

## Working together for meaningful coverage

Managing future plan costs is a shared responsibility. By taking a number of small steps individually, we can have a significant and positive impact on the plan costs as a whole. To reduce current and future costs, please consider the following cost-management strategies:

### 1. Check prices for products and services required on a non-emergency basis.

There is a broad range of prices charged for products and services:

- pharmacy dispensing fees range from \$4 to \$15 per prescription,
- ingredient cost mark-ups on drugs can range from 10% to 40% or more, and
- healthcare and dental practitioner charges can vary.

When shopping for your healthcare needs, be sure that you're getting the same value you look for when you shop for gasoline, clothing or groceries.

### 2. Co-ordinate reimbursement through other plans under which you are insured.

You may be able to send claim expenses to another group benefits plan – whether it is through a prior employment arrangement, a professional association, the Ontario Drug Benefit Program or through your spouse's plan (under which you are insured as a dependant).

### 3. Audit bills and insurer statements to ensure they are accurate.

Claim processing and billing can be subject to error. Please ensure that:

- services billed have been performed,
- fees for the same service are billed only once, and
- amounts charged appear reasonable.

These simple precautions can pay big dividends in the long run.

### 4. Consult with your Healthcare and Dental practitioners.

Don't be afraid to ask your healthcare practitioner some key questions. Is the treatment prescribed medically required? Will it conflict with treatment plans or drug therapies recommended by other healthcare practitioners? Is the prescribed drug covered under the Ontario Drug Benefit (ODB) Program? If not, then why not, and are there other equally suitable drugs that are covered?

### 5. Request trial-size dosages when new medication is prescribed.

Although it may result in an extra dispensing fee, trial-size dosages prevent waste if a new drug causes side effects or is ineffective for you.

### 6. Follow treatment plans prescribed.

Take all medication and follow all treatment plans as directed – and for the period prescribed. Report any serious or unexpected side effects to your healthcare practitioner as soon as possible. If you have concerns with your ability to follow directions, discuss this up front and develop alternative plans.

### The final word

This bulletin provides a summary of certain benefits available to eligible clergy and lay personnel who are currently retired; it is not intended to be comprehensive. If there are any discrepancies between the information provided in this bulletin and the official plan documents, the documents will rule in all cases. The Diocese retains the right to amend the plan – including benefits in payment – at any time, and may be required to do so in response to regulatory or legislative updates.

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Diocese of Toronto  
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# Important updates

## Introducing changes to your retirement benefit plan

In light of increased healthcare costs, the Diocesan Council – together with third-party experts – conducted a review of the current retirement benefit plan. As a result of the review, the Council has approved a new plan for current retirees effective March 1, 2008.

This bulletin provides a summary of the plan changes, as well as the factors that contributed to their introduction. The bulletin explores:

- the current competitive landscape,
- the projected financial impact that the changes will have on you and the Diocese, and
- the steps that you and the Diocese can take to help manage benefit costs in the future.

We urge you to read this bulletin carefully – and to contact the Human Resources department at (416) 363-6021, ext. 232 or [rdentingertoronto.anglican.ca](mailto:rdentingertoronto.anglican.ca) if you have any questions.

### What is the Diocese doing to assist retirees?

The Diocese is committed to providing meaningful benefit coverage to its retired clergy and lay employees. Here is a partial list of what is being done to assist you.

1. The Diocese continues to pay 75% of the premium cost.
2. To help you fully understand and use the new plan, the Diocese will be offering workshops beginning in early 2006, running articles in *The Anglican*, and producing new comprehensive plan descriptions.
3. The Human Resources department will be available to assist you at the Diocesan office. If you have any questions about the benefit changes – or your retirement benefits in general – please feel free to contact the Human Resources department at (416) 363-6021, ext. 232 or [rdentingertoronto.anglican.ca](mailto:rdentingertoronto.anglican.ca)

## The changes at a glance

### Offering you meaningful and affordable coverage

Diocesan Council has approved changes to the retirement benefit plan, effective March 1, 2008. The new plan will give you access to modified but more affordable benefits coverage. The following tables provide a side-by-side comparison of your retirement benefits – current and new.

Health		
Benefit coverage	Current plan	New plan (effective March 1, 2008)
Basic Medical	<ul style="list-style-type: none"><li>100% of eligible expenses</li></ul>	<ul style="list-style-type: none"><li>No change</li></ul>
Prescription Drugs*	<ul style="list-style-type: none"><li>100% of eligible expenses</li><li>No dispensing fee cap</li></ul>	<ul style="list-style-type: none"><li>85% of eligible expenses</li><li>Subject to a \$6.11 dispensing fee cap (the cap currently in place under the Ontario Drug Benefit Program for seniors)</li></ul>
Hospital	<ul style="list-style-type: none"><li>Private</li></ul>	<ul style="list-style-type: none"><li>Semi-private</li></ul>
Vision	<ul style="list-style-type: none"><li>\$100 for glasses; \$250 for contact lenses (resulting from surgery)</li></ul>	<ul style="list-style-type: none"><li>No change</li></ul>
Lifetime Maximum	<ul style="list-style-type: none"><li>\$50,000</li></ul>	<ul style="list-style-type: none"><li>\$50,000</li></ul>

\*Those drugs not covered by the Ontario Drug Benefit Program, see below.

Dental		
Benefit coverage	Current plan	New plan (effective March 1, 2008)
Basic Coverage	<ul style="list-style-type: none"><li>100% of eligible expenses</li></ul>	<ul style="list-style-type: none"><li>80% of eligible expenses</li></ul>
Dentures	<ul style="list-style-type: none"><li>50% of eligible expenses</li></ul>	<ul style="list-style-type: none"><li>50% of eligible expenses</li><li>\$1,000 annual maximum</li></ul>
Major Restorative Services	<ul style="list-style-type: none"><li>50% of eligible expenses</li><li>\$1,000 annual maximum</li></ul>	<ul style="list-style-type: none"><li>Excluded</li></ul>
Orthodontia	<ul style="list-style-type: none"><li>50% of eligible expenses</li><li>\$1,500 lifetime maximum</li></ul>	<ul style="list-style-type: none"><li>Excluded</li></ul>

The Diocesan Council chose to exclude Major Restorative Services and Orthodontia from the new dental plan because these services are rarely offered through retiree benefits plans. Major Restorative can be quite costly to cover, and in the case of Orthodontia, our retirees have not used this service in the last several years.

Please note that this is a summary and is not intended to be comprehensive. Some of the benefits listed above are subject to restrictions and exclusions. When you retire, you will continue to pay 25% of the total premium cost. You can request a full description of the plan by contacting the Human Resources department.

### How is this plan integrated with the Ontario Drug Benefit Program?

Your Diocesan prescription drug plan is integrated with the Ontario Drug Benefit (ODB) Program managed by the Ministry of Health and Long-Term Care. Available to seniors and certain other individuals (e.g., residents of long-term care facilities), the ODB covers the cost of a wide range of prescription drugs (minus some annual deductibles and co-payments).

The Diocesan drug plan currently covers a number of drugs not covered by the government-sponsored plan. It is monitored regularly. You will still be able to submit the portion of your ODB drug claims that the government does not currently pay, e.g. the dispensing fee (up to \$6.11).

## Considering the cost

### A look at the cost impact of the new plan changes

Like most private healthcare plans in Canada, the Diocesan retirement benefit plan has experienced significant cost increases in recent years. In the last two years alone, premium costs for both the Diocese and members have increased by 27%. By all indications, they will continue to increase at similar levels into the foreseeable future.

Based on these current trends, there is a very real concern that the current retirement benefit plan will simply become unaffordable – for both you and the Diocese – down the road. As the following table illustrates, the **estimated** annual premium costs for a plan member with family coverage could climb to \$2,100 by 2020 under the current plan:

Projected annual premium cost per retiree with family coverage				
Year	Under the CURRENT retirement benefit plan		Under the NEW retirement benefit plan	
	Member cost (25%)	Diocese cost (75%)	Member cost (25%)	Diocese cost (75%)
2005	\$1,000*	\$3,000	N/A until 2008	N/A until 2008
2010	\$1,300	\$3,900	\$1,075	\$3,225
2020	\$2,100	\$6,300	\$1,625	\$4,875

\* Estimated based on a combined monthly health, vision and dental premium of \$84.58 per retiree with family coverage.

With many parishes facing declining attendance and the rapid aging of our identifiable givers, increases in the Diocesan contribution levels would conceivably threaten the viability of the plan – and the mission of the Diocese itself. The Diocese simply is not in a position to absorb these cost increases.

## Funding future benefits

Unlike a pension plan where money is set aside to pay for future benefits, the former retirement benefit plan was funded from the annual Diocesan budget. This has historically been the accepted practice of most organizations in Canada.

Changes in accounting practices several years ago prompted us to look at retirement benefits the same way we look at our pension obligations. We had built up a large obligation to fund retirement benefits and had not set aside any funds to provide for them.

Because retirement benefits are important, Diocesan Council wanted to provide additional financial security for funding premiums in the future. To accomplish this, the Post-Retirement Benefit Fund was created; \$7.5 million of Diocesan assets were set aside to address current and future obligations.

### Comparative surveys

As part of our review process, we compared our retirement benefit plan with those provided by other organizations. Here is what we found:

- 29% of employers offer retirement health benefits.
- 19% of employers offer retirement dental benefits.

From a 2001 benefits industry survey

- 50% of Anglican Dioceses in Canada offer retirement benefits.
- Of the 30 Anglican Dioceses in Canada, only seven provide retirement dental coverage.
- Of the Anglican Dioceses in Canada, 10 retirement plans are fully member-paid.

From a 2004 survey of all Anglican Dioceses in Canada

Based on this comparative data, your retirement plan remains highly competitive – even with the changes.