

Providing Services Across
Financial Services Sectors[Insurance](#) [Pensions](#) [Hearings & Decisions](#) [Licensing & Registration](#) [Who We Regulate](#) [About FSCO](#) [Publications](#)[Home](#) > [Publications](#) > [Bulletins](#) > [Property and Casualty - Auto Bulletins](#) > Best Practices for Preferred Provider Networks (PPNs)Text size: [+](#) [-](#)[Property and Casualty - Auto Bulletins](#)[Pension Bulletins](#)[Monitoring and Enforcement Bulletins](#)[Licensing Changes Bulletins](#)[Bulletins by Sector](#)

Bulletin

No. A- 08/06
Property & Casualty
– Auto

Best Practices for Preferred Provider Networks (PPNs)

To the attention of all insurance companies licensed to transact automobile insurance in Ontario, Health Care Providers participating in a PPN, and Accident Benefit Claimants

The Financial Services Commission of Ontario (FSCO) is recommending best practices in dealing with the provision of medical treatment delivered by means of an insurer's Preferred Provider Network (PPN). The Insurance Act does not prohibit or promote the use of PPNs in the delivery of medical and rehabilitation benefits. This bulletin reflects best practices that presently exist in the insurance industry. FSCO recognizes that the development and promotion of PPNs is an evolving area. FSCO will continue to monitor PPNs on an ongoing basis, in order to address issues surrounding consumer protection.

Definition

Preferred Provider Networks (PPNs) consist of groups of insurer-selected health care providers who deliver programs of care to claimants who have sustained certain types of injuries in a motor vehicle accident. PPNs are generally characterized by one or more of the following:

- They involve a contractual relationship between the insurer and the health practitioner, often including pre-arranged prices for service.
- The claimant's participation in the PPN will result from an insurer's referral.
- In most instances, the treatment provided by a PPN is pre-approved by the insurer, or the insurer may have set a cap on the cost or number of weeks of treatment, subject to the minimum requirements set out in the SABS.

Best Practices

NOTE: The bulletins posted on this website are provided for historical reference.

Information contained in the bulletins is accurate on the date published, but is subject to change and may have been superseded by a later bulletin. Users should verify the information before making decisions or acting upon it.

The bulletins posted may contain forms that are no longer current. For the current version of any FSCO form, please visit the [forms area](#) of this website.

Disclosure

It is recognised that PPNs can create a conflict of interest between the insurer and the PPN, as defined in the SABS, therefore:

- Insurers have an obligation to disclose the nature of their arrangement with the PPN, prior to obtaining the claimant's consent to be involved with a PPN for treatment.
- Insurers have an obligation to disclose information about the nature and amount of services the claimant can expect to receive under any treatment program that is pre-approved, as well as what their rights and responsibilities are with respect to further treatment from the provider following the pre-approved period.
- Insurers should disclose the claimant's right to choose a different service provider.
- The disclosure should include any remuneration paid to the PPN.
- The insurer's disclosure to the claimant should be evidenced in writing.
- All health professionals providing services under a PPN retain all professional and fiduciary responsibilities in relation to the care of their patients, and are obligated to disclose any conflict of interest.

Consent

- Insurers should inform the claimant that their participation in a PPN is completely voluntary and if they choose not to participate their entitlement to accident benefits under the SABS is not affected.
- Insurers should inform the claimant of their options under the SABS, if they choose not to participate in the PPN, including their right to choose their own service provider.
- The claimant may withdraw from a program of care with a PPN at any time, without penalty, and continues to be entitled to their full benefits in accordance with the SABS.
- An assessment performed by a PPN should be conducted in accordance with the requirements set out in the SABS.
- The claimant's consent to participate in the PPN should be documented in writing.

Service Delivery

- If the claimant is being treated by a PPN, insurers must ensure that the services provided by the PPN meet a level that is equal to, or greater than, that care prescribed in the SABS or a Pre-approved Framework (PAF) Guideline under the SABS.
- There is an expectation that participation in a PPN will result in improved service for the claimant.
- The health professional supplying a program of care through a PPN has a continued fiduciary duty to their patient and must disclose any conflict of interest to the claimant, including ensuring that the claimant is aware that participation in the program is voluntary.
- The claimant should be informed that they are encouraged to benefit from the experience and knowledge of their primary care provider.
- The health services provided at a PPN should be based on the best available scientific information on the treatment of the injuries covered and should be subject to ongoing recurring third party review of the quality of care provided.
- A PPN should provide a means for objective measurement of patient satisfaction with the services provided.

Documentation

- The insurer and the PPN must ensure that all mandatory forms as set out in the SABS are completed and delivered as required under the SABS.

PPNs Not Exempt from Legislation

- Insurers and health care providers are reminded that participation in a PPN does not create any exemption from the requirements of applicable laws, including the Insurance Act and the SABS, and that compliance with these requirements continues to be mandatory.

This best practices bulletin has been created as an advisory tool for the industry. FSCO's expectation is that the insurance industry will exercise due diligence to comply with all provisions of the SABS.

Bob Christie
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December 11, 2006

Page: 5380 Find page:

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Last Modified: 12/11/2006 2:33:09 PM



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