



UNDERSTANDING THE INSURANCE LANDSCAPE



When considering the supplementary healthcare insurance landscape, there are many parties that play a critical role. Understanding the roles and responsibilities of each will assist in understanding the way the various stakeholders interact and the role that each play to protect the plan.

Employer/Plan Sponsor:

The holder of group insurance products including health and dental benefits. It can be any organization that provides group benefits to its members, for example an employer, union, or an association.

- The decision maker in health coverage based on cost, benefits/ services, and risk.
- Want consistency in plan design and adjudication no matter which province the claim is incurred in.
- Offer benefit plans as a part of total compensation and as an employee attraction and retention tool.
- Fund benefit plans for their employees either in part or in full.
- When designing a plan, choose benefits that employees need and value and balance this with protecting plan sustainability (cost containment).
- Expect that insurance companies/administrators will conduct routine claim verifications and audits to validate claims.

Benefit Advisor/Consultant

A person who is licensed by a provincial or territorial regulator to advise, or consult on a variety of insurance products including group benefits.

Also called an agent or a broker.

- Employers may work with an advisor/consultant on various items including plan design.
- Primary responsibilities include renewal negotiation, data analysis, reviewing plan design recommendations and client service.
- Advise on benefits and costs in a manner to support employer needs.
- Consultants can advise plan sponsors (employers) and/or act as administrators for insurance providers.
- May conduct audits of claims services on behalf of the employer.
- Are compensated through commission or on a fee for service basis.

Insurance Company/Administrator

An insurance company issues policies and pays eligible claims according to the provisions in the benefit contract. Administration Services Only: A type of group plan where the benefits are not insured. The plan sponsor (usually an employer) hires an outside firm (often a life and health insurance company) to administer their plan. The plan sponsor is responsible for providing the funds to pay eligible claims.

- Has a contractual relationship with the employer to administer the benefit plan.
- Protects the employer's investment by reimbursing only contractually eligible products or services.
- Manages risk of fraud and abuse.
- Delivers customer service to employer and plan members.
- Performs verification and claims audits.
- Maintains a list of eligible providers.

Providers

Regulated health professionals (i.e., optometrists, social workers, chiropractors, psychologists, physiotherapists, dental hygienists, etc.) that provide healthcare.

- Develop treatment plans based on the healthcare needs of the patient.
- Follow the standards of practice as outlined by their regulatory body or association and their regulated scope of practice.
- Understand that eligibility to a benefit plan should not be an incentive to provide treatment
- Those providers whose services are covered by private sector; have a responsibility to understand the insurance landscape including:
 - Understand the insurance industry expectations and claim submission requirements.
 - Understand that benefits plans are in place to meet the patient's healthcare needs.
 - Protect benefit plans from fraudulent claims practices.



Continued from Providers

- Understand that not every insurance plan covers all professional services allowed within your scope of practice.

While deemed acceptable under the standards of practice set by your regulator or association, certain practices may not be considered eligible by insurers.

Plan Member/Patient

The person insured under a group benefit plan (for example, an employee, union member or association member).

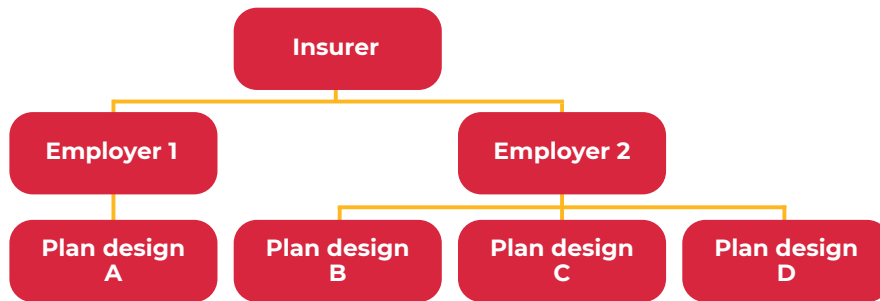
- Seek out the care of providers for necessary healthcare treatments and services.
- Understand the treatment plan and the associated costs before committing.
- Engage with employer/plan sponsor with benefit plan questions (coverages and reimbursement amounts) to ensure understanding of plan structure and coverage.
- Responsible to pay amount not covered by the insurance company.

- May be responsible to pay a portion of benefit plan premiums.
- Understand benefits are in place to meet healthcare needs and in accordance with the provisions set out by plan sponsors.

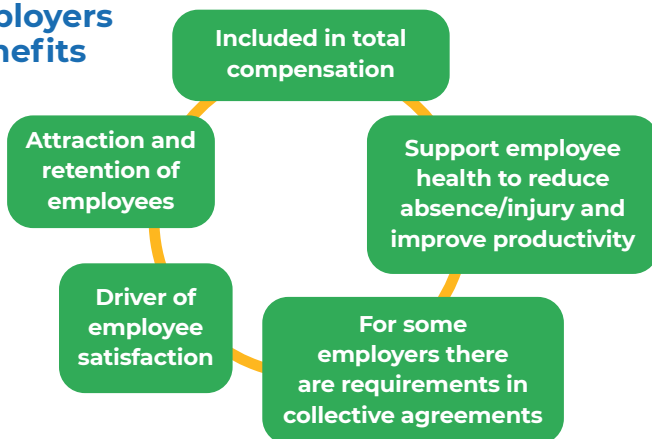
Coverages Vary

- Employers make the decisions on what is covered and on what basis.
- Not all plans cover the same health services or the same amount of services.
- Employers themselves may have different plans for different employee groups (unionized, management, etc.)
- Plan designs can vary. Examples include: Traditional Benefit Plans, Flexible Benefit Plans, Healthcare Spending Accounts, Voluntary Benefits.

**** You cannot infer from the insurer or the employer what the plan coverage will be.**



Understanding why employers offer benefits



When considering benefit plans, it is important to remember that employers are not immune to pressures; there are other factors that can influence plan design:

- Aligning the benefits with the needs of the employees.
- External economic conditions- such as an economic downturn (pandemic).
- Collective agreement requirements.
- Budgetary considerations, the cost of various options.
- Size of the employer.