

Welcome to the 2nd edition of The Guardian. This newsletter is designed to inform you of current topics and trends relevant to your employee benefit plan. The newsletter contains sections for both claims and administration issues. Please share this newsletter with others in your company (owner, benefits administrator, human resources managers, etc.).

Claims Issues

MDM Guard Card



The following information is provided for Plan Administrators whose groups are utilizing our pay direct drug card - the MDM Guard Card. On occasion we have had an employee (or their family member) present the MDM Guard Card to a pharmacy and be advised by the Pharmacist that they are not familiar with our card or that they cannot accept it.

Should this situation arise, we would request that the employee ask the Pharmacist to contact us utilizing the toll free telephone number provided on the back of the card if it is during regular business hours (Mon-Fri, 8:00 - 5:00). Many times through our follow-up calls to the pharmacy, we are finding that the pharmacy is actually set up to accept the Guard Card. If it is the Pharmacist's first time processing one of our claims, we can walk them through it. If the pharmacy is not set up to accept our card yet, we can fax them an application at that time.

If the pharmacy is not able to reach us (after regular business hours), we ask that the employee write down the name of the pharmacy and the phone number and pass it on to their Plan Administrator who can then forward it on to us so we can get the pharmacy set up before the employee's next visit.

Another advantage to the MDM Guard Card is that it also allows an employee access to our EDI dental system whereby their dentist can transmit claims to us electronically.

Proper Claim Form Completion



A reminder that a properly completed claim form must accompany each request for reimbursement. Medical receipts cannot be stapled to a dental claim form nor be submitted on their own. For a dental claim to be valid, we must receive a Standard Dental Claim Form for each patient. Faxed or photocopied receipts are not acceptable for adjudication purposes unless the claim is being submitted along with an Explanation of Benefits for Co-ordination of Benefits with another plan.

Completing all areas of the medical and dental claim forms is extremely important as well. This obviously helps to speed adjudication and means fewer claims being returned to obtain missing information or claim forms. Special attention should be given to patient names and dates of birth and any student information (if the dependent is over the age limit for



your plan). This helps us to give you the best service we can.

Weekly Indemnity Claims

Incomplete claim forms are often the most common reason for a delay in the adjudication of a Weekly Indemnity (WI) claim. The following information is provided in order to assist you with WI claims.

A complete claim includes:

1. **Employer Statement:** To be completed and signed by the plan administrator.
2. **Employee Statement:** To be completed by the claimant.
3. **Accident/Injury Questionnaire:** To be completed by the claimant if the disability is the result of an accident or injury.
4. **Attending Physicians Statement:** To be completed by the claimant's primary physician. The claimant must sign the 'patient authorization'.
5. **Employer Response Form:** To be completed in detail by the employer/supervisor who best knows the physical demands of the employee's regular job.

Common reasons why a claim may be delayed:

- Incorrect dates provided (ie. 'last date worked'): Dates should be taken directly from your payroll records.
- Salary conflict (ie. salary provided on claim form does not correlate with system information): This occurs when our office has not been provided with the most current salary at the time of the change. For salary discrepancies, our office will supply WI payments based on our current system information. Once the official change has been provided by the employer, the WI benefit amount/payment will be corrected and subsequent payments adjusted.
- Delayed submission of claims: Please ensure that all claims for Weekly Indemnity are submitted within the time limits outlined in your group policy. Our 'disability team' should be notified during the first few days of absence, and a WI claim submitted.
- Vague medical information provided: If additional medical information is required, this will delay the adjudication of the claim.

If you have any questions while completing your Weekly Indemnity claim form set, please do not hesitate to contact our office directly. If you have not received a supply of WI claim form sets within the last 6 months, please contact our disability department to obtain the most current version.

Administration Issues



New Enrolment Form

We have developed a new Enrolment Form that we feel will make plan administration easier. The new form contains instructions for proper completion on the reverse.

Hopefully these handy directions will help reduce the number of employee errors.

The following is a list of common errors and omissions received on enrolment forms:

- ▶ enrolment form was not completed in ink (pencil is invalid)
- ▶ employee did not provide their province of residence, date of birth, or name a beneficiary (see next article for further explanation)
- ▶ dependent dates of birth were not given when the plan design provides for dependent life, extended health care and/or dental benefits
- ▶ employee did not sign or date enrolment form; please note that the employee signature must now be witnessed
- ▶ employee has indicated they wish to waive extended health care and/or dental but has also indicated they wish to co-ordinate benefits with their spouse's plan (which causes uncertainty about what coverage is actually being applied for)

The Plan Administrator is responsible for completing the employee's date of hire, the occupation, number of hours worked and salary or wages of the employee. The Plan Administrator must sign and date the card as well.

Remember, enrolment forms are only used when adding a new employee to the plan.

You can continue to use your current stock of old forms, or to obtain a supply of the new forms for immediate use, contact our office.

Designation of Beneficiaries

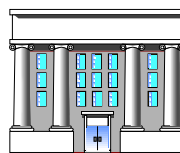


When your employees complete their enrolment form, be sure to review the beneficiary section. By law, a beneficiary must be at least 18 years of age and the relationship of the beneficiary to the employee must be provided.

Naming someone who is under the age of 18 is invalid. A number of methods are available which would allow us to settle the claim, however, these methods may involve legal requirements which delay the disbursement of claim proceeds.

Therefore, to avoid a delay in a death benefit settlement, a beneficiary over the age of 18 must be appointed. If your employee wishes that his or her death benefit be given to their minor child/children, a trustee must be appointed. This can be done right on the enrolment form. Please refer to the instructions on the reverse side of the form for direction.

Submitting an enrolment form with an invalid or incomplete beneficiary designation can result in lengthy delays in getting the new employee added to your plan.



Student Verification Letters

Recently we have noticed an increase in the number of calls concerning dependent student coverage. We will therefore attempt to clarify the process by which student status is verified and updated by our office.

Once an employee's dependent child reaches a specified age (typically 19 or 21 years), verification of student status is required. Prior to the child's birthday, a letter is sent out requesting student information. This letter must be completed by the employee and returned to our office in order for coverage to be continued for the dependent child.

Student verification letters are also sent out three times per year, coinciding with most school trimesters, to ensure the child is still attending an accredited educational institute on a full-time basis. Once again, all three letters must be received in our office by the dates stipulated in order for the dependent's coverage to be maintained.

In addition to the verification letters, student status must be confirmed on each claim form submitted. Both our medical and dental claim forms contain patient information sections which must be completed in order for reimbursement to be considered. These sections require the employee to indicate whether his or her dependent is a student as well as the name of the educational institution the child is attending. Once the information is entered and the employee has signed the form, the claim form becomes a legal document. The employee is confirming that his or her dependent was still in fact attending school on the date of service.

Should you have any questions concerning student status requirements, please contact Becky or Isabelle in our office and they will be happy to assist you.

To Change an Employee's Coverage



Adjustments such as salary increases/decreases, and changes in dependent status, etc., should be recorded on a **Group Policy Change Form**. This form must be completed in as much detail as possible. As with additions and deletions, notice of all changes must be received within 30 days of the date of change. When an employee is entitled to a retro-active salary increase, a change in the amount of insurance shall be made on the date the employee actually received the increase. In order to simplify their billing system, The Co-operators have adopted the following policies:

- ▶ Employees who are added to the Plan on or before the 15th of the month will be billed full premiums for that month.
- ▶ Employees who are added to the Plan on or after the 16th of the month will not be billed for that month.
- ▶ Employees who are deleted from the plan on or before the 15th of the month will not be billed for that month.
- ▶ Employees who are deleted from the plan on or after the 16th of the month will be billed full premiums for that month. Coverage terminates on the last day of employment, regardless of the premiums paid.