

The Public Service Health Care Plan



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KEEPING YOU UP TO DATE

BENEFITS

Drug Look-Up - Coming soon!

This April, a new Drug Look-Up tool will be introduced on the Sun Life Member Services website. This search functionality will provide you with convenient drug information, including:

- the ability to look up a specific drug by name or drug identification number (DIN)
- detailed information about a drug and how it works
- information about potential generic and/or therapeutic alternatives and cost-saving opportunities for many drugs
- the ability to review your recent prescriptions and identify alternatives

Drug Look-Up is a website enhancement designed to help you prepare for discussions with your health care professional about your prescription medications. Be sure to visit the website and explore the new feature by signing in to www.sunlife.ca/pshcp.

Contribution rates for retired members effective April 1, 2017

The contribution rates for retired members of the PSHCP with Supplementary coverage will be adjusted on April 1, 2017, to meet this year's 43.75% : 56.25% (retired member : employer) cost-sharing ratio. PSHCP contribution rates have been updated based on calculations that include both an adjustment to reflect the cost-sharing arrangement and an adjustment for increases in total pensioner Plan costs.

The new rates will be reflected on retired members' March 2017 pension cheques for April coverage (i.e., contributions are owed one month in advance).

The following tables break down the contribution rates by the Extended Health Provision (EHP) and the Hospital Provision (HP) with a total amount paid by the pensioner each month.

PENSIONER MONTHLY CONTRIBUTION RATES: SUPPLEMENTARY COVERAGE

TYPE OF COVERAGE	SINGLE RATE		
	EHP	HP	Total
Hospital Level I	\$50.44	\$0.00	\$50.44
Hospital Level II	\$50.44	\$16.56	\$67.00
Hospital Level III	\$50.44	\$45.41	\$95.85
	FAMILY RATE		
	EHP	HP	Total
Hospital Level I	\$97.24	\$0.00	\$97.24
Hospital Level II	\$97.24	\$16.56	\$113.80
Hospital Level III	\$97.24	\$45.41	\$142.65

PENSIONER MONTHLY CONTRIBUTION RATES: RELIEF PROVISION

TYPE OF COVERAGE	SINGLE RATE		
	EHP	HP	Total
Hospital Level I	\$28.82	\$0.00	\$28.82
Hospital Level II	\$28.82	\$16.56	\$45.38
Hospital Level III	\$28.82	\$45.41	\$74.23

TYPE OF COVERAGE	FAMILY RATE		
	EHP	HP	Total
Hospital Level I	\$55.57	\$0.00	\$55.57
Hospital Level II	\$55.57	\$16.56	\$72.13
Hospital Level III	\$55.57	\$45.41	\$100.98

REMINDER: RELIEF PROVISION

If you joined the PSHCP as a retired member on or before March 31, 2015, and you are or become a recipient of a Guaranteed Income Supplement (GIS) benefit, or you have a net income or a joint net income lower than the GIS thresholds, you may be eligible for the PSHCP Relief Provision. This will allow you to retain the 25% : 75% (retired member : employer) monthly contribution cost-sharing model. To apply, complete a PSHCP Relief Provision Application Form (available at www.pshcp.ca/forms-and-documents) and return it to your pension office. If you are approved for the Relief Provision, it will be applied on the first day of the second month after your pension office receives your completed application form.

For more information, refer to the PSHCP Special Bulletin on Plan changes – October 22, 2014 at www.pshcp.ca/news-and-bulletins/bulletins.

How are the contribution rates calculated?

The PSHCP monthly contribution rates for retired members with Supplementary coverage are comprised of two components: the cost associated with the Extended Health Provision and the cost for the Hospital Provision. These components have different cost-sharing arrangements.

Hospital Provision:

There have been no changes to the Hospital Provision component.

Pensioner Extended Health Provision:


The Extended Health Provision is calculated using total Plan costs for the pensioner population and is cost-shared, with the pensioner being responsible for 43.75%.

The Single and Family coverage rate calculations are performed separately taking into account the cost-sharing arrangement.

For example, the contribution rate for the Extended Health Provision for pensioners with Single coverage is calculated as follows:

$$\begin{array}{c}
 \text{[Total cost of pensioner claims]} \\
 \text{(this is the amount the government paid to reimburse} \\
 \text{claims incurred under the Extended Health Provision for} \\
 \text{Single coverage pensioner members)} \\
 \\
 + \\
 \\
 \text{Expected cost increase} \\
 \text{(this is the expected cost increase and utilization of the} \\
 \text{Plan based on average cost increases of the Plan over} \\
 \text{the last few years and validated by the Office of the} \\
 \text{Chief Actuary)} \\
 \\
 + \\
 \\
 \text{Fees and taxes]} \\
 \\
 \div \\
 \\
 \text{Number of pensioner plan members with} \\
 \text{Supplementary Single coverage} \\
 \\
 \times \\
 \\
 \text{The cost-sharing ratio of 43.75\% for 2017} \\
 \\
 \div \\
 \\
 \text{12 months} \\
 \\
 = \\
 \\
 \text{Monthly Extended Health Provision contribution rate} \\
 \text{for a pensioner with Single coverage}
 \end{array}$$

Note: The Extended Health Provision for pensioners with Family coverage is calculated the same way, but using the data from the pensioner population with Supplementary Family coverage.

For a listing of the PSHCP contribution rates, please visit the National Joint Council website at www.njc-cnm.gc.ca and click on 'NJC Directives' in the menu on the left. Then, click on 'Public Service Health Care Plan Directive' and refer to Schedule V. 

PSHCP Employer Rate effective April 1, 2017

The Employer Rate is used to calculate the Quebec Taxable Benefit for plan members residing in Quebec, remittances for certain employees on Leave Without Pay and remittances for participating separate employers. The Employer Rate is not used for the purpose of calculating the cost-sharing ratios between plan members and the employer. It is a blended rate applied across the various levels of coverage and member groups.

The PSHCP Employer Rate is \$127.56.

Calculation:

$$\begin{array}{c}
 \text{[Total cost of paid claims]} \\
 \text{(this is the amount the government paid to reimburse} \\
 \text{for claims incurred for the previous calendar year} \\
 \text{including taxes and fees)} \\
 \\
 - \\
 \\
 \text{All Plan revenues]} \\
 \text{(this is all plan member contributions)} \\
 \\
 \div \\
 \\
 \text{Total number of plan members} \\
 \\
 \times \\
 \\
 \text{Expected cost increase percentage} \\
 \text{(this is the average percentage growth in cost and} \\
 \text{utilization of the Plan for the past 3 years)} \\
 \\
 \div \\
 \\
 \text{12 months} \\
 \\
 = \\
 \\
 \text{Monthly Employer Rate}
 \end{array}$$

Understanding the governance of the PSHCP

The governance framework of the PSHCP is comprised of four entities. Each plays a role in ensuring the proper administration of your Plan.

The Government of Canada as employer and Plan sponsor is responsible for the PSHCP. As Plan sponsor, the Government of Canada assumes full liability for the payment of all costs related to the operation of the Plan and the payment of claims.

The PSHCP Partners Committee is a collaborative negotiations forum comprised of employer, Bargaining Agent (employee) and pensioner representatives. The Committee is responsible for PSHCP administration, design, governance, and any other issues related to the Plan. This includes ensuring that the PSHCP remains stable, cost-effective, and capable of delivering sustainable benefits to all plan members with a view to maintaining their health and well-being. The Committee's mandate is to make recommendations to the Ministers of the Treasury Board on all aspects of the Plan.

The Federal PSHCP Administration Authority is a separate arm's-length organization accountable to the PSHCP Partners Committee and performs oversight and monitoring of Sun Life's delivery of the Plan Contract. It has several operational and reporting responsibilities, which include, but are not limited to, ensuring the service standards outlined in the Plan Contract are met, that all appeals submitted are processed in an accurate and timely fashion and that communication with plan members regarding their benefits is clear and up-to-date.

The Administrator, Sun Life Assurance Company of Canada, is responsible for the day-to-day administration of the Plan. This involves the consistent adjudication and payment of eligible claims in accordance with the Plan Directive and providing services as specified in the Plan Contract, (e.g., the PSHCP Call Centre, audit and detection services, the Member Services website, etc.).



ELIGIBILITY

Coverage for former spouses and common-law partners

Once a divorce is finalized or a common-law relationship is terminated (no longer living together), your spouse or common-law partner is no longer eligible for coverage under the PSHCP. No coverage will be granted under the Plan to a former spouse or common-law partner despite any legal documentation from the courts stating otherwise. Benefits may continue for a separated spouse until a divorce is finalized, but only one spouse or partner can be covered under the Plan at any given time.

To amend your coverage type from Family to Single, assuming you have no other eligible dependants, complete and submit an electronic application using the secure online Compensation Web Applications (CWA) at: <http://gcintranet.tpsgc-pwgsc.gc.ca/gc/rem/awr-cwa-eng.html>. Alternatively, you may submit a paper application form to your compensation or pension office. Your monthly contributions will be adjusted accordingly.

Once your coverage type has been updated, you must also modify your Positive Enrolment information with Sun Life by removing your former spouse or common-law partner from your file. The changes can be made by visiting www.sunlife.ca/pshcp or by requesting a paper Positive Enrolment form from Sun Life.

If you do not amend your coverage and claims continue to be submitted by your ineligible former spouse or common-law partner, you will be responsible for the repayment of these claims.

The PSHCP Bulletin is produced by the Federal Public Service Health Care Plan Administration Authority to provide benefit and administrative information about your health care plan.

If you have any questions about the content of this bulletin, please contact Sun Life at 1-888-757-7427 toll-free from anywhere in North America or 613-247-5100 in the National Capital Region. If you would like to change your mailing address for future bulletins, you may do so online at www.sunlife.ca/pshcp.

