

## **GS 114 ACTIVE MEMBER GROUP BENEFITS PLANS 2022 PREMIUMS AND PLAN CHANGES**

**Origin: General Secretary**

### **1. What is the issue?**

The United Church of Canada offers employees a core suite of group health and dental benefits and life insurance (paid for by employers), an optional (enhanced) group health and dental plan (paid for by employees), restorative care (short-term disability) and employer indemnity plans (paid for by employers), long-term disability insurance (paid for by employees) and a retiree group health and dental plan (paid for by retired members who select the plan upon retirement).

The plans, collectively, are estimated to incur a deficit of \$2.4 million in 2021. This deficit is primarily from the active member optional health and dental plans and from the retiree health and dental plans.

In 2020, the retiree plan was determined to be not self-sustaining and needed significant rate increases. In September of 2020 the General Council Executive approved the recommended 2021 rates together with the continued increases in each of the subsequent four years.

At the same time, staff provided a projection of the active employee benefits that concluded that either a plan redesign or significant rate increases were required in order to achieve well-funded and sustainable plans where the collected premiums cover the cost of claims and administration. The General Council Executive had approved recommended 2021 increases and mandated staff to undertake a thorough review of the optional health and dental plan's design (including the option of discontinuing the optional plan) and to put forward further recommendations to achieve sustainability, while balancing costs and risks.

### **2. Why is this issue important?**

The current deficit, and those in earlier years, fueled by drug inflation that is considerably higher than the general cost of living index, increased costs of health and dental service, and an aging membership in the plans, as well as a shrinking employer base, have been covered by draws from the reserves accumulated by the plans in much earlier times. The reserve funds are projected to be depleted before 2024 in the absence of significant changes to the plan and/or its rates.

Staff working in conjunction with the benefits consultants and the working group has reviewed and analyzed active member claims. We found that the individuals enrolled in the Optional Health and Dental plan claimed "Core level" benefits at a significantly higher rate than the rest of the population (almost 2X compared to those enrolled in the Core plan). Therefore, in the absence of plan redesign the employer share would need to increase more than originally anticipated to balance the Core and Optional contributions.

### **3. How does this proposal help us to live into our church's commitments on equity?**

Inclusive benefit programs are still evolving and are in their early days. For our part, we:

- use gender neutral language in employee booklets and strive to remove outdated clauses and terminology that may be perceived as discriminatory;
- supplement provincial coverage for gender affirmation surgeries;
- leverage our Employee/Family Assistance Programs (EFAP) and develop targeted resources for managers, employees and their families (i.e., mental health, supporting through life transitions, caregiving);
- promote awareness of fertility medications and treatment (IVF), as well as vaccine support;
- offer virtual modalities to provide more specialized resources to support a diverse employee population;
- ensure the future stability of an employer paid core plan that is available to all employees working 14 hours or more.

### **4. How might the General Council Executive respond to the issue?**

It is recommended that

#### **A. The General Council Executive:**

- discontinue Optional Health and Dental plan;
- affirm Core plan redesign changes, presented during the listening session on September 21<sup>st</sup>, namely
  - o to set \$250 deductible per single/family, applicable to drugs and medical claims,
  - o to move to managed formulary for new prescriptions;
  - o to set "out of pocket maximum" to \$1,000 for drugs only;
  - o to extend vision coverage beyond eye exams for a maximum of \$100 per person per 24 months;
  - o to eliminate annual reinstatement for out of country coverage;
  - o to limit paramedical practitioner coverage for Acupuncture, Chiropractor, Massage therapist, Naturopath, and Osteopath to \$500 per year in total for all practitioners combined) while maintaining coverage for Physiotherapy and Speech Therapy at \$500 each per year per eligible member;
  - o to stop requiring prescription for Acupuncture, Massage therapy, Physiotherapy, and Speech therapy;
  - o to add Counsellor, Psychotherapist, and Psychoanalyst as approved providers under mental health coverage;
  - o to eliminate orthodontics from dental coverage.

#### **B. The General Council Executive:**

- set 2022 active member premiums for:

- core health, dental and life insurance at 7.77% of pensionable earnings (19.5% increase) paid by the employer;
- restorative care at 1.35% of pensionable earnings (no increase) paid by the employer;
- employer indemnity at 0.14% of pensionable earnings (no increase) paid by the employer;
- long term disability at 2.6% of pensionable earnings (41% decrease) paid by the employee.

**5. For the body transmitting this proposal to the General Council:**

Are there comments, affirmations, suggestions you would like to make with respect to this proposal? Is this proposal in response to a previous proposal, motion or action? If so, please name the previous action(s) and proposal number(s).

If you have questions regarding this proposal, please send them to [gce@united-church.ca](mailto:gce@united-church.ca) or add them to the GCE committee site.