

DATE: April 9, 2009

TO: Retirees and Survivor Beneficiaries of Memorial University of Newfoundland

FROM: Glen Roberts, Manager of Benefits and Pensions

**SUBJECT: Group Benefits Renewal, Effective April 1, 2009  
Health, Dental, and Basic Life Insurance Plan Improvements**

---

Following a review of the financial experience of the University's group benefit plans for the period ended August 31, 2008 (July 31, 2008 for the Supplementary Health and Dental Plans), the Board of Regents, upon the recommendation of the Employee Benefits Committee, approved the renewal of the plans, for the policy year beginning April 1, 2009, as follows:

- Basic Life insurance plan at a 25.3% reduction in the unit rate per \$1,000 of coverage;
- Supplementary Health plan at a 12.2% rate increase;
- WorldWide Travel Assistance plan at the existing rate;
- Dental plan at rate increases of 9.8% for single coverage and 10.9% for family coverage; and,

In addition, the Board approved the following enhancements to the benefit schedules under the health, dental and basic life plans, effective April 1, 2009:

1) **2008 Dental Fee Guide**

The fee schedule under the dental plan has been advanced to the **2008 Newfoundland Dental Society Fee Guide**. The financial position of the dental plan allows this improvement to be implemented with no change in the dental rate.

Prior to April 1, 2009, dental plan expenses were reimbursed based upon the 2007 Newfoundland Dental Society Fee Guide.

2) **Major Restorative Dental Services**

The second tier in dental coverage, **major restorative services**, has been added to the dental plan and will provide reimbursement at a rate of 70% of the eligible expense to a maximum of \$1,000 per participant per calendar year. A schedule of major restorative coverage is attached.

This improvement is being cost-shared 50/50 from dental plan surplus and an increase in the dental rate of 9.8% for single coverage and 10.9% for family coverage.

3) **Hearing Aid Maximum Increased to \$1,000 per Ear**

The hearing aid maximum has been improved to provide 80% reimbursement of the cost of hearing aids (excluding batteries and exams) to a maximum of **\$1,000 per ear per participant in any 24 consecutive months**, when prescribed by an otolaryngologist, otologist, and/or recommended by a registered audiologist. This improvement is being cost-shared 50/50 from health plan surplus and an increase in the health rate (included in health rate increase shown above).

Prior to April 1, 2009, the maximum reimbursement for hearing aids was \$400 per participant in any 24 consecutive months.

4) **Basic Life Coverage Increased to \$5,000 and \$40,000**

Coverage under the basic life insurance plan has been increased as follows:

Classification by Status / Age	Term Life Coverage	
	Before April 1, 2009 (\$)	Effective April 1, 2009 (\$)
Retirees under age 65	30,000	<b>40,000</b>
Retirees between age 65 and 72	2,000	<b>5,000</b>

Due to the positive financial experience of the basic life plan during the policy year, these improvements can be implemented with only slight changes to the rate structure. While the rate for each \$1,000 unit of basic life insurance coverage has decreased, bi-weekly premium rates remain relatively close to pre-renewal levels as a result of additional units of coverage being added to the plan.

### **Implementation of Plan Improvements**

The improvements to the health, dental and basic life plans are effective April 1, 2009, however, it is possible that some people may receive reimbursement under the health and dental plans based upon the previous benefit schedules (2007 dental fee guide and former hearing aid benefit) if claims are submitted within a week to ten days of April 1, 2009 for services rendered on or after April 1, 2009. This is due to normal timing delays associated with updating the Blue Cross adjudication system. Retirees who are reimbursed based upon the previous benefit schedules may re-submit their claims to Blue Cross for adjustment to reflect the revised coverage.

### **Changes in Deductions**

A revised statement of monthly deductions for group benefits is attached. These deductions are effective April 1, 2009 to coincide with the policy renewal period.

The health and dental plan changes outlined above highlight areas of particular plan improvement and do not provide all information governing the respective benefit provisions. For further information on the University's Group Benefits Program, please refer to our Group Benefits Guide, located on the Human Resources website at: <http://www.mun.ca/humanres/retirees/> or contact the Benefits and Pensions office at 737-7406 or by e-mail at [pensions@mun.ca](mailto:pensions@mun.ca).

---

Enclosures

## Post-Retirement Group Benefits

### Current Cost-Sharing Arrangement

Retirees: 50%

University: 50%

### Monthly Rates Effective April 1, 2009

---

---

<b>Benefit</b>	<b>Retiree</b>	<b>University</b>
Life Insurance		
\$40,000	\$3.87	\$3.87
5,000	0.48	0.48
Health		
Single	34.03	34.03
Family	101.21	101.21
WorldWide Travel		
Single	1.53	1.53
Family	2.49	2.50
Dental		
Single	12.48	12.49
Family	22.85	22.86

## **Major Restorative Services**

### **Extensive Restorative Procedures**

#### Inlay and Onlay Restorations

##### Inlays and onlays

- metal
- composite
- porcelain/ceramic

##### Retentive posts (for crowns)

- cast metal
- prefabricated

##### Indirect overdenture restorative services

- metal cast coping crown with or without attachment

#### Crowns

- acrylic/composite
- porcelain/ceramic
- cast metal

##### Crown made to an existing partial denture clasp

##### Metal/plastic transfer copings

##### Laboratory processed veneers

- plastic
- porcelain/ceramic

### **Prosthetic Services – Removable**

#### Complete Dentures (limited to one complete upper and one complete lower denture in any five Consecutive Calendar Years)

- standard
- equilibrated
- gnathological
- overdenture

#### Transitional Dentures (limited to one upper and one lower in any Five Consecutive Calendar Years)

#### Partial Dentures (limited to one upper and one lower in any Five Consecutive Calendar Years)

##### Acrylic

- without clasp
- with resilient clasps
- with metal wrought/cast clasp and/or rests
- with metal wrought palatal/lingual bar and clasp and/or rests
- overdenture with cast/wrought clasps and/or rests

##### Cast with acrylic base

- free end with cast frame connector, clasp and rests
- free end with swing lock/connector
- tooth borne with cast frame connector, clasp and rests
- cast with precision attachments
- cast with semi-precision attachments
- cast with stress breaker attachments
- cast, overdenture, removable

## **Prosthodontic Services – Fixed Bridge**

### Pontics

- cast metal
- porcelain/ceramic
- acrylic/composite
- natural tooth

### Abutments

- acrylic/composite
- porcelain/ceramic
- porcelain fused to metal
- cast metal
- metal,  $\frac{3}{4}$  cast

### Other Fixed Prosthetic Services

- abutment preparation under existing partial denture clasp
- telescoping crown unit
- fixed porcelain prosthesis to replace a substantial portion of the alveolar process
- splinting, for extensive or complicated restorative dentistry
- retentive pins
- provisional coverage (in extensive or complicated restorative dentistry)