

ASEBP Trustees' Report

Volume 26-18 No. 05 May 2018

Highlights of the May 17, 2018, Trustees' Meeting

1. CEO's Report

- The customary overview of statistics was presented

2. Plan Design – Second Reading (for April 1, 2018)

- The ASEBP Trustees gave **final** approval (second reading) to a retroactive change in the semi-private hospital accommodation rate. Effective April 1, 2018, the reimbursement rate will be changed from \$148 per day to \$150 per day. Claims processed after April 1 at the old rate will be automatically adjusted.

3. Plan Design – First Reading (for January 1, 2019)


- 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. The ASEBP Trustees 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 changes with a proposed effective date of **January 1, 2019**. These changes include:
 - **Maximum salary:** the maximum salary covered under Life Insurance, Accidental Death and Dismemberment Insurance and Extended Disability Benefits will increase to \$400,000 (from \$300,000), ensuring full income replacement coverage for all employees within the public education sector.
 - **Smoking cessation prescription products:** the lifetime maximum will increase to \$1,500 (from \$500) to better support covered members and their dependants in their efforts to quit smoking.
 - **Acupuncture, chiropractic, massage therapy and physiotherapy:** the \$1,600 combined calendar year maximum will be removed, making these four standalone benefits each with a \$700 calendar year maximum. The per visit maximum for acupuncture will increase to \$65 (from \$50), the per visit maximum for massage therapy and physiotherapy will each increase to \$75 (from \$50) and the per visit maximum for chiropractic will remain at \$50. These maximums better reflect the range of service charges in the marketplace and respond to increasing covered member feedback.
 - **Endovenous therapy for varicose veins:** treatment involving medical adhesive (e.g. VenaSeal) will be added to the existing benefit, which includes laser and radiofrequency. The lifetime maximum will remain at \$4,000.
 - **Phototherapy and ultra violet lights:** plan wording will be clarified to indicate one light of each type is eligible for coverage and no change to the two separate \$300 lifetime maximums.

ASEBP TRUSTEES

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CHIEF EXECUTIVE OFFICER

Kelli Littlechilds

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- **Respiratory and sleep apnea equipment, accessories and repairs:** rather than having a combined maximum, this benefit will be split into two parts—one for equipment and the other for accessories (e.g. mask, tubing, filters) and repairs
 - Purchase or rental of respiratory and sleep apnea equipment will be covered to a \$1,500 combined maximum every five years
 - Purchase of related apparatus and repairs will be covered up to \$200 per calendar year

A new requirement will be introduced as per the recommendation by the Canadian Agency for Drugs and Technologies in Health (CADTH). CADTH undertook an optimal use project to assess the clinical and cost-effectiveness, safety and patient experiences of interventions for obstructive sleep apnea. A resulting recommendation is that treatment with continuous positive airway pressure is appropriate for patients with moderate to severe disease. Severity is measured on the apnea-hypopnea index (AHI) through a sleep study. Funding for sleep studies is typically available through Alberta Health Services or, on occasion, the equipment provider.

- Covered members and dependants with a moderate or severe AHI of 15 or greater will be eligible for this benefit.
- **Outside Canada Emergency Travel:** the suicide exclusion will be removed.
- **Prescription safety glasses:** coverage for prescription safety glasses will be added to Vision Care.
- **Vision Care Plan 1:** this plan will be discontinued due to low enrolment (one active employee group and a handful of early retirees, etc.). ASEBP will communicate with affected parties about transition of coverage.
- **Vision Care maximums:** the two-year maximums for Vision Care expenses will be increased by \$50 in response to increasing feedback from covered members:
 - Plan 2 maximum will be \$300 (from \$250)
 - Plan 3 maximum will be \$400 (from \$350)
- **Dental Care oral exams, bitewing x-rays, fluoride, polishing and panoramic x-rays:** ASEBP has engaged dental professionals in an advisory capacity regarding oral health (Oral Health Advisory Panel). Part of ASEBP's Oral Health Strategy has been to review the design of preventative and related diagnostic treatment. The panel's clinical expertise aided ASEBP in the development of the following changes:
 - A typical dental recall appointment is currently based on a nine-month frequency for all covered members and dependants. Starting in January, a six-month frequency will be introduced for those under age 19 with a 12-month frequency for those 19 years of age and older. A number of additional changes will be made, including expanding fluoride coverage and reducing coverage for polishing. Polishing is not supported by clinical evidence except for young children. To keep things simple, a small amount of polishing will be covered for all dependents under age 19 (rather than introducing another age category).
 - Oral examinations will be covered once every six months to the age of 19 and once every 12 months for those age 19 and older (from nine months)
 - Bitewing x-rays will be covered once every six months to the age of 19 and once every 12 months for those age 19 and older (from nine months)

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- Fluoride will be covered once every six months for dependants under age 19 (from nine months under age 16)
 - One half unit of polishing will be covered once every six months for dependants under age 19 (from nine months and no prior age limitations)
 - Full mouth series and panoramic x-rays will be covered once every five years (from 30 months) as these x-rays are not required frequently and technology allows for easier transfer of x-rays between dental offices.

In conjunction with the above changes, ASEBP will embark on a trial oral health exception process based on clinical evidence for individuals with one or more health conditions who may require select additional treatment to support good oral health. This trial will include individuals who have been diagnosed with cancer and dependants age 19 and older who are wholly dependent on a parent due to a physical and/or mental disability. Details will be released after final approval.

- **Benefits for substitute teachers, casual employees, part-time employees and working retirees:** the existing package of benefits has been renamed to the Supplemental Package, eligibility criteria have been streamlined and coverage has been expanded to include working retirees who do not meet the eligibility criteria for “regular” benefits.
 - The benefits package for substitute teachers and casual employees and the benefits package for part-time employees is identical but the eligibility criteria are slightly different. With the addition of working retirees, the benefits package will become known as the Supplemental Package.
 - Supplemental Package eligibility criteria will be simplified and require an individual to be: under age 70; employed for less than the minimum hours set by the participating employer to participate in “regular” ASEBP insurance and benefits for their employee group or if employed for greater than the minimum, be ineligible due to becoming employed after age 65; and be a resident of Canada.
- **Please note that final approval (second reading) is required and changes could occur between readings.**
- Other updates:
 - **Voluntary pharmacogenetics testing trial:** ASEBP will implement voluntary pharmacogenetics testing on a trial basis for individuals participating in Extended Disability Benefits and who have one or more of the following conditions: treatment-resistant depression; complicated cardiovascular conditions who are at high-risk of experiencing subsequent major cardiovascular events; chronic pain in those who have experienced treatment failures on multiple first- and second-line agents and have comorbid health conditions.


4. Revised Reserves

- The ASEBP Trustees adopted additional International Financial Reporting Standards (IFRS) affecting the reserves set at August 31, 2017. These standards resulted in a revision to the reserves (liabilities) previously established in November 2017. The reserves have been actuarially calculated and set at \$459 million (was \$353 million). The reserves remain fully funded.



5. Audited Financial Statements

- The audited financial statements for the year ended August 31, 2017, were approved by the ASEBP Trustees. The external auditors gave an unqualified opinion.
- The 2017 financial statements incorporate a number of changes related to the continued early adoption of IFRS.
- Over the year, ASEBP continued to focus on solid financials and fiscal management to help deliver high-value health and income replacement benefits at a reasonable cost to covered members and their dependants.
- Investment returns for the year were strong, exceeding long-term expectations without compromising investment policies and beliefs or exposing the invested assets to undue risk. As a result, reserves are fully funded and premium rates have been moderated while providing opportunities for further investments into health-related benefits and initiatives.
- More detail about changes related to IFRS and the financial highlights are outlined in ASEBP's 2017 Annual Report, which will soon be available on ASEBP's website.



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, www.asebp.ca.



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