

2017 UVSS Referendum on Health and Dental Plan Changes

The University of Victoria Students' Society will be holding two referenda on **proposed changes to how we structure the fees for the Society's Health and Dental insurance Plan.**

All full-time University of Victoria undergraduate students are automatically enrolled in the Health and Dental Plan. However, students may opt-out with proof of equivalent coverage.

Who can vote? All currently registered undergraduate students.

How to vote? Vote online at <https://webvote.uvic.ca> using your Netlink ID or at the polling stations around campus.

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1. Voting basics: Who, Where, and When?

Who can vote?

All currently registered undergraduate students at the University of Victoria.

Where to vote?

Vote online at <http://webvote.uvic.ca> or at the polling stations around campus.

When to vote?

Polling opens: 9:00 am on Wednesday, February 28th.

Polling closes: 12:00 pm on Friday, March 2nd.

The UVSS Chief Electoral Officer is Karen L. Potts.

2. Referendum Questions

Question 1

Are you in favour of restructuring the fees for the UVSS Health and Dental Plan to create a fee for enhanced coverage in the amount of \$360 per academic year (Sept 1st – Aug 31st), with the option to pay less for basic coverage in the amount of \$290 per academic year, or, to opt out entirely if you have equivalent coverage?

Question 2

Do you support the UVSS having the ability to adjust fees for the Health and Dental Plan up to 5% per year, starting during the 2019-2020 school year, to keep up with rising premiums?

3. Why are we having two referenda on health and dental fees?

Despite the fact that usage of the UVSS Health and Dental Plan has increased and that health care costs have faced inflationary pressures, UVSS Health and Dental Plan fees have not changed since 2003. This problem came to a head during the 2016-17 Board term when usage of the Plan rose 24%. To keep benefits the same, the cost of the Plan would have need to increase approximately \$50 per student for the 2017-18 school-year, but the UVSS had no ability to increase fees without going to referendum. Therefore, there was a deficit between what the UVSS could charge students in fees and what the UVSS was charged by the insurer in premiums. As a result, the 2016-17 Board of Directors was required to reduce health care coverage and use the Health Plan Reserve Fund to make up for the discrepancy. However, this subsidization has drained the resources that were available in the reserve fund. Before funds

run out in the 2018-19 school-year, the UVSS needs to institute a fee increase where there has been inaction for 15 years.

In accordance with UVSS Bylaws and the University Act, all changes to UVSS fees must be approved by referendum. As well, the UVSS is prohibited from holding referenda during the summer semester. As health and dental premiums for the following year are not able to be finalized before April, this timeline restricts the ability of the UVSS to make changes to our fees for the health and dental plan. This factor has contributed to the drastic changes in coverage that members experienced this year.

4. Health and Dental Plan History

The Health and Dental Plan fee is made up of two parts. UVSS members pay a fee to the UVSS, and the UVSS is charged a premium by the insurer. In a typical year, the amount that members are paying into the Plan is slightly more than the UVSS is charged by the insurer. The difference goes into the Health Plan Reserve Fund, which is used to cover costs associated with the Health and Dental Plan.

The UVSS has not increased the amount that students pay into the Plan since 2003. However, when the Plan was first adopted, annual increases were made possible through annual referenda. However, holding annual referenda is inefficient, and complicated by the fact that accurate premiums cannot be projected until the end of April. .

Timeline

1989 – In a March referendum, the Health Plan was established with a fee of \$23.60 per year.

1990 – A March referendum increases the Health Plan fee to \$40.20 per year.

1991 – The Health Plan fee is increased to \$64.20 per year in a March referendum. Students are given the option to add family members to the Plan for an additional cost.

1992 – Students vote to increase the Health Plan fee to \$87.00 per year in a March referendum.

1993 – The Health Plan fee is increased to \$134.40 per year through referendum.

1995 – The Health Plan fee is reduced, through referendum, to \$112.56.

2003 – The Dental Plan is added. Fees for the UVSS Health and Dental Plan are increased to the current price of \$144 per year each.

2010 – Coverage for Travel and eye glasses are added for the first time. UVSS begins working with Studentcare, introducing more proactive regular email communication about the Plan.

2014 – Coverage is increased significantly at no increase in Plan Fees:

- \$10 deductible for Health Plan is removed
- Dispensing fee cap for eligible prescription drugs is increased to \$8 per prescription (from \$3)
- Annual maximum for Psychology is increased to \$700 per policy year (from \$500)
- Registered Clinical Counselors are added as eligible practitioners under Psychology benefit
- Eye Exam coverage is increased to \$60 from \$25 (per 24 months)

2015 – Coverage for Learning Disability Assessments is added – the first of any student society in Canada. Claims for this benefit more than double over next 2 years.

2017 – In April, projected premiums for the UVSS Health and Dental Plan come in approximately \$50 per student higher than in previous years. At the April 24, 2017 Board Meeting the Board votes to reduce coverage and allocate up to \$275,000 from the Health and Dental Plan Reserve Fund to cover the increased costs of the 2017-2018 Health and Dental Plan. The following changes in coverage are made:

- Paramedical coverage is changed from 80% of expenses to \$40 per visit (does not apply to psychology)
- Vision coverage for eyeglasses and contact lenses is changed from \$125 every two years to \$100 every two years
- The annual maximum for Dental Claims is changed from \$850 to \$750

5. What is the Enhanced Plan?

The Enhanced Plan offers students an expanded choice between different levels of coverage at different costs. It is an alternative to the traditional one-size-fits-all Health and Dental Plan model currently available to UVSS members. It offers UVSS members more control in their choice of Health Plan options based on their own priorities:

- Enhanced Health Plan (\$180 per year)
- Enhanced Dental Plan (\$180 per year)
- Basic Health Plan (\$145 per year)
- Basic Dental Plan (\$145 per year)
- Opting out entirely (with access to equivalent coverage).

6. How did the UVSS decide on the amount of the fee increase?

The UVSS decided on how much the two Plans would cost using three factors:

1. Survey data from students

The UVSS surveyed students' willingness to pay for the Health and Dental Plan during our Annual General Survey in the spring. From this data, we found that there were two distinct groups of students present on campus: those who are willing to pay more for their healthcare coverage and those who do not want their fees to increase from what they are now. There also seemed to be a \$350-\$400 cap on what students were willing to pay to cover their health care costs.

2. The projected costs for benefits next year

The UVSS worked with Studentcare to find out what benefits could be covered within our pricing targets. Studentcare calculated the proposed benefits by analysing the results of the membership survey conducted between Nov 2017 – Jan 2018 to identify priority areas for coverage. Studentcare then formulated a proposed package of benefits with input from the Health & Dental Plan Working Group, and obtained an projected cost from the current insurer based on current usage trends.

3. The current state of the Health Plan Reserve Fund

This year, the UVSS has used the Health Plan Reserve Fund to cover the costs of the Plan. Thus, the resources available in this fund have been drained. When the UVSS determined the new fee structure, the need to contribute to the fund was balanced with the need to offer students affordable health coverage.

7. Why an Enhanced Plan?

UVic has a highly diverse student community. A one-size-fits-all Health and Dental Plan is not meeting everyone's needs. The UVSS has heard both from students who want access to a greater level of coverage and those who do not want their fees to increase. In giving students the choice between an Enhanced and Basic Health Plan, the UVSS is able to meet the needs of both of these groups on campus.

8. Why are students automatically enrolled in the Enhanced Plan?

The idea of a flexible benefits model for students is a new model in the insurance industry. Insurers perceive a greater degree of risk, due to the increased fluctuation in enrolment. The insurer then assigns dollar values to the amount of risk accepted, and this impacts the premium paid by students (i.e. the cost of the Plan). Because of the greater risk for the insurer, the structure that offers students the “best deal” is one where all members are enrolled at a higher level of coverage.

Operationally, this is also the only model that allows the full Health and Dental Plan Fee to be included on the student's tuition payment, payable to UVic, and included in student loan assessments and/or tax deductions. In this way, a student is not required to come up with the extra dollars to increase their coverage after their financial arrangements are in place (i.e. after student loans, personal savings, or parental contributions have been calculated).

Rather than placing the onus on the students to pay extra, the responsibility and cost of refunding students will be placed on the insurance broker, Studentcare. This is the only model currently supported by the insurer, and currently in effect at other institutions.

9. What will each level of coverage look like?*

Benefit	Enhanced	Basic
Annual maximum for visits to health practitioners (i.e. physiotherapists, chiropractors, naturopaths, etc.)	\$300 per year	\$200 per year
Amount covered per visit to health practitioners	80% per visit	\$30 per visit
Prescription Drugs	80% of all drugs covered by the BC Fair Pharmacare formulary	70% of all drugs covered by the BC Fair Pharmacare formulary
Exceptional Prescription Drug Coverage (for drugs not covered by BC Fair Pharmacare)	\$2000 per year	\$1000 per year
Coverage for eyeglasses and contact lenses	\$125 every two years	\$75 every two years
Psychology	80% up to \$700 per year	80% up to \$700 per year
Basic Dental Services (i.e. fillings)	70%	80%
Restorative Dental Services/Oral Surgery (i.e. wisdom teeth)	50%	80%
Dental: Endodontic Services (i.e. root canals)	50%	70%

*subject to change, based on preliminary estimates from our insurer

10. How do I change my coverage?

To change their coverage, students will log into the Studentcare website during the Change-of-Coverage period in September. They will then have the ability to select from their coverage options whether they would like to opt down to Basic Health coverage, Basic Dental coverage, or both. No proof of existing coverage will be required unless they are choosing to opt out entirely.