

GROUP BENEFITS – FAQ'S

Sometimes rules are confusing, sometimes submitting claims are missed. In this month's newsletter, we thought a quick reference for information we frequently get asked to provide would be helpful to both employers and employees.

Coordination of Benefits (COB)

When both spouses have employer sponsored benefit plans, the payment order is established by the Canadian Life and Health Insurance Association, (CLHIA) as follows:

- 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" – submit claims first to the plan of the parent whose month and day of birth is earlier in the calendar year, and then any outstanding balance to the other parent's plan.

Coordination with a Health Spending Account (HSA)

Claims should be submitted to all available group insurance plans first and then to the HSA if less than 100% of the expenses was reimbursed. The same COB rules apply as to which plan pays first.

Opting Out of Duplicate Coverage

When paying a portion of the cost for their group benefits, many employees want to opt out of their extended health and/or dental coverage and take the coverage through their spouse's plan. To do so, 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.

Claims 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, 2016 must be received by the insurer by March 15, 2017

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.**



Health spending accounts have claim deadlines of either 30 or 60 days following the end of the policy year. If the HSA policy year is January to December, claims must be received for reimbursement by January 31st or February 28th of the following year, depending on your contract.

Electronic Claims & Payments

Dentists and pharmacists have been submitting claims electronically to insurers on behalf of patients for years, making reimbursements more efficient and timely. In recent years, employees also have been able file “e-claims” for some types of claims, eliminating the need to send in original receipts except for random audits by the insurer. It’s an option set up by the insurer at the request of the employer.

Claim reimbursements directly deposited into an employee’s bank account are available for both electronic and traditional claims. Easy to set up with the insurer, the employee provides bank account information, and will receive an explanation of payment by email or on the insurer’s website.

Coordination with Provincial Health

To be eligible for a group extended health plan, the employee must also be enrolled in the provincial health plan in their province of residence.

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

Your employer-sponsored extended health plan is prohibited by law to cover any medical expense covered under the Canada Health Act (provincial plan), with the exception of Quebec.

Provincial governments have reduced coverage in their health plans over the years. Extended health plans don’t automatically cover such de-listed expenses; however, extended health plans do often take on such coverage if that type of expense was already covered, for example, prescription drugs.

Federal Government Advises it will NOT Tax Health and Dental Benefits

Johnstone’s Benefits recently advised clients that the federal government was considering taxing employer-paid premiums for group extended health and dental premiums as part of the upcoming federal budget. This is not the first time that such a tax has been considered by the federal government. Currently premiums paid by an employer for extended health or dental plans are not considered as taxable income to employees, nor are claim amounts for these benefits taxable upon receipt.

Good news! There will be no change to the tax status of extended health and dental plans at this time. We will continue to monitor this topic and will advise of any developments to keep you informed.

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