



The benefit brief

DUPUIS LANGEN
Financial Management

The employee solutions newsletter for the clients and friends of Dupuis Langen

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Medical Access Insurance



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Thank you for your referrals

Business is great but new clients are always welcome!

If you know of others who may like to receive our newsletter or who would appreciate an audit of their group benefits plan, please let us know!

Words of Wisdom

"The only limit to your impact is your imagination and commitment."
~Anthony Robbins

WHAT IS IT?

Medical Access Insurance (MAI) is an excellent addition to an organization's existing benefit program. It gives employees front of the line service. An employee with this insurance who has been placed on a surgical or procedural wait list longer than 45 consecutive days, can be sent for diagnosis and treatment, on covered medical conditions, in the United States or Canada, immediately bypassing wait-lists.

BENEFITS

Reduce benefit costs, accelerate medical treatments and cut absenteeism. With Medical Access Insurance, your employees can access best-in-class medical treatment at facilities throughout North America.

With its focus on immediate care for illness and injury, this unique product also helps employers attract and retain employees in a competitive job market.

GROUP COVERAGE

Case Study

A 30 year old labourer covered by Medical Access Insurance suffered a degenerative eye disease and required a corneal transplant. Transplant wait time was one to two years and could have resulted in a long term disability (LTD) claim; the employee was already on short term disability (STD). In addition to LTD payments, estimated cost in lost labour for the organization was \$23,348. With the help of MAI a tissue replacement was found within 7 weeks and the surgery completed. The procedure took place within the Canadian public health system.

THE PLAN

Medical Access Insurance can be an enhancement to an existing benefit program or written on a stand alone basis for companies or small businesses without a plan.

Coverage Includes:

- Pre and post surgery specialist consultation, diagnosis (i.e. MRI & CT scans) and surgery for over 125 covered conditions and procedures including angioplasty, coronary artery repair, hip and knee replacement and prostate surgery
- No deductible or co-payment
- No medical underwriting, only a short medical questionnaire describing any pre-existing conditions
- Pre-existing conditions covered after policy in effect 24 consecutive months
- Treatment costs paid directly to the service provider

THE INSURER

This unique group plan was developed by Acure Health and administered by OneWorld Medicare. Medical Access Insurance is underwritten Industrial Alliance Pacific Life Insurance Company.



*Group life and health plans * Registered pension plans * Group RSPs * Critical illness plans
Long term disability plans * Integrated benefit solutions * Private Health Services Plans (PHSPs)*

IMPORTANCE OF DESIGNATING A BENEFICIARY

Plan members should be made aware of the importance of naming a beneficiary for the life insurance portion of a group benefits plan and then subsequently reviewing that decision periodically. In the long-term, these actions could protect their families and the assets they've accumulated over the years.

Many plan members, when completing enrolment forms, leave the beneficiary portion blank or designate their estate. When an insurance settlement goes to the Estate, it has to go through a lengthy process which involves probate fees and final tax returns. When a specific person is named as the beneficiary the financial proceeds can go directly to the designated person, giving them quick access to funds for funeral arrangements or other immediate financial needs.

Generally speaking, when an insurance settlement is paid to a specific beneficiary rather than the deceased's Estate, the insurance money is exempt from seizure by any creditors that the deceased might have. So naming a beneficiary for the group benefits life insurance could potentially offer some measure of protection from creditors.

When naming a beneficiary the options of revocable beneficiary and irrevocable beneficiary often appear. What do they mean?

Revocable beneficiary – You can change the designation without the beneficiary's consent as long as you submit the request in writing

Irrevocable beneficiary – You will generally need to get the written consent of the irrevocable beneficiary in order to make changes, if a minor is named an irrevocable beneficiary it may be impossible to obtain consent.

Generally, unless otherwise specified, designations are assumed to be revocable, except in the province of Quebec.

CLAIMS FOR CUSTOM ORTHOTICS



Submitting a claim for custom foot orthotics has specific requirements. To help insurers accurately adjudicate employee claims and provide a timely reimbursement, please have employees follow this checklist when submitting an orthotic claim:

- A completed claim form
- An original receipt indicating that the payment has been made in full (a copy of the receipt is acceptable if the primary carrier's explanation of benefits is attached)
- A copy of the original prescription outlining the medical diagnosis from a physician, podiatrist, physiotherapist, or chiropractor.
- A copy of your biomechanical assessment, which must be performed in person by your provider

(A biomechanical assessment is an examination of the lower limb bone alignment. It involves looking at the patient's movement and walking patterns, interaction of the foot with the rest of the body and shoes to determine wear patterns to assist in recovery of a recurrent injury or prevent further injury.)

- Written confirmation from the provider indicating that the orthotic was fabricated from raw material, using a 3-D volumetric model of the patient's foot, using one of the following casting techniques:
 - ✓ Plaster of paris slipper cast
 - ✓ Semi-weight bearing foam casting box
 - ✓ 3-D contact digitizing (e.g. pin array system)
 - ✓ 3-D laser imaging scanning

If the information above is not listed on the receipt, you can request for a form from your insurer that the provider can complete.

TAXATION OF EMPLOYEE BENEFIT PLANS

The general principle of the Canada Revenue Agency is that every transaction should be taxed at least once whether it be incoming or outgoing with rare exceptions.

The only benefits for which employer contributions are taxable are the Employee Life Insurance and Dependent Life Insurance. The employer may contribute to all other group benefits (AD&D, Short Term Disability, Long Term Disability, Health, and Dental) and those contributions are tax-free.

Life/Dependent Life: death benefits are always tax-free, so premiums must be paid with after-tax dollars. The employer can pay some or all of the cost, but this contribution must be declared as a taxable benefit on the employee's T4.

AD&D: is considered an accident and sickness benefit similar to Health, so the employer can contribute some or the entire premium, tax free to the employee; benefits will remain tax-free

STD/LTD: ANY employer contribution to these premiums will cause disability income benefits to be subject to income tax when received. If the employer contributes even one penny to disability premiums of even one employee, the benefit when received will be taxable to all employees.

Health/Dental: This is the exception, where a tax break is available. If the employer contributes some or the entire premium:

1. The employer can deduct the contributions as a business expense (taxes reduced)
2. The employee will not be taxed on the employer contribution (not a taxable benefit)
3. Claims paid are not taxed

The above is only offered as a guide, please consult with your accountant for CRA guidelines that may apply to your business.