The Impact of Provincial Health Plans on CUPE Retiree Benefits at age 65 and over

Photo: Parc Mont Royal, Montreal (C.Stadnichuk)

Report for the CUPE Retirees' Association

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INTRODUCTION

In the fall of 2019, the CUPE Retirees' Association (CRA) commissioned me to conduct research on how provincial health insurance plans impact the health benefits of CUPE retirees when they turn 65. The CRA had received complaints from retirees from various provinces, particularly from Quebec and British Columbia, about Green Shield Canada not paying for health benefits covered under their provincial health plans once retirees turn 65. There were also a couple of reports from retirees who had disastrous encounters with the out-of-country travel benefits provided by Allianz Global Assistance.

When CUPE employees from all bargaining units retire, they continue to receive extended health care benefits under the CUPE-sponsored Green Shield Canada (GSC) plan. Coverage under this extended health benefit plan is not consistent for retirees across Canada, however, because GSC benefits are sometimes secondary to provincial insurance health plans. When residents turn 65, several provinces provide additional insured health benefit to seniors, such as prescription drug coverage, eye examinations or dental care. This has resulted in some CUPE retirees receiving different levels of health benefit coverage, depending on where they live and what their provincial health insurance plans provide.

The CRA requested a study to:

- *Document differences in how CUPE extended health benefit coverage varies by province;*
- *Document examples of benefit cuts for retirees over age 65;*
- *Document premiums and co-payments retirees are required to pay in each province;*
- *Survey, focus test or otherwise document service quality concerns regarding Allianz;*
- *Develop strategy options on how to better inform retirees about benefit plan requirements on issues like dental pre-determinations or pre-existing conditions and out-of-country travel.*

The issue of the taxation of health care benefits in Quebec, which is a concern for retirees in that province, is not covered in this report because CRA, CSU and UNIFOR have requested a legal opinion on this issue. Once that legal opinion is finalized, the CRA will provide information to retirees.

This report documents each province's insured health benefits provided to seniors aged 65 and over and the deductible and co-payments for these benefits, discusses the coordination or lack of coordination of benefits with the CUPE Retiree Benefit Plan under GSC, outlines the key issues CUPE retirees encounter, and provides recommendations for CRA on improvements to the CUPE Retiree Benefit Plan.

Some of the key findings include:

- Retirees in Quebec are the only CUPE retirees who pay a high deductible, co-payments and premium for prescription drugs because they are required to join the provincial public drug plan administered by RAMQ at age 65. In Ontario and Alberta -- provinces that also provide a public prescription plan to seniors -- the public prescription drug plan is the first payer and GSC is the second payer. In all other provinces, the prescription drug costs of CUPE retirees are mostly covered by GSC;

- The provincial health insurance plans in seven provinces – British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Nova Scotia – pay partial or the total costs of eye exams for seniors aged 65 and over, or for low income seniors. CUPE retirees in British Columbia and Manitoba, however, personally pay for all eye exam costs above provincially-insured levels because GSC does not cover eye exam costs in those provinces;

- Both CUPE employees and retirees in Alberta do not get GSC coverage for podiatry care until they exceed the Alberta Health Care Insurance Plan annual coverage of $250. This threshold is difficult to reach because the province pays minimal costs per podiatry service;
- Ontario's Assistive Devices Program pays up to 75% of the cost ($5,444) of cochlear implant speech processors and CUPE employees and retirees must pay the remaining 25% of costs because there is no coverage from GSC. GSC only covers hearing aids and batteries for CUPE retirees;

- The out-of-country travel insurance for both CUPE employees and retirees is contracted through GSC to Allianz Global Assistance. Several retirees have had considerable problems with the service quality and competence of Allianz dealing with their claims. Both the CRA and employee unions in CUPE should work toward addressing quality service issues.

CUPE RETIREES’ BENEFIT PLAN

When CUPE employees from all bargaining units retire, they and their dependents continue to receive extended health care benefits under the CUPE-sponsored Green Shield Canada (GSC) Benefits Plan. This benefit has been negotiated by all the employee unions in CUPE. The benefit plan booklet is available on the Green Shield Canada website when plan members log into their account or from the CUPE national office.

The language in the Benefit Plan Booklet is the same for all CUPE retirees, regardless of which bargaining unit the person worked. The only distinction is that the billing division for retirees in Quebec aged 65 and over is different from other retirees.

There are no deductibles or co-payments in the GSC benefit plan for CUPE retirees. There are maximums for many of the benefits, as outlined in the table below.

Table 1 - Green Shield Canada Benefits for CUPE Retirees

Benefit	Maximum plan pays
Prescription drugs	Unlimited. (This is dependent on provincial plans). Intrauterine system drugs: once every 4 years based on first date of claim.
Hospital accommodation in a semi-private or private room (varies by kind of hospital)	Reasonable and customary charges
Hearing aids Hearing aid batteries	$3,000 every 5 years $100 every 12 months
Insulin infusion pump for Type 1 or 2 diabetes	1 every 5 years
Custom made boots or shoes	2 pairs every 12 months
Stock item footwear	1 pair every 12 months
Adjustments to orthopedic shoes, or footwear as an integral part of a brace	Reasonable and customary charges
Custom made orthotics	1 pair every 12 months
Incontinence briefs Cloth (washable)	Up to 24 in first 12 months; 18 in second year; 12 in third and subsequent year
Annual medical/physical Examination	Once per calendar year
Wigs	$1,000 every 18 months
Cataract eyewear (frames and lenses or contacts)	Once per lifetime
Optometric eye exams	Once every 12 months, based on date of claim
Prescription eye glasses or contact lenses or medically-necessary contact lenses, or laser surgery	$750 per 24 consecutive months, or every 12 months with prescription change
Apnea heart rate monitor	One per lifetime
Apnea breathing monitor	One per lifetime
Blood pressure monitor Excluding wrist monitors	Once every 3 years, based on date of first paid claim
Private duty nursing in home (RN) Personal care worker (acute only)	Reasonable and customary charges $2,000 per calendar year
Professional services (chiropractor, RMT, osteopath, Podiatrist or chiropodist, dietician, Acupuncturist)	$1,000 per practitioner per calendar year
Naturopath, shiatsu, homeopath, Reflexologist, Social worker or Counsellor (BC only)	$1,200 for all in a calendar year

Benefit	Maximum plan pays
Physiotherapist	30 visits per injury or medical condition. After 30 visits, progress report must be submitted to GSC
Psychologist	12 visits in calendar year
Speech Therapist	$200 in calendar year

*note: please refer to the Green Shield booklet for full listing and explanation of benefits

Reasonable and Customary

Although the plan booklet lists the above health benefits, it is important to read through the entire document for more details on specific benefits and to understand any restrictions on those benefits. For some of the benefits listed, no maximum amount is provided but the booklet instead states GSC will pay "reasonable and customary charges," a common term used in the insurance industry. This is not explained in the GSC plan booklet but is described in a section on benefit terminology on the GSC website:

> **Reasonable and customary charges**. This is the "reasonable" reimbursement amount determined by GSC for a medical item or service. GSC establishes reasonable and customary pricing for all covered health services and major medical equipment. We determine our reasonable and customary pricing based on reviewing rendered amounts, manufacturers' pricing and provincial and association pricing. In all cases, we reimburse the lesser of either the submitted or the allowed unit cost per device or service, as determined by our reasonable and customary pricing policy (which is reviewed on an annual basis).[1]

This policy means that GSC can review the prevailing charges in your area and determine whether your claim fits into what they believe would be usual charges for that benefit. Their default is to pay the

[1] https://www.greenshield.ca/en-ca/plan-members/benefits-dictionary

lower amount, either what was submitted by the claimant or what GSC determines is an acceptable price.

Most plan members are not aware whether the fees charged by their practitioner exceeds what is considered reasonable by GSC. It is important, therefore, for plan members to contact GSC about how much will be covered before making a claim for any benefit that is reimbursed according to "reasonable and customary charges." It is also important to ask GSC how they determine what is a reasonable and customary charge for any specific benefit.

Exclusions

The plan booklet also cites numerous exclusions to the benefits provided. Pages 14 and 15 of the plan booklet list two full pages of exemptions that all plan members should take care to read and understand, especially before they incur an expense and expect reimbursement. Many of the exemptions are common in health insurance plans such as: "injuries or illnesses that occur as a result of an act of war," "participating in a riot or civil commotion," or "not showing up for your appointment with your practitioner," but there are other exclusions that all retirees should understand.

Important to our discussion on the impact of provincial health plans on the benefits of CUPE retirees is point 6, subpoints (s) and (t) in the GSC benefit plan booklet. It reads:

> ***Health exclusions:***
> *6. services or supplies that:*
> *(s) would normally be paid through any provincial health insurance plan, WSIB or tribunal, the Assistive Devices Program or any other government agency, or which would have been payable under such a plan had proper application for coverage been made, or had proper and timely claims submission been made;*
> *(t) were previously provided or paid for by any government body or agency, but which have been modified, suspended or discontinued as a*

> *result of changes in provincial health plan legislation or de-listing of any provincial health plan services or supplies.*[2]

The language in all CUPE employee collective agreements guarantees the continuation of extended health and dental benefits to retirees, but only as long as the benefit is not covered by provincial health insurance. The identical language below can be found in Article 19.01 of the COPE and UNIFOR 2023 agreements, in Article 17.10 (i) if the CEU agreement, and in Article 18.02(c)(i) of the CSU, CDU and UNIFOR 2013 agreements.

The article states:

> *All extended health and dental benefits shall continue to accrue to all retirees, widows, widowers and their dependents <u>when not covered by provincial government programs</u> (emphasis added).*

The health exceptions clause 6 (s) comes into effect is when provinces provide additional health insurance benefits to seniors when they turn 65, such as prescription drug coverage, eye examinations or dental care. This leads to CUPE retirees receiving different levels of health benefit coverage, depending on where they live and what their provincial health insurance plans provide. This report will document the level of provincially-insured health benefits and how they interact with CUPE retirees' benefits.

Clause 6 (s) also impacts the provision of podiatry services in Alberta, which will be explained further in this report.

Alternate Treatment

Another critical term of which retirees should be aware is the "alternate treatment" clause in the plan booklet. This clause is on page 24 and says, "*the group benefit plan will reimburse the amount shown*

[2] My Benefit Plan Booklet, for Retirees, CUPE, pages 14-15.

in the Fee Guide for the least expensive service or supply, provided that both courses of treatment are a benefit under the plan."

GSC has used this clause to deny covering the cost of dental implants, even if that is the recommended treatment from the dentist, because there is a cheaper alternative (for example, dentures). If major dental work is contemplated covering numerous teeth, it is more likely that GSC will use the alternate treatment clause.

Dental Predetermination

The GSC benefit plan also stresses the importance of getting a pre-determination from them before you begin any dental treatment. The plan of treatment proposed by the dentist will be assessed by GSC, and they may decide to cover an alternate treatment of lesser value (using the alternate benefit clause), or completely deny the benefit.

The CUPE Retirees' Association should also emphasize in its communication to retirees that they always obtain a pre-determination for any major dental work to avoid facing costly out-of-pocket charges.

PROVINCIALLY-INSURED HEALTH BENEFITS

Canada's public health care system, governed by *The Canada Health Act*, is considered by Canadians as its most valuable public service. It is publicly-administered, provides comprehensive and portable benefits to residents, and provides medically necessary services free of charge when provided by physicians or in a hospital setting.

While Medicare covers primary health services such as physicians and hospital care, it does not cover pharmaceutical drugs outside of hospital, optometrists, dentists or other paraprofessional care. Many employers and their unions have negotiated extended health care benefits through private insurance to supplement health care provided by public health plans. CUPE employees and retirees are covered by an administrative service only (ASO) group benefit plan provided by Green Shield Canada (GSC).

Although all provinces publicly-insure physician primary care and hospital services as required by *The Canada Health Act*, there is significant variation among provinces in what they provide as insured health services. There also has been a trend in the last couple of decades of provinces de-listing health services from their plans. This includes delisting or removing certain prescription drugs, services of certain paraprofessionals such as podiatrists or chiropractors, or certain kinds of surgical procedures. Often when an insured health service has been de-listed by a province, individuals or workers through their unions will seek coverage for that service under their private health insurance plans.

The other factor that contributes to the inconsistent level of benefit coverage across Canada is that many provinces also provide certain insured health services to seniors once they turn 65. This report lists those services and the deductible or co-payment costs for those services and explains how these insured benefits interact with the CUPE Retiree Benefit Plan under GSC.

PRESCRIPTION DRUG COVERAGE

Every province has some form of a public prescription drug plan, usually income-tested, and some directed specifically to low-income families or seniors aged 65 and older.

British Columbia and Manitoba are the only provinces that do not have prescription drug programs specific to seniors; instead, their plans cover everyone who applies and sets annual deductibles that are income-tested (i.e., higher income individuals/families have to pay higher deductibles before the province pays the costs of prescription drugs). For example, in Manitoba, a single person with an annual net income of $38,000 would have to pay a deductible of $1,888 before the Manitoba Pharmacare Program pays for prescription drug costs. In both provinces, individuals have to apply for the program.

Saskatchewan is the other province where residents must apply for coverage for its prescription drug plan, and specifically, its Seniors' Drug Program. I spoke to several CUPE retirees and only encountered one retiree (from the COPE bargaining unit) who had applied and was receiving coverage under the Seniors' Drug Program; most retirees had not applied.

Table 2 - Provincial Prescription Drug Plans for residents aged 65+ and coordination with GSC

Province	Co-payment or deductible	Enrolment	Coordination with GSC
British Columbia	**BC Fair Pharma Care**. No specific plan for seniors. Pharmacare covers all families and is income-tested. Family with income of $30,589 would pay deductible of $650; after that, plan pays 70% of drug costs until family pays another $250; after that Pharma Care pays 100% prescription costs	Must apply for program.	GSC pays until person reaches deductible under Pharma Care.
Alberta	**Seniors' Health Benefit**. Co-payment: Seniors aged 65 and over pay 30% of prescription cost up to a maximum of $25 per prescription. As of March 1, 2020, spouses and dependents under age 65 are no longer covered under the Seniors' Health Benefit.	Package sent to resident before 65th birthday. Must provide proof of age.	Alberta Blue Cross provides coverage and is first payer. GSC is second payer.
Saskatchewan	**Seniors' Drug Program**: maximum $25 per prescription. Special Support Program for low income seniors: maximum $11 per prescription.	Must apply for coverage. Net income (2017) must be $69,057 or less to be eligible	Seniors' Drug Plan first payer, GSC is second payer. GSC only pays until deductible reached. Few CUPE retirees applied for Seniors' Drug Program
Manitoba	**Manitoba Pharmacare Program**. Not specific to seniors. Income-tested plan. Single person with $38,000 income has deductible $1,888	Must apply for coverage. Pharmacare does not pay until deductible reached.	GSC is first payer; Manitoba Pharmacare second payer.
Ontario	**Ontario Drug Benefit Program**. Single senior with income after tax above $19,300, or senior couple with income above $32,300: pay first $100 of total drug costs yearly and up to $6.11 co-payment per prescription. Seniors with income below the above thresholds pay up to $2 per prescription.	Do not have to apply. Ministry of Health sends letter to residents 3 months before they turn 65. Can request 3-month prescription supply for chronic conditions to reduce amount of co-payment	Ontario Drug Benefit Program pays first, and GSC is second payer.

Province	Co-payment or deductible	Enrolment	Coordination with GSC
Québec RAMQ (*Regie de l'assurance maladie du Québec)*	**Annual premium** collected through income tax: max $636 per person. **Deductible** of $21.75 per month plus a **co-payment** of 37% of the remaining cost of the prescription. Maximum a person would pay for prescriptions is $93.08/month or $1,117/year. Seniors aged 65 and over who receive between 94%-100% of GIS do not pay for prescriptions.	Automatic enrolment at age 65, unless person opts out because they have private plan that has basic coverage as good or better than RAMQ.	GSC and CUPE's position is that retirees in Quebec **must join** the RAMQ. If medically required, GSC will pay for drugs not on the Quebec formulary.
New Brunswick	Single seniors with annual income of $17,198 or less, and senior couples with annual income of $26,955 or less will be covered under provincial plan. No premiums. Co-payment of $9.05 per prescription to a maximum of $500/year.	Automatic enrolment for seniors receiving federal GIS	Persons who have drug coverage under another plan are ineligible for public plan.
PEI	**Seniors' Drug Program**. Those covered pay deductible of $8.25 plus $7.69 of the pharmacy professional fee for each prescription ($15.94 for each prescription). Program is not income tested.	Province automatically enrolls residents at age 65.	If person has other insurance coverage, private plan (GSC) pays first. Public plan is second payer.
Nova Scotia	**Nova Scotia Seniors' Pharmacare Program.** Annual premium based on income: maximum of $424 annually. Co-payment: 30% of prescription drug cost to a maximum of $382 annually.	Pharmacare Program sends information package to residents 3 months before 65th birthday.	Persons who have coverage under another insurance plan are ineligible for provincial senior drug plan. GSC pays for CUPE retirees.
Newfoundland and Labrador	**65Plus Plan** (Seniors' prescription drug plan). Low income seniors pay dispensing fee of up to $6 per prescription.	Automatic enrolment if person receiving OAS and GIS	If person has other insurance coverage, they are ineligible for 65Plus Plan. GSC pays.

Half the provinces - Ontario, Quebec, Alberta, Prince Edward Island and Nova Scotia - automatically enroll residents into their prescription drug plan once they turn 65, and most provinces send residents an information package a few months before their 65th birthday.

In Newfoundland and Labrador and New Brunswick, only residents who receive federal income supports of Old Age Security (OAS) and the Guaranteed Income Supplement (GIS) are eligible for prescription drug coverage and are automatically enrolled once they turn 65.

The coordination between the provincial prescription drug plan and GSC benefits varies widely among the provinces. In some provinces such as Alberta, Ontario (and Saskatchewan if the income test is met), the public prescription drug plan is the first payer and GSC pays the remaining costs of the prescription drug. In the four Atlantic provinces, persons who have coverage under another insurance plan are ineligible for the provincial prescription drug plan. In British Columbia and Manitoba, CUPE retirees have to apply for the public pharmacare plans, and would be eligible for coverage once they reached their income-based deductible. GSC pays their prescription drug costs until they reach the deductible of the public plan.

Recently, Alberta made benefit cuts to its Seniors' Drug Benefit Program. Previously, seniors aged 65 and over and their dependents were eligible for coverage under the plan. As of March 1, 2020, dependents are no longer covered but have the option of joining the Blue Cross Non-Group plan with premiums of $63.50 per month for a single person. Any CUPE retirees over the age of 65 will continue to be covered under the Seniors' Drug Benefit, but if they have dependents under the age of 65, they should receive coverage under the GSC plan.

Quebec's Prescription Drug Plan

The majority of concerns that the CUPE Retiree Association has received from its members about prescription drug coverage come from Quebec where retirees are paying high out-of-pocket costs for deductibles and co-payments under the provincial *Regie de l'assurance maladie du Quebec* (RAMQ) plan (as shown in table 2). GSC does not reimburse Quebec retirees for any of these costs, even though GSC is second payer for retirees in other provinces with a public prescription drug plan that is first payer. The one exception is that GSC will pay for prescription drugs that are not on the Quebec formulary, if a doctor determines the drug is medically-necessary.

As table 2 illustrates, Quebec retirees also pay a health premium to a maximum of $636 that is calculated and deducted on their income tax forms. The Canadian Staff Union, UNIFOR and CRA are doing a separate review of the taxation of health benefits in Quebec and this report therefore does not address the taxation issue.

Quebec is the only province where CUPE retirees are told they *must join* the public prescription drug plan and GSC/CUPE say it is because legislation requires mandatory enrolment.

The CUPE Retiree Benefit Plan booklet, which has the same language for retirees in Quebec and outside Quebec, states:

> *Quebec residents only*: *Legislation requires GSC to follow the RAMQ (Regie de l'assurance maladie du Quebec) reimbursement guidelines for all residents of Quebec. If you are younger than age 65, you must enroll for the GSC Prescription Drugs benefit plan and GSC will be the only payer. If you are age 65 or older, enrollment in RAMQ is automatic, enrollment in the GSC Prescription Drugs benefit plan is optional and RAMQ would be first payer.*

> *If any provisions of this plan do not meet the minimum requirements of the RAMQ plan, adjustments are automatically made to meet RAMQ requirements*.[3]

The legislation referenced in the Benefit Plan booklet is the *Act Respecting Prescription Drug Insurance*, passed by the Quebec National Assembly in 1996 and in effect since January 1, 1997. Division 1, section 15(1) of the *Act* outlines the mandatory requirements of residents aged 65 and older to enroll:

> *Mandatory Nature of Plan*
> ***15.*** *The Board shall provide coverage for the following eligible persons:*
> *(1) persons 65 years of age or over who are not members of a group insurance contract or employee benefit plan that is applicable to a group with private coverage within the meaning of section 15.1 and that includes basic plan coverage, and who are not beneficiaries under such a contract or plan;*[4]

The legislation requires persons aged 65 and older to enroll in the public plan but *only if they are not part of a group insurance plan that provides the same basic coverage as the public plan*.

A 2017 report by Bruno Gagnon for the Canadian Institute of Actuaries points out that the objective of the Quebec legislation is to ensure every resident in Quebec has prescription drug coverage, either under a private insurance plan or the public prescription drug plan. The legislation prohibits employers who provide group insurance from offering benefits to only certain employee groups. If an employer offers private group insurance, all employees must join. The legislation stipulates that the only persons who can choose the nature of their

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[3] My Benefit Plan Booklet, for Retirees, CUPE, p.6.
[4] *Act Respecting Prescription Drug Insurance*. Division 1, section 15(1). Government of Quebec. 1996. Accessed at: http://legisquebec.gouv.qc.ca/en/showdoc/cs/A-29.01

coverage are those aged 65 and older, who can choose between the public plan or a private plan in which they are eligible.[5]

The legislation requires benefit plan sponsors to be inclusive and prohibits them from discriminating against plan members on several grounds, including age. He explains:

> *Upon reaching age 65, employees or retirees who are eligible for coverage under a private group plan covering prescription drugs remain eligible for coverage under this plan since it cannot exclude persons on the basis of their age. However, persons who turn 65 are automatically registered for the public plan administered by the RAMQ. Hence, they have a choice to make.*
>
> *They may decide to be insured:*
>
> - *only by the public plan, administered by the RAMQ;*
> - *by the public plan (first payer) and by a private plan offering supplemental coverage (second payer); or*
> - *only by a private plan offering at least the basic coverage.*[6]

Considering they have options, why wouldn't most seniors aged 65 and older choose to remain in their private plan? Gagnon explains that older persons generally have higher prescription drug costs and that most private group insurance plans do not want to absorb these higher costs in their plan. Because the legislation prohibits discrimination on the basis of age, private insurers cannot terminate coverage of those aged 65 and over. Instead, most private insurance plans will require substantially higher contributions from those aged 65 and older if they wish to maintain their coverage, which pushes most seniors to choose the public plan instead of remaining on their private insurance plan.

RAMQ and coordination with CUPE Retirees' Benefit Plan

As mentioned earlier, the GSC Benefit Plan Booklet note for Quebec residents aged 65 and older states that "enrollment in the GSC

[5] Bruno Gagnon. *The Quebec Act Respecting Prescription Drug Coverage and its Impacts on Private Group Insurance.* Canadian Institute of Actuaries. 2017.
[6] Ibid., page 15.

Prescription Drugs benefit plan is optional, and RAMQ would be the first payer." This is not what is happening in practice, however, even though retirees aged 65 and over in other provinces like Ontario and Alberta have their provincial prescription drug plan as first payer and GSC as second payer.

In my discussion with an employee of RAMQ on December 10, 2019, he confirmed that RAMQ allows persons aged 65 and older to opt out of the public plan and choose to remain in their private group insurance plan, or to have their insurance group plan be the second payer for prescription drugs. Again, this is permitted only if the private group insurance plan is equal to or better than the public plan (a requirement the CUPE-sponsored Green Shield plan would meet).

The exclusion of Quebec retirees aged 65 and over from the GSC prescription drug coverage appears to stem from the health exclusions clause in the benefit booklet. As mentioned earlier in this paper, section 6, subsection (s) allows GSC not to pay for any health services or supplies that "would normally be paid through any provincial health insurance plan." This is not happening in Ontario or Alberta, however, where the public prescription drug plan is first payer for CUPE retirees and GSC is the second payer. CUPE retirees are not being denied any coverage by GSC in these provinces, as table 2 summarizes.

The CUPE Retirees' Association should raise questions with CUPE about the prescription drug coverage of retirees in Quebec. Why is GSC not the second payer for Quebec retirees, when the Benefit Plan booklet and the Quebec legislation permits this? There is also the question of age discrimination, which is explicitly prohibited in the Quebec legislation. Is CUPE, as plan sponsor, discriminating against retirees in Quebec on the basis of age by preventing them from choosing to remain in the GSC plan for prescription drugs? This question needs to be forcefully put to CUPE.

OTHER PROVINCIALLY-INSURED HEALTH BENEFITS

Apart from prescription drug coverage, there are not many other health care benefits provided by provincial health insurance plans for seniors aged 65 and over. Below are a few examples.

Eye exams

After prescription drugs, eye examinations is the second most common extended health benefit provided to seniors aged 65 and over by provincial insurance plans. Seven provinces – British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Nova Scotia – cover partial or total costs of eye exams for seniors, or only for low income seniors.

Ontario, Quebec and Nova Scotia pay for the full costs of eye exams for seniors aged 65 and over. In Ontario and Quebec, the provincial plan pays for an eye exam annually, whereas Nova Scotia pays for an exam once every two years. Saskatchewan pays for an annual eye exam for seniors aged 65 and over who are on income assistance.

The GSC Benefit Plan booklet stresses that coverage for eye examinations does not extend to provinces where eye exams are covered by provincial plans. The booklet states:

> *3. **Medical Items and Services**. Reimbursement for reasonable and customary charges, up to the amount, where applicable, as shown in the Schedule of Benefits for: …*
>
> *(i) Optometric eye examinations for visual acuity performed by a licensed optometrist, ophthalmologist or physician (available only in those provinces where eye examinations are not covered by the provincial health insurance plan).*[7]

The provincial health insurance plans in British Columbia and Manitoba cover eye exams for seniors aged 65 and over but their plans only pay

[7] My Benefit Plan Booklet, for Retirees, CUPE, page 11.

for part of the eye exam costs (see table 3). Because there is provincial health insurance for eye exams, GSC does not pay any of the costs and CUPE retirees are left to pay the outstanding bill.

In British Columbia, if the optometrist wants to charge a higher fee for an eye exam than what the province covers, they are permitted to do this. There is no set provincial fee. In Manitoba, optometrists are prohibited from charging patients for an insured service for which the patient is eligible but the provincial plan does not cover the full range of necessary eye tests. Optometrists in Manitoba, according to the Executive Director of the Manitoba Association of Optometrists, have a difficult task explaining to seniors which tests are insured, which tests are necessary but not insured such as Optical Coherence Topography (OCT) and other tests.

There was a concern raised with me from the Manitoba retiree rep that Manitoba's health insurance plan only pays for an eye exam every two years, and that seniors may require more frequent testing (the website of the Manitoba Association of Optometrists recommends that "adults over the age of 65 should visit the optometrist every year.")

The Manitoba health insurance plan, however, does allow annual eye exams if medically required (for example, for conditions such as glaucoma). CUPE retirees in Manitoba have to be vigilant asking their optometrist what tests are required and what is covered provincially so they are better informed about their eye exam fees.

As with prescription drug coverage, CUPE retirees aged 65 or older have varying levels of coverage for eye exams. Table 3 below provides the details of the coverage.

Table 3 – Benefit Coverage for Eye Exams for Seniors Aged 65 and over, by Province

Province	Provincial eye exam coverage	Coverage by GSC
British Columbia	The Medical Services Plan (MSP) pays **$47.08*** toward an annual routine eye exam for residents aged 65 and over (and ages 0-18). Optometrists charge more as there is no set provincial fee. **as of November 1, 2019*	GSC does not pay any of the costs of the eye exam in BC. Eye exams can cost around $100 and CUPE retirees pay balance out-of-pocket. GSC covers costs of eye glasses and contact lenses.
Alberta	The Alberta Health Insurance Plan (AHICP) pays **$80.70** toward eye exams for seniors aged 65 and over. AHICP pays partial costs of eyeglasses based on income: Single person with income $28,150 or less, or couple with income $56,300 or less: **up to $230 every 3 years** Single with income $28,151 to $31,675; or couple with income $56,301 to $63,350: **up to $115 every 3 years.** Seniors with incomes above the thresholds are ineligible	AHICP is first payer for eye exams. The Alberta Retiree Rep said most retirees in Alberta have eyeglasses covered fully by GSC.
Saskatchewan	Province pays for one eye exam annually but *only for seniors on income assistance*	GSC pays full cost for eye examinations
Manitoba	Manitoba Health pays **$45.02*** toward the cost of one routine eye exam every 2 years. If medically required, eye exam can be annual. **since April 1, 2018 (no change as of Feb 2020)*	GSC does not pay any of the costs of eye examinations. CUPE retirees pay remaining costs out-of-pocket.
Ontario	OHIP covers full costs of one eye exam annually, plus major eye assessments if medically necessary, for those aged 0-20 and 65 and over.	GSC does not pay for eye examinations because fully covered by province.
Quebec	Province pays full costs of one eye exam annually for seniors aged 65 and over.	GSC does not pay because costs covered by provincial health insurance.
New Brunswick	No coverage from province	GSC pays full cost of eye exams
PEI	No coverage from province	GSC pays full cost of eye exams

Province	Provincial eye exam coverage	Coverage by GSC
Nova Scotia	Province pays for eye exam every two years for seniors aged 65 and older	Provincial plan pays for seniors
Newfoundland and Labrador	No coverage from province	GSC pays full cost of eye exams

Other health benefits

There are few other extended health benefits covered by provincial health insurance plans that impact CUPE retirees except in Alberta and Ontario.

Alberta Seniors' Health Benefits

Alberta has a program, the Seniors' Health Benefits, that provides additional health benefits to seniors aged 65 and over for:

- dental care for low income seniors: a single senior with income $28,150 or less, or a senior couple with income $56,300 or less: 100% coverage of dental care. A single senior with income between $28,151-$31,675 and couples with income between $56,301-$63,350): 99% to 10% coverage. Seniors with income above those thresholds are ineligible for coverage. There is a maximum of $5,000 every 5 years.
- chiropractic care: the plan pays $25 per visit up to $200 per year per person
- diabetic supplies: up to $600 per year
- health premiums and ambulance fees: eliminated for seniors aged 65 and over

Podiatry care in Alberta

The Alberta Health Insurance Care Plan (AHICP) also provides partial coverage for podiatry care for all Alberta residents with a valid health card regardless of age, up to a maximum of $250 per fiscal year (July 1 to June 30).

CUPE employees and retirees in Alberta pay out-of-pocket for most of their podiatry services because the GSC Benefit Booklet specifies *"podiatry services are not eligible until your Alberta health insurance plan annual maximum has been exhausted*." [8]

The same booklet, however, states that "podiatry services are eligible in coordination with your Ontario health insurance plan." This needs to be clarified, but it could be because OHIP only pays between $7 and $16 of each visit to a podiatrist up to $135 per patient annually, plus $30 for x-rays while Alberta's health insurance plan says it covers podiatry services without specifying the amounts.

Many CUPE employees and retirees do not know what the annual maximum is or how much AHICP pays for specific podiatry services. One has to do significant research to find the schedule of benefits for podiatry services in Alberta.[9] AHICP only pays $19.30 for a regular visit to a podiatrist and often does not pay for certain specialized treatments.

It is difficult, if not impossible, for a claimant to reach the annual maximum of $250 because of the low fee reimbursement per service by AHICP. Although this inadequate coverage is an issue for *both* CUPE employees and retirees, the Alberta Retiree Rep pointed out that retirees are more likely to require podiatry care and pay a significant amount out-of-pocket for this service.

Ontario Assistive Devices Program

The Ontario Assistive Devices Program (ADP) provides equipment and supplies to Ontario residents with a valid health card who have had a physical disability for six months or longer. The program provides over 8,000 different pieces of equipment or supplies such as prostheses, wheelchairs/mobility aids, monitors and test strips for insulin-

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[8] My Benefit Plan Booklet, Retirees, CUPE, p.12.
[9] The Schedule of Podiatry Benefits has not been updated since 2007. It can be accessed here: https://open.alberta.ca/publications/schedule-of-podiatry-benefits

dependent diabetics, insulin pumps and supplies, hearing aids and implants, respiratory equipment, orthotic devices (braces), visual and communication aids, and home oxygen therapy.

ADP covers 75% of the cost of certain equipment, grants for particular devices, 100% of the cost of Home Oxygen Program for seniors aged 65 and over, and a fixed amount for hearing aids and implants.

Hearing aids vs cochlear implants

One CUPE retiree has raised concerns that GSC does not cover any costs toward cochlear implants. GSC pays $3,000 per ear, every five years based on first date of claim, and $100 every 12 months for hearing aid batteries.

The Ontario Assistive Devices Program, however, will pay $500 toward hearing aids (and GSC pays the remaining costs) and 75% of the costs (up to $5,444) for a cochlear implant replacement speech processor. GSC does not cover any of the costs of cochlear implants, so CUPE retirees have to pay the remaining costs themselves.

Why are cochlear implant replacement speech processors necessary? The affected retiree wrote:

> *Both hearing aids and cochlear implants aid a person's ability to hear and decipher conversation. A hearing aid is a device which essentially gives different volumes to different tones, to make up for an individual's hearing loss. For example, if high tones can't be heard well enough, a hearing aid can be adjusted to raise the volume on high tones.*
>
> *When hearing aids don't work, it can be an indication of a damaged cochlear. The option to deal with a damaged cochlear is a cochlear implant. A Cochlear Implant Speech Processor is a device which allows sounds to be converted to electrical signals sent to the brain via the cochlear implant. This allows hearing whether or not there are damaged hearing cells, or no cells. Both devices allow a person to hear speech.*

Cochlear Implant Speech Processors have an estimated life of five years. In Ontario, CUPE retirees who require this device would have to replace them at some point, but the ADP only pays $3,000 toward the cost of a replacement processor. Considering this is a relatively new aid to hearing and that retirees across the country without any provincial coverage may require such aids, this should be raised by CRA for consideration under the GSC plan.

OUT-OF-COUNTRY TRAVEL BENEFITS THROUGH ALLIANZ

The GSC benefit coverage for retirees includes out-of-country travel insurance for medical emergencies. The benefit plan does not indicate any maximum charges it will pay but emphasizes that “eligible travel benefits will be reasonable and customary charges in the area where they were received, less the amount payable by your provincial health insurance plan.”

The coverage is only for medical injuries or illnesses that occur while the plan member is travelling for vacation or any other travel that is not for health reasons (for example, health tourism).

The benefit plan stresses that the plan member must contact GSC emergency services within 48 hours “of commencement of treatment.”

The benefit plan defines emergency as:

> Emergency means a sudden, unexpected occurrence (disease or injury) that requires immediate medical attention. This includes treatment (non-elective) for immediate relief of severe pain, suffering or disease that cannot be delayed until you or your dependent is medically able to return to your province of residence.

> Any invasive or investigative procedures must be pre-approved by GSC Assistance Medical Team.

The CUPE Retirees' Association has received detailed reports of horrendous experiences of two CUPE retirees who dealt with Allianz, the out-of-country travel insurer contracted by Green Shield Canada. Both retirees had more than one negative experience with Allianz.

This report summarizes their key concerns with how Allianz handled their claims.

Pre-existing conditions and stable condition

One retiree, who dealt with travel claims for both himself and his wife, felt that Allianz agents were quick to jump to the conclusion that their claim should be denied because they had a pre-existing medical condition.

The GSC Benefit plan booklet has a section on travel exclusions that allow the insurer to deny reimbursement if the claimant had a pre-existing medical condition that was not stable when they travelled:

> *In addition to the Health Exclusions, eligible benefits do not include and reimbursement will not be made for:*
>
> *1. Any expenses incurred for the treatment related directly or indirectly to a pre-existing or pre-diagnosed medical condition that, at the time of your departure from your province of residence, was not completely stable (in the opinion of GSC Assistance Medical Team) and where medical evidence suggested a reasonable expectation that treatment or hospitalization could be required while traveling. GSC reserves the right to review your medical information at the time of claim.*[10]

The definition of "stable" used by GSC is that the condition must be stable for 90 days before departure.

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[10] CUPE Benefit Plan booklet, page 20.

In the case of one retiree, he had been cleared for travel by four specialists and his family doctor before leaving on a vacation of several months. As he, his wife and friends were returning home, he became seriously ill and was rushed to hospital in the United States. After 11 days in a U.S. hospital, Allianz said a medical panel denied his claim because of an unstable pre-existing condition. It turned out that an RN and not a panel had made this decision.

Four days later, this decision to deny his claim was reversed and he was cleared to return to Canada by air ambulance, only to find, when he arrived at the hospital, Allianz had not made any prior arrangements for him to be admitted. He spent five hours in the emergency room before he was given a hospital bed.

Multiple agents and contradictory information

Both retirees reported that they (or their partner) had to deal with multiple claim agents who were not aware of what other agents had said, they received contradictory and at times false information from different agents, and had to answer the same questions repeatedly to several agents.

On the GSC website, under their Frequently Asked Questions on travel insurance, they explain "*you will not be assigned a dedicated case manager. You will be given a case number when you first call that you should refer to each time you call. All medical staff and case managers have access to your file 24/7 as you may need assistance at any time of the day.*"

Although it is important that all medical staff and case managers have access to the file so they can assist the claimant at any time, there appears to be a lack of consistent training on dealing with claims, or incompetence dealing with persons who need health assistance (or both).

Both retirees dealt with multiple agents at Allianz (one retiree said they spoke to 12 separate agents with his one claim), and were frustrated with the frequent calls and having to repeat themselves or clarify information that should have been in their file. From the experiences of these retirees, it is important that CUPE plan members get the names of each agent they encounter and take detailed notes of what is said (which can be difficult when one is in a health emergency).

Advice that contradicts medical opinion of attending physician

In the accounts of both retirees, Allianz gave them advice that was contrary to the medical recommendations of the attending physician, and made recommendations that would have been more costly.

In the case of the retiree hospitalized in the US, the doctor treating him cleared him to travel by air ambulance back to Canada six days after he was admitted to hospital. Allianz rejected this because it would have cost $26,200. He remained in the US hospital for an additional 10 days – occurring even higher costs - before he went home by air ambulance.

The other retiree hospitalized in Europe reported that Allianz called him repeatedly and told him to immediately return to Canada, even though this was against the advice of his attending physician. Allianz did not even wait for the doctor’s assessment before demanding he return. The retiree wrote:

> *Allianz repeatedly told me that I should still board an airplane even when I received doctor's instructions that, upon release from the hospital, I should remain in bed for a week at minimum during which time I was to continue applying the salve the doctors had provided. Such a regime was not compatible with me getting on an airplane and flying back to Canada. Allianz did not want to hear this and continued to reiterate their mantra about my need to return to Canada ASAP.*

Administrative incompetence

The retiree who was hospitalized in Europe had two experiences where Allianz had not correctly paid bills or had not paid in a timely manner. His first experience with Allianz was in 2018. He paid the medical bills upfront and, even though he submitted all his receipts showing he had paid, Allianz paid the doctor (second payment) instead of the retiree.

For his second incident in October 2019, the hospital did not ask him to pay upfront and he submitted seven pages of claims and original invoices (as required) to Allianz in November 2019. He tried to send his invoices by registered mail but could not because they only provided a postal box number and couriers require a physical address. Allianz claimed the mail never arrived and he had to resubmit. As of the end of January 2020, he was still dealing with unpaid bills.

There could be other examples of retirees having difficulties dealing with Allianz. Two retirees took the time to write detailed reports on their experiences that raise numerous concerns about the reliability and competence of Allianz as a travel insurer.

The CUPE Retirees’ Association should raise concerns with CUPE about service quality of Allianz and push for a commitment to higher quality standards. Failing an agreement on quality improvements, CRA should call on CUPE to replace Allianz. In the meantime, the CRA can prepare fact sheets to advise its members how to deal with Allianz in the case of an out-of-country medical emergency.

CONCLUSION AND RECOMMENDATIONS

In response to this report, the overall goal of the CUPE Retirees' Association (CRA) should be to eliminate or reduce benefit inconsistencies and ensure more uniform coverage for retirees across the country. When this report was commissioned, CRA was aware of inequitable benefit coverage for retirees aged 65 and over in Quebec (prescription drug plan) and British Columbia (eye exams) but was not certain if there were discrepancies in other provinces.

This report highlights other inconsistencies but, in particular, it illustrates that there is good coordination of benefits between GSC and public insurance plans in other provinces. There is no apparent reason why the same level of benefit coordination cannot happen in Quebec, Manitoba, Alberta and British Columbia.

Through discussions with the plan sponsor (CUPE) and employee unions, the CRA should explore ways to ensure all CUPE retirees whose provincial health insurance plan is first payer for certain health benefits also have the GSC benefit plan as the second payer. The CRA may be able to achieve some of this through frank discussions with CUPE, or it may have to work through the employee unions to negotiate improved language in collective agreements and the benefit plan.

Recommendations

Based on the findings in this report, I recommend that the CUPE Retirees' Association:

- meet with CUPE employee unions to discuss the findings in this report and examine strategies to improve the language in the benefit plan booklets and, if necessary, collective agreements to ensure consistent and uniform benefit coverage across the country;
- raise concerns with CUPE that excluding Quebec retirees over the age of 65 from the GSC prescription drug plan is discriminatory and prohibited by the *Quebec Act Respecting Prescription Drug Insurance*;
- raise concerns with CUPE about the deficient service quality of Allianz and press CUPE to negotiate quality standards with GSC. Failing any improvements, press CUPE/GSC to replace Allianz with an out-of-country insurance provider that meets higher standards.

Information to members

- prepare communication for retirees that stresses the importance of members getting pre-determinations for any dental work or for any benefit identified by GSC to be paid according to "reasonable and customary charges."
- develop a factsheet showing the coordination between GSC and provincial health insurance benefits;
- prepare fact sheets to advise its members how to deal with Allianz in the case of an out-of-country medical emergency.