Benefits Bulletin: 2020 Update

Group Insurance Renewal 2020

At its meeting on March 12, 2020, the Board of Regents approved a recommendation of the University Benefits Committee that the group insurance plans be renewed for the policy year beginning April 1, 2020, at the rates shown below. The plans are being renewed with no change in benefit levels.

New Bi-Weekly Benefit Rates for 2020–2021

The following rate schedule is effective April 1, 2020, however, a blended rate will apply for the April 9, 2020 pay-period only. For a more detailed explanation of coverage, please refer to the Employee Benefits Guide at http://www.mun.ca/hr/services/benefits/group.php.

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Rate Change</th>
<th>Employee Rate ($)</th>
<th>University Rate ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health - Single</td>
<td>5%</td>
<td>6.89</td>
<td>31.37</td>
</tr>
<tr>
<td></td>
<td>- Family</td>
<td>20.48</td>
<td>93.30</td>
</tr>
<tr>
<td>Dental - Single</td>
<td>n/a</td>
<td>7.22</td>
<td>10.84</td>
</tr>
<tr>
<td></td>
<td>- Family</td>
<td>13.23</td>
<td>19.84</td>
</tr>
<tr>
<td>Travel - Single</td>
<td>-5%</td>
<td>0.59</td>
<td>2.68</td>
</tr>
<tr>
<td></td>
<td>- Family</td>
<td>1.02</td>
<td>4.64</td>
</tr>
<tr>
<td>Basic Life</td>
<td>n/a</td>
<td>0.012 / 1,000</td>
<td>0.06 / 1,000</td>
</tr>
<tr>
<td>Optional Life</td>
<td>n/a</td>
<td>0.95 / 10,000</td>
<td>--</td>
</tr>
<tr>
<td>Dependent Life</td>
<td>4.4%</td>
<td>0.11</td>
<td>0.32</td>
</tr>
<tr>
<td>AD&amp;D - basic</td>
<td>n/a</td>
<td>--</td>
<td>0.20</td>
</tr>
<tr>
<td></td>
<td>- optional</td>
<td>0.057 / 10,000</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>- voluntary (S)</td>
<td>0.067 / 10,000</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>(F)</td>
<td>0.114 / 10,000</td>
<td>--</td>
</tr>
<tr>
<td>Long Term Disability</td>
<td>-12.3%</td>
<td>0.02182 times bi-weekly</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td></td>
<td>salary to maximum of $117.80</td>
<td></td>
</tr>
</tbody>
</table>

Other Benefits to Remember:

- The Special Authorization Appeals Subcommittee is available to you if you wish to appeal a decision of Medavie Blue Cross denying coverage of a “Special Authorization Drug”.
- The Employee Assistance Program provided by Morneau Shepell offers a comprehensive and confidential suite of services to Memorial’s employees, retirees and family members at no cost, 24 hours a day, seven days a week.
- Benefits and pension continuation for periods of approved leave in excess of 30 days is optional, including maternity/parental/adoption leave. (Exception: NAPE 7850 employees need to refer to their collective agreement for conditions applicable to maternity/parental/adoption leave).
- Employees travelling for longer than 180 days for work related reasons may request an Extension of Travel Health Insurance Coverage.
- Download the Medavie Mobile App.
Rate Changes and the Financial Positions of the Group Insurance Plans

Health and Dental

Memorial’s health and dental plans are administered by Medavie Blue Cross on an “Administrative Services Only” basis. This means that the plans are self-insured under an arrangement whereby Memorial and plan members are responsible for deficits as they arise and, in a similar fashion, they are the beneficiaries of surpluses that might accumulate.

Experience under both the health and dental plans remained positive for the past year as the level of premium contributed was slightly higher than the total of claims plus expenses paid. Even though the health plan ended the year with a small surplus, total claims experience was higher than expected owing in large part to a 10.4 per cent increase in prescription drug costs and a 5.3 per cent increase in paramedical costs. These two categories represent approximately 85 per cent of all health claims paid. Upward pressures on drug costs can be expected to continue and this will likely have a significant role to play in the future management and sustainability of the plan. Dental plan experience was in line with expectations.

The level of accumulated surplus in each of the plans is considered sufficient to mitigate future adverse experience as potential deficits would be paid using surplus rather than through an additional rate increase. Surplus may also be used to limit the amount of rate increase requested by Blue Cross in any particular year.

When recommending rate adjustments in the health and dental plans, the University Benefits Committee takes into consideration the level of surplus in each plan and the expected cost increases for the upcoming year. Where warranted, surplus will be used to offset rate adjustments. Given the level of surplus currently retained in the plans, the Committee has recommended rate adjustments for the 2020/21 fiscal year that are lower than those requested by Medavie Blue Cross. Medavie has accepted these lower rates.

Travel Health

The travel health plan provided by SSQ Insurance is a fully insured plan with rates determined based upon the experience of the plan as a whole. The prior year’s travel health experience was positive with a loss ratio of 59 per cent. The travel health rate has been reduced by 5 per cent for 2020/21.

Basic Life

The basic life plan is underwritten on a refund basis which means that any surplus generated is available to the plan to stabilize rates in the event that a deficit emerges. Deficits, however, must be paid. In the prior year, claims exceeded the level of premium contributed and the basic life plan incurred a deficit. As rates are determined based upon the previous five years of plan experience and deficit repayment, a rate increase was initially required. The basic life plan had sufficient accumulated surplus from prior years, however, and a rate increase was avoided for the 2020-21 policy year.

Dependent and Optional Life (Employee Only and Spousal/Dependent Child)

The dependent and optional life plans are fully insured plans with Manulife Financial and therefore have no provision for surplus or deficit accounting. A rate increase of 4.4 per cent is required for the dependent life plan. No rate change is necessary for the optional life insurance plans.
**Accidental Death and Dismemberment (AD&D)**

The AD&D plans are fully insured plans provided by SSQ Insurance. No rate changes are necessary for the AD&D plans.

**Long Term Disability (LTD)**

The LTD plan is also administered by Manulife Financial on a refund accounting basis and is five-year experience rated. Unlike other group insurance plans, experience under an LTD plan can be significantly more volatile from one year to the next. The incidence of claims in any particular year and past experience is not necessarily an indicator of what the next year may hold as experience can vary greatly depending on the number and nature of individual claims. Considering the past five years of LTD experience, the plan generated annual operating surpluses in the past three years and deficits in the remaining two.

<table>
<thead>
<tr>
<th>Accounting Period End Date</th>
<th>Surplus/(Deficit) $</th>
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<tbody>
<tr>
<td>July 31, 2019</td>
<td>1,701,388</td>
</tr>
<tr>
<td>July 31, 2018</td>
<td>2,653,850</td>
</tr>
<tr>
<td>July 31, 2017</td>
<td>1,098,900</td>
</tr>
<tr>
<td>July 31, 2016</td>
<td>(863,500)</td>
</tr>
<tr>
<td>July 31, 2015</td>
<td>(598,600)</td>
</tr>
</tbody>
</table>

This volatility will affect the financial position of the plan as well as its rating. Given the overall positive experience of the plan over the past five years, Manulife has recommended a 12.3 per cent reduction in the rate. The surplus that has accumulated in the plan will be retained to mitigate any future experience losses in an effort to stabilize rates as has been done in the past.

**What is the University Benefits Committee?**

The University Benefits Committee is a committee of the Board of Regents and is chaired by a Board member. It is the mechanism by which employees and retirees provide input into the operation of the University’s group insurance plans. Represented on the committee are all stakeholder groups including CUPE, NAPE, MUNFA, non-bargaining and management employees and retirees. The key responsibilities and objectives of the Committee are:

1. To offer advice and information to the Board so that the Board may be able to provide, within its financial limitations, adequate benefit plans for its employees and pensioners.
2. To monitor the experience of the benefit plans and make recommendations to the Board for their improved administration.
3. To advise and make recommendations to the Board in respect of proposed new benefit plans or in respect of proposed revisions to existing plans.
4. To issue periodic reports to employees on the status of the benefit plans.

The Committee’s terms of reference may be found here: [https://www.mun.ca/regents/about/committees/benefits.php](https://www.mun.ca/regents/about/committees/benefits.php)
### Health and Benefits Snapshot (past year)

#### Employee and Family Assistance Program
- Top programs and services available:
  1. Personal counselling
  2. Legal
  3. Financial
  4. Health and well being
  5. Child/youth care
- Utilization Rate: 16.9%

#### Health Care
- Top extended health claims:
  1. Vision: $776k
  2. Massage: $569k
  3. Physiotherapy: $461k
  4. Chiropractic: $259k
- 71%: of total health spend is on prescription drugs ($8.1 million)
- Health claims paid $11.4 million

#### Life Insurance and LTD
- Top Disease States:
  1. Mental Health (28%)
  2. Musculoskeletal (19%)
  3. Cancer (7%)
- 55%: increase in basic life insurance claims over the prior year
- 14%: reduction in LTD claims over the prior year

#### Dental Care
- Tip: Prior to any major dental work being commenced, request a predetermination
- 87%: of total dental spend is on basic services

#### Health and Benefit Snapshot
- Dental claims paid $3.7 million

### Health Corner: What is Diabetes?

Diabetes is a chronic condition where, in some people, the pancreas that makes insulin does not work as efficiently as it should, and sometimes it does not make the insulin that you need. Insulin is a hormone that regulates the amount of glucose in your blood. There are two types of diabetes: Type 1 and Type 2.

#### Type 1 Diabetes
- Known as insulin-dependent diabetes, where the pancreas produces little or no insulin
- 10-15% of people with diabetes have Type 1

#### Type 2 Diabetes
- The body either resists the effects of insulin, or does not produce enough insulin to maintain normal glucose levels

### Symptoms
- **Type 1 Diabetes**: increased thirst, frequent urination, extreme hunger, unintended weight loss, irritability, fatigue, blurred vision
- **Type 2 Diabetes**: symptoms are similar to Type 1 diabetes, along with slow-healing sores, frequent infections, and areas of darkened skin (armpits and neck)

### Treatment
- **Type 1 Diabetes**: taking insulin; carbohydrate, fat and protein counting; blood monitoring; healthy eating habits; and maintaining a healthy weight
- **Type 2 Diabetes**: weight loss, healthy eating, exercise, medication or insulin therapy, blood sugar monitoring

### Managing Type 2 Diabetes
- Uncontrolled diabetes can result in other serious medical complications, such as:
  - High blood pressure
  - High cholesterol
  - Heart disease and stroke
  - Depression
  - Eye, nerve and kidney damage
  - Infections

### My EAP mobile app
- You’ve got support anytime, anywhere with MY EAP app
- NEW ON MY EAP
  - Improved access to support
  - Financial Wellness Score Assessment
  - Now available in Spanish

### Reminder
- your EAP provider Shepell can provide you access and assistance to many more resources including professional counselling, health coaching, nutritional and fitness supports, smoking cessation and more.

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