

Standard best practice on referrals and prescriptions from physicians

Provincial and territorial governments and medical associations are working to reduce the administrative burden on physicians. CLHIA members support these efforts and want to clarify their standard practice for physician referrals or prescriptions (“referrals”) for paramedical services under group benefits plans.

Background

Paramedical coverage provides reimbursement for expenses from several different types of healthcare practitioners, like massage therapists, chiropractors, physiotherapists, psychologists and acupuncturists. What is covered depends on the plan design selected by the plan sponsor (often an employer or association).

Historically, insurers have required a physician’s referral to support a claim for many paramedical services covered by a group benefits plan. This practice helped to manage plan costs by ensuring that only medically necessary treatments were reimbursed, with the understanding that this demonstrated medical necessity.

But today, insurers' standard plan designs use other tools to manage costs while providing plan members and their dependants with coverage for treatments necessary to support their health, without the involvement of a physician.

Standard practice for physician referrals

Standard plans offered by Canada's life and health insurers do not require a physician referral for plan members to be reimbursed for the covered cost of eligible treatments provided by paramedical providers.

While some plan sponsors do require a physician referral as part of their plan design before a claim can be reimbursed, there are alternative plan design options and cost controls that insurers can offer that can help contain costs for plan sponsors.

Outcome

The industry standard practice not to require physician referrals aligns with the efforts of provincial and territorial governments and medical associations to reduce the administrative burden on physicians.

In many cases this practice will allow easier access to paramedical services designed to support the mental and physical well-being of plan members and their dependants.