

Group Benefits Administrative Update

Important information for Plan Administrators

First Quarter 2001

Welcome

Manulife Financial is pleased to introduce our first quarter 2001 Administrative Update. This bulletin will be used to quickly inform you of important changes in coverage, process improvements, changes as a result of legislation, or reminders of issues that require your immediate attention. We hope that you find this a useful tool in the administration of your Group Benefits plan. Please keep this Administrative Update on file with your plan contract for future reference.

Blanket Purchase Exemption Certificate (Ontario Retail Sales Tax) annual review process

By law, all group employers who do business in Ontario and employ residents of Ontario are required to pay Ontario Retail Sales Tax (or ORST) on group life and health premiums and deposits. However, there are two valid exemptions from ORST:

- payments for employees who are **non-residents of Ontario** and/or
- payments for employees who are **Status Indians living on a reserve**.

To receive this exemption, the Ontario Ministry of Finance requires eligible plan sponsors to complete a **Blanket Purchase Exemption Certificate (BPEC)**.

In the absence of a properly completed BPEC, legislation requires the insurer (Manulife Financial) to collect the 8% Ontario Retail Sales Tax on the full amount of the premium payable. To ensure that your company's eligibility for exemption is kept up-to-date, Manulife Financial has initiated an annual review of our BPEC files.

A copy of the Blanket Purchase Exemption Certificate is enclosed. This form has been reviewed and simplified in order to make it easier to understand and complete. **Please fill in the form, making sure to sign, date and include your group policy number(s) and return it as soon as possible.** If you are not claiming a tax exemption (for example: all plan members reside in the province of Ontario or all plan members reside outside Ontario) please check the "not applicable" box. **Return via fax to GB Premium Administration (519) 883-5709.**

Manitoba Pharmacare reminder

If your plan includes members in Manitoba, it's time to remind them to enrol in Manitoba Pharmacare. Enrolment for drug coverage under Manitoba Pharmacare is neither mandatory nor automatic, so each year in April plan members are required to register by completing an application form, available at local pharmacies.

Manitoba Pharmacare is considering offering a one-time only application process, which will automatically set the deductible on April 1 of each benefit year using income information supplied by Canada Customs and Revenue. However, at the time of this printing the new process had not been released. Because this option will eliminate the need to provide Manulife with proof of Manitoba Pharmacare application in future benefit years, the one-time enrolment is the best option for minimizing the risk of claims being declined.

Manitoba Pharmacare will pay 100% of eligible drug expenses once a deductible (pre-determined by the province) has been reached in each benefit year. Members can use their Manulife Financial drug coverage for eligible drug expenses to reach their provincial deductible. However, because Manulife Financial doesn't know each individual plan member's provincial deductible, thresholds have been set beyond which claim payments will be suspended should a member fail to enrol in the provincial plan. Beginning April 1, 2001, messages reminding members to enrol, and advising of possible payment suspension, will be sent to the pharmacist when claims are processed under the Manuscript pay-direct drug card plan.

For further information, please refer to the Spring 2000 edition of *Employee Benefit News* available on-line at www.manulife.com/groupbenefits.

For more information on Manitoba Pharmacare enrolment, you or your plan members can call 8:30 to 4:30 weekdays:

(204)-786-7141 in Winnipeg

1-(800)-297-8099 in rural Manitoba

TTY/TDD: (204)-774-8618 in Winnipeg or 1-(800)-432-4444

Upcoming Extended Health Care coverage changes...

The following changes will apply to Manulife Financial "standard" extended health care plans that include coverage for sclerotherapy, Synvisc, fertility drugs, anti-obesity drugs, and smoking-cessation products. Plans that have been customized to include non-standard maximum limits will not be affected by these changes.

Sclerotherapy no longer covered: considered cosmetic

Effective June 1, 2001, claims for sclerotherapy will no longer be covered.

Sclerotherapy is a procedure that bleaches small, purple spider veins from a patient's legs. Sclerotherapy is viewed as a cosmetic treatment that is not medically necessary and needs to be repeated as the veins reappear. Please note that medical treatment

required for circulatory problems associated with varicose veins continues to be funded by provincial health care plans.

Synvisc no longer covered: considered a disposable medical device

Currently, a limited number of benefits plans for larger groups include coverage for Synvisc. Effective June 1, 2001, that coverage will be discontinued.

Synvisc is a synthetic fluid that is injected into the joint to treat arthritis. If successful, the patient's need for anti-inflammatory drugs may be reduced. However, based upon claims experience, there is no evidence to suggest that this is the case. Synvisc has been approved by Health Canada as a medical device rather than a drug; therefore, it does not qualify for coverage under your group drug plan, nor does it meet the plan's definition of a "durable medical device."

Simplified maximum benefit for fertility drugs

Effective August 1, 2001, the existing benefit for fertility drugs, based upon a maximum number of "cycles" will be replaced by a new \$15,000.00 lifetime maximum benefit.

By moving to a dollar maximum, the plan will provide greater fairness, equality and privacy in its administration. It will also be significantly easier for the patient to understand and make effective use of. Individuals who are undergoing treatment when the change takes effect will be "grandfathered" under the current policy provisions.

Limits removed for anti-obesity drugs

Effective August 1, 2001, the 31-day limit on anti-obesity drugs will be removed.

New lifetime maximums for smoking-cessation drugs

Effective August 1, 2001, the current 90-day lifetime supply standard for all smoking-cessation products will be replaced by a lifetime dollar maximum.

- The lifetime maximum for group "prescription" plans will be \$300.00
- The lifetime maximum for group "prescribed" plans (those that reimburse any over-the-counter medication that a physician or dentist writes a prescription for), will be \$400.00

Plan members will appreciate the added convenience and flexibility that the new "dollar maximum" policy will offer.

Need more information?

For more information on how any of these changes or reminders affect your Group Benefits plan, please contact your Regional Group Office. In the event that these changes impact upon your contract, further information will be provided at the time of policy renewal.