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Saskatchewan Provincial Sales Tax (PST)

We recently released a special **Manion** Communique announcing that effective August 1, 2017 Saskatchewan will apply provincial sales tax (6%) to all insurance premiums as defined in the Saskatchewan Insurance Act. These include life, accident, critical illness and health and dental insurance products. As a result, **Manion** began applying the PST to the insurance premium payments collected as of August 1, 2017.

A recent poll conducted by Maple Leaf Strategies on behalf of **Advocis** (Advocis is a valued stakeholder to governments and regulators at all levels, and the Association aggressively pursues its members' interests in the public square through a variety of advocacy initiatives), found that 73 percent of Saskatchewan's voters opposed or strongly oppose taxing insurance, while another 77 percent said it is "unfair". The poll also indicates that the government's voter base is also against the tax with 65 percent of Saskatchewan party voters opposed or strongly opposed to taxing insurance.

The future of this taxation is currently under review and **Manion** will be watching the developments closely.

Relief For Plan Sponsors Through Ontario Drug Plan

As reported in the July 2017 issue of the **Manion Magazine**, the 2017 Ontario Budget allowed that, beginning January 1, 2018, Ontario residents under the age of 25 will be able to receive some prescription medications for free. Referred to as 'OHIP+', this means that medications currently on the Ontario Drug Benefit Formulary and eligible Exceptional Access Drugs may be covered, which will reduce the total cost of drugs to varying degrees depending on the specific plan design and claims experience associated with each plan sponsor. Depending on plan design and the number of eligible insured individuals covered in a plan under the age of 25, projected savings of approximately 10%+ on annual drug plan costs can be realized.

In subsequent discussions with our industry partners, **Manion** has learned that Manulife will apply the cost impact of OHIP+ as follows :

For **clients affected by OHIP+**, 2018 renewal rates will be adjusted to reflect the shift in drug coverage to the Ontario government plan. These client-specific adjustments will be based on claims experience. Clients' 2018 renewal commentary from Manulife will include details on the impact of OHIP+.

For **Non-Refund Accounted** plans, an off-renewal rate change will be applied effective January 1, 2018:

- January renewals will include the OHIP+ calculation.
- February through September renewal rate changes – applied on January bill.
- October to December renewal rate changes – applied on February to April bills respectively, retroactive to January 1, 2018.

For **Refund Accounted and Administrative Services Only** plans, off-renewal rate adjustments will not be processed. Instead, any reduction in claims will automatically flow back to clients through their monthly bills (ASO billed in arrears) or their financial reports (RA and ASO billed in advance). **Manion** expects most other carriers to apply the cost impact to renewal rates in a similar manner.

For **Manion** ASO and Self-Funded clients, the cost impact will automatically flow through with reduced claims. If you have any questions, please contact your Service Representative or Account Executive at **Manion**.

Lack of Understanding of Travel Insurance Plans Prompts Travel Insurance Bill of Rights and Responsibilities

Following the May 2017 report by the Canadian Council of Insurance Regulators (CCIR), a new **Travel Insurance Bill of Rights and Responsibilities**, crafted by Canada's Travel Health Insurance Association (THIA) was published in June 2017. This Bill of Rights outlines reforms for the travel health insurance market with the intention to give the public an idea of what they can expect from their travel insurance policy.

The Bill of Rights targets critical issues including providing clients with a higher sense of awareness. The impetus behind the Bill of Rights stems from the numerous misunderstandings from the consumer as to what type of coverage they bought and what it covers or does not cover.

In the CCIR report it states "it recognizes that the industry is trying to help reduce instances where consumers are confused. However, the consumer perception issues remain a primary concern and needs to

be addressed in order to reduce and eliminate existing consumer expectation and knowledge gaps.”

Using an experience travel insurance advisor is key to helping the consumer dispel some of their misunderstandings or assumptions of what they are buying.

Education is a two way street however. Firstly, an experience travel insurance advisor knows to go through a medical questionnaire to determine eligibility. For example, even a change of medication, higher or lower, may change a person’s premium rate or even disqualify them for coverage. The Bill of Rights allows clients to receive a copy of the answers they provided on the medical questionnaire prior to the start of their policy.

Secondly, clients should ask questions regarding the coverage that they are purchasing – do not assume that something is covered or included in the coverage.

The Travel Health Insurance Association (THIA) Bill of Rights notes four key responsibilities for travellers:

- Provide accurate health information
- Understand the policy wording
- Travel with proof of insurance
- Notify the travel insurance provider when a claim situation arises

Manion Claims Corner

Express Scripts Canada (ESC) Prior Authorization Process Update

To comply with Bill S-201 which precludes anyone from granting a good or service based on the collection of genetic information, ESC is advising its prior authorization (PA) program clients of the following updates to its processes:

1. ESC PA form clearly indicates that prescriber should not provide ESC with results of genetic tests.
2. ESC PA team does not request any genetic information from prescribers, in any case.
3. ESC PA team does not use genetic information to guide its decisions on PA.

For a condition which requires genetic testing for diagnosis (e.g., genetic disorder), *ESC will ask the prescriber if the drug is to be used in accordance with a Health Canada approved indication.* If the prescriber so stipulates, the PA will be approved by ESC.

Similarly, if the condition can be characterized by genetic profiling (e.g., tumor genetic mutation type), this information will not be requested by ESC. ESC will confirm with the prescriber that the drug is to be used in accordance with a Health Canada approved indication. If the prescriber so stipulates, the PA will be approved by ESC.

If unsolicited genetic information is sent in by a health care provider, ESC will not use this information in its consideration for approval of the PA application and will redact this information from the form before it is stored.

Ongoing Protection Of Your Benefit Plan From Fraud

Manion has established an in-house investigation team, tools, frameworks and approaches to help combat cases of fraud including working alongside Canadian Insurers. One of the common types of fraud is unlicensed or substandard individuals performing insurable services.

As a result of extensive research and review by several of the major Canadian insurers, it has been determined that the following osteopath associations do not meet the administrative standards required when compared to other paramedical providers governed by the provincial bodies.

Please be advised, as a result, your Self Funded program will no longer recognize the following associations and medical practitioners as of October 1, 2017:

- Ontario Osteopathic and Alternative Medicine Association
- Ontario Association of Certified Osteopaths and Acupuncturists
- Ontario Association of Osteopathy and Natural Medicine
- Ontario Association of Osteopathic Practitioners
- Ontario Professional Association of Osteopathic Medicine
- Society of Osteopaths of Canada/Society of Osteopaths of Quebec

Please note that this decision is not intended to call into question the conduct of any individual osteopath. However, as their associations are no longer recognized by the claims system, claims received by your Plan on or after October 1, 2017 for services from an osteopath registered with these associations will not be paid.

If a Member has a question with respect to a claim denied due to this change, please have them call or email our Contact Centre. 1-866-532-8999 or claims@manionwilkins.com.

If you have any questions about this communication, please review it with your **Manion** Account Executive.

Manion Pension Corner

Administrative Penalties

Ontario Regulation 365/17 made under the Pension Benefit Act (PBA) relating to Administrative Penalties, was filed September 15, 2017 and comes into force January 1, 2018.

An administrative penalty may be imposed to promote compliance with the requirements established under the PBA or to prevent a person from deriving, directly or indirectly, any economic benefit as a result of contravening or failing to comply with the requirement established under the PBA. An administrative penalty may be imposed alone or in conjunction with any other regulatory measure provided by the PBA. Before imposing a penalty, the Superintendent must give the person a reasonable opportunity to make written submissions.

If the Superintendent is satisfied that a person is contravening or not complying with or has contravened or failed to comply with a provision of the Act or the regulations, the Superintendent may, by order, impose an administrative penalty on the person in accordance with the PBA. No person shall pay an administrative penalty imposed out of a pension fund.

The Superintendent must give written notice of the intended decision to impose a penalty, including the details of the contravention or failure to comply, the amount of the penalty and the payment requirements.

The Superintendent must inform the person that they may request a hearing by the Tribunal about the intended decision and provide the process for requesting a hearing. The person must request a hearing in writing within 15 days after the notice is given for the Tribunal to hold a hearing.

The Superintendent shall not give notice of the intended decision more than five years after the date when the contravention or failure to comply occurred or is alleged to have occurred.

If the person pays the administrative penalty in accordance with the terms of the order, the person cannot be charged with an offence under the PBA in respect of the same contravention or failure to comply.

The maximum administrative penalty imposed shall not exceed \$25,000 (by person / business entity) or \$10,000 by an individual. If a person fails to pay an administrative penalty imposed in accordance with the terms of the order imposing the penalty, the Superintendent may file the order with the Superior Court of Justice and the order may be enforced as if it were an order of the court.

Pension Beneficiary – Spouse of Convenience

It is very important that you provide accurate and up-to-date information regarding your marital status to the pension plan administrator. The administrator is required by legislation to automatically make your spouse the beneficiary of your pension at retirement or death unless your

spouse waives this entitlement in writing (on the prescribed provincial form).

When you enter into a relationship that has been orchestrated for personal gain or some other strategic purpose the spouse may be a spouse of convenience, not a legal spouse. An example of this is when you offer to provide someone (who does not meet the definition of spouse) health care coverage as your spouse for medical expenses under your employer's health care plans. When you become eligible for retirement or die, this person according to administration system is your spouse and this person will be considered your spouse, entitled to a joint and survivor pension or the death benefit.

The pension plan administrator must exercise care, diligence and prudence in dealing with your pension entitlement. When your pension entitlement is paid out of the plan, the pension plan administrator will require evidence that the person on record is your spouse (i.e. marriage certificate). If there is a historical record of a spouse while you accrued a pension entitlement, the pension plan administrator needs to know whether or not there is a division of pension assets in accordance to family law.

A spouse of convenience may not be very convenient when your pension entitlement has to be paid out. Delays occur if the administrator has problems determining if your pension entitlement is compliant with pension and family law legislation. At death there is a potential of multiple claimants that cannot be finalized until legal matters have been resolved.

Review your Annual Pension Statement; ensure your pension beneficiary information is up-to-date and that your spouse meets the definition of spouse as outlined in the plan provisions. Your spouse at the time of your retirement or death will be entitled to your pension unless your spouse waives this entitlement.

Pension Definition of Spouse (Ontario Pension Benefits Act)

“spouse” means, except where otherwise indicated in this Act, either of two persons who,

- (a) are married to each other, or
- (b) are not married to each other and are living together in a conjugal relationship,
 - (i) continuously for a period of not less than three years, or
 - (ii) in a relationship of some permanence, if they are **the parents of a child as set out in section 4 of the *Children’s Law Reform Act***; (“conjoint”)

What's Going On At Manion!

Increasing Member Convenience in 2018

Manion continues to invest in improved services and greater convenience for its clients and plan members. In early 2018 plan members will enjoy access to new and enhanced services that give them the convenience of accessing **Manion** services from a secure app on their mobile device.

Members who currently use Member Online can download the app to take their services with them, while also experiencing a modernized look and feel and easier access to the services they need on our new **myManion** website.

These free upgrades are the latest way **Manion** is making managing benefits more convenient for your plan members:

myManion Online Portal and App

- Use your device's camera to capture and submit health and dental claims
- Find information about benefits, coverage and work history
- Contact **Manion** support teams
- Update personal information
- Designed for optimal experience from any computer or mobile device



Manion Call Centre

- Extended hours of service



By improving mobile and online services, **Manion** ensures that members can access the services and information they need on any device, at any time, from wherever they are!

Manion clients will be contacted by their Account Representative to prepare their members for these changes. Current users of *Member Online* may require new user names and passwords to access new online services. **Manion** teams will assist all clients and members through the transition period.