



**To: All CAAT Support and Academic Local Presidents:**

**Re: Coordination of Benefit Payment Changes Announced**

Further to the email sent out last week regarding this issue, we have been able to investigate the Coordination of Benefits changes recently announced by Council and communicated to members by the colleges last week.

The union has been able to confirm that the following insurers have all either changed their coordination of benefits practices, or are in the process of changing them as detailed in the communication sent out by the colleges:

- Sun Life
- Great West Life (dental and extended health only)
- Equitable Life
- Green Shield

The change in practice does not violate any collective agreement provisions, contract provisions, or entitlement to the described benefits in the benefit booklet. The booklet indicates that your benefits will be co-ordinated following insurance industry standards.

The insurance industry standards are developed by the Canadian Life and Health Insurance (CLHIA) who publish guidelines for the insurance industry. The change is in line with the guidelines published by the CLHIA for Coordination of Benefits and is enforcing the reasonable and customary provisions already outlined in the guidelines. You can visit the CLHIA website at [www.clhia.ca](http://www.clhia.ca) for more detailed information on how claims are coordinated.

Members will not see any change to payments made for their claims under the plan. However, if they have a spouse who also has benefits under another plan, and they coordinate benefits under Sun Life, it is possible that the payment for their spouse's claims may be a lesser payment amount than they have received in the past. This is because in the past, Sun Life, along with all other insurance companies, just paid the remainder of the spouse's claim on the **submitted amount**. This sometimes resulted in a total reimbursement amount that was greater than the **reasonable and customary** amount.

Now the insurance industry will be enforcing reimbursement for the reasonable and customary amount regardless of whether they are the first payer, or the second payer for the claim.

.../2

We would like to take this opportunity to remind members that if they or their spouses are going to incur a large expense under their group insurance plan, the best way to avoid any surprises regarding payments is to ask for a pre-determination. You can get more information on how to get a predetermination by contacting Sun Life:

Email: [contactus@sunlife.ca](mailto:contactus@sunlife.ca)

Telephone: (416)753-4300 or 1-800-361-6212

Website: [www.sunlife.ca](http://www.sunlife.ca)

We have attached the 2015 Reasonable and Customary information for Sun Life for 2015 <http://www.local237.ca/Benefits/2015GB10096-E.pdf> . These amounts will change in the spring of 2016.