

Highlights

- ◆ Chiropractic coverage eliminated
- ◆ Physiotherapy coverage eliminated
- ◆ Optometry exams for Ontarians aged 20 to 65 eliminated

Ontario Budget Slashes Paramed Coverage

Premier McGuinty's first Ontario Budget on Wednesday drastically reduced coverage for a number of key paramedical services, partially covered under most group benefits plans. This continues a trend of shifting health service costs from the public to the private sector.

Health benefit costs continue to increase at a rate of 14-20% per year, and medical plan costs in particular (excluding drugs, semi-private hospital and vision) are rising at a rate of 15.11% in 2004¹. A significant component of this trend/inflation increase is the result of government shifting cost from public to private plans, as was illustrated by the Liberal budget.

The Ontario government did a little more cost shifting in announcing the following changes:

"To improve cancer care and cardiac care, home care and long-term care, we have to de-list less critical services.

Beginning this fall, the Province will no longer cover the cost of routine optometry examinations—except for seniors and Ontarians under the age of 20.

We will no longer cover chiropractic and physiotherapy services — although seniors will continue to receive physiotherapy through home care and long-term care facilities."

The Ontario Chiropractic Association has estimated that approximately 1.2 million

people in the province use chiropractic services every year. By de-listing chiropractic services, the government expects to save \$104 million annually.

Before these changes, OHIP covered eye exams every two years. Most employers either rely entirely on OHIP for this benefit, or supplement coverage for odd years.

OHIP's coverage for chiropractors was **\$9.65 per treatment up to \$150 annually**. Group plans either supplement OHIP coverage from the first dollar or pay claims only when the OHIP maximum is exhausted.

How will these changes affect you? Needless to say, every time a service is de-listed there is pressure on the employer to pick up the difference in cost. We are not yet sure how the insurance industry will incorporate these changes. Actuaries are in the process of calculating the effect on their carrier's block of business. Will carriers offer each employer a choice to amend the plan to mirror their current arrangement? Will potential cost increases be passed on immediately, or at renewal?

Stay tuned, we will update you as information becomes available.

¹ Canadian Health Care Trend Survey Results 2004, Mellon Financial Corporation, p. 6