



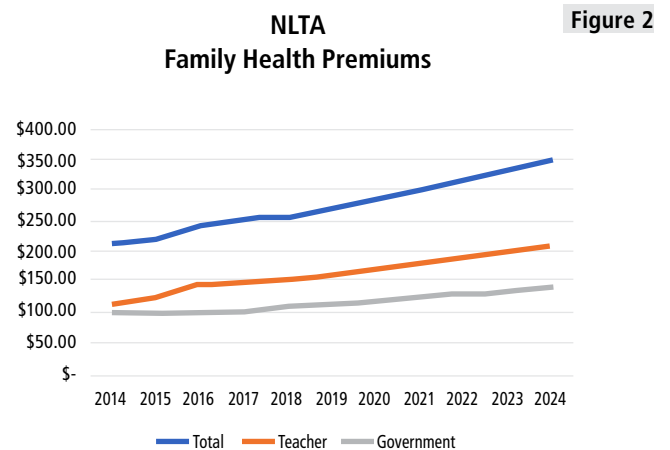
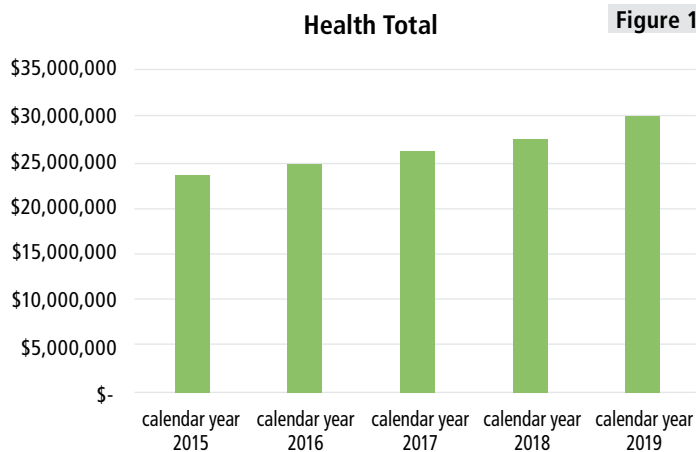
Newfoundland and Labrador Teachers' Association Important Group Insurance Information

To: Members Insured in the NLTA Group Insurance Plan

From: Maureen Doyle-Gillingham, Chairperson, NLTA Group Insurance Managers

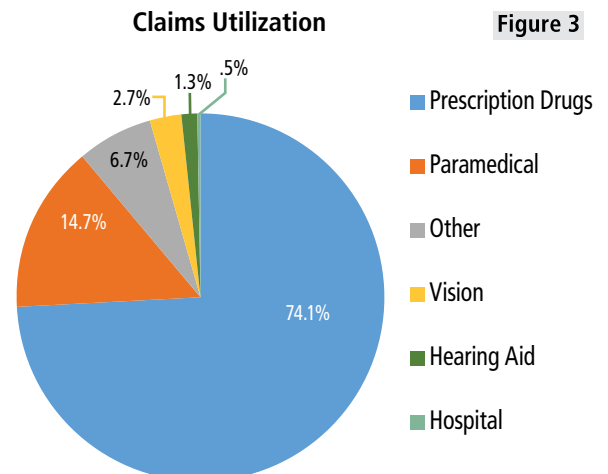
Re: Group Insurance Rate Changes for 2020–2021

Group Insurance Managers would like to advise members of some important information regarding insurance premiums for the 2020–2021 fiscal year. The process involves matching premiums with anticipated claims and expenses. For the upcoming year, most rates members are currently paying will not be changing. Premium rates for Basic Life, Accidental Death and Dismemberment, Long Term Disability, and Critical Illness, as well as Voluntary Life, Voluntary Accidental Death and Dismemberment and Voluntary Critical Illness will not be changing. There will be a change in Health premiums, with monthly costs increasing from \$107.68 to \$121.54 for members with single coverage, and increasing from \$160.30 to \$185.86 for members with family coverage. As we have previously indicated, health care costs in particular have risen as a result of increased utilization and as more specialized, expensive but often highly effective drugs are being prescribed. Some prescription medications cost upwards of \$22,000 per prescription or over \$100,000 annually. As shown in Figure 1, Health claims have been on a steady trend upwards, resulting in increased premium rates, Figure 2.



While our experience is consistent with trends across Canada, Group Insurance Managers continually work with the plan administrator to assess the cost pressures on our plan and explore options for reducing the consistent increases we are seeing annually. This year, Managers have implemented changes regarding biologic drugs. For new prescriptions, the NLTA plan will pay benefits up to the cost of biosimilar drugs for certain biologic drugs. A biosimilar is a biologic drug that is similar to a biologic drug that is already authorized for sale. Health Canada indicates there are no expected clinically meaningful differences in efficacy and safety between a biosimilar and the biologic drug that was already authorized for sale. Implementing this change for 2020-2021 will result in savings to the program.

Managers will continue to look at ways to manage the increasing costs of our Health program. As you can see in Figure 3, drugs



represent the most significant cost to our plan. The next most significant is paramedical claims (e.g. massage therapy, physiotherapy, chiropractic services). Over the past few years, drug costs have increased from \$19.6 Million in 2017 to \$22.2 Million in 2019. At the same time, paramedical costs have also risen from \$3.6 Million in 2017 to \$4.4 Million in 2019. As Managers explore different options, additional communication will be sent to members.

Other Changes

This year’s Group Insurance renewal will also see a small increase in monthly Dental premiums (\$0.78 for single coverage, \$1.56 for family coverage). Similar to Health claims, Dental claims have also been steadily increasing (Figure 4). To manage the increase in Dental costs, Managers have chosen to freeze the rates for Dental claim reimbursement as per the 2020 Newfoundland and Labrador Dental Fee Guide.

There is also an increase for members who are enrolled in the post-65 Life Insurance program. For members, the monthly cost for the \$15,000 benefit will increase from \$16.04 to \$17.30. There is also a very small decrease in the Basic Life Dependent program (\$0.06 per month).

Group Insurance Managers are very conscious of the increasing cost of our Health coverage, but also recognize that our program has been deliberately designed to ensure our members get access to lifesaving and life enabling Health Insurance protection.

To access an overview of the current cost of all aspects of the NLTA Group Insurance Program or to review the changes for 2020-2021, please visit the new Group Insurance website: <https://groupinsurance.nlta.ca/> and click on Recent Information/ Updates.

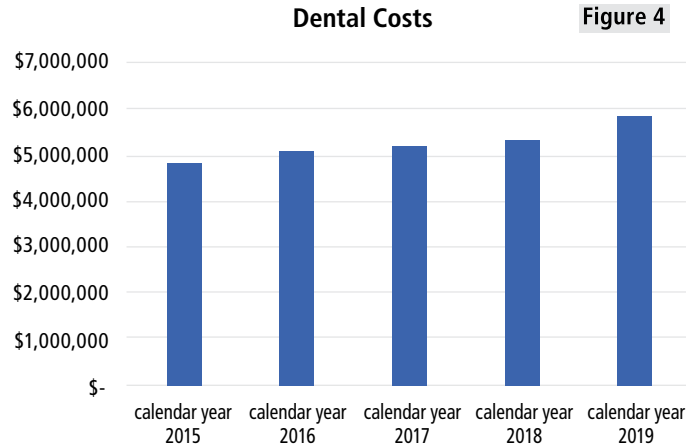
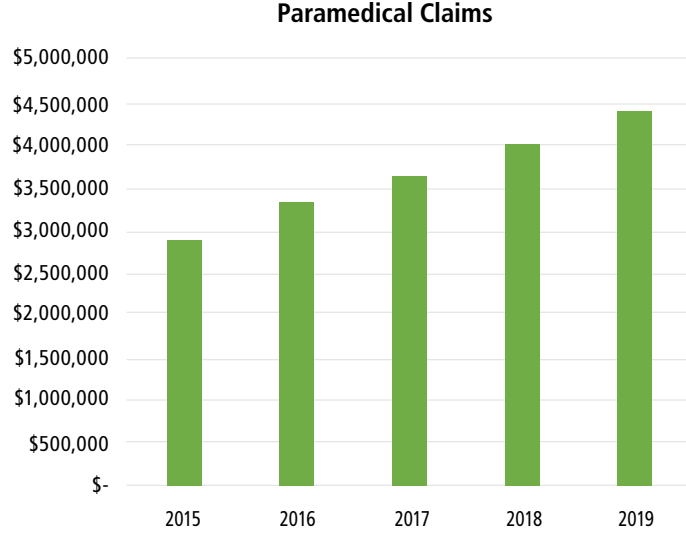
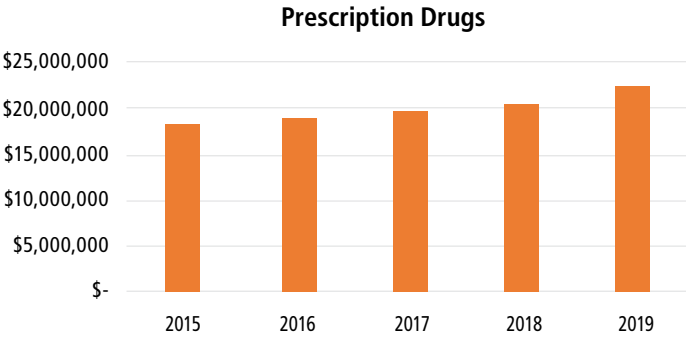


Figure 4