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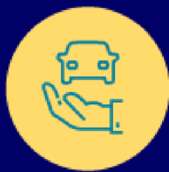

Consultation Paper

Health Claims for Auto Insurance (HCAI) System Review

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Executive Summary and Background

The Financial Services Regulatory Authority of Ontario ("**FSRA**") was launched in 2019 as an independent regulatory agency established to improve consumer, credit union member and pension beneficiary protection in Ontario. FSRA serves the public interest by protecting consumers and fostering a strong, stable, competitive and innovative auto insurance sector.

In supervising and regulating the auto sector, FSRA is guided by its statutory objects under section 3(2) of the *Financial Services Regulatory Authority of Ontario Act, 2016* (the "***FSRA Act***").

A review of the Health Claims for Auto Insurance ("**HCAI**") system supports and aligns with the following objects set out at section 3(2) of the *FSRA Act*:

- regulate and generally supervise the regulated sectors
- contribute to public confidence in the regulated sectors
- monitor and evaluate developments and trends in the regulated sectors
- promote transparency and disclosure of information by the regulated sectors
- deter deceptive or fraudulent conduct, practices and activities by the regulated sectors
- promote high standards of business conduct
- protect the rights and interests of consumers
- foster strong, sustainable, competitive and innovative financial services sectors

In its 2024 Ontario Budget, the Government committed to move forward with auto insurance reforms, and included a request that FSRA conduct a review of the HCAI System

"to find administrative and cost efficiencies to contribute to having a more modern and efficient system."

This consultation paper is part of FSRA's review of the HCAI System and sets out options that fall within FSRA's authority to implement and as well advances the Government's commitments to improve Ontario's auto insurance system.

Purpose of Consultation and Desired Outcomes

FSRA's HCAI System Review will focus on ensuring that the current system is accomplishing its intended goal and identifying options for efficiencies and modernization.

In developing this paper, FSRA has synthesized past findings and reports on HCAI, reviewed its existing processes, and leveraged previous stakeholder feedback. FSRA is consulting stakeholders as part of this review to better understand the benefits/disadvantages of the initiatives identified herein, as well as the possible impacts. FSRA welcomes stakeholder feedback on the initiatives, supporting data or evidence, and/or suggestions for other administrative and cost efficiencies.

FSRA's review findings will be used to inform its recommendations to make the HCAI System more modern and efficient.

Health Claims for Auto Insurance (HCAI) System Review

Legislative and Regulatory Framework

HCAI is an electronic platform that enables insurers to communicate information such as claims approval and payment decisions electronically from insurers to health professionals and facilities.

The *Insurance Act* (section 268.3(1)) and its regulations (the Statutory Accident Benefits Schedule, O. Reg. 34/10 ("**SABS**"), and O. Reg. 534/06), as well as the Health Claims for

Auto Insurance Guideline, No. 02/18 (“**HCAI Guideline**”), set out HCAI’s role in transactions between insurers and HSPs related to claims for SABS benefits under an Ontario auto insurance policy.

FSRA’s role in the HCAI system is to issue the HCAI Guideline and approve Ontario auto insurance claims forms (“**OCFs**”).[1]

Health Claims for Auto Insurance (HCAI)

HCAI is part of an ongoing effort to improve the delivery of health care benefits to Ontarians injured in automobile collisions. Building on the Auto Insurance Standard Invoice, introduced in 2001, HCAI seeks to automate the exchange of standardized health claim information between HSPs and insurance companies. It was developed by auto insurers in consultation with the Financial Services Commission of Ontario (“**FSCO**”), HSP associations, and other stakeholders in the auto insurance system.

The **purpose** of HCAI is to**:**

- facilitate the efficient and cost-effective transmission of claimant and health provider information between insurers and healthcare providers pertaining to claims made under the SABS; and
- facilitate the effective collection of aggregated and anonymized information pertaining to the delivery of health care services for which claims may be made under the SABS.

HCAI’s primary role is to act as the agent of insurers to receive specified documents on their behalf; to confirm that the documents are duly completed and contain all the

[1] FSRA’s role in HSP licensing is limited to monitoring conduct of regulated entities, with oversight specifically pertaining to licensees’ business and billing practices. FSRA is not responsible for overseeing standards of practice and quality of care provided by regulated health professionals, which falls under the supervision of the Regulatory Health Colleges.

information required to be included in them; and to then make the documents available for access by the insurers to whom they are addressed.

HCAI is not a financial or billing system; it does not manage the exchange of funds between parties, nor does it process payments. Both licensed and unlicensed HSPs must use HCAI to submit forms and invoices.

As of June 2024:

- 5,590 of facilities using HCAI are licensed
- 1,161 of facilities using HCAI are unlicensed[2]

HSPs with FSRA licences can bill insurers directly, whereas unlicensed HSPs would bill their patient, submit a copy of the invoice to HCAI and provide a copy of the HCAI-submitted invoice directly to their patient so the patient may be reimbursed by their insurer.

[2] Source: Summary of HCAI Status for FSRA HCAI Monthly Touchpoint – June 2024 Statistics.

Table 1: Volume of Forms, Invoices, Adjudicated Amounts Transmitted in HCAI[3]

	2023
Total Form Submissions	1,100,056
Total Adjudicated Invoices $ (million)	$675
Number of Health Care Facilities that Submitted an OCF	45,606
Number Health Care Facilities that Submitted an Invoice	39,693

HCAI Guideline

The HCAI Guideline, issued pursuant to 268.3(1) of the *Insurance Act*, describes:[4]

- which insurers, health care facilities and health care professionals are subject to the HCAI Guideline and in what circumstances;
- what documents are to be delivered to HCAI and in what circumstances;
- how such documents may be delivered to HCAI;

[3] Source: Summary of HCAI Status for FSRA HCAI Monthly Touchpoint – Monthly statistics for 2023.

[4] Section 268.3(1) of the *Insurance Act* provides that FSRA's "Chief Executive Officer may issue guidelines on the interpretation and operation of the *Statutory Accident Benefits Schedule* or any provision of that *Schedule*".

- how insurers are to provide information to HCAI; and
- billing procedures (e.g., frequency of invoicing).

The HCAI Guideline requires that all HSPs, whether licensed or not, must transmit the following OCFs to insurers through HCAI:

- Treatment & Assessment Plan (OCF 18) – SABS s 38
- Treatment Confirmation Form (OCF 23) – SABS s 40
- Form 1 – Assessment of Attendant Care Needs – SABS s 42
- Auto Insurance Standard Invoice (OCF 21) – SABS s 49

The HCAI Guideline also sets out rules governing delivery of documents and date of receipt, codes to be used in submitting information, requirements for insurers, requirements around HCAI enrolment, and how to deliver documents to HCAI.

Documents not transmitted through HCAI are instead manually delivered to insurers including by fax, personal delivery, prepaid courier, or by ordinary or registered mail.[5] Transmitting forms electronically through HCAI promotes:

- decreased administrative burden as forms transmitted through HCAI are standardized
- quicker submission and adjudication of documents

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[5] The HCAI Guideline sets out the exceptions re submitting an OCF-21 *only* for the completion of an OCF-3. The list of methods of service is set out at section 64(2) of the SABS.

- fewer missing/lost documents
- completion of all required information (i.e. less back-and-forth to collect missing information)
- streamlined communication between insurers and HSPs
- industry-level collection and monitoring of claims data

Health Claims Database (HCDB)

The Health Claims Database ("**HCDB**") comprises statistical information about Ontario auto insurance health claims.[6] The HCDB standard report provides a statistical overview of medical and rehabilitation costs involved in Ontario automobile insurance health claims and the recovery process.

FSRA uses HCDB data to understand health claims and provide insight to inform its regulatory activities.

The richer the data is in the HCDB, the greater the ability for data analysis, fraudulent activity/behaviour monitoring, and treatment optimization, all of which may help reduce costs across the system.

[6] The HCDB comprises de-personalized HCAI data transmitted from HCAI to IBC, which IBC collects for statistical purposes. It does not include any personal information that could identify individual claimants (e.g., names, addresses, postal codes, other information that might identify an individual claimant, or any personal health information).

Stakeholder Feedback

FSRA has received feedback on HCAI from HSPs, insurers, and other stakeholders in various forums over the years.[7] Some of that feedback includes the following (does not include suggestions out of scope for this review):

System Efficiencies

- HCAI could be improved to make claims processing more efficient.
    - Billing practices can be improved to ensure costs of inefficiencies are not absorbed by consumers.
        - Standardizing billing through HCAI can decrease administrative burdens by simplifying forms and processes.
        - Allowing consumers to monitor their claims through HCAI may help identify fraudulent activity/behaviour.
    - Standardized attendant care billing through HCAI can reduce variability in information transmission and decrease administrative burden absorbed by consumers, HSPs and/or insurers.
    - Expanding treatments/ services eligible for direct billing for licensed HSPs can offer enhanced consumer protection.

[7] Includes feedback provided during FSRA's consultations (e.g., FSRA's annual Statement of Priorities and Financial Plan), Stakeholder Advisory Committee meetings, inquiries to FSRA's Contact Centre, and correspondence to FSRA.

        - FSRA conducts reviews of licensed HSPs, so direct billing (only available to licensed HSPs) can help ensure providers are compliant with SABS-related requirements.

    - Enhancements to create more effective billing practices in HCAI, including providing more assistance for licensees on codes, use of data from billing, updating current forms, and user outreach.

Technical Issues

- HCAI should address technical issues that can disrupt claims processing and impact provider workflows.

    - Address system stability and reliability issues.

        - e.g., Additional technical support and training, as well as help desk support has been requested.

    - Upgrade infrastructure/ database capabilities to include collection of data related to health outcomes (e.g., treatment progress/ outcomes) and claims disposition (data between insurers, claimants and their legal advisors).

        - Analysis of health outcome data can provide insight into best practices for value-based care.

    - Enhance user interface for better usability.

    - Add some HSP/ insurer related OCFs that are not on HCAI to help provide additional insight relating to claims experience and costs.

            - e.g., Attendant Care Services Invoice, Disability Certificate (OCF3), Application for Determination of Catastrophic Impairment (OCF19).

- Automate routine tasks to reduce processing time so claimants can better access timely, recovery-focused care.
    - Provide HSPs and/or claimants access to billing information to help individuals monitor their claims.

Revising Claims Forms

- Part of HCAI modernization should involve looking at claim forms and invoices.
  - Forms do not reflect work effort on provider's part (e.g., pages read, sessions conducted).
  - Data fields and codes used to submit information are outdated; HSPs should be engaged to review codes to ensure that they are updated with the necessary specificity.
  - More education and guidance should be provided on HCAI, including use of codes.

Data Quality and Integrity

- HCAI should review issues relating to data quality and integrity, including accuracy, completeness and consistency.
  - Add additional data elements to current system (e.g., add additional gender options so providers with non-binary clients can accurately record claimant's identification data).
  - Data integrity concerns that should be explored include integrated third-party software limitations, real-time data feed from regulatory colleges, nature of data structure on OCF forms.

Compliance

- The complexities of the digital HCAI system contribute to errors that can result in findings of HSP non-compliance.
    - Digital signature fields should be made mandatory to ensure invoices are signed.

Transparency and Communication

- Transparency and communication can be improved.
    - HCAI to engage with HSPs in working groups so HCAI can devise ongoing mechanism(s) the HSP community and insurers can use to directly collaborate to reach effective and efficient solutions.
    - Provide more clarity between the roles and responsibilities of the regulatory health colleges and FSRA.

Expanding HCAI's Utility

- HCAI should leverage data for predictive analytics so a greater focus can be placed on outcome-based results instead of transactional care.
- HCAI data quality should be improved to better address potential fraud.
    - HCAI data pool should be scrubbed with fraud analytics to better monitor potential fraudulent activity/behaviour.
- HCAI needs to be modernized before addressing fraud.

Note: FSRA has not verified the claims made in the statements above. We encourage stakeholders to share any relevant data or evidence so we may consider it as part of our HCAI system review.

HCAI System Review Options and Analysis

FSRA has identified the following initiatives that can provide administrative and cost efficiencies to contribute to having a more modern and efficient HCAI System. FSRA is soliciting stakeholder feedback on the proposed initiatives, including how they should be prioritized.

These initiatives do not need to be mutually exclusive, i.e., they are not being offered as discrete options, but instead may be implemented concurrently and/or on a staggered timeline. Note that the HCAI System is fully funded by the insurance industry, so the initiatives listed below are anticipated to be implemented at no cost to HSPs.[8]

FSRA also welcomes stakeholder ideas about other opportunities for administrative and cost efficiencies not included here, but which could also make the HCAI System more modern and efficient.

FSRA is continuing to collect evidence to validate its HCAI System Review recommendations and welcomes relevant data from stakeholders. This information will help inform FSRA's review findings and support its decision-making.

[8] HCAIP is a not-for-profit Ontario corporation managed by the Insurance Bureau of Canada and governed by a Board of Directors that includes representatives of the insurance industry and health care communities. IBC operates the HCAI system under their Central Processing Agency ("**CPA**") Monitoring Agreement with Health Claims for Auto Insurance Processing ("**HCAIP**"). HCAIP is the CPA designated under section 101.1 of the *Insurance Act*.

Initiative A: Prioritize Increasing the Number of Forms Transmitted Through HCAI

Rationale:

Increasing the number of forms transmitted through the HCAI system can yield administrative and cost efficiencies, including:

- forms submitted to insurers can be adjudicated more quickly.
- administrative time spent manually completing paper-based forms and collecting information can be reduced.
- information transmitted through HCAI becomes immediately available to both insurers and HSPs, saving data entry effort on both ends of transaction.
- fewer requests for follow-up information, as electronic forms can be designed to prompt completion before being submitted.
- standardized forms can also reduce variability in transmission of information.

Currently, HSPs electronically submit standardized OCF 18, OCF 21, OCF 23, and the Form 1 through HCAI. All other forms are non-standardized and manually submitted to insurers via fax, mail, or other electronic means.

Rather than managing different forms for different insurers and transmitting paper-based forms, standardizing the forms and using the HCAI system to submit and adjudicate them can decrease administrative and cost inefficiencies absorbed by consumers, HSPs and insurers.

The addition of some HSP-insurer related OCFs that are not in HCAI can also provide additional insight relating to claims experience and costs. See **Appendix A** for a complete list of OCFs.

Attendant care invoices (modelled on existing OCF 21) could be piloted first on a voluntary basis. Health care providers do not use a standardized invoice form to submit attendant care invoicing. Other attendant care providers such as family members or non-professional care providers submit expenses through the OCF 6 Expenses Claim Form.

Considerations:

- Forms would be standardized, rather than differing from insurer to insurer, which is expected to simplify data collection and reporting processes.
    - Should decrease administrative time as HSPs are already familiar with submitting forms through HCAI.
    - Unlicensed providers could use standardized form to prompt completion and reduce back and forth.
- HSPs can more easily submit and track documents, and insurers will be able to better monitor and adjudicate claims (e.g., approved v paid).
- May incentivize HSPs to become licensed to experience the benefits of direct billing through HCAI.
    - Direct billing for licensed HSPs can offer enhanced consumer protection as FSRA conducts program reviews to ensure providers are compliant with regulatory requirements related to SABS claims.
- May be a barrier to health providers who do not typically interact with auto claimants and are not enrolled in HCAI, e.g., a family physician who fills out an

OCF3 or a neurosurgeon who completes an OCF19 may not be familiar with the HCAI system.

- Will increase claims-related data collected at industry level.
    - Can support better supervision
    - Can support better monitoring of trends and fraudulent activity/behaviour
- Increased data collection and analytics may raise some privacy and security concerns related to claimants' personal health information.
- Would need to be supported with education and training.

Initiative B: Prioritize Revising Forms

Rationale:

The OCFs currently processed in HCAI have not been substantially revised in over 10 years. They should be reviewed with a view to whether they can be simplified and made more user-friendly to improve administrative efficiencies.

Some form changes made include:

- plain language, easy to understand forms
- simplifying questions
- prepopulating fields/drop-down menus

- standardizing how time is reported
- fields that capture HSP's work effort (e.g., pages read, sessions conducted)
- reviewing codes
- making signature field(s) mandatory for digital submission
- improve flexibility / barriers to innovation

Addressing these issues by revising OCF forms can yield administrative and cost efficiencies as forms may be processed more quickly and there are fewer requests for follow-up.

Considerations:

- Simplified and more user-friendly forms may decrease user error and reduce requests for additional information.
- Plain and simple language will increase understanding for businesses who do not typically interact with auto claimants and/or are not familiar with the HCAI system.
    - Introducing new forms may also cause confusion for these same users
- Form changes may not address issues with inaccurate/ misuse of codes.
- May need to be supported with education and training.
- Some forms may need to be updated to align with proposed government auto reforms (i.e., changes to first payer).

Initiative C: Prioritize Data-related Initiatives

Rationale:

Enhanced data integrity – including accuracy, completeness, and consistency – can support administrative and cost efficiencies, including:

- optimized care plans and reduced costs across the system
- data reports developed with a view to identifying patterns of questionable behavior and/or practices that might require further analysis or investigation
- better monitoring and identification of consumer harms

Some examples of issues contributing to data integrity concerns include:

- placeholder values (e.g., 000, XXX) for professional college registration number
- non-use of provider Goods, Administration, Other (GAP) codes
- inconsistencies in provider names (first and last), facility address, date of accident, date of birth
- lack of clarity relating to Minor Injury Guideline block treatment dates
- lack of clarity pertaining to the allocation of work performed and billing among supervisors, administrators, and health professionals

Concerns with data integrity also include limitations with integrated third-party software, real-time data feed from regulatory health colleges (RHC), nature of data structure on OCF forms. Addressing these concerns can help improve operational efficiencies and enable more accurate data to be collected and transmitted.

Future state possibilities may include:

- Less manual data entry from increased automation/ integration/ sharing of data, e.g., between:
    - RHC's sanctioned providers list and HCAI prompting administrative review when treatments are provided by sanctioned providers. May require a data-sharing Memorandum of Understanding.
    - HCAI's HSP Rosters and FSRA's licensing portal. May require a data-sharing Memorandum of Understanding.

Considerations:

- Data-related initiatives would be most effective if the number of forms processed through HCAI was increased, giving a fuller picture of Accident Benefit claims, and those forms were optimized to collect the best and most relevant data.
- Useful for analysis and aligned with initiatives to reduce fraud and abuse in system.
    - May support lower auto insurance system costs and incidence of consumer harm.
- Producing evidence-based health outcome data can support better measuring treatment effectiveness and/or deter suspicious activities.
    - Analysis of health outcome data could provide consumers and others with insight into options for value-based care.
    - HCAI's role is not intended to interpret anonymized health claims information. IBC does publicly issue HCDB reports comprised of statistical information, but without analysis.

- Increased automation and data sharing/integration can reduce time spent on routine administrative tasks and correcting errors/follow-up.

- May require additional supervisory resources to ensure compliance.

Initiative D: Prioritize Other Initiatives

Rationale:

Initiatives to improve HCAI's functionality and reporting can yield administrative and cost efficiencies by facilitating better communication and collaboration between HSPs and insurers.

Priority should be given to initiatives that improve the HCAI system's operational effectiveness, including:

- enhanced education and technical support to improve uptake and reduce errors
    - e.g., responsive tech support, timely communications on system updates, additional training and resources to help stakeholders better understand regulatory requirements and the HCAI system.
- improved system quality to reduce downtime.
- create a pathway in HCAI for HSPs/assessors who are performing assessments for independent examination companies to monitor what is being billed in their name on HCAI.

Considerations:

- More effective collaboration and reduced errors can help improve consumer experience.
- Need to capture the views and interests of health providers who do not typically interact with auto claimants.

HCAI System Review Consultation Questions

1. Which initiative(s) should be prioritized? Why?
2. Are there any significant benefits/drawbacks, including potential stakeholder impacts, missing from the analysis set out above that should be included?
3. Are there any considerations which have been missed as part of the analysis set out above that should be included?
4. What are the key implementation considerations that must be take into account for each initiative (i.e., timing, communication, education, etc.)?
5. How can FSRA help to ensure that prioritized initiatives / changes are communicated to HSPs, insurers, and other stakeholders?
6. Are there any other opportunities for administrative and cost efficiencies that FSRA should consider to make the HCAI system more modern and efficient that are not included in the list of initiatives above?

Appendix A – List of Ontario Claims Forms (OCF)

OCF No	Name	Purpose	Submitted via HCAI
1	Application for Accident Benefits	Used by claimant to start SABS claims process.	No
2	Employer's Confirmation Form	Used if claimant is claiming for Income Replacement Benefits	No
3	Disability Certificate	Completed by the claimant and their treating health practitioner.	No
4	Death and Funeral Benefits Application	Used when claim involves a fatality	No
5	Permission to Disclose Health Information	Claimant's written consent to health professionals	No
6	Expenses Claim Form	Used by the claimant to submit claim for expenses directly	No
10	Elect Income Replacement, Non-Earner, Caregiver	Used by the claimant to choose a benefit, if eligible for more than one.	No
18	Treatment Plan	Used by claimant and Health Service Provider for pre-approval	Yes
19	Application for Determining Catastrophic Impairment	Used by claimant and physician in determining access to benefits	No
21	Auto Insurance Standard Invoice	Used by Health Service Providers to direct invoice insurers for the medical and rehabilitation goods and services (multiple versions)	Yes
23	Treatment Confirmation Form	Used by claimants and health practitioners to summarize completed treatment and outcomes.	Yes
24	Minor Injury Treatment Discharge Report	Used by claimants and health practitioners to summarize completed treatment and outcomes	No

		within the Minor Injury Guideline.	
FORM 1	Assessment of Attendant Care Needs	Completed by an occupational therapist or registered nurse detailing attendant care needs for approval of benefits.	Yes
n/a	Settlement Disclosure Notice	Required consumer disclosures when settling a SABS claim.	No
n/a	Standard Benefit Statement	Required consumer disclosure of payments made on their behalf	No