

December 16, 2022

Susan McArthur, Chair
Portable Benefits Advisory Panel
Ministry of Labour, Immigration, Training and Skills Development

RE: Portable Benefits Program Consultation

Dear Ms. McArthur and Advisory Panel Members,

For more than a century, the Ontario Chamber of Commerce (OCC) has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our 60,000 members, including local chambers of commerce and boards of trades in over 157 communities.

On behalf of our members, we thank you for your leadership in exploring a modern and innovative approach to delivering benefits for Ontario workers. The development of a provincial portable benefits program will support a healthier, more productive workforce, a competitive labour market, and inclusive economic recovery and growth.

Overview

The changing nature of work has been compounded by enduring labour market inequities and unprecedented shortages, ongoing impacts of the COVID-19 pandemic, severe strains on the health care system, and record inflation, among other socioeconomic pressures. To safeguard our health system capacity, protect worker health and productivity, and ensure businesses can attract and retain talent over the long-term, all workers must be able to access vital health benefits in a cost-effective and timely manner, regardless of their employment classification (e.g., part-time, seasonal, independent contractor, self-employed, etc.) or industry (e.g., gig economy, retail, hospitality, etc.).

As of 2011, fewer than one in four non-standard Ontario workers (e.g., workers in part-time, temporary, and self-employed positions) had access to extended health and dental benefits through their employer, compared to three in four standard workers (e.g., those in full-time, permanent positions).¹ Moreover, lower-income earners and women are less likely to have access to employer-provided benefits than higher earners and men, respectively,² reinforcing significant health and labour disparities that were further exacerbated over the pandemic.³

¹ Public Policy Forum, [Portable benefits: Protecting people in the new world of work](#), 2019.

² Wellesley Institute, [Low wages, no benefits: Expanding access to health benefits for low income Ontarians](#), 2015.

³ For more on the gendered economic impacts of COVID-19 in Ontario, see the OCC's report, [The She-Covery Project](#).

For workers without existing benefit coverage, access and cost remain key barriers, leading to health, business, and financial repercussions. When workers' health needs go under- or untreated, it puts undue strain on an already stretched health care system, increases absenteeism and presenteeism challenges for employers, and leads to financial insecurity for workers. For example, Statistics Canada data shows that in 2021, one in five Canadian adults did not have any prescription medication coverage, leading to Canadians delaying or skipping doses due to an inability to afford medication or paying higher out-of-pocket costs.⁴

Improved access to supplemental health benefits, such as prescription drugs, dental care, vision care, and mental health care, would play a key role in ensuring business resiliency, workforce productivity, and inclusive economic recovery and growth across the province. Demand for mental health services in particular has increased throughout the pandemic, with mental health conditions reported as the most common chronic condition by group benefit plan members nationally, disproportionately impacting women and younger workers.⁵ Meanwhile, the rise and normalization of virtual care with the onset of COVID-19 has led employers to increasingly include virtual options in their health plans, recognizing its value in helping to build a healthier workforce and reduce costs.⁶

The OCC commends the Government of Ontario for appointing the Portable Benefits Advisory Panel to study this topic and develop recommendations, in recognition of the role that all stakeholders – including the government – can play to fill benefit gaps for workers. We greatly appreciate the opportunity to share key considerations and principles to support program development and implementation, based on feedback from members of our [Health Policy Council](#) and [Workforce Development Policy Council](#).

Key Considerations for Stakeholder Engagement

The OCC and our members support the government's intention to develop and implement a portable benefits program in Ontario for workers who fall outside of traditional employer-provided benefit programs and have greatly appreciated the opportunity to provide initial feedback to the Portable Benefits Advisory Panel. To ensure the program is effective and efficient, we **encourage ongoing opportunities for public and private perspectives from both labour and health experts to be involved in program development and implementation.** This could include:

- Leveraging existing expertise in the Ministry of Health related to the design and delivery of health benefits programs in Ontario;
- Exploring inter-ministerial collaboration with the Ministries of Economic Development, Job Creation and Trade, Finance, and other relevant ministries;

⁴ Statistics Canada, [Pharmaceutical access and use during the pandemic](#), 2022.

⁵ Benefits Canada, [2021 Benefits Canada healthcare survey: Where we go from here](#), 2021.

⁶ For more on virtual care, see the OCC's report, [Realizing the Full Potential of Virtual Care in Ontario](#).

- Consulting with private insurance companies with experience in the design, delivery, and administration of health benefit programs for individuals and employers, including filling gaps in coverage; and
- Continuing to engage with the OCC and employers across the province – including small- and medium-sized enterprises (SMEs) through the Ontario Chamber Network – as program scope and governance are further defined.

To meet diverse worker and employer needs across the province, we urge the Advisory Panel and the Government of Ontario to **continue to leverage best practices, including human-centered design and stakeholder engagement**, throughout program design, development, and implementation.

Key Considerations for Program Design

Defining the Scope

Recognizing the vast diversity of non-standard workers in Ontario – from part-time workers in the retail and hospitality sectors to independent contractors working for app-based companies – it will be critical for the government to **clearly define the scope and governance of a new portable benefits program**. This should include:

- The types of workers that would be covered (e.g., part-time workers, seasonal workers, gig economy workers, other independent contractors, self-employed workers, retail and hospitality workers, etc.);⁷
- The types of benefits that workers could potentially access (e.g., prescription drugs, dental care, vision care, mental health care, disability, critical illness, life insurance, income replacement, skills training and education services, etc.);⁸
- The expected roles and responsibilities of key stakeholders in designing, administering, funding, and managing the program (e.g., government, employers and other hiring entities, workers, consumers, insurance providers, technology platforms,⁹ etc.); and
- The intended program outputs (e.g., product development, program funding, etc.).

Pursuing a Pilot Project

With limited data available related to a portable benefits program covering such a wide variety of workers and industries, the government should **consider proceeding with a time-limited pilot project in a specific industry and/or covering a certain type of worker** (see more on industry-

⁷ This may also require closer examination of worker classification and standards, including clear and consistent definitions for each type of worker that would be covered.

⁸ Retirement savings are beyond the scope of this proposed program.

⁹ This would also require increased knowledge of and access to technology, in particular for SMEs. For more on technology adoption for SMEs, see the OCC's report, [Broken Links](#).

specific proposals below). This approach would help to avoid unintended consequences, ensure value for taxpayer dollars, develop appropriate measures, adjust approach based on feedback and lessons learned, and gather relevant data on the program's efficacy and outcomes.

Several jurisdictions have pursued industry and/or worker-specific approaches for benefit coverage. With respect to an industry-specific approach, Washington State introduced legislation to establish a portable benefits fund for businesses participating in the gig economy, wherein businesses would be required to contribute toward a fund (including through a percentage of consumer transaction fees) that could include personal injury coverage, health insurance, paid time off, and retirement benefits (to be determined with worker input).¹⁰ With respect to a worker-specific approach, the Black Car Fund in New York State provides workers' compensation insurance and a driver death benefit to black car and luxury limousine drivers through a 2.5 percent surcharge on every ride, paid by passengers, collected by the affiliate's member base, and remitted to the fund (the fund has recently been expanded to include additional health, wellness, and education-related benefits coverage).¹¹

Program Design Principles

Several industry and think tank proposals for portable benefits programs have prioritized **portability, proportionality, flexibility, and affordability as principles for program design**. For example, Uber Canada¹² and DoorDash¹³ have proposed industry-wide approaches for benefits for app-based workers based on these program design principles. Meanwhile, the Aspen Institute¹⁴ and Mowat Centre¹⁵ have contemplated broader reaching programs, with additional considerations for stakeholder roles and responsibilities (e.g., for program funding, administration, and management). For greater clarity on each program principle:

- **Portability:** Benefits should be connected to the individual, rather than a single employer or hiring entity, and should follow the worker from job to job without interruption or loss of funding.
- **Proportionality:** Benefits should accrue in proportion to hours worked or other relevant units of labour, regardless of employment classification (e.g., full time, part time, contractor, etc.) or funding sources (e.g., multiple employers, consumers, government, workers, etc.).
- **Flexibility:** Workers should be able to choose how to deploy the benefits they accrue to meet their individual needs (which may include access to other benefit coverage), with appropriate minimum coverage standards.¹⁶

¹⁰ Public Policy Forum, 2019.

¹¹ Aspen Institute, [Designing portable benefits: A resource guide for policymakers](#), 2019.

¹² Uber Canada, [A blueprint for a Flexible Benefits Fund for app-based workers in Canada](#), 2021.

¹³ DoorDash, [Our vision for the future of work: Access, choice, and security](#), 2021.

¹⁴ Aspen Institute, 2019.

¹⁵ Mowat Centre, [What if you could take it with you?](#), 2017.

¹⁶ For example, private insurance companies offer Health Spending Accounts (HSAs) that provide this type of flexibility.

- **Affordability:** benefit costs and funding arrangements should be managed to mitigate undue hardship and downstream effects on all potential payers, including employers, consumers, government, and workers, while also safeguarding long-term program sustainability.

It is important to note that one of the key barriers for SMEs and lower-income workers who do not currently have access to benefits coverage is cost. Recognizing the limited capacity and resources available to SMEs and low-income workers, **a new program must be designed to ensure SMEs can remain competitive and low-income workers can equitably benefit from a portable benefits program.** As such, the government could consider:

- Leveraging existing private insurance programs to increase access and affordability through the provision of a subsidy or other support mechanism for certain workers and employers (e.g., based on company size, income level, etc.); and/or
- Expanding existing government health benefits programs (e.g., OHIP+ and/or the Trillium Drug Program) and/or developing a new program.

Any expanded or new program should ensure simple and streamlined access to benefits for workers and employers, while focusing on filling coverage gaps (see section below for more on leveraging existing programs to fill gaps). As noted above, SMEs should be engaged throughout program design and implementation to manage risks and guard against unintended impacts.

Filling Benefit Gaps

In developing a program to fill benefit gaps for workers who fall outside of traditional employer-provided benefits, policymakers should **avoid unintended consequences to existing public sector programs and private sector markets**, i.e., by inadvertently decreasing access and disrupting existing programs and services that are working well for many Ontarians, such as employer-sponsored benefit coverage. This could include **exploring opportunities to leverage private sector products and capabilities**, in addition to **working closely with the federal government and industry stakeholders on the roll-out of the national dental care program and forthcoming pharma care agreement** to explore program integration and funding options and ensure appropriate guard rails are in place to avoid unintended impacts.

With respect to filling benefit gaps, the two examples below illustrate the advantages of implementing an approach that provides universal coverage through a multi-payer system for prescription drug coverage.

A year and a half after the program first came into effect in 2018, changes were made to the OHIP+ program in Ontario to focus on filling prescription drug coverage gaps for children and youth without access to existing benefits (initial program design extended coverage to all people under the age of 25, regardless of access to coverage).

These changes in eligibility provided a more cost-effective approach for government, ensured long-term program viability, mitigated risks of private market disruption, and ultimately safeguarded the more extensive coverage available for those with access to private insurance plans (which cover a much broader range of medications than what is available under the provincial formulary).

Similarly, Quebec's RAMQ program ensures that all Quebec residents have access to prescription drug coverage by requiring those eligible to join private insurance plans (e.g., group insurance or employee benefit plans) and otherwise providing coverage through the Public Prescription Drug Insurance Plan for those without access to a private plan. This program's success lies in leveraging existing private market coverage, with a public program available to fill in gaps, ultimately ensuring prescription drug coverage for all Quebecers.

In developing policy recommendations for a provincial portable benefits program, we encourage the Advisory Panel to draw on these best practices with respect to filling coverage gaps, leveraging existing programs and services, and championing inclusive, sustainable solutions through complementary public and private options.

Conclusion

The development of a portable benefits program for Ontario workers will play a critical role in shaping the future of work in this province by helping to create a more equitable, productive, and competitive labour market, fostering innovation and entrepreneurship, protecting the health and wellbeing of all workers, and safeguarding capacity in our health care system.

Thank you for the opportunity to provide input toward the development of a portable benefits program in Ontario. The OCC and our members look forward to ongoing opportunities to support workforce development and innovation in the province.

Sincerely,



Rocco Rossi
President and CEO
Ontario Chamber of Commerce