, region or city.
- Standard policy exclusions do not include coverage for an accident while being impaired by drugs or alcohol or having an alcohol concentration that exceeds 80 milligrams in 100 milliliters of blood.
- For an emergency medical travel insurance plan to be valid you must be covered under a government health insurance plan for the entire duration of your trip.
- Does your plan have a deductible? This is the amount you will be responsible to pay in the event of a claim.

Out of Country/Province Emergency Medical Travel Insurance as well as many other individual value added products, are available through our Personal Financial Consulting department. Please contact 1-800-263-5621 ext. 3556 or 3522 or email mchiban@manionwilkins.com.