Manion Magazine

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MANION

We Care,
You Benefit.

OHIP+ Update

As recently announced by the Ontario government, beginning in March 2019 only children and youth under the age of 25 who are not covered by private benefits plans will qualify to receive eligible prescriptions at no cost through OHIP+. Those with private coverage must claim their prescriptions through those private plans.

The government initially announced the changes to OHIP+ in June 2018, but neither a timeline nor details about how the transition will be implemented has been provided.

In the meantime, approximately 4,400 drugs covered by the Ontario Drug Benefit (ODB) as well as most Exceptional Access Program (EAP) drugs will continue to be funded by OHIP+ for claimants under the age of 25.

Until the changes take effect in March, insurers will continue to extend the grace period for coverage of three categories of drugs eligible under the province's Exceptional Access Program, if they are covered under a private plan. The three categories of drugs include:

- Antibiotics and anti-infectives, including antiviral and antifungal agents;
- Blood thinners; and
- Drugs with low Exceptional Access Program approval rates.

Manion will continue to update you as more information is made available.

Mandatory Data-breach Disclosure Regulations

The Personal Information Protection and Electronic Documents Act (PIPEDA) was amended in 2015 by adding the mandatory breach reporting provisions. In April 2018, the new ***Breach of Security Safeguards Regulations*** under the PIPEDA were published, and the federal government announced that these regulations, together with the mandatory breach notification provisions in PIPEDA, would come into force on November 1, 2018.

Since November 1, 2018, organizations subject to The Personal Information Protection and Electronic Documents Act (PIPEDA) are required to:

1. Report to the Privacy Commissioner of Canada breaches of security safeguards involving personal information that poses a "real risk of significant harm" to individuals;
2. Notify affected individuals about the breach of security safeguards, and
3. Keep records of all breaches of security safeguards.

Days before the coming into force of the PIPEDA Breach of Security Safeguards Regulations on November 1st, the Office of the Privacy Commissioner of Canada (OPCC) published the final guidelines to assist organizations with compliance. These final guidelines are entitled "What you need to know about mandatory reporting of breaches of security safeguards". The guidelines are divided into 6 sections:

Part 1 – Your obligations for reporting breaches
Part 2 – Submitting a breach report to the OPCC
Part 3 – You need to keep records of all breaches
Part 4 – When and how to notify individuals
Part 5 – Notification to Organizations
Part 6 – Assessing real risk of significant harm

The guideline is intended to assist organizations in meeting their obligations under the PIPEDA.

Prior to November 1, 2018, **Manion's** privacy compliance platform included strict procedures to record privacy breaches, and when appropriate, report them to the Privacy Commissioner's office and communicate with affected individuals to inform them that a breach has occurred. To ensure that we comply with the new requirements on behalf of our clients we:

1. Have a thorough understanding of our obligations under the new laws and regulations; References include: the Office of the Privacy Commissioner of Canada: https://www.priv.gc.ca/en/privacy-topics/privacy-breaches/respond-to-a-privacy-breach-at-your-business/ and the Government of Canada: http://gazette.gc.ca/rp-pr/p2/2018/2018-04-18/html/sor-dors64-eng.html;
2. Reviewed and updated our policies and procedures to meet our new obligations, including: risk assessment; notification to individuals; reports to regulatory bodies; notices to third parties; and record keeping;
3. Enhanced our incident response plan to include a clear framework to identify the steps we will take when a breach occurs;
4. Implemented ongoing enhanced training and awareness programs for all staff that handle sensitive information on behalf of the Trustees and Manion; and
5. We have increased our Cyber-liability Insurance to $5,000,0000.

Accordingly, with respect to the recordkeeping provisions we will:

- Notify individuals and the Office of the Privacy Commissioner of Canada about privacy breaches if the breach creates a “real risk of significant harm” to the affected individual. The notification will include the elements specified in the regulations;
- REGARDLESS of whether the incident reaches the threshold of a “real risk of significant harm” to individuals, **Manion** will keep for 2 or more years records (“breach file”) of any loss of, unauthorized access to, or unauthorized disclosure of, personal information, resulting from a breach of an organization’s security safeguards.

Manion Claims Corner

Benefits Fraud Is A Crime

The CLHIA (Canadian Life and Health Insurance Association) has initiated an industry sponsored fraud prevention program. Health and Dental benefits fraud is a real crime with real consequences, but not many people understand how it can affect them on a personal level. The **Fraud = Fraud** program was created to educate Canadians about benefits fraud, so they can stop it by using their benefits appropriately and recognizing and reporting fraud when they see it.

Benefits fraud is committed when false or misleading information about Health or Dental treatments is intentionally submitted. Learn how to recognize signs of benefits fraud. If you suspect benefits fraud report it immediately to your employer or insurance provider. Know the facts so you can recognize it, refuse it and report it. Find answers to your questions here www.fraudisfraud.ca.

The tips provided below are designed to remind plan Members of their responsibilities with regard to their group benefits. Fraudulent and unwarranted claims can lead to increased plan costs, ultimately resulting in reduction or elimination of coverage for plan members. Plan members can help minimize problematic claims practices, which have an adverse impact on premium costs, to help ensure adequate coverage is available when they need it.

1. **Never leave a blank claim form** or Assignment of Benefits/Authorization form, bearing only your signature, for a health care provider. Complete your own claim forms and mail them directly to the insurer. If you do this, the health care provider cannot use the forms to submit a fraudulent claim in your name or include additional services you did not receive.

2. **Do not give anyone your policy and certificate numbers** or any other information about your benefit plan, especially if you are offered cash or some other incentives to do so. Be wary of any aggressive marketing programs.
3. **Review your Explanation of Benefits statement** to ensure it is correct, especially if you have agreed to the assignment of benefits and if you have subscribed to direct deposit and/or e-notification options. If you have received an e-notification informing you your claim has been processed, you may want to check the carrier website to verify the information is correct.
4. **Check your Claims History Profile** periodically using your secure member access code and password, especially for prescription drug claim transactions, to ensure that these costs were incurred by you and your family.
5. **Ensure the treatments you receive are medically necessary** and have been recommended for you and your family. Be wary of offers to refer you to another health care provider for a prescription, and don't accept receipts for services or supplies you did not receive. In order for you to receive reimbursement of expenses incurred in connection with services and supplies received, a medical diagnosis must have been issued. A doctor's letter describing the diagnosis is required for reimbursement of appliance rental or purchase expenses. As well, supporting clinical information may be required for verification of services or supplies received.
6. **Never submit a claim before you have received the Medical or Dental treatment, service or product.**
7. **Ensure the Medical or Dental practitioner providing the service has the appropriate qualifications** to provide the service and meets the requirements of your plan.

Manion Staff Corner

New Hires, Promotions & Retirements

Promotions:

- **Katie Laurin –** promoted to Financial Analyst in the Accounting department effective January 1, 2019
- **Thomas Seal –** promoted to Financial Analyst in the Accounting department effective January 1, 2019
- **Alice Kao –** promoted to Finance Coordinator in the Accounting department effective January 1, 2019
- **Katrina Teubert –** promoted to Technical Team Lead in the Accounting department effective January 1, 2019
- **Jas Braich –** promoted to Intermediate Accountant in the Accounting department effective January 1, 2019
- **Joanna Di Pietro –** promoted to Financial Analyst in the Accounting department effective January 1, 2019

Retirements:

- **Lily Chau –** retired December 31, 2018
- **Terry Reeder** – retired January 11, 2019

Proposed Ontario Pension Changes

Ontario is continuing to implement various pension reforms enacted over the past few years. Briefly summarized, these include changes to the annuity discharge rules, benefit improvement and contribution holiday restrictions, as well as changes affecting the pension benefits guarantee fund and a plan's statement of investment policies and procedures.

In 2019, the changes that could come into effect in Ontario include:

- New requirements for plans to adopt funding and governance policies;
- Changes to permit plan sponsors to provide target-benefit plans and to convert to target benefits under a multi-employer pension plan;
- Changes prescribing the types of records and the length of time records must be kept;
- Changes to the notice requirements respecting plan amendments;
- The implementation of a new electronic registry for missing plan beneficiaries;
- Changes permitting phased retirement under a defined benefit plan;
- Changes permitting variable benefits to be provided under a defined contribution plan (a proposal for regulations supporting this change was released earlier this year);
- Changes affecting optional ancillary benefits;
- Changes requiring a prescribed form of notice to members of an annuity purchase;
- Changes permitting surplus on pension plan windup to be distributed in accordance with an arbitration award;
- Provisions dealing with the transfer of assets between certain public sector pension plans;
- Changes permitting the superintendent to approve agreements in insolvency; and
- Changes to reflect the transition to a new pension and financial services regulator, the Financial Services Regulatory Authority of Ontario.

Defined Benefit Plans Solvency Ratio

The solvency position of Canadian defined benefit pension plans fell sharply in the fourth quarter of 2018. The median solvency ratio of defined benefit pension plans was at 95 per cent on December 31, 2018 down from 102 per cent at September 28, 2018 and 97 per cent at December 31, 2017. Less than 30 per cent of Canadian pension plans ended the year fully funded, down sharply from the 60 per cent that achieved fully funded status at the end of September, 2018.

Stronger economic situations can create increased market volatility. Many experts have indicated that this is what happened in the investment markets in 2018 causing very poor rates of return particularly during November and December. In the short run, markets appear to have traded more on investor confidence than on credible and proven business positions. With talk of trade wars, disappointing earnings reports by major companies, oil price declines and Chinese debt bubbles, investor confidence was shaken. Global equity markets tumbled, and government bond markets rallied in the fourth quarter, without any material change in the outlook for economic growth.

The stakes have risen for central banks, and consequently for financial markets, as we enter the latter stages of what many believe to be a ten+ year business cycle. Central banks have enjoyed the benefits of having extremely low inflation expectations over the past 40 years. We see evidence that these expectations will now be tested as the US unemployment rate drives further below its estimated non-inflationary level and US politicians talk of more prosperity. In addition, China continues to represent a substantial risk to the global economy, and its willingness to stimulate demand is and will continue to be closely monitored.

The Canadian and International market returns, for the one year ending December 31, 2018, were negative, -8.9% and -6.0% respectively. On a more favourable note, the US stock market returns remained positive, 4.2%. Investment returns over the past 10 years have been steady, despite the marginal negative return in 2018. This represents overall growth without taking undue risks.

Looking ahead to 2019, many experts expect positive equity market returns by year end but with a lot of volatility occurring throughout the year. Pension plan investment style is expected to be conservative, investing in high quality stocks and bonds with a focus on preserving capital, this is appropriate particularly at what appears to be the volatile end of a market cycle.

Financial Services Regulatory Authority (FSRA)

The Financial Services Regulatory Authority (FSRA) is a new, independent regulatory agency established by the *Financial Services Regulatory Authority of Ontario Act, 2016 (FSRA Act)* to more effectively regulate non-securities financial services in Ontario.

When operational, FSRA will be a forward-looking, flexible, self-funded regulator capable of responding to the dynamic pace of change in marketplace, industry and public expectations. The FSRA will;

- support business investment, competition and innovation;
- respond to changes in industry and consumer expectations;
- better protect Ontarians who: buy or receive benefits from insurance (property and casualty including auto; life; health; annuities and life-related investment products); are members of credit unions; do business with credit unions or loan and
- trust companies; use mortgage brokers; or rely on pension plans for income security;
- foster effective and consistent regulation across Canada through leadership and advocacy.

FSRA is implementing a transition plan to assume regulatory functions currently under the auspices of the Financial Services Commission of Ontario (FSCO) and Deposit Insurance Corporation of Ontario (DICO).

Under the Financial Services Regulatory Authority of Ontario Act (2016), FSRA is provided with rule-making authorities, including the authority to make rules governing fees and other charges. Based on extensive research, collaboration and engagement with stakeholders, the proposed fee rule is intended to enable FSRA to maintain continuity of FSCO and DICO operations during the transition, and to build enhanced capacity, resources and expertise to deliver progressive, flexible and effective regulation.

Effective January 1, 2018, the Superintendent of Financial Services has the authority to impose administrative penalties in the pension sector for contraventions under the Pension Benefits Act (PBA) and regulations made under the PBA. Administrative penalties are intended to promote compliance rather than be a punishment for wrongful activity.

Pension & Benefits Statistics – 2018 vs 2019

	2018	2019
Employment Insurance		
Maximum Insurable earnings (MIE)	$51,700.00	$53,100.00
Premium Rate (EE)	$1.66 per $100	$1.62 per $100
Premium Rate (ER)	$2.324 per $100	$2.268 per $100
Maximum Annual EI Premium (EE)	$ 858.22	$ 860.22
Maximum Annual EI Premium (ER)	$ 1,201.51	$ 1,204.31
Canada Pension Plan		
Yearly Maximum Pension Earnings (YMPE)	$55,900.00	$57,400.00
Yearly Basic Exemption	$ 3,500.00	$ 3,500.00
Contributory Earnings	$52,400.00	$53,900.00
Contribution Rate	4.95%	5.1%
Maximum Annual Contribution each EE & ER	$ 2,593.80	$ 2,748.90
Maximum Pension for New Retiree:		
- Retiring at age 65	$ 1,134.17	$ 1,154.58
- Retiring at age 60	$ 725.87	$ 738.93
- Retiring at age 70	$ 1,610.52	$ 1,639.51
Maximum Monthly Benefit Amounts:		
- Disability	$ 1,335.83	$ 1,362.30
- Survivor's Pension Under Age 65	$ 614.62	$ 626.63
- Survivor's Pension Age 65+	$ 680.50	$ 692.75
- Disabled/Deceased Child	$ 244.64	$ 250.27
- Death	$ 2,500.00	$ 2,500.00
Quebec Pension Plan		
Yearly Maximum Pension Earnings (YMPE)	$55,900.00	$57,400.00
Yearly Basic Exemption	$ 3,500.00	$ 3,500.00
Contributory Earnings	$52,400.00	$53,900.00
Contribution Rate	5.4 %	5.55%
Maximum Annual Contribution each EE & ER	$ 2,829.60	$ 2,991.45
Maximum Pension for New Retiree:		
- Retiring at age 65	$ 1,134.17	$ 1,154.58
- Retiring at age 60	$ 725.87	$ 738.93
- Retiring at age 70	$ 1,610.52	$ 1,639.51
Old Age Security		
Maximum Monthly OAS Pension	$ 586.66	$ 601.45
Guaranteed Income Supplement		
Maximum Monthly GIS Pension – SINGLE	$ 876.23	$ 898.32
Maximum Monthly GIS Pension – MARRIED		
- Partner not receiving OAS	$ 876.23	$ 898.32
- Partner receiving OAS	$ 527.48	$ 540.77