

The ACR Team wishes you a great summer!



Psychotherapists added to the enhanced plan



Geneviève Simard
ACR Coordinator

We are pleased to inform you that your committee has decided to add psychotherapists and psychotherapy treatment to your insurance coverage (**enhanced plan**), retroactive to January 1, 2016, under the *psychologist, psychiatrist, psychoanalyst, social worker, marital and family therapist* category. The fees for these professionals are reimbursed at 50%, with a total maximum reimbursement of \$750, per insured, per calendar year, for all specialists combined. This decision was made because psychotherapists now need a valid license, issued by the *Ordre des psychologues du Québec*, to offer psychotherapy treatment. We hope that you'll enjoy this extension of coverage!

Rising health-accident insurance premiums



Paul Désilets
ACR Member

Hello,

I would like to preface this with a few facts.

Over the last few years, health-accident insurance premiums have increased mainly because of the growing cost and increased use of prescription drugs. Experts are predicting that this **trend will continue unabated, with price hikes much higher than general inflation**. New drugs and cases of illness are both varied and complicated, not to mention the fact that the average life expectancy has improved. While the retirees and their families covered by our health-accident plans pay the full premiums and are affected by this phenomenon, they are not alone. Each insured can do his or her part to mitigate cost increases by choosing generic drugs or renewing prescriptions for longer periods whenever possible.

For several years now, we have experienced significant premium hikes in our health-accident insurance plans. In fact, since January, members of the Advisory Committee for Retirees (ACR) have noticed that the number of complaints has increased, especially for plan members under 65 whose drugs are not covered by the RAMQ. Concerned by this situation, committee members have been actively trying to find solutions to make our plans sustainable. Government and management association representatives are also assisting the committee in this effort. At upcoming meetings, we will be examining the legal context. Afterward, we will closely evaluate the advantages, disadvantages and cost of every solution.

This work will take several months, but we will keep you abreast of all developments.

Brand-name and generic drugs



Serge Lévesque
ACR Member

ACR members are looking for ways to stifle the rise in health insurance premiums for retirees. One option is to **purchase generic drugs whenever available**.

For example, 40 mg of Lipitor, a brand-name medication used to treat cholesterol, costs approximately \$98.99 for one monthly treatment. By comparison, 40 mg of Atorvastatin, a generic medication that contains the same active ingredients as Lipitor and is subject to the same quality control processes, costs approximately \$22.47 (i.e., 22.7% of the name-brand's price). The difference in price is explained by the fact that Atorvastatin required less research because it's a copy of the original, whose patent has expired. In this example, the difference is staggering. The cost difference between brand-name and generic drugs will vary, but generics, more often than not, are much less expensive.

In an effort to reduce plan costs that in turn will reduce premiums, ACR members strongly recommend asking your pharmacist for generic drugs whenever possible.



Major changes to the accident and health insurance plan effective January 1, 2017



Robert Fortier
ACR spokesperson

As you know, ACR and IPC members care about the sustainability of group insurance plans and want to limit premium hikes for management personnel retirees.

The three changes below will take effect on January 1, 2017.

1. Mandatory generic substitution

For several years now, the committee has been endorsing the use of generic drugs* whenever possible. As of January 1, 2017, a plan member who opts for a brand-name drug* will be reimbursed the amount for its generic equivalent, which means that they will have to pay the difference. However, when a plan member's medical condition requires it, the attending physician can fill out a form to justify the use of the brand-name drug, in which case the plan member will be reimbursed based on the cost of the brand-name drug.

2. Modification of eligible drugs under the enhanced plan

As of January 1, 2017, the definition of prescription drugs eligible for reimbursement will be modified to include **prescription-only** medication. Therefore, if an attending physician prescribes a drug that can also be obtained without a prescription, it will no longer be reimbursed.

3. Modification of the maximum annual contribution

The threshold at which prescription expenses are reimbursed at 100% (currently \$3,000 under the enhanced plan and \$2,700 under the basic plan) will be increased to comply with the amount stipulated by the RAMQ. Therefore, an insured will have to spend more than before to reach the amount at which they will be eligible for 100% reimbursement. The exact amount for 2017 will be specified in the rate booklet that you will receive in December. This amount will then be adjusted annually to match in the amount set by the RAMQ.

The reason for these measures is to limit the overall cost of the accident-health insurance plan and consequently, limit premium hikes. We are confident that these measures will help us reach our objective.

A more detailed communication will be sent to you this fall.

*Definitions

Generic drug: A low cost copy of a brand-name drug (first on the market) whose patent is expired.

Brand-name drug: Patented drug for which there is a generic equivalent.

Single-source drug: Drug for which there is no generic equivalent.

ERRATUM

A well-deserved reward (January 2016 Newsletter)



Daniel Poirier
ACR Member

The Quebec Lieutenant Governor's name was incorrectly spelled in January's newsletter. This is what should have appeared: Pierre Gadoury was awarded the Lieutenant Governor's Senior's Medal by the honourable **Pierre Duchesne**.

Furthermore, in the caption under the picture, the text should have read:

From left to right: Pierre Gadoury and the honourable **Pierre Duchesne**, Lieutenant Governor. We apologize for this typo.



From left to right: Pierre Gadoury and the honourable **Pierre Duchesne**, Lieutenant Governor.

The ACR consulting actuary's role

Daniel Poirier
ACR member

The Advisory Committee for Retirees (ACR), created in April 1999, oversees the group insurance interests of the retired management personnel of the Quebec public and parapublic sectors and ensures they are protected. In an effort to suitably advise its members, the ACR hired a coordinator and consulting actuary, whose salaries are paid for by the premiums of retired managers. Their job is to provide ACR members with a professional perspective on matters of importance.



As a risk assessor, the consulting actuary provides valuable insurance insight. Essentially, actuaries calculate the probabilities that an event will occur (e.g., death or illness, trip cancellation, etc.) as well as its financial consequences.

The ACR's consulting actuary is Carole Giroux, of the actuarial firm SAI. She is responsible for analyzing the terms and conditions of the yearly SSQ group insurance policy renewal for retired managers. First, she will validate the data that SSQ uses to determine the premiums. She will then analyze the group's data by calculating the past cost growth and projecting the expected growth over the next year. She will also consider changes in industry laws and, for health insurance, the arrival of new prescription drugs that could have an impact on cost growth in the next year. The analysis is done for each plan (basic and enhanced) and both age groups (under 65 and 65 and over).

Once her analysis is completed, she will meet with the ACR members and advise them on the position the retired managers will present to the representatives and actuary of the *Secrétariat du Conseil du trésor (SCT)*. An official position is then presented to SSQ during negotiations. After the negotiations, the new rates are submitted to the ACR for approval. The

actuary's analysis should help explain the increase/decrease in premium. Finally, the actuary will help the retired managers analyze modifications to be made to the plan by explaining their consequences (pros and cons), by validating the insurer's impact assessment and by detailing the administrative implications that stem from the proposed modifications.

The actuary's role is essential to allow ACR members to form a clear opinion on the group insurance plan.



Collaborator: Carole Giroux, AICA, ASA, Group Insurance Advisor and ACR Consulting Actuary

The importance of deadlines in group insurance

Robert Fortier

ACR Spokesperson

REMINDER

According to the insurer, plan members regularly make requests after the deadline stipulated in the group policy has expired.

In **life insurance**, at retirement, a plan member who participates in the group plan for managers has **90 days** to opt in (optional). New retirees who fail to meet this deadline will no longer be able to apply for this coverage.

In **health insurance**, at retirement, a plan member under 65 who fails to respect the **90-day** deadline can no longer opt in to the enhanced health insurance plan. Plan members 65 and over who fail to respect the **90-day** deadline can no longer opt in to the health insurance plan.

When a member **dies**, the life insurance benefit claim and all supporting documents must be received within **90 days** of the date of death.

For more information on these deadlines, please consult the booklet or contact the insurer at 1-888-651-8181.

Information – The ACR'S role

The ACR was formed to give its retirees a right of scrutiny over the administration of their group insurance plan and choose which strategies to implement. The committee also acts as mediator when disputes arise between plan members and the insurer. Although it plays an advisory role, the ACR is involved in all aspects of the group insurance plan for retirees (premium renewals, booklet updates, etc.).

The ACR reports to the Intersectorial Parity Committee (IPC) through which it has power of recommendation. The IPC reports to the *Secrétariat du Conseil du trésor (SCT)* who acts, on behalf of the Quebec Government, as the policyholder of the group insurance contracts of active and retired management personnel of the public and parapublic sectors.

Consult the ACR members section at the end of this newsletter for the names of the representatives.

Moving?

Don't forget to change your address! Go to the ACCESS | Plan Members site at ssq.ca/access or contact SSQ Customer Service at 1-888-651-8181.



Receive your next ACR Newsletter by email

Sign up for our electronic mailing list by completing the registration form at www.ccr-quebec.com.

A mailing address for the ACR

It is now much easier for retirees to send documents, comments or other correspondence to the Advisory Committee for Retirees, at the following mailing address:

CCR Québec, C.P. 67009 Québec C.P. Orsainville, Québec (Quebec) G1G 0B2

ACR contact information

1-888-777-5546 · www.ccr-quebec.com · info@ccr-quebec.com

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January 2017

ACR members

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» Mr. André J. Boucher	» Mr. Gilles Dufour	» Mr. Robert Fortier
» Mr. Serge Lévesque	» Mr. François Dumulon	» Mr. Jean-Yves Julien
		» Mr. Daniel Poirier
		» Mr. Paul Désilets

Partners

IPC Co-chairpersons	CERA Representative	Actuary
» Ms. Francine Thibeault (SCT)	» Ms. Josée Lamontagne	» Ms. Marie-Ève Simoneau (SCT)
» Mr. Éric Lagueux (RACAR)		