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Chris Georgakopoulos, Director, Auto Policy
FSRA

Copied to:

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RE: FSRA Consumer Research and Preferred Service Providers

Hello Chris,

It was a great pleasure to meet with you last month to discuss our concerns regarding the PSG rates, and I look forward to further discussion of that issue in the New Year.

I am writing to you now with questions and comments about FSRA's recently released report: *2022 Consumer Research: Auto Insurance May 2023*.

The Ontario Rehab Alliance (ORA) reviewed this with great interest. We commend FSRA for its efforts to take the pulse of Ontarians in regard to their auto insurance purchasing decisions and fully appreciate the importance of ensuring that a mandatory product such as auto insurance is both affordable and effective.

Can you please tell us why this survey was undertaken?



In reviewing the report, we note with some concern that 33% of respondents reported that they would *sign up to use an insurance provider's preferred vendors or service providers in case of a claim* if doing so would lower their premium cost. From our reading of the report, we understand that 53% of the 1,455 respondents had made a claim. The question about claims and resulting data do not distinguish personal injury claims from property damage, prompting us to wonder if respondents were provided with information about what "preferred vendors or service providers" means in practice? Did respondents appreciate that this could include healthcare providers?

Further, we wonder if those who have not had experience with rehabilitation can appreciate the importance of personal choice of provider? While most Ontarians 18 years of age and older and who have a driver's licence have had experience with vehicle maintenance and repair services, the same is not true for post-injury rehabilitation.

Is FSRA contemplating a change that would allow insurers to offer a Preferred Provider Network (PPN) option at the time of entering into an insurance contract and that would bind the consumer to obtaining treatment only from the insurer's PPN, not allowing that individual to select a provider of their own?

Offering a premium discount in exchange for being restricted to a "closed PPN" is a very different situation than what is currently in place; the injured person's freedom to choose keeps both the PPN and the insurer honest.

In healthcare, choosing providers is linked to better outcomes. The closed PPN system asks the consumer, at the time of purchase, to make a choice which cannot properly be considered an informed choice. It would remove choice of health care professionals at the time of injury, undermining necessary flexibility to choose one's own health professionals for good recovery outcomes. This would undermine the "circle of care, and integrated patient treatment. For example, currently the family physician or other referring health professional is able to refer to the most appropriate health professional for the needs of a specific patient and their particular injury.

Preferred provider regimes generally favour large, multi-regional, multi-service providers whereas many of the currently licensed providers with expertise in serious and catastrophic injuries are small and medium sized practices, often with a discipline-specific focus (e.g. only OT or SLP). In a closed PPN scenario the referring professional cannot be expected to know if their patient has agreed to this limitation and if so, which health professional is on a particular insurer's restricted list. Each company might have their own list.

At time of auto insurance purchase or renewal, most consumers will be driven by achieving the lowest premium cost possible, with little understanding of the impact of this decision down the road if they are injured. Premium savings may be achieved in the short term, but



what will be the longer-term cost to an injured consumer whose rehabilitation is compromised, and to the system as a whole?

We are not aware of any research into how well the current preferred provider arrangements serve claimants, or the system more broadly. Is FSRA able to share with the ORA any data that demonstrates that our current PPN system, or closed PPN regimes elsewhere, are more cost effective and provide better outcomes?

For all of the reasons provided above we advise that a policy designed to accomplish premium savings through a closed PPN option will dramatically disadvantage consumers, create clinical chaos and will lead to many further complications in an already complicated accident benefits scheme.

Please do let me know if this is a policy direction that is being considered and, if so, when we might meet to discuss it further.

With sincerest thanks for your consideration of these questions and comments and best wishes for a healthy and happy holiday.

Sincerely

Laurie Davis
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ABOUT ORA

The ORA represents primarily small to medium sized healthcare businesses that collectively employ upwards of 4000 healthcare providers including Regulated Health Professionals from all disciplines, social workers, personal support and rehabilitation support workers. We are the primary providers of rehabilitation to Ontarians seriously injured in automobile accidents. Most of our members work throughout the healthcare system, giving us a wide-angle view. We are the only association focused primarily on the interests and issues of health providers in the auto sector.

Our member companies operate in home, community and clinic settings. As health professionals we have a strong duty of care to our clients, as business owners we have a responsibility to keep the business viable for ourselves, our staff, and the clients who depend on us.

On behalf of its members, the ORA advocates for motor vehicle accident victims, adequate insurance benefits, and fair treatment of those injured. We help members to navigate the claims system with timely information bulletins on new requirements and issues, and with resources to support daily operations.

**Please connect with Laurie Davis,
Executive Director, for more information
regarding our advocacy campaigns and
the Ontario Rehab Alliance.**

Contact

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