

# **Summary: MURA Workshop about Issues in Health and Dental Insurance Plans for McGill Retirees**

**April 29, 2016, 1:30-3:30 pm  
688 Sherbrooke St. W. – Room 243**

Presenter: Nicholas Acheson

Moderator: Katherine Mayhew

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**Please note that the only official source of information about McGill benefits is the University administration. Human Resources has a very informative web page that describes in detail all benefits for McGill employees and retirees: see <https://www.mcgill.ca/hr/bp/benefits>. Obviously, we try to be well-informed and give you the best information. But you should get in touch with the Benefits office before making any important decision about benefits changes.**

## **A. Retiree benefits and representation on Staff Benefits Advisory Committee**

More than 25 % of McGill Supplemental Health & Dental Plan members are retirees. The Staff Benefits Advisory Committee (SBAC) consists of 7 employee representatives (one from Service Employees Union, one from MUNACA, one from MUNASA, one from AMURE and three from MAUT) as well as representatives of the University Administration. We have been lobbying for a MURA representative. The University recommended that MAUT reduce their membership in order to accommodate us but we feel that is unnecessary. We are still waiting for a positive response.

In the meantime, Nick Acheson, a retired McGill professor and one of the three MAUT representatives to SBAC, will continue to represent the interests of retirees.

## **B. Post-Retirement Benefits**

### ***1. Life Insurance***

McGill continues to cover the full cost of basic life insurance for retired members (half of your last regular annualized salary up to maximum of \$30,000). You can continue to pay for additional coverage but at age 65 you are limited to \$100,000. Make sure your legatees are aware of this coverage. Your executor or one of the beneficiaries should contact the HR Service Centre in the event of your death for further instructions. Your insurance will be paid out as a tax-free benefit to any beneficiary (or in percentages indicated if more than one beneficiary) whom you have named on your plan. If no named beneficiary, it will be paid to your estate. Check Minerva under the Employee section to see if a beneficiary has been named or to make changes to your beneficiary/beneficiaries.

## ***2. Supplemental Health and Dental Plans***

If you meet certain conditions you and any eligible dependents can continue to be covered by the McGill Supplemental Health and Dental plans. See <https://www.mcgill.ca/hr/bp/benefits/events> (post-retirement benefits and eligibility). If you decide to leave these plans you cannot rejoin them.

Eligible employees who retire by May 31, 2016 pay 50% of the premiums for both plans (McGill pays 50%). Those who retire on June 1 or later will pay 70% of the Health Plan premium (McGill pays 30%) and 100% of the Dental Plan premium. McGill will no longer subsidize the Dental Plan for those retirees.

If you move to another Canadian province you can retain both plans but ***you must be a member of a provincial health plan*** to maintain membership in the McGill Supplemental Health Plan.

To remain a member of Quebec Medicare you cannot be out of Quebec for 183 days or more in a calendar year. However, any trips of 21 days or less do not count towards the 183 days and, for longer trips, the days of departure and return do not count.

You cannot continue coverage by the McGill Supplemental Health Plan if you move permanently out of the country. However, you can continue to belong to the Dental plan even if you move outside Canada. See the McGill Benefits web site for details or contact the Benefits office.

The McGill Health and Dental plans are not insurance company plans; they are McGill plans, paid for by plan members and the University, and presently administered by Manulife. The financial viability of the plans is the responsibility of the plan administrators, including the SBAC. The financial positions of both plans are carefully considered each year by SBAC, based on expert advice from a professional consultant, and premiums or benefits are adjusted to ensure that the plans will not owe more than they receive in premium payments each year. The employee associations, via SBAC, and the McGill Administration agree on these yearly adjustments, which then must be approved by the McGill Board of Governors.

### **C. Supplemental Health Plan Changes at Age 65**

Upon reaching 65, all McGill employees who are Quebec residents are automatically enrolled in the (RAMQ) Quebec Prescription Drug Insurance Plan, as they are no longer covered for most prescription drugs by the McGill Health Plan. The refund rate is different – you pay the first \$18 (deductible) of RAMQ-approved drug costs each month, then 34% of all remaining drug costs (co-insurance = prescription minus monthly deductible) up to a maximum of \$1029 per year. Any costs over \$1029 are fully covered by RAMQ. The annual premium, payable via Quebec income tax, is a maximum of \$640 as of July 1, 2015.

The McGill Drug Plan 65+ described on the Benefits website provides exactly the same benefits as the Quebec Plan but costs nearly 9 times as much.

McGill employees or retirees who have a spouse/partner who is covered by another private drug plan and who do not reach the age of 65 at the same time should consult with HR to determine how they should continue supplemental health and drug coverage under the private and public plans. A spouse can remain on the McGill drug plan until the McGill plan holder reaches 65, when both join the RAMQ

drug plan for prescription drug coverage. The rules are complex and each situation might have a different solution. ***Be sure not to opt out of the McGill Health Plan until and unless you have thoroughly understood the present and future consequences!***

Retirees who are residents of provinces other than Quebec would normally be covered by their own provincial drug plan, whose conditions may be different from those of RAMQ.

Here is a useful web site that will give you information on drug insurance plans across Canada:

**<http://www.drugcoverage.ca/en-ca/>**

Some prescription drugs are not covered by the Quebec Plan. RAMQ establishes a list of covered drugs. See **<http://www.ramq.gouv.qc.ca/en/citizens/prescription-drug-insurance/Pages/prescription-drugs-covered.aspx>**

***The McGill Supplemental Health Plan will normally reimburse to plan members 65 and over (active employees or retirees) 80% of the cost of drugs not covered by RAMQ.*** The McGill Supplemental Health Plan charges no deductible for drug costs, and reimburses 80% of all prescription drug costs, up to a maximum of \$400 per year for a single member (\$800 for family coverage); 100% of any further eligible expenses are then reimbursed by the Health Plan for the remainder of the calendar year (see inset below). This \$400 maximum “out-of-pocket” also includes any other payments for other eligible services and procedures that are not fully reimbursed by the Plan. However, the McGill Plan does NOT reimburse the \$18 monthly “deductible” charge, nor the difference between the 66% paid by RAMQ and the 80% paid by the McGill Plan, nor the difference between the maximum annual out-of-pocket payments of the McGill Supplemental Health Plan and the RAMQ Prescription Plan.

The following paragraphs are copied from: **<http://www.mcgill.ca/hr/bp/benefits/supplemental-health-and-dental-plans>**

**Out of Pocket Maximum**

- If you have single coverage — the out-of-pocket maximum is \$400 per benefit year.
- If you have family coverage — the out-of-pocket maximum is \$800 per benefit year.

The out of pocket amount is the percentage you pay for services reimbursed at 75% or 80%. Once you reach the out-of-pocket maximum, all expenses for the remainder of the year will be reimbursed at 100%.

The benefit year is calculated from January 1st to December 31st.

**\*Note:** All dollar maximums, frequency limits, reasonable and customary fees and any other contractual limitations still apply.

All McGill Supplemental Health Plan members 65 and over should carefully check their drug receipts from pharmacies, clinics, or doctors, as some commonly-prescribed drugs are not covered by the RAMQ plan. Pharmacists and doctors are knowledgeable about which drugs are covered by RAMQ and may be able to recommend/prescribe suitable drugs and dosages. Send copies of your pharmacy receipts in to Manulife regularly, or at the end of the calendar year, to take full advantage of the McGill Health Plan.

During the meeting and ensuing discussion, there seemed to be some inconsistencies in application by Manulife, or lack of knowledge by retirees, concerning eligibility of certain items. For example,

some costs for private tests were reimbursed in the past but are no longer being reimbursed, and upgraded devices and/or parts are now being denied reimbursement. In some cases, when the member sent in additional requested documentation and/or had a medical practitioner follow up, increased reimbursements were received; in other cases, an explanation gave satisfaction, or not.

The party that you contract with for your health or dental coverage is McGill University. If you have any claims issues or were denied coverage for big ticket costs, and cannot get satisfaction from Manulife, you should check with McGill Benefits office. Manulife may not have assessed the claim properly according to McGill coverage policies. If you have a dispute, you could take it up with McGill. We will recommend to MURA Executive that they contact Benefits to see if they want to name a contact person for MURA members.

As the information regarding reimbursement of drug costs not covered by RAMQ is not clearly seen on the McGill Benefits website, we will recommend that Benefits re-word this section and place it in a more visible position so that all Plan members 65 and over clearly understand this possibility.

See: <https://www.mcgill.ca/hr/bp/benefits/events>  
+ When you turn 65  
Supplemental Health

#### **D. Importance of being covered by the McGill Supplemental Health Plan in addition to the Quebec Prescription Drug Plan**

Any retirees over 65 may want to continue to be members of the McGill Supplemental Health Plan for the following reasons:

- Reimbursement for expenses like physiotherapy, semi-private hospital rooms, private diagnostic services, medical supplies, etc. These are usually moderate expenses but their coverage is an advantage to all plan members.
- Reimbursement for catastrophically high expenses. Membership in the McGill plan provides enormous payback for two types of situations, which thankfully occur only rarely:
  - Drug costs. Some very expensive, life-saving drugs are NOT on the RAMQ list and the McGill plan may reimburse these expenses. Such drugs can cost thousands, even hundreds of thousands dollars per year and could ruin the financial situation of an individual.
  - Emergency Travel Assistance. For travel outside Quebec, you are covered for 100% of medical expenses incurred during medical emergencies or an accident. See below for details, especially the Pre-Existing Medical Conditions section. Particularly in the USA, these expenses can be astronomical. Generally speaking, Quebec Medicare reimburses only a very small amount for medical expenses incurred abroad, or even in another Canadian province, as a result of emergencies. Therefore this travel insurance is an important tool for retirees who travel abroad or to other Canadian provinces, even for very short times.

#### **E. Emergency Travel Assistance**

Emergency Travel Assistance only covers trips up to 90 days at a time (including day of departure and return). If you want to stay longer you will need to get additional coverage. You also have the

option of returning to Quebec and then leaving again at a later date (you have to stay in Quebec at least 24 hours). Manulife may sell you and your eligible dependents supplementary coverage beyond 90 days. This may be less expensive than buying coverage from another travel insurance provider, or returning home for a short visit. You must contact Manulife and fill out a detailed questionnaire for that additional coverage; eligibility and cost depend on trip duration beyond the 90 days, age, medical condition, etc. In some cases, a return air ticket and a visit back to Quebec may be the cheaper option.

As noted above, if a Quebec resident is away from the province for more than 182 days during a calendar year, that person may lose health benefits, both from Quebec Medicare and the McGill Supplemental Health plan, including Emergency Travel Assistance, and this can be retroactive for the entire calendar year. In the calculation of these 182 days, trips of 21 days or less do NOT count. See <http://www.ramq.gouv.qc.ca/en/citizens/temporary-stays-outside-quebec/health-insurance/Pages/eligibility-during-stay.aspx>

If you have medical problems while traveling, immediately call for Emergency Travel Assistance using the contact information on the back of your Manulife card. Allianz, the current provider, will reimburse to you 100% of costs but you (or a travel companion, if you are unable to call yourself) must contact them right away – don't wait. Note the important Pre-Existing Medical Conditions section below. Help may be provided in areas such as: ensuring services in English, recommending a specific hospital, authorizing treatments, approving payments directly by the insurance company and/or coordinating a transfer back to Quebec, when suitable. Otherwise, you may need to pay expensive bills and claim later from RAMQ and from the Manulife Emergency Travel Assistance provider. However, Allianz may ask you to pay costs of less than \$200.00 or thereabouts and make a subsequent claim. For more information, see <http://www.mcgill.ca/hr/bp/benefits/emergency-travel-assistance>.

### *Pre-Existing Medical Conditions*

Emergency Travel Assistance covers pre-existing medical conditions if the condition is “medically stable”. What does “medically stable” mean? For retirees, it must meet the following requirements (see <http://www.mcgill.ca/hr/bp/benefits/emergency-travel-assistance>):

#### What does 'medically stable' mean?

As defined by Manulife Financial, for a medical condition to be considered medically stable under the McGill Health Plan, during the 90-days leading up to your departure, retirees and/or their eligible dependants must not have:

- Been treated or tested for any new symptoms or conditions;
- Had an increase or worsening of any existing symptoms;
- Changed treatments or medications (other than normal adjustments for ongoing care);
- Been admitted to the hospital for treatment of the condition.
- In addition, coverage for travel medical emergencies is not available if, prior to departure, you or your dependants have scheduled non-routine appointments, tests or treatments for an existing medical condition or another undiagnosed condition to be done after your return.

**For important information, please refer to:** Manulife's website [Stable conditions are covered under your plan](#) - and their [Travel Bulletin](#)

Until recently (December 2012), all McGill Health Plan members were covered for Emergency Travel Assistance for any medical emergency including those connected with a pre-existing medical condition as long as it was considered “stable” upon departure on a trip. There was no further definition of a “medically stable condition”.

Manulife introduced the above detailed definition of “medically stable” as of December 2012. Members of SBAC objected to this change in criteria for coverage, as it could put some Health Plan members at risk if Manulife decided that one of the above criteria was not met and therefore invalidated a claim. In response to SBAC’s objections, Manulife agreed to reverse these changes, but only for active McGill employees. As a result, retirees are now covered for Emergency Travel Assistance under a different set of criteria than are active McGill employees.

SBAC has requested that any denial of a retiree’s travel claim by Manulife based on the above criteria be brought immediately to its attention. So far, no such denial of claim has been brought to the attention of SBAC. However, *retirees should carefully consider the above criteria before embarking on travel outside of Quebec.*

Note that this coverage is only for emergency medical expenses while traveling. Individuals might want to purchase separate insurance coverage for trip cancellation or interruption.

## **F. McGill Dental Plan**

The McGill Dental Plan provides full or partial reimbursements for a variety of dental treatments, but offers a maximum benefit payout of only \$2000 per plan member per year. If you require expensive treatment you might try to spread it over two calendar years.

Unlike the McGill Supplemental Health Plan, there are no changes to the McGill Dental Plan when you turn 65. However, eligible McGill employees who retire after May 31, 2016 will have to pay 100% of their dental premiums (double the normal premiums paid by McGill employees and current retirees). For some individuals and families, self-funding of dental costs could be a better choice. You and your dentist might want to carefully consider whether your premium costs justify potential benefits payouts from the Dental Plan. Note that premiums paid for both Health and Dental plans can be claimed as medical expenses and may provide tax reductions, therefore lowering the actual cost of premiums. *If you opt out of the McGill Dental Plan after retiring, this choice is irrevocable; you cannot re-join at a later date.*

For more information see:

MURA web site: <http://mura-arum.association.mcgill.ca/>

McGill Benefits: <https://www.mcgill.ca/hr/bp/benefits/events>

RAMQ: <http://www.ramq.gouv.qc.ca/en/life-events/turning-65/Pages/prescription-drug-insurance.aspx>