

EXCERPTS FROM THE Autumn 2015

Le magazine de l'AREQ 
CSQ

Quoi de neuf

Automne 2015

DOSSIER



La zoothérapie :

un apport significatif à la santé

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EDITOR'S NOTE

Change within continuity

No, the title of this article is not a slogan heard in the latest federal election campaign. It rather translates the state of mind in which we today find the team at *Quoi de neuf* magazine.

Indeed, it is under the heading of renewal that the magazine undertakes its 38th year of publication. Since 1978, it has donned a thousand and one faces, covered a myriad of subjects, and drew upon the experience of hundreds of volunteers and collaborators. Over the years, the magazine has evolved, as much in its form as in its content, to better address the needs of AREQ members.

From 4,000 to 60,000 copies

Originally, *Quoi de neuf* took on the form of a four-page newsletter with a 4,000-copy draw. We should mention that back then the magazine was under the direction of Mr. Cyrille-Antonio Deshaies, who recently celebrated his 105th birthday.

Today, the magazine has a draw of nearly 60,000 copies and each issue has some 40 pages. It is, in fact, the Association's most important communication tool with its members. Of course, AREQ relies on other means as well – its website, monthly bulletin, and weekly info-letter, for example – but the magazine allows AREQ to reach all its members, as it is sent directly to their homes. Thus does it address one of the issues of the 2014-2017 action plan, that is to say, “keeping up with current events and ensuring the information is communicated to members”.

Our greening

Two new items should be mentioned this year. First, the current issue of the magazine is, for the first time, printed entirely on paper that is both recycled and recyclable (earlier issues were recyclable, but only partly recycled). By this action, AREQ is completing its greening. Once again, this latest measure addresses the concerns members expressed within the framework of the Association's triennial action plan.

New graphic design

Moreover, beginning with the winter edition, the magazine will have a new look. It will present readers with a new, more modern graphic design with a new range of colours in harmony with the seasons. Among the changes, we should point out that the cover page will be completely redrawn, the inside pages remodeled, and a new font introduced. The objective of the changes is to make the magazine more visually attractive while maintaining its ease of reading and the richness of its content.

Express yourself!

We hope the visual changes will please you. If you have questions or comments about the new presentation or content of the magazine, please let us know by sending an email to quoideneuf.areq@csq.qc.net. Your comments can be published, if you so desire. They might serve to improve future issues of the magazine. After all, this communication tool was created by and for AREQ members.

Dominic Provost
Communication Advisor

A WORD FROM THE PRESIDENT

Pierre-Paul Côté

President of AREQ

Think, act, collaborate, and inform: This is AREQ in action!

At the start of the second year of the 2014-2017 triennial, allow me to look back on the first year of this cycle. The major orientations adopted at the 2014 Congress were translated into a coherent, ambitious, and demanding plan of action. The regional and sectorial elected officials made every effort to analyze and validate this new work plan, which was devised by members of the board of directors with Association resources. We must measure and weigh the actions that can be implemented by sectorial, regional and national elected officials. Selecting the actions to be taken must take into account the capabilities and the mobilization of volunteers in our organization. It is an aspect that must be considered if we are not to discourage those who would follow in our footsteps.

Meticulous preparation work

At the national level, AREQ has made a point of participating, inasmuch as it can, in dossiers that concern our members and seniors in general and to intervene when necessary.

The people who learn of our interventions, either in the *Quoi de neuf* magazine, the info-letter, or on our website are in a position to see the scope of the work performed by the members of the executive council and of AREQ resources.

Effective interventions

Without detailing by name our every intervention, let us just say that our many press releases have resulted in numerous requests for media interviews. In this regard, we must be properly prepared to represent AREQ members, and this, to the best of our knowledge.

Moreover, let us mention the presentation to various government bodies of different briefs, in which we come to the defence of our members and of the more vulnerable members of our society. These interventions require a great deal of research by our resources, and detailed preparation by our representatives. Testimony before a Parliamentary Commission is a privileged vehicle for presenting the positions of AREQ on sensitive subjects regarding the defence of seniors' rights. Our participation in various CSQ bodies and our collaboration with other retiree organizations allow us to publicize AREQ and to complete our national field of activities. Health, the protection of our purchasing power, the delivery of services to seniors, and their safety are at the heart of our concerns.

Quality information

Seeing information as essential to the comprehension of the various issues we face, we encourage you to sign up for the info-letter. The Internet not being available to all, we invite those responsible individuals in the sectors to relay to members all the information the Association produces.

Within its human and financial limits, AREQ, through the hard work of its elected volunteers, makes every effort to inform its members as best it can.

It would be pretentious to claim that we can cover current events as well as the big media conglomerates, either written or spoken. This said, with its team of volunteers and resources, the Association is proud to complete the mandates of its action plan, all the while bringing the AREQ name to the fore. Year after year, AREQ is increasingly known and recognized as a credible association sensitive to the welfare of seniors.

IN THE PUBLIC EYE

Dominic Provost

Communications Advisor

Your association takes action, speaks its mind and makes demands. Here is a summary of AREQ's main public initiatives since the last issue of *Quoi de neuf*.

August 31, 2015

AREQ speaks out on the CARRA-QPP merger

During the consultations surrounding Bill 58, which would see the merger of the CARRA and the Quebec Pension Plan (QPP), AREQ has demanded guaranties as regards to customer services improvement as well as the representation of seniors. "When he announced this merger, the Minister of Finance characterized his decision as one aiming for more efficient and improved customer service. However, we cannot ignore the current context of austerity with the Government making cuts and wanting to reduce the number of civil servants. We fear that, in fact, the operation will translate to reduced services for retirees and future retirees, for both the public and the private sector," stated AREQ president, Pierre-Paul Côté.

Consequently, AREQ has asked for the public tabling of an action plan to explain how the merger of the CARRA and the QPP, as well as the integration of their respective work-forces, will be accomplished.

The Association further demanded that Bill 58 be modified to add a seat on the board of directors for retirees, as well as two additional seats on the RREGOP Retirement Committee. This would represent a first step toward a better recognition of the contribution and point of view of retirees in the governance of institutions that directly concern them.

August 30, 2015

Support for the campaign "United for public education"

AREQ has added its voice to the coalition of partners in education asking the Quebec Government to stop the budget cuts and to reinvest in services to students who attend public schools. "Thousands of our members contributed to building a network of quality public education. We invested our hearts and energy to allow generations of children to aspire to a better future. We are proud of the legacy we left our children and our grandchildren. Today we are both saddened and concerned to see the network being undermined by cuts, which will have a major impact in the short-, mid-, and long-term. We must stop the steamroller of austerity before it's too late," stressed the president of AREQ, Pierre-Paul Côté.

Therefore, AREQ members were invited to wear the "*Unis pour l'éducation publique*" (united for public education) button and to join the cause that would see education become a priority in Quebec.

June 28, 2015

Standardization of additional fees

AREQ joined five other organizations to oppose the intentions of Minister Barette regarding additional fees in medical clinics.

The Minister of Health has in fact presented the "standardization" of fees charged for medical consultations and charging a fixed price as a solution to stop the "abuse" by certain doctors and clinics that charge illegal or excessive fees to patients. However, AREQ very much doubts that this action represents a solution to the problem. Rather, it sees it as the confirmation of a two-tiered health system.

In the opinion of Ms. Ginette Plamondon, AREQ advisor on socio-political action and the status of women, the problem of accessibility affects the more vulnerable members of society and seniors. From year to year, the cost of living steadily climbs while revenues stagnate, so that our purchasing power is forever diminishing. The Minister of Health is deceiving us when he claims medical clinics should charge additional fees because people accept this! Quite the contrary, seniors have reiterated their refusal to pay fees that should be covered by the public health system,” states Ms. Plamondon.

In addition to AREQ, the organizations taking part in the press conference were *Médecins québécois pour le régime public*, the *Clinique communautaire Pointe-Saint-Charles*, the *Confédération des syndicats nationaux*, the *Conseil pour la protection des malades*, and the law firm of Grenier Verbauwheide who have made an application to initiate a class action lawsuit against over-invoicing.

May 21, 2015

Support for the law on the rights of senior tenants

AREQ was pleased to see Bill 492 tabled by the member of national assembly for Gouin, Ms. Françoise David, to protect the rights of senior tenants. This initiative, which replaces Bill 190, also supported by AREQ, addresses one of the Association’s priorities, namely, to ensure the health and financial security of seniors.

Opinion

I found interesting the article “Reform the healthcare network” in the last issue of *Quoi de neuf* magazine (summer 2015). I believe Marcel Pinard made an excellent synthesis of the healthcare network’s problems. Indeed, the article corroborates many elements highlighted by the *Institut de recherche en santé publique de l’Université de Montréal* in its *Rapport d’appréciation de la performance du système de santé et des services sociaux 2009. Construire sur les bases d’une première ligne de soins renouvelée : recommandations, enjeux et implications*.

I therefore greatly enjoyed Mr. Pinard's article. However, at the end of the article, an insert mentioned that “the suggestions herein do not constitute the official position of AREQ,” which I found regrettable. I therefore propose that the suggestions put forth in the article by Mr. Pinard be presented at the next AREQ executive council meeting so that they may become the official AREQ position.

François Lasnier
Québec–Chaudière–Appalaches (03) Des Deux-Rives (D)

RETIREMENT

Johanne Freire

Social Security Advisor

A favourable outcome for 2010 retirees targeted by the revision of the CARRA pension

After a long period of interventions with the CARRA, AREQ, in collaboration with the CSQ, finally prevailed for its members who retired in 2010 and whose pensions had been reduced.

Summary of the facts

In the fall of 2013, AREQ informed its members that the CARRA would proceed with a broad reduction of the pension paid to people who retired in 2010. This decision was taken following the late annualization by the CARRA, which in turn brought about a reduction of the average salary, and finally a reduction of pensions.

Looking back on the spring of 2014, a number of these files were settled in favour of the 2010 retirees because the CARRA recognized that it had not respected the time limit for reducing pensions. A total of 697 files were settled in this manner. AREQ had then announced the good news to its members all the while pursuing its efforts with the CARRA on behalf of those whose assessments had been maintained.

Favourable outcome

Thanks to the sustained efforts of AREQ and the CSQ, the CARRA finally relented and canceled its financial claims from those affected by the pension reduction. AREQ was informed only when the article was published. All the files are now settled.

A few figures

- Number of financial claims by the CARRA in 2013: 1,326
- Requests for re-examination received by the CARRA after
 - the financial claims: 177
- Files settled in 2014: 697
- Files settled in 2015: 619

The vast majority of those affected by the situation are AREQ members from the educational field and school boards.

AREQ is pleased with the favourable outcome for those affected by this recent CARRA decision and will continue to protect the rights and interests of its members and seniors.

INSURANCE

Johanne Freire

Social Security Advisor

Better understanding our ASSUREQ group insurance plan

Amongst other advantages, AREQ offers its members the privilege of participating in the group insurance of the *Centrale des syndicats du Québec (CSQ)* called ASSUREQ. It is an optional group health and life insurance plan and is reserved exclusively for AREQ members. Proof of good health is not required. This represents one of the many advantages of collective groupings.

Some 60% of Quebec citizens benefit from prescription drug coverage from a private group insurance plan through their employer, a professional order, an association, a union or through their spouse's or parents' plan. A group insurance plan normally offers health insurance, life insurance, salary insurance and, lest frequently, dental insurance. When they retire, a great many workers lose this advantage and must then sign up for the public prescription drug insurance plan of the *Régie de l'assurance maladie du Québec (RAMQ)* to obtain coverage. In addition, some buy into a private insurance plan when their health and financial means allow. A complementary insurance plan covers services that the RAMQ may not cover, such as travel insurance, physiotherapy, or medical expenses incurred abroad.

How the ASSUREQ group insurance plan works

Let us first clarify that signing on with a group insurance plan like ASSUREQ is signing a contract that insures against a risk. It is an agreement whereby an insurer, in exchange for a premium, commits to paying an insured person benefits as foreseen in the contract in case of accident, illness, or death.

Each year, the terms of ASSUREQ contract renewal are negotiated with the insurer by advisors working the file. The latter are accompanied at all times by a consulting actuary from the firm *Malette*. These meetings generally take place in the fall and their objective is to set the fairest possible premiums for the coming year. The contract's every coverage is likely to be discussed with an aim to better addressing the needs of members, all the while mindful of respecting the plan's financial well-being, and this, to ensure its continuity and stability.

In these discussions, the parties must ensure that, for each coverage, the total amount of premiums collected in the coming year will cover the amount of benefits paid out plus the administrative costs, and amounts paid to third-parties (taxes, for example). It is a basic principle in insurance.

ASSUREQ, a retention plan

If, in the course of a year, the amount of collected premiums is greater than the benefits paid out plus administrative costs, we stand before a surplus. What can we do with a surplus? The ASSUREQ group insurance plan being a retention plan, any surplus must return to the group in the form of either rebates or premium vacations. However, some of the surplus could be used to eliminate or reduce a deficit, if so required, or create a stabilisation fund in view of anticipated hard times.

If, to the contrary, the amount of benefits paid out plus administrative costs is greater than the collected premiums, we have a deficit. The advantage of the ASSUREQ contract in such a case is that the agreement does not provide for factors to recuperate past deficits. Thus, premiums cannot be increased the following year in order to eliminate a past deficit.

In addition, the plans are managed independently (health insurance and life insurance). A surplus in one plan will be returned to the insured of that plan. It cannot be used to reduce the deficit of another plan.

But what happens to the surplus or the deficit if the contract with the insurer ends? If there is a deficit, the insurer must absorb the deficit entirely when the contract ends. In the case of a surplus, the agreement provides for continued payment of rebates for a period of up to 24 months after the termination of the contract, if so required. The balance left in the stabilization fund will also be paid out in the form of rebates after amortization of the deficit because it belongs to the contract holders (ASSUREQ and the CSQ).

In the financial agreement that links the insurer and the contract holder, it is understood that the insurer will prepare and provide the annual financial statements of each plan (health insurance plan and life insurance plan) with a view to discussing the terms of renewal of the ASSUREQ group insurance plan. All decisions are made with a view to transparency (to know who makes the decisions, see the *Who does What* box).

How the premiums are set

To set the premiums for group insurance and life insurance plans, various elements must be considered:

➤ ***The group's experience***

First, there is what we call the group's experience. This takes into account the premiums collected and the benefits paid for all the ASSUREQ insured participants (some 45,000 insured individuals) over the past 24 months for health insurance and over the past seven years for life insurance. Simply stated, the higher the amount of total claims for a given year, the higher the premiums will increase in the year to come. It must also be understood that augmenting or improving the coverage will in itself increase the total value of claims.

➤ ***Inflation***

The average price level for care and supplies fluctuates from year to year, which impacts the group's experience and, consequently, the premiums.

➤ ***Administrative costs and taxes***

Costs include the insurer's administrative costs, the costs of complying with financial sector regulations and legal obligations, as well as taxes. These costs vary depending on the plan and represent more or less 10% of the premium. Consequently, more or less 90% of the premium is used to pay the claims of the insured.

➤ ***Economic and social context***

We know today that the socio-economic context can impact pricing. Consider, for example, new legal provisions, divestiture by the State, capital tax increases, increased health problems, an ageing population, etc. Sadly, we have very little control over the socio-economic context. This is why ASSUREQ and the CSQ together with a consulting actuary work to off-set these inflationary factors by offering sustainable solutions to keep premiums at the lowest possible level, while continuing to offer insurance plans satisfactory to our members. Take, for example, the creation of two plans (*Santé* and *Santé Plus*) that answer different needs, as well as the increase of the admissible amounts for the coverage of various healthcare professionals with *Santé Plus*, etc. We have to admit that the world of group insurance is a complex one. We hope this information has brought some clarity to the subject matter. In closing, here is a summary about the structure of the ASSUREQ group insurance plan offered by AREQ. Let us see who are the major players and their respective roles:

Who does what?

AREQ: association of retirees, of which you are a member, offering you the possibility of joining a group insurance plan.

ASSUREQ: corporation created in 1997 by AREQ with an aim to promoting, defending, and protecting the rights of retirees in the field of insurance. ASSUREQ has its own board of directors with five members.

ASSUREQ: also the name given to the group insurance plan for retirees of the CSQ.

SSQ: the insurer given the mandate to administer the group insurance plan and see to its financial well-being by ASSUREQ and the CSQ.

ASSUREQ board of directors: the board has the responsibility of approving the terms and conditions of renewal of the ASSUREQ plans (proposed modifications and pricing).

CSQ: with ASSUREQ, joint-underwriter of the ASSUREQ group insurance plan. The executive council of the CSQ must also approve the terms and conditions for renewal of the ASSUREQ group insurance.

ASSUREQ general assembly: the general assembly is held once a year, normally in the fall, in different regions of the province and is composed of all ASSUREQ members in good standing. The convocation is posted each year in the summer issue of *Quoi de neuf* magazine.

INSURANCE

Johanne Freire
Social Security Advisor

The new premiums 2015-2016 of the RAMQ public prescription drug insurance plan

As of July 1, 2015, some people have seen an increase of their financial participation into the public prescription drug insurance plan of the *Régie de l'assurance maladie du Québec (RAMQ)*. The new pricing detailed in the present article will be in effect until June 30, 2016. The people affected by this change are those between the ages of 18 and 64 and of 65 or more who do not receive the guaranteed income supplement (GIS), as well as those 65 or more who receive the GIS at a rate of 1 to 93%.

Let us recall that in Quebec, prescription drug insurance coverage is mandatory. There are two types of coverage: private group insurance plans and the public plan offered by the RAMQ. Only persons who are ineligible for private drug plans can partake in the prescription drug plan offered by the RAMQ. Quebec is the only province in Canada that has made prescription drug insurance coverage mandatory for its citizens.

The new rates

The maximum yearly premium sees a \$29 increase (4.75%) from \$611 to \$640 this year. The total cost varies from \$0 to \$640 according to your net family income and is collected by Revenue Quebec when you file your income tax return. Payment of the annual premium is mandatory for all those covered by the public plan, whether you consume prescription drugs or not.

When purchasing drugs in a pharmacy, your financial participation is required; this is called the contribution of the insured person and comprises the deductible and the co-insurance. The maximum deductible is set at \$18 and is payable one single time per month. This new tariff represents an increase of \$1.35 (8.11%) as compared to last year's. The co-insurance, for its part, represents the portion of the cost of the drugs that the buyer must assume and is up to 34% this year, which translates to an increase of \$1.50 (4.62%).

There is also what we call the maximum contribution. It is the maximum amount that you might have to pay in one month to buy drugs. This amount is \$85.75, which represents an increase of \$1.92 (2.29%) over last year.

As for people of 65 or more who receive the GIS at a rate of 1 to 93%, the maximum contribution is set at \$51.83. This represents an increase of \$0.67 (1.29%) as compared to last year.

ADULTS, 18 TO 64, INELIGIBLE TO A PRIVATE PLAN 65 OR MORE, WITHOUT GIS							
Rates in effect before and after July 1, 2015							
At the pharmacy				Upon filing income tax return			
Monthly Deductible		Co-insurance		Maximum Monthly Contribution		Annual Premium	
Before	New Rate	Before	New Rate	Before	New Rate	Before	New Rate
\$16.65	\$18.00	32.5%	34%	\$83.83	\$85.75	\$0.00 to \$611.00	\$0.00 to \$640.00

RAMQ rates setting

The RAMQ explains that it sets the new rates taking into account the following factors:

- the increase in the number of people insured with the public plan
- the increased use of prescription drugs by the insured
- the important increase in the cost of new drugs (notably to treat hepatitis C)
- the savings generated by implementing new rules about the "do not substitute" mention
- the savings generated by the conditions of the repayment terms for proton pump inhibitors (\$0.36 instead of \$0.55 since July 1, 2015)
- the savings generated by the lower cost of certain generic drugs

For more information about the prescription drug plan of the RAMQ, go to www.ramq.gouv.qc.ca.

Si non réclamé, retourner à :



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