

## 2019 benefits update for retirees

Your benefits coverage from the PSGIP plays a key role in your healthcare throughout your retirement years. That's why the PSGIP provides health benefits coverage for you and your eligible family members.

The PSGIP Trustees, with consultation from the Retiree Advisory Committee, recently completed the annual review and renewal of your retiree benefits program. This notice includes the results of the renewal, including the rate changes effective April 1, 2019.

This is your once-a-year opportunity to change your Health or Dental plan option for the next year. Take this opportunity to review your choices and make sure you're enrolled in the right plan for you and your family. If you plan to make a change, complete the *Coverage Change Request Form* included with this notice and return it to Johnson Inc. no later than **Monday, March 11, 2019**. Your new coverage takes effect starting April 1, 2019.

## 2019 rates

Each year we review our benefits program to ensure that contribution rates are adequate to pay expected claims and expenses in the coming benefit year.

As a result of this review, you will see some changes to the Health and Travel Insurance rates. See the chart below for the changes in rates effective April 1, 2019.

Plan	Under 65	Over 65
Health Plan	2.4% increase in rates	Options 1 to 3 – 6.1% increase in rates Option 4 – 2.4% increase in rates
Dental Plan	No change in rates	
Travel Plan	0.2% increase in rates	
Basic Life Insurance	No change in rates	
Dependent Life Insurance	No change in rates	
Optional Life	No change in rates	

Member health and dental premium rates are based on the paid claims for the group. The premium rates must be adequate to cover claims as well as administration costs. The increases in Health rates and the differences in the rate changes between the Under 65 and Over 65 groups are primarily related to prescription drug costs and are affected by several factors, including:

- More participants. Since 2015, there has been a 26% increase in the number of participants in the Over 65 plan and a 14% increase in participants in the Under 65 plan;

### IMPORTANT DATES

- **Thursday, February 28, 2019**  
Benefits information meeting:
  - Charlottetown – 10 a.m.
  - Summerside – 2 p.m.
- **Monday, March 11, 2019**  
*Coverage Change Request Form* due to Johnson Inc. if you want to change your Health or Dental Plan option
- **Monday, April 1, 2019**  
Your new coverage takes effect

### Retiree Advisory Committee representatives

Marcel J.G. Arsenault  
Bill Harper  
Miriam Lank  
Aubrey MacDonald  
Harry MacDonald  
George McCabe  
Chander Sahajpal  
Don Scott

- Rising health care costs, particularly in the area of high-cost specialty drugs for conditions such as rheumatoid arthritis and cancer, along with significant increases in claims for diabetes

## Overview of rate changes

Here's an overview of the rate changes effective April 1, 2019:

	Under age 65			Over age 65		
	Your current monthly cost	Your new monthly cost	Difference	Your current monthly cost	Your new monthly cost	Difference
<b>Health</b>						
<b>Option 1</b>						
– Single	\$172.91	<b>\$177.06</b>	+\$4.15	\$151.82	<b>\$161.08</b>	+\$9.26
– Family	\$368.24	<b>\$377.08</b>	+\$8.84	\$323.27	<b>\$342.99</b>	+\$19.72
<b>Option 2</b>						
– Single	\$150.46	<b>\$154.07</b>	+\$3.61	\$118.24	<b>\$125.45</b>	+\$7.21
– Family	\$323.92	<b>\$331.69</b>	+\$7.77	\$251.89	<b>\$267.26</b>	+\$15.37
<b>Option 3</b>						
– Single	\$104.58	<b>\$107.09</b>	+\$2.51	\$83.57	<b>\$88.67</b>	+\$5.10
– Family	\$222.70	<b>\$228.04</b>	+\$5.34	\$178.01	<b>\$188.87</b>	+\$10.86
<b>Option 4</b>						
– Single	\$21.07	<b>\$21.58</b>	+\$0.51	\$21.07	<b>\$21.58</b>	+\$0.51
– Family	\$44.91	<b>\$45.99</b>	+\$1.08	\$44.91	<b>\$45.99</b>	+\$1.08

## Making changes to your benefits coverage

Each benefit year, you are eligible to change your level of health and dental coverage without having to provide medical evidence. If you would like to change your current Health or Dental Plan option effective April 1, 2019, complete the enclosed *Coverage Change Request Form* and return it to Johnson Inc. **by Monday, March 11, 2019.**

To help you decide the Health option that's best for you, follow the steps below to estimate your total annual cost under each option and consider your tolerance for risk.

<b>Step ①</b>	Estimate your annual health expenses for you and your family.
<b>Step ②</b>	Determine the annual premiums for each option.
<b>Step ③</b>	Calculate the amount you will pay (co-pay/deductible) for your estimated health expenses under each option. Add this amount to your annual premiums.
<b>Step ④</b>	Think about how much risk you are comfortable taking for unforeseen health events and expenses.

When determining your level of coverage, don't forget to take into account the different coverages and limitations of the Health Plan options. You also need to consider your level of comfort about coverage for expenses that cannot be foreseen. See the *Your Retiree Benefits Options At-a-Glance* on page 4 of this notice for a brief summary of coverage under each Health and Dental option.

# The impact of Diabetes

High rates of obesity, poor diet and a lack of physical activity are all contributing to a significant increase in Type 2 diabetes. Today, claims for diabetes are the highest cost driver of the retiree health plan.

According to Great-West Life's statistics, individuals with diabetes claim an average of 2.7 times more than a person without diabetes. This is because medical conditions such as depression, high blood pressure, eye complications, and elevated cholesterol are more common for people with diabetes.

Individuals with Type 2 diabetes can take preventative steps to help improve and protect their health. Healthy eating, regular exercise and maintaining a healthy weight are all important tools to improve health.

Great-West Life has a wealth of information and tools ready to help. Login to Great-West Life's GroupNet for Plan Members at [greatwestlife.com](http://greatwestlife.com) —Click the *Health & Wellness* on the right tab and follow the instructions to launch the Health & Wellness website.



A *Personal Health Risk Assessment* is an easy first step to take stock of your current health and set a course to improve it. In the *Health and Wellness* website, under *How healthy is your life*, click *Start Now* to begin your *Personal Health Risk Assessment*.

## More information

For more information about your benefits, visit the PSGIP website at [www.mybenefitplan.ca](http://www.mybenefitplan.ca) or consult the Benefits Summary for Retirees. You can also contact Johnson Inc. for benefits information at 902-628-3537 (or toll-free at 1-800-371-9516) and Great-West Life for questions about claims at 1-800-957-9777.

## Benefits information meetings

To learn more about benefits under the PSGIP or upcoming rate changes, attend an information session on February 28th (weather permitting).

**Thursday, February 28, 2019**  
**10 a.m. to 12 p.m.**

Delta Hotels by Marriott Prince Edward  
18 Queen Street  
Charlottetown

**Thursday, February 28, 2019**  
**2 p.m. to 4 p.m.**

Loyalist Lakeview Resort & Conference Centre  
195 Heather Moyse Drive  
Summerside

If there is a storm on February 28th, the meetings will be postponed to Friday, March 1st and an announcement will be made on radio channels CFCY (FM 95.1), K-Rock (FM 105.5), Ocean (FM 100.3) and SPUD (FM 102.1). The announcement will also be posted on the CBC PEI Storm Centre located on the website page <https://www.cbc.ca/news2/interactives/stormcentre/?region=PE>.

# Your retiree benefit options at-a-glance



## Health and Dental Plans

Health Plan	Option 1	Option 2	Option 3	Option 4
<b>Prescription drugs</b>	80% reimbursement of the first \$150 per eligible drug expense, and 100% reimbursement thereafter (\$500 lifetime maximum per person for vaccines)	You pay an annual* deductible before drug coverage begins: \$200 single \$400 family  80% reimbursement of the first \$150 per eligible drug expense, and 100% reimbursement thereafter (\$500 lifetime maximum per person for vaccines)	You pay the first \$50 per eligible drug expense, and 100% reimbursement thereafter (\$500 lifetime maximum per person for vaccines)	Coverage for vaccines only: 80% reimbursement, to a \$500 lifetime maximum per person
<b>Hospitalization</b>	No coverage (Options 1, 2 & 3)			100% reimbursement of the difference between a ward and semi-private room  80% reimbursement of the difference between a semi-private and private room
<b>Eye exams</b>	80% reimbursement, for one eye exam once every two calendar years (every calendar year for children under age 18)			
<b>Eye glasses or contact lenses</b>	80% reimbursement, to \$80 once every two calendar years (every calendar year for children under age 18)			
<b>Medical services and supplies</b>	80% reimbursement, to specified annual maximums (includes paramedical services and private nursing care)			
<b>Ambulance services</b>	100% reimbursement of the first \$50 of eligible expenses per calendar year, and 80% reimbursement thereafter			

\* April 1 to March 31

Dental Plan	Plan A	Plan B
<b>Coverage</b>	<b>Basic services only</b>  80% recall exam once every 5 months 80% maintenance services (e.g., fillings, oral surgery and periodontic and endodontic care)	<b>Basic and Major services</b>  80% recall exam once every 5 months 80% maintenance services (e.g., fillings, oral surgery and periodontic and endodontic care) 50% Major restorative services (e.g., dentures, crowns and bridges) to a maximum of \$500 per year