

NOVA SCOTIA UNION OF PUBLIC AND PRIVATE EMPLOYEES NSUPE LOCAL 17 BULLETIN

Airport Hotel Halifax

Tuesday, June 7, 2005

Issue 2005-1

Group Insurance Plan

Decrease in overall cost of plan

NSUPE is very happy to be able to tell NSUPE Local 17 members at the Airport Hotel Halifax, that their overall payments for group benefits will decrease again this year. For those who are enrolled only in Life and LTD, there will be a very small increase.

This is the second year in a row that we have been able to decrease the overall cost of benefits for NSUPE Local 17 members at the Airport Hotel. As the back page of this bulletin shows, costs rise for two reasons: (1) the cost of the drugs or service go up; (2) the amount of use members make of the plan. We cannot expect that the plan will never go up in price, but there are ways in which you can help to keep unnecessary costs down. Please read the following page and do what you can to help keep costs down.

You should note that, while the total cost has gone down, the cost of some specific benefits has increased; mostly because of the amount of use. There will be increases for: basic life insurance (+5.9%); dependant life insurance (+1.7%); long term disability (+6.0%). The price will drop for: accidental death & dismemberment insurance (-7.2%); health insurance (-12.7%); dental insurance (-16.3%). Overall, the total plan cost will go down by 7.3%.

The ability to negotiate with insurance companies, to provide timely and accurate information to members and the knowledge to provide a plan suited to our needs is one of the big advantages that NSUPE is able to provide through our affiliation with a knowledgeable, respected benefits consultant firm like Luedey Consultants Inc.

Changes to bi-weekly deductions, effective July 1, 2005

	SINGLE			FAMILY		
Annual Salary \$20,000	Present Premium	New Premium	Difference	Present Premium	New Premium	Difference
All Benefits	\$25.97	\$23.34	- \$2.63	\$44.87	\$40.63	- \$4.24
Life Insurance & LTD only	\$14.98	\$15.75	+ \$0.77	\$16.02	\$16.80	+ \$0.78

Anytime we can provide you with stable costs, that is good news. No doubt small increases will take place from time to time but we want to try to avoid the large increases if possible. There is nothing you can do about getting sick or needing medicine or treatment, but you can play your part in controlling costs. Read the next page for some good, well researched advice from our benefits consultants.

Do you have a question or need help?

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WHY DO GROUP BENEFITS PREMIUMS CHANGE?

In spite of the fact that overall premiums are dropping for NSUPE Local 17 members, the cost of health care, including group benefits, continues to rise. Increases are expected for the foreseeable future and will, no doubt, affect you sooner or later.

KEY FACTORS!

The key factors in increasing group benefits premiums are:

(1) Drug costs: Prescription drugs continue to increase in cost at a rapid rate. Part of the reason is that the pharmaceutical companies release new drugs on a regular basis, some of them costing 2 or 3 times as much as the old drug which does essentially the same thing. The large pharmaceutical companies can get away with this because the government of Canada gave them 20 years of patent protection so they would not be subject to competition from the generic drug companies. These increasing drug costs threaten, over the long run, the future of group benefit plans and our national system of medicare.

(2) Usage by members: The more a benefit is used, the more the price will increase. The insurance companies expect to make a profit and they must also pay for their overhead costs, so usage drives the cost up.

YOU CAN HELP CONTROL COSTS!

There are things each member can do to help limit premium increases to our group benefits plans.

(1) Think about it: Just because the premiums are deducted automatically from your pay and you don't have to pull the money out of your pocket every time you use a benefit, don't fall into the trap of thinking there is nothing you can do. Look at your pay stub, remember that every deduction on it comes straight out of your pocket. You want to spend those dollars as wisely as you would the dollars you pay out directly.

(2) Talk to your doctor: You can't control when you need a medicine and you're not a doctor so you don't decide which one to take. However, tell your doctor that you want the medication that will be effective in the shortest time at the least

cost. Very often there are less expensive, generic drugs (manufactured by smaller companies) that are virtually identical to the high cost drugs supplied by the big pharmaceutical companies. Tell your doctor that if those generic drugs will work, you prefer to have them. You can talk to your pharmacist about this as well.

(3) Ask your pharmacy about dispensing fees: Pharmacies charge a fee, in addition to the cost of the medicine, for filling the prescription. Those dispensing fees vary widely at different pharmacies, and some pharmacies charge more if they know you are on a group benefits plan. Ask around, check out fees at the various pharmacies in your neighbourhood or on your route to work and look for a lower cost. The fees can vary from a couple of dollars per prescription up to \$10 or more.

(4) Refill prescriptions: Every time you go to the pharmacy to fill a prescription you pay an additional dispensing fee. If you are taking a medication on a regular basis (such as birth control, diabetes medication, heart or blood pressure medication, etc.) talk to your doctor and pharmacist about getting a 3 month supply at a time rather than buying monthly. This action alone will save you the full cost of two dispensing fees.

(5) New prescriptions: Sometimes when a person is given a new medication which will be taken over a long period of time, the medication dosage or type has to be adjusted several times before the right dose and medication are found. Talk to your doctor about smaller prescriptions to start with so that if the drug doesn't work after a week, you don't throw three weeks' worth of drugs down the drain.

(6) Support a national pharmacare system: Canadians want and deserve a national pharmacare system which will provide drug coverage in the same way doctor and hospital coverage is provided through medicare. Tell your local politicians that's what you want and support efforts to implement such a system.

For more information, or if you have other suggestions, contact NSUPE at:

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