

THE MANAGEMENT OF CLAIMS UNDER A GROUP DRUG INSURANCE PLAN

A first observation

Knowledge of a medical prescription can constitute a serious privacy violation. The prescribed drug or recommended therapy enable one to find out easily about a patient's illness or problem without his consent.

In the management of a group drug insurance plan, a breach of confidentiality may occur when the insured submits a claim to his employer.

Such is the case when the employer manages the group drug insurance plan negotiated with an insurance company. The employer or one of his staff may peruse an employee's claim without justification.

Some employers feel they need the information contained in a claim to carry out their functions, citing management rights. But every insured has a right to privacy under the Charter of Human Rights and Freedoms and the laws protecting personal information.

The basic principle

The Commission considers that every effort must be made to protect the secrecy of personal information contained in a claim.

The Commission realizes that it cannot anticipate all circumstances when personal information can be disclosed. It relies on employers and insurers to introduce practices respecting the employees' privacy.

Some suggestions

The Commission draws the attention employers and their staff to the procedure that should be established to ensure the confidentiality of personal information contained in claims. Access to this often very sensitive information should be allowed only when absolutely required to perform a specific task.

Already, a number of procedures have been devised and introduced, allowing both the protection of privacy and the treatment of claims:

Claims should be treated by the insurer or a third party, excluding the employer;

Confirmation of the employment link by the employer could be given before the claim is sent to the insurer or the third party by the insurer; in such cases, payment could be forwarded directly to the claimant;

The experience report (total claims submitted by employees over a period of time) prepared for the employer by the insurer or the third party should in no way permit identification of the persons concerned and their drug use;

An employer who refuses or is unable to change his practices and retains the management of claims must make sure that his employees' privacy is respected. Thus, only the person formally designated by the employer to process such claims should be authorized to receive the personal information they contain. And this person should sign a commitment to maintain secrecy.

A reminder and a information

It should be recalled that the Act respecting the protection of personal information in the private sector imposes sanctions on contravening employers.

The Canadian Life & Health Insurance Association (CLHIA) can be contacted by persons who encounter or fear they may encounter privacy problems related to their drug insurance.

Further information on this issue can be obtained from the Commission.