**EI & SHORT TERM DISABILITY - 2021**

**OHIP CUTS OUT OF COUNTRY COVERAGE**

For our clients with members in Ontario, the announcement that the provincial government will no longer cover medical expenses incurred out of the country effective January 1, 2020 has caused some concern and questions.

Prior to January 2020, these are the services OHIP reimbursed[[1]](#footnote-1):

* [doctor services](https://www.ontario.ca/#services) (e.g. medical assessments, emergency surgery)
* [emergency outpatient services](https://www.ontario.ca/#outpatient) (e.g. MRIs, CT scans)
* [emergency inpatient services](https://www.ontario.ca/#inpatient) (e.g. hospital stays, nursing services)

The reimbursement level for these services were very limited. For example, with an average OHIP paid claim of $127[[2]](#footnote-2), and the cost of a broken ankle in Florida of $45,000[[3]](#footnote-3), you can see that OHIP’s reimbursement for out of country claims is not significant.

In addition, insurers generally pool Travel risk nationally. If OHIP payments represented 1% of travel claims in Ontario, and Ontarians represent about 40% of Canadians, Travel claims nationally could be expected to increase, but not significantly.

To date, insurers have not been increasing their rates as a result of this change. In 2020, however, we will watch to see if insurers are using this governmental change as the basis for a Travel rate increase.

Does your Short Term Disability (STD) plan provide an EI Premium Rebate?

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If so, to continue to receive this rebate by January 2021, your plan’s waiting period must be less than 8 calendar days.

If no other plan changes are made, this will increase the benefit period by one week for all STD claimants. In addition, however, many new claims, with a short duration of between 7 and 15 days, may impact your STD experience.

Some insurers are increasing rates between 10% and 25% to account for this change.

As a result, some of our clients are considering other plan design changes to offset this increase. If the STD plan is funded through employer contributions, adding a Supplemental Unemployment Benefits (SUB) plan, can top up EI, up to 95% of members’ weekly earnings.

Want to know more? Give us a call or an email, we’d be happy to discuss available options.

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1. <https://www.ontario.ca/page/ohip-coverage-while-outside-canada> [↑](#footnote-ref-1)
2. <https://www.cbc.ca/news/canada/toronto/doug-ford-ohip-out-of-country-emergency-coverage-1.5109027>

    [↑](#footnote-ref-2)
3. <https://www.allianz-assistance.ca/content/dam/onemarketing/awp/allianz-assistance-ca/en_ca/documents/march-break.pdf> [↑](#footnote-ref-3)