Johnstone's Benefits

# THE JOURNAL

solid group plans made simple

## GROUP BENEFITS

### A Quick Reference Guide

Depending on benefit provisions/levels of coverage and cost share arrangements, employees can decide whether they want to opt in or opt out of their employer sponsored group extended health (EHC) and/or dental coverage – whether to take coverage only under one plan, or coordinate their benefit plans for optimal coverage

#### "Opting In" for Duplicate Coverage

When both spouses have group extended health (EHC) and/or dental plans, the payment order is established by CLHIA (Canadian Life and Health Insurance Association). If one or more spouse also has a health spending account (HSA), claims should be submitted to the group insurance plans first, and then to the HSA(s) if less than 100% of the health or dental expense was reimbursed. The following COB rules apply for EHC, dental and HSA plans:

- Claims are paid first under the employee's own plan, and then any outstanding balance can be submitted to the spouse's plan.
- Claims for dependent children follow the "birthday rule" – claims should be submitted to the plan of the parent whose month and day of birth is earlier in the calendar year, and then any outstanding balance submitted to the other parent's plan.

#### "Opting Out" of Duplicate Coverage

To opt out of their group EHC and/or dental plan, employees are required to complete the "waiver" section of the ***Application for Coverage*** form. If the employee and/or dependents lose coverage under the spouse's plan in future, the employee can pick up the waived coverage, without a waiting period, by applying within 31 days of the loss, by completing an ***Application for Change*** form.

If an employee wants to "opt in" for coverage after 31 days, but NOT due to a loss of coverage, they will be subject to late applicant provision that identifies when coverage will be effective and any limitations to benefits (ie. coverage effective when the insurer approves; dental benefits limited to a set maximum, typically $250 per person during first 12 months of coverage).

### THE JOHNSTONE'S ADVANTAGE

Our mission is simple: **Treat each client as if they were our only client**.

Our value is clear: **We are completely independent**. We work for you and offer total flexibility on insurers and plans.

We offer all your group insurance services including administration, brokerage, consulting, and communications.

We provide dedicated client support, customization and flexibility to meet all of your company's benefits needs. And we make **solid group plans simple**.

## Claim Deadlines

All insurers have claiming deadlines that they strictly enforce:

- Extended health and dental claims deadline is typically 12 months from the date of service. This means receipts dated March 15, 2020 much be received by the insurer by March 15, 2021.
- HSA claim deadlines are either 30 or 60 days following the end of the HSA policy year. If the policy year is January to December, claims must be received for reimbursement by the next January 31st or February 28th.

## Coordination with Provincial Health

All group insurers require employees and their dependents to have provincial health insurance to be eligible for Extended Health (EHC) benefits, as EHC provides coverage over and above government health benefits.

Provincial health plans universally cover basic expenses for doctors, hospital stays and lab tests, and may cover additional health expenses, depending on the province.

Employer-sponsored extended health plans are prohibited by law to cover any medical expense covered under the Canada Health Act, the legislation by which provincial health plans are established, with the exception of Quebec.

As discussed many times in our monthly newsletter, because of the direct impact to the group benefits plan, provincial governments have reduced coverage in their health plans over the years, mainly due to cost considerations. While EHC plans don't automatically cover de-listed expenses, they do often take on coverage if that type of expense was already covered – for example prescription drugs.

## COVID-19 UPDATE
## New Recovery Benefits

The Canadian government has replaced CERB with the following new recovery benefits retroactive to September 27, 2020 and available until September 25, 2021. All benefits are $500 per week, taxable, tax deducted at source. For more information: https://www.canada.ca/en/services/benefits/covid19-emergency-benefits.html

**Canada Recovery Benefit (CRB):** for those who have stopped work and who are not eligible for EI, or had their employment or self-employment income reduced by at least 50% due to COVID-19

**Canada Recovery Caregiving Benefit (CRCB):** for workers unable to work at least 50% of the week because they must care for a child under the age of 12 or family member because schools or care facilities are closed due to COVID-19 or because they are sick and/or required to quarantine, or is at high risk of health implications due to COVID-19.

**Canada Recovery Sickness Benefit (CRSB):** for workers who are unable to work for at least 50% of the week because they contracted or have self-isolated due to COVID-19, or they have underlying conditions, are undergoing treatments or have contracted other sickness that in the opinion of prescribed health practitioners, person in authority, government or public health authority, would make them more susceptible to COVID-19.

## CONTACT US

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**JOHNSTONE'S JOURNAL** is published monthly and designed to provide topical information of interest not only to plan administrators, but to all employees who enjoy coverage under the benefit plan. Feel free to make copies and share with your employees.