



FSRA Auto Reform Reviews Consultation

November 2024



Introduction

Thank you for the opportunity to provide feedback on FSRA's review of the health service provider guidelines and frameworks including the Statutory Accident Benefits Schedule (SABS) Guidelines Review, the Health Service Provider (HSP) Framework Review, and the Health Claims for Auto Insurance (HCAI) System Review.

Co-operators is a leading Canadian, diversified, integrated, multi-line insurance and financial services organization. Our parent company, The Co-operators Group Limited is a co-operative, and its **46** members include co-operatives and credit union centrals representing a combined membership of millions of Canadians.

Our footprint in Ontario is strong: we insure approximately **713,000** private passenger vehicles, **441,000** homes, **11,000** farms, and **61,000** businesses. We employ over **4,200** staff and have independent distribution contracts with **250** financial advisors, who in turn operate agencies in **300** locations. We are proud to provide insurance and financial services to more than two million Canadians. We are even prouder that we provide financial security to Canadians in their communities while staying true to our co-operative values.

We commend FSRA's efforts to improve the auto insurance system to be modern and efficient while ensuring clients injured in auto accidents continue to receive the care they need and deserve. At Co-operators, we put our clients at the centre of all our decision making and providing care to our clients is our top priority.



The Statutory Accident Benefits Schedule (SABS) Guideline

We agree that medical and rehabilitation costs are a major component of the total costs of auto insurance claims and acknowledge that the Professional Services Guideline (PSG), Attendant Care Hourly Rate Guideline (ACHRG), and Minor Injury Guideline (MIG) rates have not been increased since 2010. However, **it is also important to acknowledge clients are generally not having difficulty obtaining services and caution that any increase in hourly rates will directly flow to consumers as premium increases.** We believe it is important to balance affordability and access to services and recommend FSRA do so when making these decisions.

We have reviewed the proposed options for Professional Services Guideline (PSG) and want to present an alternative option to increase hourly rates and rate reviews taking place every three to five years.

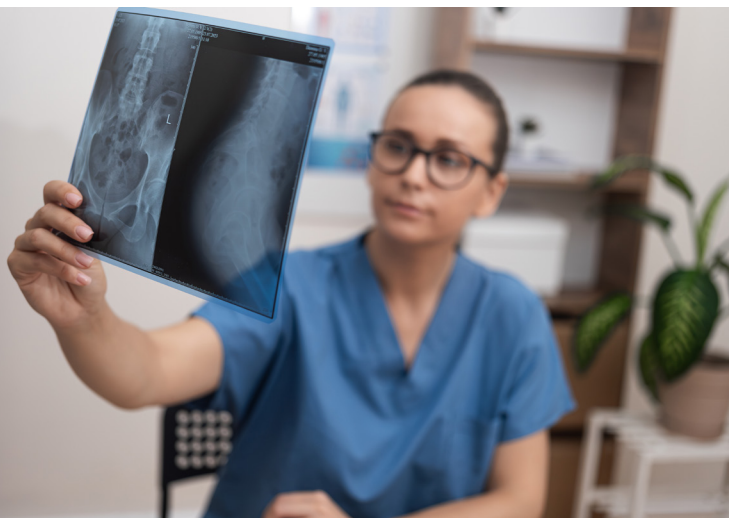
There is a significant administrative impact any time rates are increased. As such, we do not support Option A to index maximum rates as this would cause an administrative burden and would be costly for consumers. We do not support flat rate increases, as indicated in Option B, as automatic increases would create a continuous need to adjust rates.

On the Attendant Care Hourly Rate Guideline (ACHRG), we support *Option B* to differentiate Levels 1 and 3 as they can be more complex than the supervisory level 2. However, we again caution that any increase will be passed along to the consumer.

We request that FSRA clarify if these proposed changes to hourly rates would apply to dates of loss as of a future date or all losses. We propose that FSRA enlist an effective date of at least six months into the future to allow for pricing adjustments from insurers.

Option C of not prescribing rates would create unnecessary complication and difficulty for insurers and Health Service Providers (HSPs), as there would be an administrative burden to negotiate rates in various markets across Ontario. This may lead to inequitable rates depending on where a client lives (i.e. a client in the GTA would be charged higher rates than one that lives in a rural community). We recommend all clients be charged the same rates regardless of where they live to allow for equitable coverage within the policy limits. We caution that this would also likely increase the number of disputes and would leave room for errors in the data integrity for HCAI. As such, we highly recommend FSRA continue to be involved in the process of HSP rates to ensure consistency and accountability.

On Minor Injury Guideline increases, it is important to recognize that the vast majority of consumers do not use the \$2,200 limit, and we are unaware that clients are unable to receive services under the limit. If FSRA were to increase the limit, clients are unlikely to receive better outcomes as HSPs adjust to clients' needs under a block rate. If FSRA were to move forward with increasing these rates, there is a greater need for accountability and rationale on why HSPs are charging consumers higher prices.



Lastly, we recommend a review of the Bennett v. Co-operators decision to ensure legislative intent has not been lost.

The terms MIG (Minor Injury Guideline) and MI (Minor Injury) have separate definitions and uses in the regulations. A plain reading indicates that in-home attendant care assessments and attendant care benefits are not available to insureds whose impairments are “minor injuries”. The recent Court of Appeal decision does not align with industry interpretation and has allowed access beyond what was intended.

We believe clarity of intention is required for all stakeholders involved.

Health Service Provider (HSP) Framework

We support FSRA’s current HSP licensing framework and appreciate the goal of detecting and addressing fraud in the sector. **We recommend Initiative C: Opportunity to Enhance Cooperation and Collaboration with Regulatory Health Colleges (RHC) be a priority to enhance co-operation and collaboration between FSRA and RHCs.** RHCs need to have more responsibility and ownership of addressing negative behaviours by HSPs and improve standards.

While Initiative C is identified as our top priority, we feel that Initiative B: Opportunity to Modernize Supervisory Approach with a New HSP Supervisory Tool is a long-term goal that should be explored. The creation of a supervisory tool will enhance FSRA’s risk-based supervision and compliance decision-making. **We recommend that FSRA begin with Initiative C while using existing tools to collaborate with RHCs on the creation of a new HSP supervisory tool.**

Consumers will benefit from a new HSP supervisory tool by reducing fraud and abuse while improving client outcomes. RHCs and FSRA will have better oversight to identify licensees who are practicing while sanctioned or suspended, leading to more accountability and action. This will bridge the gap between RHCs and FSRA to better communicate fraudulent billing practices and uphold the integrity of accredited HSPs. We support FSRA’s proposed pursuance of an information sharing agreement between RHCs and FSRA as a means to open communication channels for better oversight.



While the majority of HSPs provide best care practices for our clients, **we recommend insurers be allowed to refuse to indemnify (de-list) as a mechanism to address repeat fraudulent bad actors.** This requires amending the SABS to explicitly allow insurers to deny payment for any medical or rehabilitation goods, services, assessments, or examinations provided by a service provider on account of their fraudulent behaviour or history. This can be achieved by adding a new amending provision to s.38 (8) of the SABS that authorizes insurers to cease doing business with providers that have engaged in a pattern of fraudulent behaviour. HSP fraud is a serious offence, where some practitioners are, with nefarious intent, not following pre-approved pathways and are continuing to provide clients with services that will not see any effective outcomes or billing for services that are not provided at all. Insurers must operate in good faith and HSPs should be held to the same accountability. We recommend FSRA collaborate with RHCs for meaningful and effective enforcement standards as well as provide sanctions against providers that are committing fraud.

Health Claims for Auto Insurance (HCAI)

As a member of the HCAI Advisory Group, we support the committee's strategy and accompanying submission to the consultation. However, we would like to highlight key recommendations we believe are important for FSRA to consider.

Upon review, we recommend **Initiative A: Prioritize Increasing the Number of Forms Transmitted through HCAI** as additional forms would benefit the operational process for both health care facilities and insurers.

We support FSRA's current pilot program for attendant care and commitment for a review to evaluate efficiency and data integrity should be fully implemented. This pilot will support appropriate management for attendant care and fees. It will also create standardization across industry of billing for Attendant Care Services aligning with FSRA's goal to create a more modern and efficient system.

We urge FSRA to consider focusing on both Initiative C: Prioritize Data-related Initiatives and Initiative B: Prioritize Revising Forms Rationale in tandem. Data integrity is imperative to ensuring accuracy and consistency in the system. Sufficient data ensures informed decisions are made and executed. *Initiative B: Prioritize Revising Forms Rationale* goes hand in hand with data integrity and we urge FSRA to consider focusing on both priorities following the increase in forms transmitted through HCAI. Forms should be reviewed to ensure they are user friendly while providing simple, plain, and easy to understand language.

We caution FSRA on pursuing Initiative D: Prioritize Other Initiatives, as important and relevant initiatives have already been identified that should take precedence. We believe education and technical support can follow once efficient systems and processes are completed. A more valuable approach to consumer education should be on the entirety of the legislation and regulations, rather than a minor focus on HCAI.

It is important to express that HCAI should remain a transactional tool between insurer and service provider, rather than a tool for consumers to access. As HCAI does not provide holistic insight or context of assessments and decisions, consumer access would lead to confusion. Insurers can and should create a portal for clients to access separate from HCAI as insurers are responsible and capable of ensuring injured clients are educated and informed about the recovery process.

FSRA should continue to provide robust education tools for HSPs through webinars and their website. However, more efforts to partner with RHCs should be considered for education and communication efforts. RHCs have a responsibility of ensuring HSPs are properly educated on HCAI and FSRA should continue to push for a more collaborative approach.



Conclusion

Thank you, again, for the opportunity to provide feedback on the review of the health service provider guidelines and frameworks. If you have any questions or require clarification, please do not hesitate to contact our Associate Vice President of Government Relations, Maya Milardovic at maya_milardovic@cooperators.ca.

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