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## Group Benefits Administrative Update

Important information for Plan Administrators

### Third Quarter 2003

#### Inside this issue

Manulife Financial's third quarter 2003 *Administrative Update* contains information about:

- Plan Administrator Secure Site update
- Minimizing excessive orthotics claims
- RAMQ legislative changes
- Manitoba Pharmacare deductibles increase
- Claim payment quality program
- Blanket purchase exemption certificate

This *Administrative Update* and previous editions are available on the Group Benefits web site. To view these, go to [www.manulife.ca/groupbenefits](http://www.manulife.ca/groupbenefits) and click on 'Newsletters.' *Administrative Update* is provided to share information with Plan Administrators. This information is not intended as advice. Although we strive for accuracy, we bring summaries and highlights to your attention. Please refer to your Group Policy for complete terms and conditions of your plan. If there is a discrepancy between our communications and the Group Policy, the terms of the Policy will apply.

### New features

## Plan Administrator Secure Site

Over 60% of Manulife Financial plan administrators are registered on the Secure Site and can access a growing range of service features.

If you haven't had a chance to register yet, go to [www.manulife.ca/groupbenefits](http://www.manulife.ca/groupbenefits), click on 'Plan Administrator' and click on the green Register button on the right-hand side of the welcome page.

Features now available include:

- **Additional member name search inquiry** - Plan administrators can search using plan member name or certificate number.
- **New help button on the navigation bar** - Improved online technical support to guide you through technical difficulties. This section lists the most commonly asked technical questions.

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## Plan Administrator Secure Site ... continued

- **Updated plan administrator CD site simulator** - Click on 'Get a CD' on the 'Plan Administrator' welcome page to order the latest version, featuring the new member registration process and our industry-leading health and dental claim statements.
- **Updated provincial plan replacement and Health 4 me brochures** - Access these brochures by clicking on 'Forms and Brochures' on the Secure Site.
- **Updated Manuscript and Follow Me brochures** - These brochures have also been posted on the Secure Site for easy reference.

Another release is scheduled for late 2003 and new features will be profiled in *Administrative Update*. For information on these and other Internet service options, talk to your Manulife Financial representative.

### New software requirements for Netscape Navigator users

Minimum software requirements for Group Benefits Secure Sites have changed. If you are a Netscape Navigator user with version 4.08 or lower, you will need to upgrade to version 4.61 to use the Plan Administrator Secure Site. Please ensure you choose the 128-bit encryption version of Netscape 4.61.

The software can be downloaded free from Netscape at [http://wp.netscape.com/download/archive/client\\_archive46x.html](http://wp.netscape.com/download/archive/client_archive46x.html). **Please note:** Depending on the speed of your Internet connection, downloads can take up to one hour per program.

## Raising member awareness

### Minimizing excessive orthotics claims

Manulife Financial has procedures to help manage the high cost of orthotics claims and ensure the most efficient use of your plan's extended health care benefit.

Claims submitted for orthotic appliances under group benefits plans have been steadily increasing. In part, this trend has been encouraged by aggressive marketing programs launched by unqualified suppliers of orthotic appliances. The orthotics industry is not currently regulated, so this benefit can be susceptible to abuse.

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## Minimizing orthotics claims ... continued

During a number of audits, Manulife Group Benefits found many orthotic appliances are over-prescribed or improperly supplied. Some are not medically necessary, and are used primarily for comfort. We have developed procedures to help plans manage the high cost of orthotics claims.

### What are orthotics?

Custom-made orthotics are medical devices designed to control and correct foot motion through each walking phase. They are generally made from a plaster cast of the foot or other recognized techniques and used to treat a biomechanical abnormality. Orthotics differ from arch supports as they are custom-made to specifically address each individual's medical condition, while arch supports are generally sold over the counter at drugstores and shoe stores.

Custom-made orthotics alter the way a patient's feet interact with the ground. Incorrectly made orthotics can cause pain by overstressing muscles, tendons, bones and joints. They can also result in increased claims when the appliances have to be remade.

You can help reduce high orthotics claims by ensuring plan members choose licensed suppliers, such as podiatrists and chiropodists, who are qualified to perform a medical examination using a biomechanical evaluation and gait analysis.

### How to submit an orthotics claim

These submission requirements can help reduce excessive utilization of foot orthotics.

To be valid, a member's orthotics claim must be submitted using a standard Extended Health Claim form, accompanied by these supporting documents:

1. A copy of the recommendation or referral from a licensed physician, podiatrist or chiropodist. This must include the medical condition requiring the use of orthotic appliances.
2. Copies of the biomechanical examination and gait analysis performed.
3. A description of the process used to create the orthotics, including the casting technique and raw materials used.
4. A confirmation that orthotics have been paid in full (supporting receipt).

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## Minimizing orthotics claims ... continued

**Note: To avoid processing delays**, plan members must submit the specified documentation with their original claims. Additional information beyond this supporting documentation may be required by Manulife to complete the claim assessment.

To be considered eligible for payment, orthotic appliances must be:

- medically necessary,
- prescribed by a licensed physician, podiatrist or chiroprapist,
- prescribed prior to purchase,
- custom-made, and
- dispensed and paid for in full.

Orthotics used for sports or recreational activities, or solely for comfort, are not covered by your Group Benefits plan.

### Implementing cost-control measures for orthotics

Manulife can help plan sponsors and administrators manage costs associated with orthotics claims by implementing any of these controls:

1. Apply a deductible and/or co-insurance for orthotics, thereby limiting the percentage covered by your plan.
2. Limit the number of pairs eligible for reimbursement to one pair every three calendar years.
3. Establish a specific dollar limit that will be reimbursed on the benefit.

A member information sheet on orthotics is attached to this edition of *Administrative Update* for you to distribute to plan members. For more information on orthotics claim processes and cost-control measures, talk to your Manulife Financial representative.

## RAMQ legislative update

### Changes to coverage effective July 1, 2003

The Quebec government announced minimum RAMQ (Régie de l'assurance-maladie du Québec) coverage changes, which took effect July 1, 2003. These changes affect the coverage for clients with plan members in Quebec.

- Plan member co-insurance increased from 27.4% to 28%
- Plan member out-of-pocket maximum increased from \$822 to \$839

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## RAMQ legislative changes ... continued

Manulife has adjusted its systems and processes to ensure compliance with this legislation. The new RAMQ minimums will be applied to every claim originating from a Quebec-based group.

In addition to the outlined coverage changes, the combined maximum eligible amount for smoking cessation drugs, (such as Nicorette gum, Habitrol, Zyban and NicoDerm patches), will increase from \$600 to \$620 in the 2004 calendar year.

### **Out-of-pocket accumulations reminder for Quebec-based groups**

Quebec's Bill 98 states that upon request, carriers must provide a plan member's out-of-pocket accumulation (OOP) when plan members transfer from one carrier to another, or join a new plan.

On July 1, 2003, the annual plan member OOP maximum increased from \$822 to \$839. Out-of-pocket accumulations are calculated by adding up the unpaid amounts on claims submitted for drugs on the RAMQ formulary. Once the maximum is reached, RAMQ eligible drugs must be assessed at 100% co-insurance. Out-of-pocket amounts accumulate on a calendar-year basis and are reset to zero January 1<sup>st</sup> of each year.

Manulife has created a special team to load OOP history at an individual and group level. The administrative processes for plan member termination, new plan members, and new groups to Manulife in the province of Quebec include:

1. **Plan member termination** - Plan members wishing to transfer their OOP accumulations to a new plan must send a letter requesting confirmation of their OOP amount for the current year, with a standard Extended Health Care claim form, to Manulife Health Claims. The mailing address is indicated on the claim form.
2. **New plan members** - Plan administrators must forward OOP confirmation statements from the previous carrier to Health Claims. This information will be loaded to Manulife's claims paying system and applied to the member's history.
3. **New group to Manulife** - Loading of the OOP information is part of the existing implementation process and will be collected at that time.

For more information, contact your Manulife representative.

## Manitoba Pharmacare update

### Deductibles increased July 1, 2003

Manitoba provides prescription drug coverage to all residents through Pharmacare, its provincial drug program. Each benefit year, Manitoba residents pay for their own prescription drugs until they reach a pre-determined deductible.

In Manitoba, deductible levels vary based on the income level and the number of dependants in each family. On July 1, 2003, the deductible for plan members living in Manitoba who fall into the lower income bracket increased from 2.1% to 2.21%, while the deductible in the higher income bracket increased from 3.15% to 3.31%. The new deductibles have no impact on claim threshold levels or pricing of Manulife Financial Group Benefits plans. Claim thresholds are currently set at \$1,200 for individuals under 65, and \$800 for seniors (65 and older).

The increased deductible reflects additions to the program made on May 1, 2003, extending coverage to include new drugs such as Gleevec (cancer) and Pegetron (hepatitis C).

Manulife continues to request confirmation of Pharmacare enrolment to ensure proper claims adjudication. For more information on Manitoba Pharmacare deductibles, contact your Manulife Financial representative.

## Did you know?

### Manulife Claim Payment Quality Program

The Manulife Financial Claim Payment Quality Program was established to ensure the accuracy of Manulife claims data and the quality of adjudicators. It helps deliver claim payments according to your benefits plan and reduces the risk of claim fraud abuse.

The quality program conducts different types of audits to verify accuracy and quality. In July 2002, Manulife enhanced the program by including audits of benefits letters and specialized audits to focus on areas at higher risk for fraud because of their technology use. This process helps protect your benefits plan from possible fraud and abuse.

During **random audits**, the accuracy of data entry, adjudication decisions and service processes are closely examined. Everything on the claim form and claim payment is thoroughly reviewed including patient name, date of service, procedure codes and deductibles.

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## Claim Payment Quality Program ... continued

Supplemental customer service **letter audits** are performed every week. Letters are randomly selected and reviewed for accuracy and clarity.

**Benefit audits** focus on specific higher risk health and dental payments to ensure benefits are paid according to your benefits plan. Health claim audits review higher value benefits including hospital, vision, orthotics, massage therapy, chiropractor treatments, physiotherapy, other paramedicals, out-of-country and private duty nursing. Dental claim audits focus on crowns, dentures, bridges, implants, orthodontics and dental accidents.

**Specialized audits** review:

- overrides (the claims analyst decides the paid amount and eligibility rather than the claims system)
- duplicate payments
- duplicate dependants, and
- claims paid on over-age students and handicapped dependants.

All audit results are communicated to claim analysts weekly and recorded in a quality assurance tracking database for reporting and trend analysis. Claims management, training units and technical claims specialists use it to improve claim-handling procedures.

### **An ounce of prevention**

Prevention helps reduce the risk of claim fraud abuse in your benefits plan. Raising member awareness can be a plan's best strategy for combating abuse. Remind plan members never to sign a blank claim form or submit a claim before receiving the medical treatment, service or product reflected on that claim submission.

The plan member information sheet included with this newsletter is also available online at [www.manulife.ca/groupbenefits](http://www.manulife.ca/groupbenefits). Click on 'Plan Member' and select 'Tips and tools.' To access the information sheet, select 'Worried about fraud/Education materials/Your responsibilities when submitting a health or dental claim.'

If you or your plan members suspect fraud or abuse of your benefits plan, concerns can be reported anonymously by calling the Manulife Fraud Prevention tip line at 1-877-481-9171 or sending an e-mail to [gb.investigative.services@manulife.com](mailto:gb.investigative.services@manulife.com)

## Important reminders

### 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 attached form. 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 Group Benefits Premium Administration at 519-883-5709.

This form (GL2039B) is also available on the Plan Administrator Secure Site for easy reference.

To access the form online, log-in to the Secure Site, click on 'Forms and Brochures,' and select 'Administration Print Only Forms.' The form is pre-filled with plan sponsor name and plan number for your convenience.

#### Need more information?

For more information on how these changes or reminders affect your group benefits plan, contact your Manulife representative.

To obtain additional copies of this or any previous *Administrative Update* bulletins, visit [www.manulife.ca/groupbenefits](http://www.manulife.ca/groupbenefits) and select 'Newsletters.'

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## How to submit an orthotics claim

*This information sheet will help you understand your responsibility when submitting an orthotics claim.*

Manulife Financial conducted a number of audits and discovered that many orthotic appliances are over-prescribed or improperly supplied. Custom-made orthotics are medical devices designed to control and correct foot motion through each walking phase. Incorrectly made orthotics can cause pain by overstressing muscles, tendons, bones and joints.

These guidelines will help you purchase good quality, custom-made orthotics:

- Choose licensed suppliers, such as podiatrists and chiropractors, who are qualified to perform a medical examination using a biomechanical evaluation and gait analysis.
- Ensure a biomechanical evaluation and gait analysis are performed.
- If the supplier indicates he can provide you with orthotics the same day, or if a biomechanical evaluation and gait analysis are not performed, it's a good indication that the orthotics are not custom-made.

### Required documents for submitting an orthotics claim

When submitting an orthotics claim, please include a standard Extended Health Care Claim form with these supporting documents:

1. A copy of the recommendation or referral from the licensed physician, podiatrist or chiropractor, which includes the medical condition

requiring the use of orthotic appliances.

2. Copies of the biomechanical examination and gait analysis performed.
3. A description of the process used to create the orthotics, including the casting technique and raw materials used.
4. A confirmation that orthotics have been paid in full (supporting receipt).

**Note: To avoid processing delays**, submit the specified documentation with your original claim. Additional information beyond the supporting documentation may be required by Manulife to complete your claim assessment.

To be considered eligible for payment, orthotic appliances must be:

- medically necessary
- prescribed by a licensed physician, podiatrist or chiropractor
- prescribed prior to purchase
- custom-made
- dispensed and paid in full

**If you have any questions, contact the person responsible for your benefits plan.**

# Your responsibilities when submitting a health or dental claim

These general guidelines can help you understand some of your responsibilities when submitting claims for health care providers (such as dentists, pharmacists, hospitals and medical supply companies) and practitioners (such as chiropractors, massage therapists, chiropodists and physiotherapists). Improper claims can increase costs for plan sponsors resulting in decreased coverage for plan members. Following these principles will help ensure coverage is there when you need it.

- **Never sign a blank claim form** before or after visiting a health care provider. A claim form should always be complete before you sign it. When signing, check to make sure the date and patient's name are correct, the amount billed to the insurance company is the amount you paid, and the service billed is the treatment, product or service you received. **Your signature is our assurance** that the patient received the services appearing on the claim form.
- **Never submit a claim prior to receiving the medical treatment, service or product.**
- **Review claim acknowledgement statements for claims** that your health care provider submits directly to Manulife Financial. You should always receive a record or statement of your claim details from your health care provider, even if the payment was made automatically (as is the case when using your pay-direct drug card).
- **Never give anyone your policy numbers** or other information about your benefits plan, especially if they offer you cash or some other incentive.
- **Make sure you understand the treatments** being recommended for you and your family. It's natural to trust your health care provider, but don't be afraid to ask questions, particularly if treatment is extensive or "comes as a shock."
- **Ask your health care provider** if the treatments you receive are medically necessary. Ask if alternative treatments are available. Ask your dentist to prepare an action plan including treatments that are immediately necessary and those where a "watch and wait" approach is warranted.
- **Make sure your *Explanation of Benefit* statement is correct** when you receive it from Manulife Financial. If you have questions or detect errors, contact the Customer Service Centre at 1-800-268-6195. If you have registered access to the Plan Member Secure Site, you may use the *Send a note* feature on this site to contact the Customer Service Centre by e-mail.
- **Keep records of appointments, treatments and dates** so you have a personal medical history that you can refer to.
- **Know what your benefits are and how your benefits plan works** so you can make informed choices. Decisions are easier to make when you understand your plan and the coverage it provides.
- **Notify and reimburse Manulife Financial if items are returned for a refund** (such as eyeglasses or dentures) or if the provider offers discounts or incentives (such as out-of-country claims). Please note that only out-of-pocket expenses are eligible for reimbursement.

**If you suspect fraud or the possible abuse of your benefits plan, your concerns can be reported anonymously at 1-877-481-9171 or e-mail [gb.investigative.services@manulife.com](mailto:gb.investigative.services@manulife.com)**