

**Employee Benefits Committee Annual Report
July, 2016 – June, 2017**

**Submitted by: Courtney Dillman, Student Affairs
April 28, 2017**

The Employee Benefits Committee (EBC) plays an advisory role in matters relating to the Employee Benefits Plan for all members of the University. It regularly reports to the University on its decisions and activities, and provides the University with recommendations regarding the administration, participation in, and contributions to the Plan. Specifically, the Employee Benefits Committee provides the University with recommendations regarding the following:

- Plan management, including rate setting, experience monitoring and member communications;
- Plan design changes; and
- Cost-savings opportunities for members that do not increase costs to the University.

Courtney Dillman has been serving as the representative for DPMG since June, 2016. The current terms of reference for the Employee Benefits Committee stipulate the membership as “One representative from the Dalhousie Professional and Management Group who is an employee and who is a member of the plan”.

The EBC met three (3) times in 2016-17:

- September 22, 2016
- November 24, 2016
- January 23, 2017

The main focus for 2016-17 has been enhanced communication to DPMG members regarding employee benefits and wellness. Several topics have been brought forward to DPMG members to enhance their knowledge and understanding of employee benefits at Dalhousie.

- **DPMG Newsletter Fall, 2016**
 - Life changes and employee benefits
 - Getting to know EFAP (Employee Family Assistance Program)
 - Blue Cross discounts
 - Health Spending Account (HSA) – Information at a glance
- **DPMG Newsletter Winter, 2017**
 - Osteopathy coverage – did you know?
 - Travel and benefits coverage
 - Getting the best value at the Pharmacy
 - EFAP – what it has to offer
 - Healthy Dal – Workshops and tips
- **DPMG Notice Winter, 2017**
 - Benefit renewal rates
 - Key drivers for changes
- **DPMG Newsletter Spring 2017**
 - Frequently asked questions regarding Benefit rates

Two main pieces of communication from the DPMG benefits representative were the drivers for change in renewal rates and FAQ’s related to benefit rates.

Key Drivers for Renewal Rate Changes for April 1, 2017

Benefit	Current Rate	Renewal Rate April 2017	Increase/Decrease
Group Life Employee Employer	N/A 0.104/\$1000	N/A 0.089/\$1000	-14.5%
Survivor Income Benefit Employee Employer	.09 .09	.077 .077	-15%
Long Term Disability Employee Employer	1.794% N/A	2.063% N/A	+15%
Medical – Single Employee Employer	\$19.75 \$29.63	\$23.68 \$35.53	+19.9%
Medical – Family Employee Employer	\$56.87 \$85.30	\$68.18 \$102.28	+19.9%
Dental – Staff - Single Employee Employer	\$22.02 \$22.03	\$23.21 \$23.22	+5.4%
Dental – Staff- Family Employee Employer	\$51.85 \$51.85	\$54.65 \$54.65	+5.4%
Dental – Faculty - Single Employee Employer	\$23.40 \$23.40	\$24.66 \$24.67	+5.4%
Dental – Faculty - Family Employee Employer	\$59.51 \$59.52	\$67.72 \$67.73	+5.4%
Travel – Single Employee Employer	\$1.32 \$1.99	\$1.52 \$2.29	+15%
Travel – Family Employee Employer	\$2.65 \$3.97	\$3.04 \$4.57	+15%

Drivers for significant changes for 2017-18:

Long Term Disability +15%

- LTD claims currently represent 31% of our total spend on benefits
- LTD continues to operate in deficit (~\$390K deficit)
- In order to address this deficit, rates will need to increase in attempt to gradually address closing this gap

Health +19.9%

- 12% increase in drug claims
- 20% increase in extended health benefit usage:
 - Specialty drug costs
 - Practitioners: Physiotherapy, Vision care, chiropractors, psychologists, medical equipment, etc.

Travel +15%

- Same increase in rate for everyone across Atlantic universities and colleges
- Covers \$1Mil per person

Overall, aging demographics cause increases in health benefit usage and costs.

FAQ's

Recommendation – improvements to vision care and orthodontics

This was previously brought forward at the Employee Benefits Advisory Committee in 2015/2016. Any change in coverage comes with a rate change for every plan member, as usage increases.

Plan changes must be approved by all employee groups (DPMG, NSGEU 77 and 99, and DFA) who are affected by the change.

Dalhousie's Benefit Consultants were asked to analyze the projected increase in cost. These increases were merely an estimate, as usage and trends are reviewed annually. These increases would impact the monthly cost as follows:

Vision (80% reimbursement)

- Up to \$250 – increase in cost – **6.30%**
- Up to \$300 – increase in cost – **7.70%**
- Up to \$500 – increase in cost – **11.50%**

Massage (80% reimbursement)

- Up to \$250 – increase in cost – **8.10%**
- Up to \$500 – increase in cost – **10.80%**

Cumulatively if these benefits were both introduced the rates would be substantially impacted

- Up to \$250 – increase in cost – **14.40%**
- Up to \$500 – increase in cost – **22.30%**

Orthodontic coverage

If implemented would see an increase of **8.70%** for a maximum coverage amount of \$3,000 per person per lifetime.

The committee members were asked to circulate this information to their members. After discussion with their members, it was decided not to implement changes do to the increase of initial cost and potential future cost.

If these costs had been added previous to the recent increases, the plan would see a significant increase in the monthly premiums.

Is there an option to have a two tiered medical coverage plan, where employees could pay more to extend their benefits to include more items (vision, massage, etc.)?

A flexible plan option was discussed at the Employee Benefits Advisory Committee in recent years. Dalhousie's Benefit Consultants met with union executives as well as held focus group sessions to obtain feedback.

A detailed analyzation occurred integrating all aspects of implementing a plan design change. It was determined not to implement a flexible benefit option, to ensure stability of Dalhousie's plan.

Every member is entitled to a health spending account (non-taxable benefit), this benefit provides members with flexibility and choice. Decisions on how the health spending account is used, is up to the member and can vary year to year at the member's discretion.

If LTD is driving up the premiums for employees, what is being done to transition those LTD employees back into the workforce?

There are many factors and variables with respect to long term disability durations. Forms of many measures are being conducted regularly. These measures include:

- Continuous communication updates with LTD case managers and rehab specialists
- Monthly meetings with the carrier
- Collaborative working relationships with departments
- Conversations with Benefit Consultants in collaboration with the carrier to focus on cost saving measures
- Dalhousie is actively engaged with the Rehab Specialist at Manulife on returns to work as soon as the employee is medically able.

I look forward to the continued work on behalf of DPMG employee benefits committee!

Courtney Dillman