Reasonable & Customary Limits

Reasonable and Customary (R&C) limitations are applied by insurance carriers when adjudicating Health Care claims for Employee Benefit programs. Adjudication procedures, including R&C amounts, are developed independently by each insurance carrier and therefore, R&C amounts for a specific expense may differ by carrier.

Reimbursement of Dental Care expenses is also limited to what is considered reasonable and customary. However, the assessment is based on the Dental Fee Guide as defined in the plan sponsor's contract. Fee Guides are set provincially by Dental Associations, and are reviewed and updated on an annual basis.

Reasonable & Customary Charges Defined

Reasonable and Customary charges refer to the amount that is deemed appropriate or fair for a particular medical expense within a specific geographic area. Insurance carriers typically evaluate and adjust their R&C limitations on an annual basis by considering factors such as the complexity of the procedure, the prevailing market rates for similar services, and other relevant factors.

Why are R&C Limitations Used?

Access to Quality Care: R&C limitations help to ensure that essential treatments remain cost-effective and affordable to Canadians.
Preventing Fraud and Abuse: R&C limitations act as safeguard to insurance programs against abusive or fraudulent billing practices.
Stability of Premiums: R&C limits allow insurance carriers to better predict and manage expenses paid through the program thereby protecting the sustainability of the plan and helping to ensure that plan members continue to receive reliable and effective coverage.

Making informed decisions regarding your coverage

*** Review Plan Documents:** Review your employee booklet. Look for sections that detail coverage limitations, reimbursement policies and any information specific to R&C limits.

* **Utilize Tools Available on the Plan Member App or Website:** Many common R&C limitations, such as paramedical services, are available directly on the plan member website. Some insurance carriers allow plan members to search specific Drug Identification Numbers (DINs) to confirm the amount eligible for reimbursement and/or the ability to search for providers in your area that charge below R&C.

*** Contact Insurance Provider:** Reach out to your insurance provider directly to ask specific questions about R&C limitations, including how they are determined and what services they apply to.

*** Read Explanation of Benefits (EOB) Statements:** Carefully review your EOB statement that is provided by the insurance carrier. This document will provide information on how a claim was processed, including any adjustments made based on R&C limitations.

*** Talk to your Provider:** Don't hesitate to ask your provider if their charges are considered reasonable & customary, and that your insurance plan will only cover expenses up the R&C.

Coordination of Benefits

Coordination of benefits refers to the process insurance carriers use to determine how reimbursement is made when an individual is covered under multiple insurance programs. Canadian Life and Health Insurance Association (CLHIA) Guidelines dictate that reimbursement to a plan member should not exceed 100% of the reasonable and customary amounts as determined by each insurer.

When in doubt, it is always recommended to submit an estimate or predetermination so you know exactly what your benefits plan will cover and what your out-of-pocket expenses.

** This is not a legal document, and is intended soley for informational purposes.*

info@meldrumhorne.com
MeldrumHorne.com