2019-2020 GSA Health and Dental Plan Fee
Setting the Plan Cost

- Claims drive the cost of the Plan.
- Claims can increase by:
  - **Volume** (better awareness, more coverage, etc can increase usage)
  - **Cost** (new drugs on the market, Dental Fee increases, etc can increase the cost of claims)

\[ \text{Projected Claims} + \text{Inflation Trend} + \text{Admin Expenses} = \text{Plan Cost} \]
Cost vs. Fee

✦ The cost of the Plan is not negotiable, it is based on actual services used in previous years.

✦ After Studentcare communicates the projected cost of the Plan, the GSA can decide to apply various levers (ie usage of the HDPRF or reduction of coverage) to lower the cost.

✦ The end result is the fee for the Plan, which is what graduate students are assessed.
The Health and Dental Plan Reserve Fund (HDPRF)

- The HDPRF is a restricted fund that can be used to offset the fee for the Plan or to increase coverage.

- The HDPRF grows when the fee is higher than the cost (either because claims decreased between Studentcare making their cost projection and the end of the claims period or because GSA Council decided to grow the fund by setting the fee at a lower rate than the cost).
Fees and Cost over the Years

The table below shows the breakdown of projected cost, actual cost, and the fee charged to graduate students from 2008-2009 to 2017-2018. Any differences between the actual premium and the fee paid by graduate students reflects either payment into the HDPRF of the positive difference between premium and fee or, when the difference is negative, use of the HDPRF to offset cost to students.

<table>
<thead>
<tr>
<th>Plan Year</th>
<th>Projected Cost</th>
<th>Actual Cost</th>
<th>Fee Paid by Students</th>
<th>Use of HDPRF*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>$345.93</td>
<td>$330.70</td>
<td>$346.12</td>
<td>+ $15.42</td>
</tr>
<tr>
<td>2010-11</td>
<td>$361.75</td>
<td>$360.00</td>
<td>$360.00</td>
<td>--</td>
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<tr>
<td>2011-12</td>
<td>$384.15</td>
<td>$384.12</td>
<td>$378.00</td>
<td>- $6.12</td>
</tr>
<tr>
<td>2012-13</td>
<td>$405.00**</td>
<td>$376.08</td>
<td>$396.90</td>
<td>+ $20.82</td>
</tr>
<tr>
<td>2013-14</td>
<td>N/A***</td>
<td>$376.08</td>
<td>$396.90</td>
<td>+ $20.82</td>
</tr>
<tr>
<td>2014-15</td>
<td>$414.05</td>
<td>$413.16</td>
<td>$396.90</td>
<td>- $16.26</td>
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<tr>
<td>2015-16</td>
<td>$440.37</td>
<td>$440.28</td>
<td>$428.65</td>
<td>- $11.63</td>
</tr>
<tr>
<td>2016-17</td>
<td>$495.76</td>
<td>$495.72</td>
<td>$492.95</td>
<td>- $2.77</td>
</tr>
<tr>
<td>2017-18</td>
<td>$500.36</td>
<td>$485.76</td>
<td>$500.36</td>
<td>--</td>
</tr>
<tr>
<td>2018-19</td>
<td>$460.01</td>
<td>&lt;not known until final invoice&gt;</td>
<td>$500.36</td>
<td>~ + $25.00</td>
</tr>
</tbody>
</table>

* A positive figure indicates payment into the HDPRF; a negative figure indicates use of the HDPRF
** High jump in premium resulted in a request for proposals and switch to Desjardins as the plan provider
*** No projected premium necessary because of two-year guaranteed premium rate
What Will the 2019-2020 Plan Fee Be?

- Claims for 2018-2019 have decreased compared to previous years.

- It is expected that the cost of the Plan will stay stable or decrease again.

- What can be done?
  - Increase Dental Coverage
  - Increase Prescription Drugs Coverage
  - Grow HDPRF
Timeline

- **Mid-February:** Studentcare *projects* the 2019-2020 cost of the Plan based on the 2018-2019 claims to date.

- **20 February 2019:** GSA Board reviews and discusses the *projected* cost of the Plan and whether it is necessary to increase the fee or if levers should be applied to lower it, or if it is advisable to increase coverage, or grow the HDPRF.
Timeline

27 February 2019: GSA Board recommends the 2019-2020 Plan fee to GSA Council (remember the fee is set based on the projected cost from Studentcare).

18 March 2019: GSA Council considers GSA Board’s recommendations and sets the 2019-2020 Plan fee as well as any changes in coverage.
Timeline

- The Plan fee needs to be sent to the Board of Governors for approval of the fee collection in April.

- Following the end of the claims year in August, Studentcare calculates the *actual cost* of the Plan (based on the full 12-months of claim data as opposed to the 5-months of claims data on which they based the *projected cost*) and adjustments are made accordingly (keeping in mind that the Plan fee can’t be lowered at this point as it has already been assessed).
Questions?

You can also email me at gsa.vpstudentservices@ualberta.ca