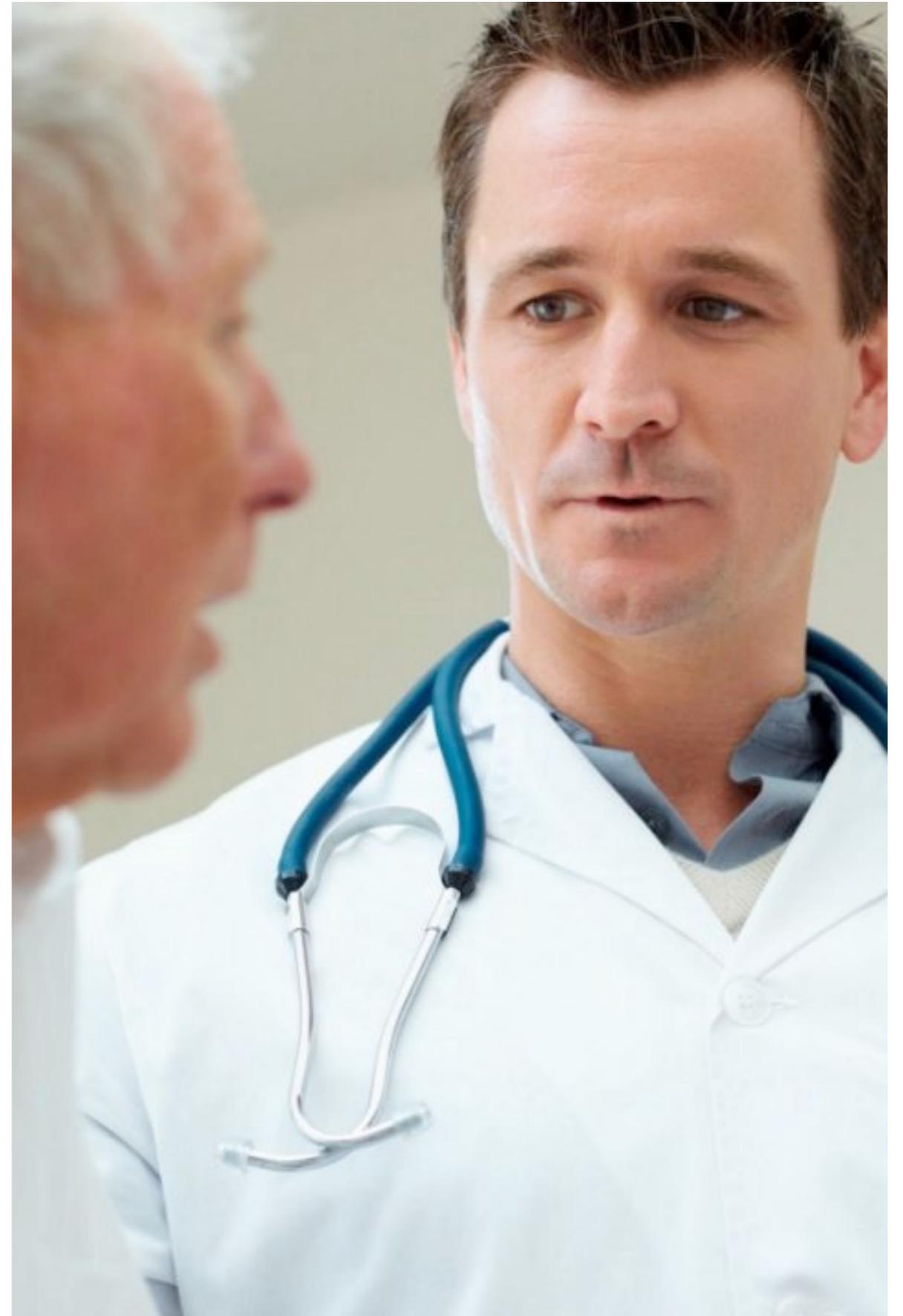


Planning for a Failure of Health



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Obviously, smart choices about what we put in our bodies and how we use our bodies helps us keep our health for as long as possible. You, and I, have heard that message thousands of times. Even the most diligent person does not eliminate the risk of a failure of health. In this white paper I discuss the effects this can have on you and your business.





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ABOUT ALLAN FRIESEN

I contribute to the financial health of my employer clients by providing programs and services which contribute to the physical health and well-being of their employees. Almost all of my adult life has been in the insurance industry and an active member of Southern Alberta's diverse community. For the last 20+ years I have specialized in group benefit programs or employee benefit programs. In order to specialize effectively, I continue my ongoing education and as well have amassed considerable experience. I hold both CEBS (Certified Employee benefit Specialist) and CHRP (Certified Human Resource Professional) designations. I also complete the continuing education program offered every year through the ISCEBS (International Society of Certified Employee Benefits Specialists). I actively research on topics that I feel will effect our community both positively and negatively. From this research I produce talks, articles and papers as well as videos on various topics. These can all be reached by visiting my website at <http://www.allanfriesen.com>.

Dear Reader,

I wish you a quick and painless death after many decades of interesting, healthy and passionate living. I trust you want the same. Very likely, however, throughout many decades of living you will experience one or more failures of your health. This paper examines strategies for managing a failure of health with the intent to help you better prepare for that eventuality.

Obviously, smart choices about what we put in our bodies and how we use our bodies helps us keep our health for as long as possible. You, and I, have heard that message thousands of times. Even the most diligent person does not eliminate the risk of a failure of health as this song humorously explains

- <https://www.youtube.com/watch?v=WdEoputkE98>

There are many challenges we face if (when) our health fails;

- The wait for care.
- The loss of income.
- Pain.
- Loss of enjoyment
- Interruption of your plans / barrier to fulfilling your mission/purpose/dream.

This paper will only review the concerns related to the wait for care and offer suggestions how you can minimize that wait.

When that failure of health occurs rapidly and unexpectedly, the care we get as Albertans is great. Yes, we have to wait... but the triage process, in most cases, makes sense. The most acute need gets priority - hard to argue with that logic.

But if you experience a chronic condition the wait times to see specialists, to get tests or imaging performed aren't measured in hours, but weeks, months and years. What if the pain is too great or the impact on your lifestyle too disruptive are there any options?

Yes. There are two alternate routes to access the medical services you may need - working within the public health care system OR accessing private care outside of the public health care system. I realize that some people will consider accessing care outside of the public system with disdain. If that is your belief, then only read the first suggestions for working within the public system. Personally, if I am in pain and can't enjoy life I would gladly part with some money to ameliorate that situation. My exchange of money for medical care or services should not lengthen or otherwise delay the access of care for my fellow Canadians.

A) Within the public healthcare system.

Firstly, if the pain is manageable, you can just choose to wait your turn. Perhaps in the weeks or months (hopefully not years!) to see the correct specialist or access the required tests to complete the diagnosis you can find ways (change in diet, exercise, meditation) to manage or otherwise maximize the health you do enjoy.

Secondly, you may be able to access no cost medical care by travelling to other communities within Alberta. This possible if medical services or professionals covered by Alberta Health are being under-utilized in those communities. For example, an orthopaedic surgeon may be available in Pincher Creek in 2 weeks instead of the seeing the one in Lethbridge in 20 weeks.

Extending this same concept further, it is possible to obtain the care you need by travelling to another province. Our Canadian Health Care

system includes a reciprocal agreement wherein an Albertan who accesses public medical care in another province, say Ontario (insert your favourite Province or territory here) would receive that care at no cost and the Alberta Health Care system would reimburse the Ontario Health care System for the services rendered.

Obviously there are challenges to this inter-provincial alternative. Here are some questions that come to mind;

Q. How do you find where the services you require are available with a reduced waiting time?

A. I expect this involves having a contact or connection at a medical facility in the other province who can make inquiries / arrangements on your behalf.

Q. What happens with after-care?

A. Finding the right medical care in another province (or perhaps even in Alberta) after discharge from an out-of-province hospital may be very challenging. If the after-care requires hospitalization, that would likely be straight forward. But, if you are discharged early and are not well enough to travel home...

Q. Where will you stay? What about the travel expenses?

A. The bad news is that you would have to expect to pay for your own travel / accommodation expenses. The good news is that most of those expenses would be deemed as an eligible medical deduction by Canada Revenue Agency. There are two ways you can capitalize on that good news.... see below regarding CRA medical deduction versus Cost-Plus solutions.

Q .Are the eligible medical services in that province exactly the same as eligible medical services in Alberta?

A. No. The Canada Health Act has very vague criteria that each province / territory must comply to get Federal Government support for public healthcare.

I agree this is not an easy solution, but it is a possible solution nonetheless. Further, there is a whole department within Alberta Health care that processes Out of Province claims. No guarantees on how much you will be reimbursed....but the general principle is that the reciprocal agreement will pay for the medical services that would have been covered in Alberta at the rate they would have been paid if provided in Alberta.

For a complete list of the Alberta Schedule of Medical Benefits - click here;

<http://www.health.alberta.ca/professionals/SOMB.html>

For a look at the claim form that the out of province claim for that is needed - click here;

<http://www.health.alberta.ca/documents/AHCIP-form-AHC0693.pdf>

The Alberta Health Out of Province claim folks can also be contacted by using the Government Rite line 403-310-0000 and then inputting this number 780-422-1954 . Their fax number is 780-422-1958.

B) Private healthcare system

If you have been a disability benefit claimant (WCB or Private insurer) you may have already accessed the private medical system. Insurers and WCB, who are replacing an insured person's earnings because of a disability claim, will often pay a private medical facility to get MRIs or medical testing done quicker to expedite the right care for the person. Is it just because they are caring companies? Well, most of them are.... but they also have a financial incentive to get that person

back to work. If your failure of health results in a liability for an insurer, you automatically have an ally to help you get the care and treatment you need to restore your health.

Some employee benefit programs provide private MRI coverage or other lab testing as a benefit under their extended health programs.

Further many employee benefit programs offer a second opinion benefit. This enables a covered person to access a medical specialist, in a very timely manner, who will review the covered person's medical reports and test results and then render an opinion on the veracity of the diagnosis and validity of the proposed treatment program.

If one of these situations applies to you, you are accessing the private medical system for almost free! There was a negligible premium cost built into the employee benefit program that included these enhancements. In most cases, the employer who negotiated the program did not request these specific benefits.... which is why I deemed them as "almost free". That doesn't happen that often.

Should you be covered under an executive health program (not very common), you or your employer, paid significant premiums so that you can be diagnosed anywhere in the world and treated anywhere in the world. So at the point of receiving the medical assistance you don't pay anything, but you certainly did pay a significant premium to enjoy that benefit.

More commonly, you will have to pay all, or at least some of the costs, to access private medical care. The scenarios where you may only have to pay part of the private medical expense are;

1) When you access Alberta Health Care to pay what they would have paid for services rendered in Alberta. So long as the services are eligible under Alberta Health, they will pay what they would have paid

in Alberta. You will have significant out-of pocket expenses for the private medical care and you will also have travel and accommodation expenses for you and possibly a caregiver to assist you.

2) Some employee benefit programs have a non-emergent referral benefit as part of their travel benefit. In addition to usual emergent only coverage, this referral benefit assists when the person's Canadian doctor has referred them to medical care outside of Canada for a medical service that is not available in any Canadian province. A common provision, however, is that they will not assist with a medical service that is available in Canada even though there is a long waiting list in Canada. Of course you will also face out-of pocket expenses for the travel and accommodation expenses for you and possibly for a caregiver to assist you.

It is worth noting that there is an insurance benefit called a Critical Conditions Benefit or Critical Illness benefit. These benefit programs pay a flat amount of money should the insured be diagnosed with a serious medical condition. These funds could obviously be used to pay for private medical care. However, there is no requirement that those funds be used for that purpose. The insurer pays out the claim based on the diagnosis, the covered person, can spend those funds on anything they wish.

Accessing private medical care then, will likely result in significant out of pocket expenses. What is the most effective way to pay for these expenses and any related travel expenses?

Obviously, you can obtain a tax deduction...which is limited to the eligible amounts exceeding 3 % of your earnings and results in a 15% tax credit. As an example, Joe makes \$70,000 and incurs a \$5,000 private medical expense. The 1st \$2100 (3% of his \$70,000 is not eligible) and the remaining \$2900 nets him a mere \$435 in tax relief (15% of the \$2900).

A superior choice is to use a cost-plus or Health Spending Account to process these claims. In essence, you are able to claim the full amount of the expense and receive the benefit at your marginal tax rate - a significant advantage. This video explains the concept in further depth - <https://youtu.be/i38D0Vk2vo8>

To conclude - hopefully this paper has given you some ideas to manage a failure of health. Hopefully, you will stay healthy until you die. Keep well. Allan Friesen.

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