

# ASEBP Trustees' Report

Volume 28-20 No. 04 May 2020

## Highlights of the May 14, 2020, Trustees' Meeting

### 1. COVID-19 Update

- The chief executive officer reported that day-to-day operations continue to fully support covered members and employer groups
- Despite recent investment losses, the Plan is financially sound. This means the subsidized premium rates that the ASEBP Trustees approved in April will go ahead as planned for September 1, 2020. Instead of an 11.9% increase (which, based on claims experience, would be break-even), the increase will be limited to 4.7% for 2020-21
- The ASEBP Trustees are monitoring claims and premiums. While claims have decreased due to mandated clinic closures, health practitioners are starting to re-open, which may lead to an increase in claims. Experience will continue to be monitored and should claims be significantly lower than usual, the ASEBP Trustees will consider cost relief measures. It is important to note that plan maximums are based on a full year while premiums are also annualized. As a Health and Welfare Trust, ASEBP operates on a not-for-profit basis, with any gains/losses shared across the pool
- The ASEBP Trustees reviewed risks impacted by COVID-19 and related mitigation plans

#### ASEBP TRUSTEES


Drew Chipman, Chair  
Fred Kreiner, Vice-Chair  
Holly Bilton  
Chad Bowie  
Evelyn Chan  
Arlene Hrynyk  
Doug Lerke  
Shirene Napier  
Kim Pasula  
Daryl Scott

#### CHIEF EXECUTIVE OFFICER

Kelli Littlechilds

### 2. Plan Design – First Reading (for January 1, 2021)

- The ASEBP Trustees are constantly striving for value; balancing plan benefits and the cost of investing in the current and future health of covered members. They are sensitive to participant needs and stakeholder concerns, as well as the impact of changing medical, dental, pharmaceutical and other practices, in addition to changes to the health care system. The ASEBP Trustees are also cognizant of plan utilization, statutory or regulatory requirements and market conditions (i.e. competition from other benefit providers and fiscal constraints)
- The ASEBP Trustees gave **initial approval** (first reading) to a number of plan design changes effective **January 1, 2021**
- **Extended Disability Benefits (EDB)**
  - The pre-existing condition clause will not apply to covered members returning to work and re-enrolling in EDB:
    - After statutory maternity/parental leave
    - After a break in employment of no more than 90 calendar days, whether with the same employer or another ASEBP-participating employer (currently only allowed when the break is due to layoff and the covered member returns to the same employer)
  - The definition of total disability will be changed:
    - To clarify that during the elimination period, the employee must be unable to perform the “material and substantial” duties of the employee’s normal occupation (currently only refers to duties of the employee’s normal occupation; “material and substantial” is used in the two-year, own occupation definition of total disability)

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- To remove the clause extending the two-year, own occupation period of total disability to the next August 31 or January 31, as current return-to-work practices have evolved and these dates are no longer required
  - Annual income documentation will be required for purposes of determining ongoing benefit payments (currently an ad-hoc approach)
  - A more defined pre-approval requirement will be introduced for disability recipients who plan to be out of the country for more than 180 days
  - Making false representations for the purpose of obtaining and/or maintaining benefits will result in suspension of payments
  - Cost-of-living adjustments (COLA) for Rehabilitation Employment participants will be determined under the ad-hoc program in place for other EDB recipients (currently subject to periodic changes tied to the Alberta Consumer Price Index)
  - A housekeeping change will remove legacy wording that is no longer relevant within the re-occurrence clause; the wording makes reference to rehabilitation employment outside the Rehabilitation Employment Program (the wording predates introduction of that program)
  - **Extended Health Care**
    - New limitations on transcutaneous electrical nerve stimulation (TENS) machines and neuromuscular stimulators will be introduced so that \$150 is available every three years (the overall \$300 lifetime maximum for all rehabilitation equipment will remain in place)
    - Coverage for children who need prosthetic limbs will no longer be subject to the frequency limitation of having one replacement every three years (the \$15,000 per limb maximum will remain in place)
    - The following will be added to the hearing aid benefit (the \$3,000 combined maximum every three years will remain in place):
      - Hearing tests to a maximum of \$70 every three years
      - Purchase of batteries required for surgically-implanted hearing devices such as cochlear implants
  - **Multiple benefits**
    - The maximum benefits coverage period during a temporary layoff will be extended from 90 days to 180 days
  - **Please note** that final approval (second reading) is required and changes may occur between readings



The ASEBP Trustees' Report provides an overview of topics discussed at all ASEBP Trustees' Meetings. These meetings provide the opportunity for ASEBP Trustees to come together to discuss matters of importance at ASEBP—from the financial health of the benefit plan to the introduction of new benefits and programs. While all information in each report is an accurate account of decisions made at the meetings, there can be changes that occur between first and second readings of certain topics, which may result in differences between their reporting.

To learn more about the ASEBP Trustees, please visit the Governance page, found in the About section of our website, [asebp.ca](http://asebp.ca).



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