

ASEBP Trustees' Report

Volume 27-19 No. 08 October 2019

Highlights of the October 18, 2019, Trustees' Meeting

1. Plan Design – Second Reading (for January 1, 2020)

- The ASEBP Trustees are constantly striving for value as well as balancing plan benefits and the cost of investing in the current and future health of covered members. They're 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 **final approval** (second reading) to plan design changes effective **January 1, 2020**. These are in addition to those given final approval last month, which are outlined in the [September 2019 ASEBP Trustees' Report](#)
- **Extended Disability Benefits (EDB)**
 - The offset provision dealing with 'other income' will be amended to recognize covered members who are working less than 1.0 full-time equivalent (FTE) and have income from another job. In the event a covered member becomes disabled from a position that's covered by ASEBP EDB, but they're still able to complete the duties of their other position, their EDB benefit will be reduced only if the other job commenced after their disability date or within a six-month period prior to their disability date. When other income has been in place longer than six months prior to disability, no offset will be made
- **Extended Health Care**
 - Coverage for flash glucose monitors (e.g. FreeStyle Libre) will be added to the diabetic supplies category, which has an annual maximum of \$4,000. Covered members will be able to purchase one reader every rolling two-year period and 30 sensors every rolling 12-month period, as long as they haven't reached their diabetic supply maximum
 - Assignment billing is a privilege allowing covered members to sign a form authorizing a medical practitioner or medical supply vendor to make a claim for ASEBP benefits on their behalf. This method of billing can be open to unusual claiming practices and it may not always be clear to covered members what they're signing. In 2016, the ASEBP Trustees took the first step in phasing out assignment billing. As most providers are now able to bill the plan directly, it's time to make further changes. Assignment billing will be limited to three benefits: ambulance services, hospital accommodation and oxygen (including oxygen equipment)
- **Multiple benefits**
 - Previously, the ASEBP Trustees suspended relevant provisions of the plan documents to accommodate Workers' Compensation Act changes in 2018, requiring employer groups to continue Extended Health Care, Dental Care and Vision Care coverage for injured workers

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Chad Bowie
Evelyn Chan
Maddy Daniels
Doug Lerke
Shirene Napier
Kim Pasula
Daryl Scott

CHIEF EXECUTIVE OFFICER

Kelli Littlechilds

for up to one year after the date of their injury. These provisions will now be amended in the plan wording

- **Administrative change**


- The window for benefits applications will be extended to allow more time for employer groups to complete enrolment transactions on behalf of their employees; however, employees are still encouraged to notify employers within 31 days of a life event that affects benefits (e.g. changing from single to family coverage and adding dependants, involuntary loss of coverage through a spouse, etc.)
- The late applicant deductibles under Vision Care and Dental Care will be removed along with the orthodontic restriction
- An ASEBP Administration Bulletin will announce the details and effective date(s) of these changes once established


2. Retirement Incentive for Disability Recipients

- In 2020, the ASEBP Trustees will be offering the Retirement Incentive for Teachers and Employees (RITE) to covered members on EDB who meet the eligibility criteria. The RITE program gives individuals the opportunity to accept a cash offer in exchange for moving off disability, giving ASEBP the chance to reduce its future financial obligations (claims payments and reserves)
- To be eligible for RITE, individuals must be:
 - between the ages of 55 and 64
 - on disability for at least 2.5 years
 - not previously offered RITE
 - not involved in litigation against ASEBP
 - offered over \$1,000
- RITE includes a tax-free lump sum, as well as benefits coverage to 65. The lump sum will also factor in a cost-of-living allowance
- All eligible candidates will receive an offer from ASEBP in Spring 2020 for a June 30, 2020, retirement date. ASEBP will be holding information sessions for RITE candidates and will be encouraging them to seek financial and legal advice to support their decision making

3. Investments

- The ASEBP Trustees requested that their investment consultant conduct an asset-liability modelling study to develop a comprehensive understanding of the trade-offs in risk faced by the Trust and to identify opportunities to improve the risk-reward profile of the asset mix
- The results of the optimization modelling inform strategic asset mix policy development. Factors considered in choosing a target asset mix include financial health, the profile of liabilities, the investment horizon, the size of the Trust and implementation considerations, such as access to asset classes and managers, costs, etc.
- Implementation of the strategic asset mix policy includes establishing an investment manager structure followed by selection of investment managers (some existing managers may exit while new managers are added) and ongoing monitoring of managers and strategy

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- The results of the asset-liability optimization modelling were presented and will result in changes to the strategic asset mix policy. Next steps include amendments to ASEBP's Statement of Investment Policies and an asset mix transition plan
 - The ASEBP Trustees also met with two of their investment managers to review portfolio performance



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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