

Highlights of the March 17-18, 2023, Trustees' Meeting

1. PLAN DESIGN – SECOND 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, while ensuring the sustainability of the Plan.
- The ASEBP Trustees gave **final approval** (second reading) to Extended Health Care, Vision Care, and Extended Disability Benefits changes effective January 1, 2024.
- The following changes affect **Extended Health Care** for the **Active Plan** and the **MyRetiree Plan**. Where there are differences between the two Plans, these are noted.

Prescription medications

- **Erectile dysfunction medications:** Remove the \$100 monthly maximum (the calendar year maximum of \$800 will remain), expand coverage to include all sexual dysfunction prescription medications, and rename this category of medications from erectile dysfunction to sexual dysfunction.

Medical equipment, supplies, services

- **Foot orthotics and orthopedic shoes:** Add repairs. Calendar year and rolling two-year maximums remain unchanged (please refer to the ASEBP website for details as amounts vary by plan option).
- **Joint injectable materials:** Remove the criteria requiring materials be used solely for the treatment of osteoarthritis. These materials are not prescription medications and are injected directly into a joint to act as a shock absorber or lubricant. The \$1,000 per calendar year maximum remains.
- **Mastectomy prostheses and bras:**
 - Add mastectomy bras with a \$200 per calendar year maximum.
 - Align plan document wording for mastectomy prostheses to indicate the current \$400 calendar year maximum is per breast rather than per prosthesis.
- **Medical braces, casts, and splints:**
 - Remove the per brace maximum.
 - Remove the maximum of one replacement every two years.
 - Move coverage for casts and splints to the medical braces category with a combined two-year

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Daryl Scott, Chair
James Gerun, Vice-Chair
Meagan Kuik
Doug Lerke
Judy Muir
Brett Nixon
Kim Pasula
Natashya Shewchuk
Brad Toone
Cindi Vaselenak

CHIEF EXECUTIVE OFFICER

Kelli Littlechilds

rolling maximum of \$700 per person.

- **Podiatric surgery:** Remove the \$50 per treatment maximum for podiatric surgery (the per treatment maximum stands for other podiatry services). The \$700 calendar year maximum remains unchanged.
- **Prosthetic eyes:** Increase the rolling three-year maximum for prosthetic eyes from \$500 to \$2,110 to better reflect current costs.
- **Respiratory equipment:** Increase the rolling five-year maximum for the purchase or rental of respiratory and sleep apnea equipment from \$1,500 to \$1,800.
- **Trusses:** Add trusses to the benefit for canes, crutches, walkers, and cervical collars. The individual maximum of \$40 per category and combined maximum of \$100 per calendar year remain unchanged.

Emergency travel benefits

- **Active Plan:**
 - Expand coverage to include out-of-province (but within Canada) emergencies.
 - Implement a 183-day trip duration limitation with a 72-hour extension for medical reasons or delays caused by a common carrier (airplane, bus, taxi, train), traffic accident, or mechanical failure of a private vehicle. The 183 days aligns with how long Alberta residents can temporarily remain outside of Canada in a 12-month period and maintain their provincial health care.
 - Implement a \$5 million overall maximum per person per incident. This amount is well above the highest claim amounts received to date.
 - Exclude coverage for all claims where travel is for medical advice or treatment (i.e., if travelling to seek medical treatment, any claim arising during the trip will not be covered even if unrelated to the reason for travel). For example, if an individual travels outside Canada to access treatment for a heart condition and requires emergency medical treatment due to a car accident, no claims will be covered for the car accident.
 - Exclude coverage for all claims related to pregnancy or childbirth complications, including treatment for the newborn, if the medical emergency occurs after 32 weeks of gestation or is a result of the deliberate inducement of a miscarriage.
- **MyRetiree Plan:**
 - Expand coverage to include out-of-province emergencies.
 - Maintain the 100-day trip duration limitation and add a 72-hour extension for medical reasons or delays caused by a common carrier (airplane, bus, taxi, train), traffic accident, or mechanical failure of a private vehicle.
 - Maintain the \$5 million overall lifetime maximum per person.
 - Exclude coverage for all claims where travel is for medical advice or treatment (i.e., if travelling to seek medical treatment, any claim arising during the trip will not be covered even if unrelated to the reason for travel). For example, if an individual travels outside Canada to access treatment for a heart condition and requires emergency medical treatment due to a car accident, no claims will be covered for the car accident.

- Exclude coverage for all claims related to pregnancy or childbirth complications, including treatment for the newborn, if the medical emergency occurs after 32 weeks of gestation or is a result of the deliberate inducement of a miscarriage.
- The following changes affect **Vision Care** for the **MyRetiree Plan** only:
 - **Vision Care Core Retiree Plan option:** Remove the limitation of one eye examination every two years.
- The following changes affect **Extended Disability Benefits** for the **Active Plan** only:
 - **Nurse practitioners:** Add nurse practitioners as a recognized medical care provider alongside physicians (i.e., covered members with a total disability can receive benefits if under the care of a nurse practitioner or a physician). Nurse practitioners are registered nurses who have additional education and nursing experience, which enables them to: diagnose and treat illnesses, order and interpret tests, prescribe medications, and perform medical procedures. This will help alleviate the limited access to physicians and related delays in treatment.
 - **Employment while in receipt of disability benefits:** Remove the clause that suspends benefit payments if a covered member is engaged in employment while in receipt of disability benefits as this provision is not used. Rather, there is an offset provision whereby employment earnings reduce benefits and failure to provide information to validate income results in a suspension of benefits.
 - **Disability income offsets:** Allow earnings from an employer and/or income from self-employment to reach 15% of a covered member's pre-disability income before applying an offset to the gross monthly disability benefit.
- While not a plan design change, the ASEBP Trustees have directed Administration to pursue preferred access for all covered members to **optional trip cancellation insurance** through Alberta Blue Cross. More information will be communicated when it becomes available.

2. PREMIUM RATES – SECOND READING ACTIVE PLAN

- The ASEBP Trustees gave **final approval** (second reading) to September 1, 2023, premium rates for the **Active Plan**. Instead of a 12.2% increase (which, based on claims experience, would be break-even), the ASEBP Trustees have limited the base increase to 10.3% for 2023-24. Here are the premium rate changes by line of benefit:
 - Life Insurance: no change
 - Accidental Death & Dismemberment Insurance: no change
 - Extended Disability Benefits: 3.4% increase
 - Extended Health Care: 18.8% increase
 - Dental Care: 6.5% increase
 - Vision Care: no change
 - Employee and Family Assistance Program: no change
- Please note that while the base increase equates to 10.3%, this does not mean that premiums may increase by only this amount—there are other factors that may impact a covered member or employer's premium rates, such as being in a surcharge position in ASEBP's Experience Adjustment System. Alternatively, a covered



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member or employer's premium rates may not increase by a full 10.3%—or at all—if they are in a discount position in the Experience Adjustment System.

- The ASEBP Trustees have been able to subsidize premiums for some time, largely due to excess investment returns. ASEBP cannot continue to provide subsidies to the same magnitude of those historically. As previously reported, the ASEBP Trustees are committed to working towards balancing premium rates with actual claim costs. That balance was to be achieved over a three-year period. However, given additional pressures such as the impact of COVID-19 and inflation, the ASEBP Trustees have decided to apply a subsidy for 2023-24, to keep the base increase to 10.3%.
 - The plan design changes coming into effect January 1, 2024, as noted above, are projected to represent an increase in costs of 0.1% to the Extended Health Care plan. Medical inflation is having an impact on Extended Health Care as it increases at a rate higher than regular inflation.
 - Plan design changes to the Extended Disability Benefits plan will have no impact on premiums. The increase 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.
- 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	1.96%
Plan E	% of monthly earnings	1.96%

Extended Health Care		
Plan 1	Single	\$140.75
	Family	\$338.50



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Plan 2	Single	\$102.75
	Family	\$246.00
Extended Health Care		
Plan 5	Single	\$127.00
	Family	\$303.50

Dental Care		
Plan 1	Single	\$52.75
	Family	\$131.75
Plan 2	Single	\$68.75
	Family	\$167.25
Plan 3	Single	\$68.75
	Family	\$187.00

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



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Supplemental Package (amended at second reading)		
<i>Without Dental</i>		
Package 1	Single	\$116.60
Package 2	Family	\$268.10
Package 3	Single	\$119.70
Package 4	Family	\$271.20
<i>With Dental</i>		
Package 1	Single	\$204.10
Package 2	Family	\$474.60
Package 3	Single	\$207.20
Package 4	Family	\$477.70
<i>Over Age 70</i>		
Extended Health Care Only	Single	\$113.50
	Family	\$265.00
Extended Health Care and Dental	Single	\$201.00
	Family	\$471.50

Blanket Life Insurance for School Trustees		
	Annual	\$60.00

Employee and Family Assistance Program		
	Provided by ASEBP at no cost	



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- Notification to employers about their final 2023-24 premium rates, including any discounts and surcharges, will be sent following final approval in late March or early April 2023. Preliminary information is available by contacting your ASEBP client consultant. A presentation about premium rates will take place for employers on March 28, 2023, and will provide more detail about the factors that influence premium rate setting.

3. PREMIUM RATES – SECOND READING MYRETIREE PLAN

- The ASEBP Trustees gave **final approval** (second reading) to September 1, 2023, premium rates for the **MyRetiree Plan**. A breakdown of the monthly premium rates is provided below:

	Enhanced			Core		
Extended Health Care	Single	Couple	Family	Single	Couple	Family
Ages 50-64	\$157.25	\$298.75	\$361.00	\$94.75	\$180.25	\$217.50
Ages 65-84	\$126.25	\$239.75	\$289.75	\$78.75	\$149.75	\$180.25
Ages 85+	\$124.25	\$235.50	\$285.50	\$76.75	\$145.50	\$176.00
Vision Care	Single	Couple	Family	Single	Couple	Family
All Age Categories	\$9.50	\$18.00	\$22.00	\$2.25	\$4.25	\$5.00

	Enhanced Option 1			Enhanced Option 2			Core		
Dental Care	Single	Couple	Family	Single	Couple	Family	Single	Couple	Family
All Age Categories	\$76.75	\$145.50	\$176.00	\$72.75	\$137.75	\$166.75	\$45.00	\$85.50	\$103.50

	Plan 2
Life and Accidental Death & Dismemberment Insurance	per \$1,000 of coverage
All Age Categories	\$0.152

4. SPENDING ACCOUNTS' ADMINISTRATION FEES – SECOND READING

- The ASEBP Trustees gave **final approval** (second reading) to increased administration fees for spending accounts effective September 1, 2023. A breakdown of the monthly administration fees is provided below:

Spending Accounts		
Standalone Health Spending Account (HSA)	Per employee	\$2.75
Combined HSA/Wellness Spending Account (WSA)	Per employee	\$3.00



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5. STATEMENT OF INVESTMENT POLICIES – FIRST READING

- The ASEBP Trustees gave **initial approval** (first reading) to a number of relatively minor changes in an effort to improve clarity.

6. APPOINTMENTS

- The ASEBP Trustees re-appointed Kim Pasula, member, and Brett Nixon, alternate member, to the Audit & Risk Committee. Doug Lerke is also a member and Brad Toone is an alternate member.
- The Extended Disability Benefits Appeal Committee includes Brad Toone, Natashya Shewchuk, and Shelley Russell. Alternate members include Judy Muir, Meagan Kuik, and Kevin Smith.
- The Executive Appeal Committee includes Daryl Scott, James Gerun, and Shelley Russell. Alternate members include Doug Lerke, Judy Muir, and Mark Tisdale.
- The Executive & Governance Committee includes the Chair, Daryl Scott, and Vice-Chair, James Gerun.

7. GOVERNANCE EFFECTIVENESS

- The ASEBP Trustees participated in an environmental, social, and governance education session focused on investment considerations.

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.

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