



What is happening with insurance premiums as of January, 2013?

Premiums for both health insurance, and in MTA's case, dental insurance, will be increasing. The QPAT Membership Plans Committee, the QPAT Executive, and the QPAT Board of Directors all agreed that a portion of the money that is kept in reserve for all insurance plans be used to offset part of the premium increase, in the hope that the increased cost of claims might not be a trend, something which remains to be seen.

Who owns your insurance policies?

There is no faceless insurance company reaping huge profits from your insurance plan. The policies for both active teachers and retirees are held by the QPAT, therefore, any surpluses/deficits are reflected in future premiums. It is important to note that your plan is NOT subsidized in ANY way! This is the #1 cause of the cost difference between your plan and the plans of other workers who commonly receive a 50% subsidy from their employer.

How are premiums determined?

In simple terms, our plan is an in/out account in which the amount we collect in premiums must match the amount we pay out in claims. Whenever claims exceed premiums collected, we need to consider either increasing premiums or reducing coverage to save costs. There are three factors which are used to calculate the premiums for the coming year.

Factor 1: Experience - How much was claimed in the past?

Major cost items:

Medication costs represent 78% of all claims (Up from 73% in 2007-2008). Name brand drugs represent 83.3% of all drug claims.

Ask your pharmacist how much he/she charges to dispense your medication and shop around where feasible. Please visit the Radio Canada website for a short video in French illustrating the drastic difference in drug costs from one pharmacy to another:

<http://www.radio-canada.ca/nouvelles/societe/2012/03/18/003-pharmacie-medicament-couts.shtml>

Other cost items:

- Paramedical fees – 9.4% - (physiotherapy 31%, psychotherapy 28.3%)
- Diagnostic services such as blood tests and colonoscopies– 4%

- Travel claims – 1.8%
- Vision care– 1.4%
- Hospital – 1.1%
- Remainder – 5%

Factor 2: Trends

This refers to cost increase due to inflation anticipated for the coming year. For 2013, we anticipate a trend factor of 7%.

Factor 3: Administration costs

This refers to the fees charged to administer our plan. These fees are fixed and negotiated in advance by our consultants, Mercer.

Factors Causing Increases for 2013’s Health Insurance:

1. The average teacher and his/her dependents claimed 11% extra during the current reference period compared to the previous one.
2. Thirty-three certificates (a teacher and his/her dependents) exceeded \$25,000 in claims during a single year (compared to 23 in the last reference period), a 30% increase.
3. Out of country claims increased by 266% compared to the previous year.

Factors Causing Increases for 2013’s Dental Insurance:

1. The average teacher and his/her dependents claimed 15% extra during the current reference period compared to the previous one.
2. Even with a 15 % increase, dental premiums are about the same as they were in 2009.

The Last Five Years at a Glance:

	2009	2010	2011	2012	2013	Average Increase	Compound Average
Health	+5.4%	-4.7%	+6.0%	-3.2%	+7.0%	2.1%	1.96%
Dental	+13.6%	-4.8%	0.0	-13.2%	+15%	2.12%	1.53%

Cost Comparison Health Insurance:

Health Monthly	2012	2013	Monthly Increase
Individual	\$79.53	\$85.08	\$5.55
Couple	\$151.47	\$162.06	\$10.59
Family	\$184.19	\$197.07	\$12.88

Cost Comparison Dental Insurance:

Dental Monthly	2012	2013	Monthly Increase
Individual	\$32.28	\$37.12	\$4.84
Couple	\$58.82	\$67.64	\$8.82
Family	\$77.42	\$89.03	\$11.61