



The Advisor Buzz

Spring 2010

**BBD's e-Newsletter
for Advisors, Brokers
and Consultants**

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BBD Partners with IAP to offer Diagnostic and Specialist Access Insurance

WHAT IS DSAI?

Diagnostic and Specialist Access Insurance – DSAI – allows Insured Employees, who are placed on a medical wait-list greater than 21 days, immediate access to diagnostic examinations (MRI, CT Scans) and Specialist consultations in Canada.

DSAI reduces employee absenteeism resulting from unnecessary pain, worry or deterioration of well-being, returning employees to work sooner, thereby contributing to higher productivity.

Some features of this product include:

- Mandatory Participation (100% of eligible employees)
- No medical underwriting or evidence of insurability required
- Employees are eligible to age 74
- Affordable monthly premiums payable in CDN dollars

DSAI has no deductible or co-payments, and covers the cost of MRIs, CT scans and / or specialist consultation. It does not cover the cost of any surgery that may be needed as a result of the diagnosis.

The insured does not have to pay first and then seek reimbursement as payments are made directly to the service provider.

Contact your Regional Vice President for further information or to obtain a quote.

BBD Changes to a Generic Drug Substitution Offering

Effective July 1, 2010, all Benepac quotes with Green Shield Canada will now include generic substitution drug plans as a standard. BBD is being proactive in helping employers control the long term costs of their programs, while maintaining flexibility.

By changing to generic substitution, reimbursement will be made for the cost of the lowest priced equivalent drug based on provincial regulations, unless your medical or dental practitioner has written that there is to be no substitution of the prescribed drug or medicine. The brand name drug will be eligible if the physician requests it, or if there is no generic equivalent available.

For existing plans, beginning with renewals effective November 1st, 2010, we will transition drug plans to generic drug substitution. Further information for you and your clients will be provided with the renewal packages.

We are confident that this is in line with the industry standard and that this cost containment measure will assist with keeping plan costs controlled.

New Cuban Travel Requirements

Effective May 1, 2010, the Republic of Cuba is requiring all travelers, foreigners and Cuban overseas residents to possess a travel insurance policy (covering medical expenses) that has been issued by an insurance entity recognized in Cuba. The good news is our emergency out-of-country travel coverage is administered by Mondial Assistance, a provider which is recognized by the Republic of Cuba's government. As long as a Green Shield Canada plan member has active emergency out-of-country travel coverage, they will not have to purchase any additional coverage. However, they will need to provide documentation to prove their coverage.

When travelling to Cuba, plan members with emergency out-of-country travel benefits should carry with them:

1. Provincial Health Card
2. Proof of insurance – the GSC ID card is all that is needed
3. Proof of a contractual relationship with a recognized provider

These three documents are sufficient to allow Green Shield Canada plan members into Cuba without the need of additional insurance. It is possible that plan members will hear varying opinions on what documents are required to prove coverage. For the time being, we recommend that plan members carry all three documents with them.

Introducing BBD's New Look

You may have already noticed a new look to your BBD correspondence, as we have recently finalized a corporate rebranding. BBD recognized that we needed to stand out from our competition and encompass our whole product and unique service concept.

We are excited about the changes happening at BBD and look forward to helping you grow your business with you. Stay tuned for further information in upcoming correspondence.

Saskatchewan De-lists Chiropractic coverage effective April 1, 2010

We were recently notified that as of April 1, 2010, Saskatchewan Health will no longer be paying for chiropractic services. Prior to April 1, 2010, Saskatchewan Health paid \$16.25 for the initial visit and a per visit maximum of \$12.25 for subsequent visits (no annual maximum).

Effective immediately your plan now pays the eligible claim from the first dollar, including the \$16.25 for the first visit and the \$12.25 for subsequent visits.

Your rates will not be impacted by this change until your group renews, at which time there will be a 3% adjustment made for expected cost impact to the health rates for Saskatchewan plan members.

No action is required by you as this change will be implemented automatically. Please contact your Regional Vice President or Account Manager with any questions that you may have.

Cosmetic Procedures no longer eligible through HCSA or Cost Plus

As outlined in the Federal Budget announced March 4, 2010, "cosmetic" procedures (teeth whitening, hair replacement, liposuction and botox injections) will no longer be eligible under an HCSA or Cost Plus claim because they will no longer be eligible for the Medical Expense Tax Credit.

Why? Because the procedures are not considered medically necessary, unless required for medical/reconstructive purposes or paid for by a provincial health insurance plan. Green Shield has requested a legal opinion from their lawyers and tax experts, and they have recommended

that purely cosmetic procedures be excluded, unless expressly asked for by the employer, and treated as a separate, taxable benefit to employees.

Any claims for "cosmetic" procedures (teeth whitening, hair replacement, liposuction and botox injections) with a service date from March 4, 2010 and later, will be denied by Green Shield unless they are provided with supporting documentation from the physician indicating the medical reasons for the procedure. We are currently defining the exact parameters of the process and will update you as soon as it is finalized.

For further information please contact your BBD Account Manager.

BC's Fair PharmaCare

Now is a good time to remind your clients about BC's Fair Pharmacare. BC residents enrolled with the Medical Services Plan should register themselves and their families to receive maximum assistance under the Fair PharmaCare plan.

In order to be eligible for Fair Pharmacare they must have valid BC Medical Services Plan coverage (MSP) and have filed an income tax return for the relevant taxation year (that is two years ago).

Once registered, their families pay their full prescription costs until they have reached a level known as their deductible. When this is fulfilled, PharmaCare begins assisting them with their eligible costs for the rest of the year. PharmaCare will pay 70% of the family's eligible costs for the rest of the year once their deductible is met – until the family maximum is reached.

For further information, you can access the Ministry of Health website at <http://www.health.gov.bc.ca/pharmacare/plani/planiindex.html>.

New Monthly Email Updates

Stay tuned for our monthly email updates starting in July 2010, which will include current industry information as well as what is new at BBD.

New Harmonized Sales Tax in Ontario and BC: Here's what we know so far.....

As of July 1, 2010, a federally administered Harmonized Sales Tax (HST) will take effect in Ontario, New Brunswick and Newfoundland (13%), Nova Scotia (15%), and BC (12%) that will apply to most purchases and transactions.

The Place of Supply Rules that determines how to apply for GST/HST have also changed for charges relating to services rendered. These rules will require that HST is applied based on the address that is billed rather than where the service is performed. Although the HST rules are not final yet and discussions are ongoing with industry associations, we do know that the impact of the HST on your transactions with us will depend on your funding arrangement. Here is a preview of what's to come based on your specific funding arrangement, assuming there are no more changes before July 1, 2010.

| | Rated | Administrative Services Only (ASO) without Stop Loss Coverage | Administrative Services Only (ASO) with Stop Loss Coverage |
|--|--|---|--|
| Billing changes to Tax Calculation | None | Yes | Yes |
| Harmonized Sales Tax (HST) | Will not apply to premiums | Will not apply to claims costs Will apply to administration fees | Will not apply to claims costs or administration fees |
| Retail Sales Tax (RST) – Ontario Only | Will continue to apply to premiums, based on employee's province of employment | Will not apply to administration fees Will continue to apply to claim costs, based on employee's province of employment | Will not apply to administration fees Will continue to apply to claim costs, based on employee's province of employment |
| Net Impact | Neutral | Potentially reduced costs because the HST paid on administration fees may be claimed as an Input Tax Credit (currently only GST can be claimed and the RST paid on administration fees is a cost) | |

Source: Green Shield Inside Story

BBD makes an addition to the Eastern Sales Team

We are pleased to announce the hiring of a new Regional Vice President, Bryan McLoughlin, effective May 17, 2010. Bryan will be responsible for the GTA territory, primarily to the East, North of Toronto.

Bryan comes to BBD from a sales and management background in the telecommunications industry where he provided various services such as large-scale conference calling and WAN (Wide Area Network) management to businesses of all sizes.

Bryan's enthusiasm and ability to build strong relationships with his clients will allow him to succeed in his new role at BBD.