

CUPE GROUP BENEFITS TRUST COMMITTEE
MEETING SUMMARY
December 9, 2020



Welcome: CUPE Local 1775 had a change of Trustee. We welcomed Sheila Sentner to trusteeship. We thank John Doucette for his services as a Trustee.

Review of Renewal Analysis: Mercer Representatives: Marie Leslie and Michael Horne presented the renewal analysis. This year was a bit of an anomaly due to COVID-19 causing the shutdown of Health and Dental services for roughly three months in the spring. The Trustees proceeded cautiously when decreasing rates due this anomaly disrupting normal usage of the plan.

April 2021 proposed rates are as follows: a 7.8% increase in Long Term Disability, a 4.9% increase in Basic Life, a 4.9 % for Dependent Life. Travel Insurance will have no change. Dental will have a decrease of 3.5% and Health will have a decrease of 2%.

❖ **Health:** Health rate will have a **2% decrease** per month

Split the below number in half as it is cost shared with the Employer 50%

	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021
Health 12 month Rates Single	\$104.64	\$125.88	\$134.06	\$140.09	\$145.42	\$142.51
Health 12 month Rates Family	\$243.86	\$293.36	\$312.43	\$326.49	\$338.90	\$332.12
Health 10 month Rates Single	\$125.57	\$151.06	\$160.87	\$168.11	-----	-----
Health 11 month Rates Single	Implemented September 2019			\$152.83*	\$158.64*	\$155.46
Health 10 month Rates Family	\$292.63	\$352.03	\$374.92	\$391.79	-----	-----
Health 11 month Rates Family	Implemented September 2019			\$356.17*	\$369.71*	\$362.31

*Ten Month Employees began paying premium over 11 months (22 pays versus 20 pays) in September '19

HEALTH 12 MONTH EMPLOYEES (over 24 pays)

Single	\$2.91 decrease	Cost Shared with the Employer→	\$1.46 decrease per member	\$0.73 per pay
Family	\$6.78 decrease	Cost Shared with the Employer→	\$3.39 decrease per member	\$1.70 per pay

HEALTH 10 MONTH EMPLOYEES (over 22 pays)

Single	\$3.18 decrease	Cost Shared with the Employer→	\$1.59 decrease per member	\$0.80 per pay
Family	\$7.40 decrease	Cost Shared with the Employer→	\$3.70 decrease per member	\$1.85 per pay

HEALTH USAGE VS PREDICATION

	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021
Health claims paid	\$1,872,337	\$1,928,728	\$2,042,356	\$2,449,522	\$2,213,832	-----
Health claim usage predication	\$1,671,606	\$1,980,717	\$2,093,064	\$2,171,517	\$2,312,826	\$2,346,661

- ❖ **Dental:** The Dental rate will have a **3.5% decrease** per month.

Split the below number in half as it is cost shared with the Employer 50%

	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021
Dental 12 month Rates Single	\$43.00	\$43.00	\$43.86	\$45.00	\$45.00	\$43.43
Dental 12 month Rates Family	\$90.71	\$90.71	\$92.52	\$94.93	\$94.93	\$91.61
Dental 10 month Rates Single	\$51.60	\$51.60	\$52.63	\$54.00	-----	-----
Dental 11 month Rates Single	Implemented September 2019			\$49.09*	\$49.09*	\$47.37*
Dental 10 month rates Family	\$108.85	\$108.85	\$110.24	\$113.92	-----	-----
Dental 11 month rates Family	Implemented September 2019			\$103.56*	\$103.56*	\$99.04*

*Ten Month Employees began paying premium over 11 months (22 pays versus 20 pays) in September '19.

DENTAL 12 MONTH EMPLOYEES (over 24 pays)

Single	\$1.57 decrease	Cost Shared with the Employer→	\$0.79 decrease per member	\$0.39 per pay
Family	\$3.32 decrease	Cost Shared with the Employer→	\$1.66 decrease per member	\$0.83 per pay

DENTAL 10 MONTH EMPLOYEES (over 22 pays)

Single	\$1.72 decrease	Cost Shared with the Employer→	\$0.86 decrease per member	\$0.43 per pay
Family	\$4.52 decrease	Cost Shared with the Employer→	\$2.26 decrease per member	\$1.13 per pay

DENTAL USAGE VS PREDICATION

	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021
Dental claims paid	\$610,553	\$626,620	\$663,727	\$688,290	\$689,663	-----
Dental claim usage predication	\$636,343	\$641,081	\$664,217	\$703,551	\$722,705	\$724,147

- ❖ **LTD:** There will be a **7.8% increase** in the LTD rate.
LTD is currently 3.40% (cost shared with Employer).
It will change to 3.67% (cost shared with Employer).
As of December 2020, there are 27 LTD Claimants

LTD CHARGES VS PREMIUMS

	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020
LTD charges	\$4,346,771	\$4,923,342	\$4,154,655	\$3,964,425	\$4,256,013
LTD premiums	\$4,599,758	\$4,963,703	\$4,087,695	\$4,472,705	\$4,257,424
Rate adjustment for following calendar year	11.6% Increase	No Change	4.2% Increase	5% Decrease	7.8% Increase

- ❖ **Travel Insurance:** Will have no change to the rate

❖ **Basic Life and Dependent Life:** Both will see a **4.9% increase** per month.

	Year 2020	Year 2021		Year 2020	Year 2021
Basic Life 12 months	\$0.391	\$0.410	Dependent Life 12 months	\$2.08	\$2.18
Basic Life 11 months	\$0.426*	\$0.447*	Dependent Life 11 months	\$2.27*	\$2.38*

***Ten Month Employees began paying premium over 11 months (22 pays versus 20 pays) in September '19**

Health and Dental Financial Position

An estimated surplus as of September 30, 2020 of \$377,312.

Critical Illness Insurance:

Critical illness insurance offers an Employee financial security when illness puts savings and assets at risk. In November 2020, Employees should have received at their home address, information and an application form to purchase optional critical illness insurance for themselves or their spouse.

- Employees and their spouses can apply for coverage in units of \$10,000 up to a maximum of \$250,000.
- There will be a onetime open enrolment period for an Employee and their spouse, where medical evidence is not required for purchases of units of \$10,000 up to \$50,000. This open enrollment will run from **January 1, 2021 to January 31, 2021**.
- Applying for coverage after January 31, 2021 will require medical evidence of insurability.
- Coverage over \$50,000 up to a maximum of \$250,000 would require medical evidence of insurability.
- Rates based on the age, gender and smoker status of the individual.
- Critical illness insurance provides a lump sum payment to individuals who are recovering from a life-altering illness. The payment is tax-free and can be used for a variety of expenses such as private nursing, modifications to home or even childcare costs.
- The program covers twenty-five specific critical illness, with each conditions having specific criteria that must be met in order to qualify for the benefit. The lump sum benefit is paid from the date of diagnosis for most covered conditions; however, a few conditions have a survival period.
- The plan does not cover any cancer diagnosed within the first 90 days of coverage for critical illness.
- The plan does not cover for Parkinson’s disease and Parkinson’s Disorders within the first year of coverage for critical illness.
- The plan does not cover for benign brain tumors with the first 90 days of coverage of critical illness.
- Coverage that has not been medically underwritten is subject to a pre-existing condition limitation, which applies during the first 2 years of coverage. Conditions for which the person obtained medical care in the 24 months before insured may be excluded.
- This insurance **would not** be cost shared with the Employer.
- Optional critical illness insurance benefit will be effective **February 1, 2021**.

Members' Concerns:

Concerns addressed by the Trustees and Mercer Rep.

- **Lawton's Discount Form:** The application form to receive discounts at Lawton's drugstores and to receive prescription for a co-pay of \$4.50 at Lawton's and Sobeys drugstores was outdated. The MHCSI office had moved and there was an incorrect mailing addressed. An updated application form has been shared with Local Presidents to distribute to their members.
- **Mastectomy Bras:** A member has requested that we consider adding the standard insurance coverage of the cost of two mastectomy bras per calendar year, as our plan covered none. It was motioned and discussed that the cost of two mastectomy bras would be covered under the CUPE Health plan effective September 1, 2020 as it had minimum cost associated with the addition.
- **Lymphedema Compression Sleeves and Vest:** A member inquired if these compression items were covered under our plan. The CUPE health plan provides coverage for pressure supports at 100% of a reasonable amount at \$600 (custom-made compression garments) prescribed for lymphedema, when they are custom-made or off the shelf with a minimum graduated compression factor range of 15 mmHg. Claims submitted to Canada Life for a pressure support must include the following:
 1. A physician's prescription
 2. The patient's medical condition and
 3. The pressure support must either be described as custom-made or provide a compression factor, the example, 15-20 mmHg.
- **PSGIP Benefits Card:** A member called Canada Life to request a replacement benefits card. They were provide incorrect information. Once the correct party was contacted, a replacement card was issued.

The date of the next meeting should be April 14, 2021.

If you have any concerns then please contact your Local Trustee.

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