

# Summary: Meeting about Issues in Health and Dental Insurance Plans for McGill Retirees

**December 11, 2015, 1:30-3:30 pm**  
**688 Sherbrooke St. W. – Room 24**

Presenter: Nicholas Acheson

Moderator: Katherine Mayhew

Notes taken and prepared by Robert Stanley, revised and edited by KM and NHA

## **1. Retiree membership of McGill Health Plan, and representation on Staff Benefits Advisory Committee**

More than 25 % of McGill Supplemental Health Plan members are retirees. However, retirees have not until recently had representation on the Staff Benefits Advisory Committee (SBAC).

Nick, a retired McGill professor and one of three MAUT representatives to SBAC, was appointed specifically by MAUT to represent interests of retirees. MURA does not yet have an official rep on SBAC. We hope that this will soon be corrected.

In the meantime, Michael DiGrappa, McGill VP Administration and Finance, has told MURA Exec that he will take any issues we may have to Benefits and the SBAC.

## **2. Quebec Prescription Drug Plan and relation to McGill Supplemental Health Plan**

The Quebec Prescription Drug Plan (RAMQ) is obligatory for all Quebec residents unless covered by another group prescription drug plan, such as our McGill Supplemental Health Plan. ***Upon reaching 65, all McGill employees must join the Quebec Plan, as they are no longer covered for most prescription drugs by the McGill Plan.*** For those with spouses/partners who are younger and are covered by another private drug plan, it is possible to join that plan until both are 65. Further information about such possibilities will be provided in another communication.

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. It is a bogus plan that nobody should even think of joining.

Presently members of the Quebec Drug Plan pay the first \$18 (“deductible”) of drug costs each month, then 66% of all remaining drug costs, 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.

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.

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 the cost of drugs not covered by RAMQ.*** Therefore, the McGill Plan serves as a “backup” prescription drug insurance plan to members 65 and over for those drugs not reimbursed 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). This \$400 maximum also includes any other payments for medical expenses that are not fully reimbursed by the Plan. The annual premium for 2016 is \$510.12 for single membership (\$1004.90 for family membership), plus 9% sales tax for Quebec residents. 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 payments by plan members, for drugs on the RAMQ list covered for members of the Quebec Drug Plan and which have been reimbursed by RAMQ.

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. 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.

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

+ When you turn 65  
Supplemental Health

As this information on the Benefits web site is not easily seen regarding reimbursement of drug costs not covered by RAMQ, we are recommending that the MURA Executive request that Benefits reword this section and place it in a more visible position so that all Plan members 65 and over clearly understand this possibility.

Is there a Manulife number to call if you have issues? Reply - McGill Benefits has control over the plan - so best to talk to Kathleen Tobin at Benefits, or a member of the SBAC. (It would be wise for Benefits to name a contact person and MURA Executive will be advised to discuss this with the University.)

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

For anyone over 65 (this includes most retirees): the McGill Supplemental Health Plan has two functions:

1. Reimbursement for expenses like physiotherapy, semi-private hospital rooms, private diagnostic services, medical supplies, other similar expenses. These are usually modest expenses but their coverage is an advantage to all plan members.

2. Reimbursement for catastrophically high expenses. Membership in the McGill plan provides enormous payback for two types of situations, which thankfully occur only rarely:

a. Drug costs as explained above. Some very expensive, life-saving drugs are NOT on the RAMQ list and the McGill plan will reimburse these expenses. Such drugs can cost thousands, even hundreds of thousands dollars per year and could ruin the financial situation of an individual.

b. Emergency Travel Assistance. For travel outside Quebec, you are covered for 100% of expenses incurred during any medical emergency resulting from a medical condition or an accident. See below for details. Particularly in the USA, these expenses can be astronomical. Generally speaking, Quebec Medicare reimburses only a very small amount for medical expenses incurred abroad as a result of emergencies. Therefore this travel insurance is an essential tool for retirees who travel abroad, even for very short times.

### **4. Emergency Travel Assistance for members of McGill Supplemental Health Plan**

Emergency travel Assistance covers trips up to 90 days, including day of departure and return. Manulife may sell supplementary coverage beyond 90 days. You must contact Manulife and fill out a detailed questionnaire for that additional coverage, and it depends on trip duration, age, medical condition, etc.

Note that if a Quebec resident is away from the province for more than 182 days during a calendar year, that person loses health benefits, both from Quebec Medicare and the McGill Supplemental Health plan, 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>

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”. 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.

Is it likely that McGill will reduce this travel coverage? Reply - McGill in the past attempted to unilaterally change premium costs for Health and Dental coverage for retirees, which it reversed only after complaints from all of the employee associations. However, at that time it was agreed by all parties that McGill employees who retire after May 31, 2016 will be required to pay 1.4 times the normal premiums for Supplemental Health insurance and 2 times the normal premiums for Dental insurance (this will reduce McGill's contribution to only 30% of the total cost for Health and ZERO for Dental coverage for all new retirees.) Note that this has no effect on premiums charged to McGill employees who have retired before June 1, 2016, who will continue to pay the same premiums as active McGill employees!

So the answer is: the employee associations must be vigilant to ensure that vital parts of the Health Plan such as Emergency Travel Assistance are maintained at the same levels in the future.

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.

## **5. McGill Dental Plan**

While the Supplemental Health Plan provides benefits that can be of great importance as outlined above, the McGill Dental Plan offers adequate but more limited benefits. It provides full or partial payments for a variety of dental treatments, but offers only a maximum benefit payout of \$2000 per plan member per year.

Therefore, individuals should consult their dentists, and based on their dental health consider whether or not the benefits received outweigh the premiums paid (but note that premiums also provide tax credits). This is especially true for McGill employees who will retire after May 31, 2016, as their premiums will be double the normal premiums paid by other members of the McGill Dental Plan. For some individuals and families, self-funding of dental costs may be a better choice. Note that if you opt out of the McGill Dental Plan after retiring, this choice is irrevocable; you cannot re-join at a later date.

## **6. Responsibility for financial viability of McGill Health and Dental Plans**

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 position of both plans is 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 and the McGill Administration must all agree on these yearly adjustments.

The McGill Health Plan purchases Large Amount Pool insurance from Manulife to protect against potentially large payouts over \$75,000 in a year to an individual, which could result from a drug issue or an emergency travel issue. Although this insurance is expensive, it protects our Health Plan against extremely large payouts, which can be hundreds of thousands of dollars to a single individual.

The party that you contract with for your health or dental coverage is McGill University. If you have a dispute, you take it up with McGill.

## **7. Evaluation of this information session**

From all who attended and from Kathy, we wish to extend our thanks to Nick for his excellent presentation and the ensuing discussion and to Bob for his taking notes that formed the basis for this summary, which will be made available to all MURA members who were present and especially for those who could not attend.

The feedback received on the evaluations was very positive. Half felt that this session answered their concerns fully while the other half felt that another session would be helpful. The MURA Board will review this and may plan another session for the spring. Further information to come in 2016.