

## Highlights of the February 18, 2022, Trustees' Meeting

### 1. PLAN DESIGN – FIRST READING

- The ASEBP Trustees recognize the importance of supporting the health journey of the public education sector in Alberta. The Trustees are constantly striving for value and to make balanced decisions about plan benefits and the cost of investing in the current and future health of covered members.
  - The ASEBP Trustees gave **initial approval** (first reading) to the following Extended Health Care changes effective January 1, 2023:
    - **Drug management strategy:** Changes to how ASEBP manages its Drug Benefit List will mean increased savings while improving the experience covered members have when seeking approval through special authorization. Additional savings are expected through an expanded generic drug pricing policy.
    - **Psychology benefit:** Counsellors will be added as eligible providers, recognizing the need for expanded mental health supports. ASEBP's website, [asebp.ca](http://asebp.ca), will detail the criteria for counsellors to be considered eligible providers once this change is in effect. Reimbursement limits will also be changed:
      - \$180 per treatment for a psychologist, a provisional psychologist, or a person holding a Master of Social Work degree.
      - \$120 per treatment for a counsellor.
      - \$300 per assessment.The calendar year maximums for psychology benefits will remain at their current levels.
  - **Air purifiers:** Air purifiers will no longer be covered.
  - **Splints:** Splints will be added to the canes, crutches, walkers, casts, and cervical collars benefit. Each category has a \$40 maximum, and a combined maximum of \$100 per calendar year also applies.
- Please **note** that final approval (second reading) is required, and changes may occur between readings.

### 2. PREMIUM RATES – FIRST READING

- The ASEBP Trustees gave **initial approval** (first reading) to September 1, 2022, premium rates. Instead of a 13.2% increase (which, based on claims experience, would be break-even), the ASEBP Trustees have limited the base increase to 7.7% for 2022-23. Here are the premium rate changes by plan:
  - Life Insurance: no change
  - Accidental Death & Dismemberment Insurance: no change

#### ASEBP TRUSTEES

Drew Chipman, Chair  
James Gerun, Vice-Chair  
Evelyn Chan  
Doug Lerke  
Judy Muir  
Shirene Napier  
Kim Pasula  
Daryl Scott  
Natashya Shewchuk  
Brad Toone

#### CHIEF EXECUTIVE OFFICER

Kelli Littlechilds



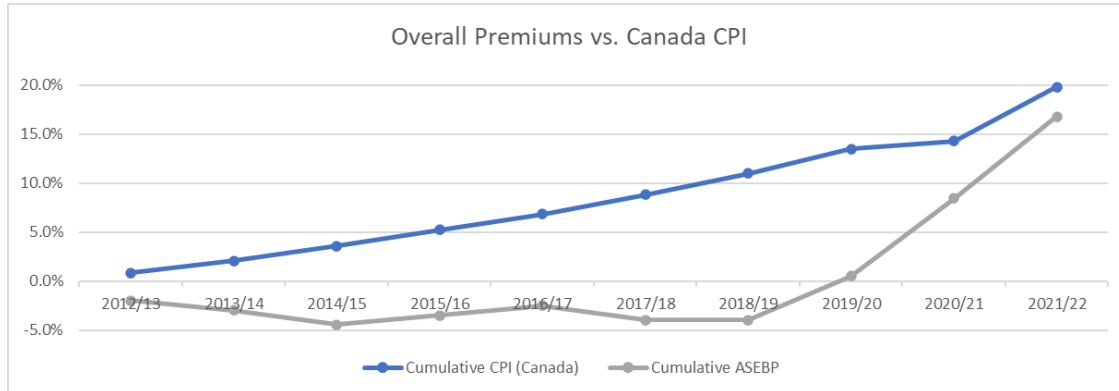
# ASEBP Trustees' Report

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- Extended Disability Benefits: 5.0% increase
  - Extended Health Care: 10.8% increase
  - Dental Care: 6.7% increase
  - Vision Care: 7.1% increase
  - Employee and Family Assistance Program: no change
- Please note that while the base increase equates to 7.7%, this does not mean that premiums may increase by only this amount—there are other factors that may impact a covered member or employer group's premium rates, such as being in a surcharge position in ASEBP's Experience Adjustment System. Alternatively, a covered member or employer's premium rates may not increase by a full 7.7%—or at all—if they are in a discount position in the Experience Adjustment System.
  - Overall premium rates for ASEBP have increased at a rate of only 1.56% per year over the past 10 years. This is largely due to premium subsidies the ASEBP Trustees were able to apply because of excess investment returns. ASEBP cannot continue to provide subsidies to the same magnitude of those historically provided at this time. Last year the ASEBP Trustees committed to working towards balancing premium rates with actual premium costs over three years.
    - After the 7.85% increase for 2021-22 and a 7.7% increase for 2022-23, increases next year are anticipated to range from 5-8%, depending on plan experience. Strategic plan design discussions will continue to include a review of potential cost containment measures while at the same time supporting the health of covered members.
    - The plan design changes coming into effect January 1, 2023, as noted above, represent a decrease in costs of 0.57% to the Extended Health Care plan. Medical inflation is also impacting Extended Health Care as it increases at a rate much higher than regular inflation.
    - A premium increase for Extended Disability Benefits is required because of more claims, delayed access to diagnosis and treatment due to the pandemic, and other factors.
    - The overall increase to premium rates continues to be lower than trends within the industry, where suggested increases to long-term disability average over 17% in the public sector\*. The increase also trails the Canadian consumer price index (CPI). CPI changes reflect the annual change in CPI for the calendar year preceding the premium rate change.



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\*as per Aon

- The ASEBP Trustees are continuing to draw down part of the Capital Adequacy Reserve to offset premium rate increases for the coming year, as the reserve is currently funded at more than 100%. The Capital Adequacy Policy includes guidelines for ASEBP Trustee action when the Capital Adequacy Reserve is not fully funded, which include the potential for additional premium rate increases as well as containing costs through plan design.
- Future premium rates will be dependent on claims experience, investment returns, plan design changes, etc.
- A breakdown of the monthly premium rates, except as noted, is provided below:

Life		
Plan 2	per \$1,000 of coverage	\$0.113

Accidental Death & Dismemberment		
Plan 2	per \$1,000 of coverage	\$0.011

Extended Disability Benefits		
Plan D	% of monthly earnings	1.90%
Plan E	% of monthly earnings	1.90%



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Extended Health Care		
Plan 1	Single	\$118.50
	Family	\$285.00
Plan 2	Single	\$86.50
	Family	\$207.00
Plan 5	Single	\$107.00
	Family	\$255.50

Dental Care		
Plan 1	Single	\$49.50
	Family	\$123.75
Plan 2	Single	\$64.50
	Family	\$157.00
Plan 3	Single	\$64.50
	Family	\$175.50

Vision Care		
Plan 2	Single	\$6.00
	Family	\$14.50
Plan 3	Single	\$12.00
	Family	\$29.50

Early Retirement Benefits Package 2*		
	Single	\$125.00
	Family	\$200.00

\*Closed to new participants as of September 1, 2011



# ASEBP Trustees' Report

### MyRetiree Plan

Premium rates remain in effect until August 31, 2023, and can be found [here](#).

### Supplemental Package

#### *Without Dental*

Package 1	Single	\$98.25
Package 2	Family	\$223.25
Package 3	Single	\$105.00
Package 4	Family	\$229.00

#### *With Dental*

Package 1	Single	\$180.50
Package 2	Family	\$417.25
Package 3	Single	\$187.25
Package 4	Family	\$423.00

### Blanket Life Insurance for School Trustees

Annual	\$60.00
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### Employee and Family Assistance Program

Provided by ASEBP at no cost
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- **Please note** that final approval (second reading) is required, and changes may occur between readings.
- Notification to employers about their final 2022-23 premium rates, including any discounts and surcharges, will be sent following final approval in late March or early April. Preliminary information is available by contacting your ASEBP client consultant.
- Level 1 and 2 Health Benefits Claims Experience Reports will be distributed in April.



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### 3. SPENDING ACCOUNTS' ADMINISTRATION FEES

- There are no changes to Spending Accounts' administration fees for 2022-23.
- A breakdown of the monthly administration fees is provided below:

Spending Accounts		
Standalone Health Spending Account (HSA)	Per employee	\$2.55
Combined HSA/Wellness Spending Account (WSA)	Per employee	\$2.80

### 4. CAPITAL ADEQUACY POLICY

- The Capital Adequacy Policy is reviewed every three years by the Plan Actuary. As a result of this year's review, the ASEBP Trustees updated the policy effective September 1, 2022.
- The Capital Adequacy Policy is based on the premise that capital adequacy is more than simply being able to meet day-to-day expenses or being solvent—ASEBP has a number of measures in place to protect the plan from risks associated with regular operations. These include having reserves for future disability payments, analyzing past claims experience, and projecting expected changes, including margins to account for some degree of fluctuation, etc. The Capital Adequacy Reserve is in addition to all regular reserves.
- The financial framework captured in the Capital Adequacy Policy strives to establish an appropriate balance between assets and liabilities, thus helping the ASEBP Trustees determine when ASEBP has sufficient financial resources to meet specific risks during unusual times that impact overall financial performance. These risks are related to asset, reserve, and claims variability:
  - Asset variability takes into account the market value of investments and other assets held by ASEBP, which can be subject to significant variation.
  - Reserve variability takes into account the impact of changes to the number of Extended Disability Benefits claims on related reserves, which make up nearly 90% of ASEBP liabilities.
  - Claims variability takes into account the possibility of an unusual fluctuation in claims.
- A factor of financial risk has been assessed for each of these areas of variability to determine total capital requirements. These factors will be updated and used to determine the plan's sufficiency ratio. The sufficiency ratio will replace the capital adequacy ratio and be used to determine the degree to which the Capital Adequacy Reserve is actually funded. It is equal to the plan's assets divided by the plan's liabilities plus total capital requirements.



# ASEBP Trustees' Report

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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).

Allendale Centre East • Suite 301, 6104-104 Street NW • Edmonton, AB T6H 2K7

Phone: 780-438-5300 • Email: [trustees@asebp.ca](mailto:trustees@asebp.ca) • Website: [asebp.ca](http://asebp.ca)

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