



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 use as a payroll staffer.

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## Understanding Your Health and Dental Benefits Reasonable and Customary Limits

### Know Your Health and Dental Plans

It is an unpleasant surprise to learn that a portion of your extended health care (EHC) or dental claim is not eligible, and that you have to pay more than you expected. Knowing how your benefit plan will reimburse a claim will prompt you to discuss treatment options with your health care provider and help you make the best decision.

To keep group coverage affordable, insurers design benefits to reimburse eligible expenses at a reasonable cost. Part of this includes applying safeguards against excessive, inappropriate, or fraudulent claims. This includes dollar and frequency limits for specific products and services, as well as **what they call reasonable (or usual) and customary limits—R&C**. Procedures, products, and services in excess of these limits are the patients' responsibility.

R&C limits are necessary to keep health and dental benefit plans viable. They give providers an incentive to keep their prices competitive. They also encourage the consumer to shop around for the best deal. If you understand your plan's limits, you can know what to expect from your EHC and dental coverage.

### How Insurers Set R&C Limits

Insurers determine and set limits based on information they receive from a number of sources:

- Published fee schedules from provincial associations (e.g. dental fee guides)
- Industry specific professional associations
- Average fees based on a specific geographic area

### Where Should I Expect R&C Limits?

EHC and dental plans reimburse eligible expenses based on limits set within each contract. Some limits, such as reimbursement levels and deductibles can be customized for an employer's specific needs, while other limits are set by the insurer. Here are a few areas where you should expect R&C limits:

**Dental:** the provincial association sets the limits. See *Johnstone's Journal* "[Dental Fee Guides](#)" February 2013.

**Paramedical practitioners** (physiotherapy, massage, chiropractic etc.): limits set by surveying professional associations, as well as with specific contractual limits.

**Prescription drugs:** although there are too many factors to address here, generally prescription costs are set either provincially or federally. However, some parts of the cost, such as the retail mark up, professional or dispensing fee, are not legislated. For these fees, insurers may set limits based on provincial standards. They also often apply limits to the supply, such as 30 or 90 days.

**Medical equipment and supplies:** this is a complex area as the cost of some equipment may be specific to the patient's medical condition. If you are looking to purchase an expensive item, we encourage you to submit a pre-authorization first and find out exactly what is covered.

Just remember that all contracts apply these limits. To make the best-informed decision, learn what your plan will cover before you make a purchase. **When in doubt, ask.**