
Group Benefits Administrative Update

Important information for Plan Administrators

First Quarter 2002

Welcome

This is Manulife Financial's first quarter 2002 *Administrative Update*. Each quarter we send information on coverage changes, process improvements, legislative news, or other issues that require the immediate attention of plan administrators. This quarter's edition includes information about B.C. government Pharmacare and Medical Services Plan changes, a reminder about the Montreal Group Benefits Service Centre, and background information about Evidence of Insurability. Please keep this issue of *Administrative Update* on file with your contract for future reference.

The Administrative Update is provided to share information with Policy Administrators. It is not intended as advice. Although we strive for accuracy, we are only bringing summaries or highlights to your attention. Please refer to your Group Policy for complete terms and conditions. If there is a discrepancy between our communications and the Group Policy, the terms of the policy will apply.

British Columbia government announces coverage and rate changes for some medical services

The British Columbia government changed its rates and coverage for paramedical practitioners and Pharmacare, January 1, 2002. The exclusion of some previously covered services will leave group benefits plans responsible for amounts no longer funded by the province.

Coverage changes

The government no longer pays the first \$300 for paramedical visits, and private health plan members will submit these claims to their private insurance plans. Plans offering paramedical coverage will now pay for these claims up to existing paramedical plan limits. Previously, private plans were not permitted to pay any of the first \$300 amount.

For Pharmacare, larger deductible amounts and prescription fees will also mean more claims will be submitted to private health care plans for payment.

Rate changes

We reviewed all Group Benefit plans with a majority of plan members residing in B.C. to determine if an immediate rate increase would be required. If your plan required a rate increase, you should have already received a letter describing the specific impact on your plan.

For reference, the changes to the B.C. Medical Services Plan are summarized in the information sheet attached to this Update.

For more information about this change and how it will affect you, please contact your Benefit Plan Advisor or your Manulife Financial representative.

Montreal Group Benefits Customer Service Centre: New voice technology is now in place

In December, Manulife Financial introduced new technology in the Montreal Group Benefits Customer Service Centre. All calls from coast to coast receive the same treatment and are logged on to the same system, regardless of whether they are handled in Waterloo or Montreal.

Interactive Voice Response (IVR) allows fast-tracking

With Interactive Voice Response (IVR) technology, plan administrators and members can easily get information about health and dental coverages and claims payments. Callers can “fast track” through the IVR by pressing a combination of options one after the other. For example pressing 1, 1, and 1 (with short pauses between each selection) allows callers to quickly select English as the language, plan administrator as the caller and Dental as the benefit, and then enter the plan number and member ID. This saves callers listening to the complete introduction, which they may not need.

Extended service hours

IVR access is available Monday to Friday, 7 a.m. to 9 p.m. Eastern time, and Saturdays 7:30 a.m. until 4:30 p.m.

Customer Service Representatives are still available

During regular business hours, callers can still transfer to a Customer Service Representative once appropriate plan/group number and plan member I.D./Certificate number have been entered. When the call transfers, the CSR will immediately see the relevant customer information from the IVR, saving time for the caller.

Call Flow diagram

This new technology presents a convenient way for customers to get their Health and Dental claims and coverage information. Attached to this edition of Administrative Update is a sample of the call flow for plan administrators. Call flow diagrams are available in 25-sheet notepads (GC0205E and GC0205F). Member brochures explaining the Group Benefits Customer Service Centre are also available in English or French. GL3472 outlines the call flow for plan members.

These materials may be ordered using the Group Benefits materials reorder form available on-line by going to www.manulife.ca/groupbenefits and clicking on Forms and Administration Forms.

Questions and Answers: late applicants, medical underwriting and Evidence of Insurability

Most of the time, Group Health plan members don't have to pass a medical examination or take any special tests to qualify for insurance coverage under the group plan. Occasionally, Plan Member Administration area asks for Evidence of Insurability. In some cases, other medical information may be required. Some level of Evidence of Insurability or medical underwriting is required for the majority of Alpha Plus groups.

When does an Evidence of Insurability form have to be completed?

Groups generally have a non-evidence limit in their contracts. Every member can get coverage to that limit without providing any medical evidence. When Benefit amounts are salary-based, if a member's salary qualifies for an amount of Life and/or Long-Term Disability benefit volume that is over the non-evidence limit, the member must complete an Evidence of Insurability form.

When the plan member and/or dependants have not applied for benefits within the time outlined in their contract, these applicants are considered "late" and are required to submit an Evidence of Insurability form.

Most contracts with Employee Optional and Spousal Optional Life Benefits require a completed Evidence of Insurability form. An exception may be when Optional Life is transferred from a prior carrier.

What other forms are required with the Evidence of Insurability?

With applications for Employee Optional Life and/or Spousal Optional Life, an Optional Life application form or a cover letter outlining the coverage being requested is required. The cover letter must include the benefits being applied for, the volume of coverage according to the contract, and the plan member or dependant's name. The cover letter is most likely to be used by plan sponsors of self-administered plans.

In a "late applicant" situation, Manulife Financial requires the Application for Enrolment/Reinstatement or Change form.

Please include the correct plan number and account/division number(s) on each form.

What is a late applicant?

Employees may be considered as Late Applicants if:

They apply for coverage under the Group Benefit Program later than the limitation in the contract (e.g. 31 days after the date on which they and/or dependants are **first eligible**),

OR

They refuse or cancel coverage under the Group Benefit Program, then reapply at a later date.

Why do we medically underwrite late applicants?

With non-mandatory plans, the plan administrator asks employees about benefit coverage when they join the company. Some will say yes, others say no. If the employee says no at first and yes at a later date, that individual is considered a late applicant, and underwriting will screen the applicant. The applicant may have refused the insurance, then discovered a need for coverage related to an illness or condition.

Manulife may choose to gather additional information from the applicant's doctor to see if there are any medical conditions. The medical underwriting area does this background work to manage anti-selection risks and keep the cost of the plan reasonable for all employers and employees.

What processes can plan administrators put into place to avoid late applicants?

Use Internet enrolment
Complete enrolment forms at employee orientation
Send in new forms at the time a change occurs.

Note: Evidence of Insurability forms are now available on Manulife Financial's public web site. Other forms can also be found there. Check at http://www.manulife.ca/Canada/GB_v2.nsf/Public/adminforms

If you have questions, or need more information about Evidence of Insurability or medical underwriting, please contact your Manulife Financial representative.

Important reminders...

Please complete and return your Blanket Purchase Exemption Certificate (Ontario Retail Sales Tax)

Every year, group employers who do business in Ontario and employ residents of Ontario are asked to complete a **Blanket Purchase Exemption Certificate (BPEC)**. The BPEC is used to determine if your group is eligible for an exemption from the 8% Ontario Retail Sales Tax on premiums charged for:

- Employees who are non-residents of Ontario and/or
- Employees who are Status-Indians living on a reserve.

If you are eligible for this exemption, please complete the form. (A copy is attached.) Be sure to sign and date it, include your group policy number and indicate whether the exemption does or does not apply to your group. Completed BPEC forms can be returned by fax to GB Premium Administration (519) 883-5709.

If you require another copy of the Blanket Purchase Exemption Certificate (form GL2039B), a replacement can be ordered using the Group Benefits Materials Re-order form available on-line by going to www.manulife.ca/groupbenefits and clicking on *Forms and Administration forms*.

Benefit from the convenience of pre-authorized monthly premium payments

Groups whose benefits are administered by Manulife Financial can enjoy the convenience of paying monthly premiums by pre-authorized debit. Premiums will be automatically debited on the 10th day of each month. It's a quick and easy way to eliminate the time and effort involved in the preparation of your monthly premium cheque.

To sign up for pre-authorized premium payments, simply contact your Manulife Financial representative.

Need more information?

For more information on how these changes or reminders affect your group benefits plan, please contact your Manulife Financial representative. Please file this bulletin for future reference.

To obtain additional copies of this or any previous *Administrative Update*, please visit www.manulife.ca/groupbenefits and click on *Employee Benefit News*.

Administrative Update – First Quarter 2002 – Attachment

Information sheet

What are the changes in B.C. and why do they increase private health insurance costs?

Paramedical services

As of January 1, 2002, B.C.'s Medical Services Plan (MSP) will no longer pay for physiotherapy, chiropractic, naturopath, podiatrist and massage therapy services for any British Columbia resident who is not entitled to premium assistance. Private plans will cover the full cost of all paramedical visits up to plan limits and maximums. For those who do qualify for assistance (net family income less than \$20,000 per year) Medical Services Plan will pay \$23 to the practitioner for the cost of each visit. Patients will have to pay an additional amount if the practitioner's fee is higher than the amount reimbursed by MSP.

Prescription drugs

Individuals under age 65 who are not eligible for government assistance will see their Pharmacare deductible rise from \$800 to \$1000 per year.

Individuals over age 65 who do not qualify for government assistance will pay up to \$25 per prescription to a maximum of \$275 a year. Before January 1, 2002, these individuals were fully covered for prescription drugs and paid only dispensing fees to a maximum of \$200 a year.

Costs shift from government to private health plans

Changes in B.C.'s approach to coverage will leave group benefits plans responsible for amounts no longer funded by the province.

When rates were last set, the amount funded by the province was used to project plan costs.

Rates will now increase based on plan design to reflect the additional amounts paid for prescriptions and paramedical practitioners' services.

Currently, any plan member who qualifies for provincial assistance must reach the provincial maximum of 10 visits before beginning to submit claims to Manulife Financial.

Group Benefits Customer Service Centre

Answers at your fingertips

When you have a group benefits inquiry dial your Group Benefits Customer Service Centre phone number.

When your call is connected† **press**

1 for service in **English** **then press**

1 to identify yourself as a **plan administrator** **then press**

1 for **dental inquiries**

or **2** for **health inquiries**

or **3** for **disability inquiries**
You may be instructed to telephone a local office

or **4** for **claims office addresses**

or **5** for any **other inquiries**

then press

the numerical digits of your **plan number**

then press

the **plan member ID/ certificate number**

if you selected dental inquiries above, press

1 for **dental claim payments**

or **2** for **pre-determination** of dental benefit status

or **3** for **dependent coverage/dental fee guides**

or **4** for **dental coverage inquiries**
(e.g. preventative, restorative, etc.)

if you selected health inquiries above, press

1 for **health claims** information

or **2** for **major medical coverage** information
(e.g. deductible, co-insurance, etc.)

or **3** for **drug coverage** information

or **4** for **other health inquiries** (e.g., hospital, vision, etc.)

helpful hints

At any time after making the first three selections, you may **press**

***** to **return** to the previous menu

or **#** to **repeat** the information/instruction you just heard

or **0** to transfer to a **customer service representative** during our Customer Service Centre's business hours

Plan member's name:	Date:
Plan member ID/ certificate number:	Group/plan number:
Purpose of call:	

Notes



GC0205E (10/2001)

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† If you are calling from a non-touch-tone phone, hold for a customer service representative.



Blanket Purchase Exemption Certificate

Please complete all information in this section

PLAN SPONSOR NAME		
ADDRESS - NUMBER AND STREET		SUITE NUMBER
CITY	PROVINCE	POSTAL CODE
PLAN NUMBER(S)		

Ontario Retail Sales Tax (RST) Regulations require that employers provide their insurer with a Blanket Purchase Exemption Certificate when claiming exemption from Ontario RST for all or a portion of group life and health payments (exemption applies to payments for non-residents of Ontario and payments for status Indians living on a reserve).

In order to comply with Ontario RST legislation, please complete the applicable information below and return the signed and dated form to: **Manulife Financial Group Benefits, Premium Administration (GB-B)**
380 Weber St. N. , PO Box 1627, Waterloo ON N2J 4P4

Under the provisions of the Retail Sales Tax Act, the above-named plan sponsor claims exemption from Ontario Retail Sales Tax (Vendor Registration # (if known): _____); on premiums/deposits for Group Life and Health Coverage under the Plan Numbers listed above, portions of which are exempt from Ontario Retail Sales Tax because employees/plan members are:

- Non-residents of Ontario
- Status Indians living on a reserve
- OR
- The above exemption is not applicable

AUTHORIZED SIGNATURE

NAME OF PERSON AUTHORIZED TO SIGN FOR PLAN SPONSOR

DATE

TITLE