



HEALTH CARE BENEFIT TRUST

March 11, 2019

## **NOTICE OF CHANGE IN ADMINISTRATION PRACTICE**

### **Amendments to Insurance (Vehicle) Act by BC Bill 20 and Order in Council 595 Healthcare Benefit Trust's Benefit Plans – Impact of ICBC Changes on the JHSBT, JCBT, JFBT, HBT**

The above ICBC changes have impacted each of the JHSBT, JCBT, JFBT and HBT Long Term Disability (LTD) and Extended Health Care (EHC) benefit plans, which has resulted in a **change in practice for employers when advising employees about their LTD and EHC claims.**

### **INSTRUCTIONS FOR EMPLOYERS**

**Long Term Disability:** If you are processing new LTD claims for employees who are disabled due to an ICBC-related motor vehicle accident (MVA) that occurred on or after May 17, 2018, advise your employees that they must still provide Great-West Life with information on their ICBC claims. **However they are no longer required to repay the LTD Plan if they receive wage loss benefits from ICBC.** If employees request further information, refer them to their Great-West Life Case Manager.

**Extended Health Care:** If employees incur EHC-type of expenses on or after November 9, 2018 due to an ICBC-related MVA, advise your employees that they should submit their medical expense claims directly to ICBC for payment. **Employees should no longer submit those claims to PBC under the EHC plan.** If employees request further information, refer them to PBC's Member Profile website (formerly called CARESnet).

## **Background Information**

### **Long Term Disability**

Under the terms of the LTD plan and the collective agreements, LTD benefits are reduced by other disability income that an LTD claimant is entitled to receive from other sources. Specifically, the Plan Document states that:

*If a Disabled Employee is entitled to any other income as a result of the same Sickness that caused him/her to be eligible to receive Benefits under this Section..., the Benefits shall be reduced by one hundred percent (100%) of such other disability income.*

Therefore, LTD benefits have historically been reduced by 100% of past and future wage loss benefits that are paid to claimants by ICBC. This was based on HBT's position that ICBC was 'first payer' for wage loss benefits on disability claims arising from an MVA.

However under BC Bill 20, ICBC became 'second payer' for wage loss (disability) benefits arising from an MVA. In addition, the ability for other insurers such as HBT to pursue a subrogated claim was eliminated. This means that HBT (and its LTD claims paying agent Great-West Life) can no longer reduce LTD benefits by the amount of wage loss benefits paid by ICBC. Instead, ICBC will reduce their wage loss payments by the amount of LTD benefits paid by the respective Trust. This change takes effect for LTD claims arising from an MVA that occurred on or after May 17, 2018.

In general, these ICBC-related changes will increase the cost of LTD plans over time, however there will be no adjustment to the April 1, 2019 LTD contribution rates in this regard.

HBT is working with Great-West Life to revise the LTD claim packages and their template letters.

Note: LTD claims based on MVA's that occurred prior to May 17, 2018 will still be administered based on HBT's historical processes – i.e. no change in practice. In addition, claims arising from MVAs where ICBC is not involved (e.g. out of province MVA's) and other third party claims (e.g. slip and fall claims) will also continue to be administered based on the historical process. Therefore those claimants are still required to provide Great-West Life with the details of their third party claims and repay any resulting LTD overpayment.

### **Extended Health Care**

Historically, Pacific Blue Cross (PBC) has administered s EHC plans on a basis similar to LTD. Where the EHC expense claim arose from an MVA, PBC advanced funds to the individual for any eligible expenses under the EHC plan. When the ICBC claim was settled, the individual must then repay PBC in full. This has been based on the historical practice and position that ICBC was 'first payer' on EHC-type claims arising from an MVA.

Effective April 1, 2019, under Order in Council 595, ICBC's position as 'first payer' has been confirmed for EHC-type expenses arising from an MVA. However, as of November 9, 2018, PBC was no longer permitted to adjudicate and pay claims up front as an advance (or loan). Therefore, PBC will no longer accept and adjudicate any medical expense claims arising from an MVA where ICBC is involved.

This is a change in process at PBC but is not expected to have a material impact on the cost of EHC claims.

### **Employee Questions?**

**LTD:** If employees request further information, refer them to their Great-West Life Case Manager.

**EHC:** If employees request further information, refer them to PBC's Member Profile website.

*Please forward this communication to all departments within your organization that may require and rely on this information.*