

Basic and Enhanced Group Healthcare

Premium Increases and Coverage Changes

Following a review of the 2002 Group Healthcare Plan experience, the HEBP Board of Trustees has approved premium increases and coverage changes to the Basic and Enhanced Plans, *effective June 1, 2003.*

In previous years, the HEBP Board has increased rates to accommodate increases in Plan costs and utilization. In the survey conducted last year, Plan members indicated that a combination of rate increases and other options should be considered to offset Plan costs. Thus, the Board has implemented an overall maximum for paramedical benefits and marginally increased rates. The Board's intent is to control escalating deficits through a combination of manageable rate increases and utilization controls.

Premium Increases

PLAN	MONTHLY PREMIUMS BEFORE INCREASE		MONTHLY PREMIUMS EFFECTIVE JUNE 1, 2003	
	Single	Family	Single	Family
Basic Group Healthcare	\$9.25	\$22.10	\$9.44	\$22.54
Enhanced Group Healthcare	\$23.15	\$58.90	\$25.47	\$64.79

Note: For members participating in the BlueNet POS Drug Card option, \$2.00 per month will continue to be added to the above premiums.

Coverage Changes

Basic Group Healthcare Plan

Paramedical Benefits

The Basic Group Healthcare Plan currently offers the following paramedical benefits to a maximum of **\$350 per person, per paramedical service, per year.**

- Clinical psychology, nutritional counselling, occupational therapy, physiotherapy and podiatry.

Effective June 1, 2003, the coverage for these benefits will be combined under a single **\$350 maximum per person, per year**¹.

Enhanced Group Healthcare Plan

Paramedical Benefits

The Enhanced Group Healthcare Plan currently offers the following paramedical benefits to a maximum of **\$450 per person, per paramedical service, per year.**

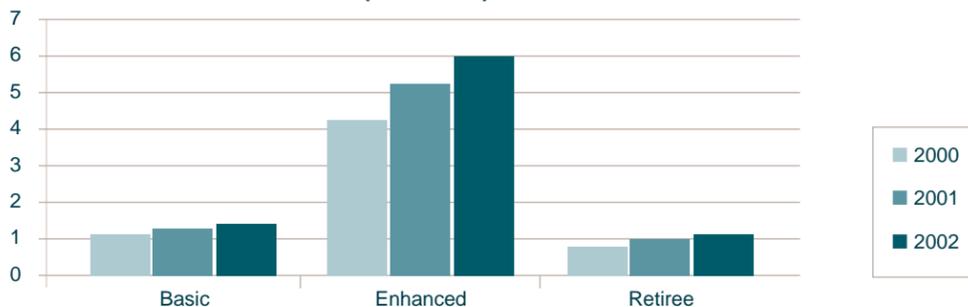
- Acupuncture², Athletic Therapy, Audiology, Clinical Psychology, Chiropractor, Massage Therapy, Naturopath, Nutritional Counselling, Occupational Therapy, Osteopath, Physiotherapy, Podiatry and Speech Therapy.

Effective June 1, 2003, the coverage for these benefits will be combined under a single **\$450 maximum per person, per year**¹.

Private Duty Nursing

Currently, the Enhanced Plan covers 90 percent of eligible expenses for private duty nursing to a maximum of **\$10,000 per family, per year.** Effective June 1, 2003, the maximum will be reduced to **\$3,000 per person, per year.**

Increase in Paid Group Healthcare Claims (\$ millions)



¹Paramedical benefits claimed between January 1, 2003 and May 31, 2003 will be applied against the newly implemented annual maximums for the 2003 calendar year.

²Effective June 1, 2003, acupuncture will be included under paramedical coverage when a licensed professional provides the treatment.

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2003 Provincial Health Conference & Exhibition



The Board of Trustees of the Healthcare Employees Pension Plan - Manitoba (HEPP) and the Board of Trustees of the Healthcare Employees Benefits Plan - Manitoba (HEBP) are pleased to announce the appointment of Mr. John McLaughlin as Executive Director.

Mr. McLaughlin brings extensive experience in pension and benefits administration to this challenging position. Prior to joining HEPP/HEBP, he was the Executive Director at the Saskatchewan Teachers' Superannuation Commission.

Reporting to the jointly trusted HEPP/HEBP Boards, Mr. McLaughlin will direct HEPP/HEBP's activities to achieve the organization's strategic objectives and enhance service to members and employers.

PlanTalk, a newsletter for employees and retirees participating in the Healthcare Employees Pension and Benefits Plans, is published by:

HEPP/HEBP Manitoba
900-200 Graham Ave., Winnipeg, MB R3C 4L5
Phone: (204) 942-6591
Toll Free: 1-888-842-4233
Fax: (204) 943-3862 Website: www.hepp.mb.ca

The Inside Story

On Benefits

Dental Plan

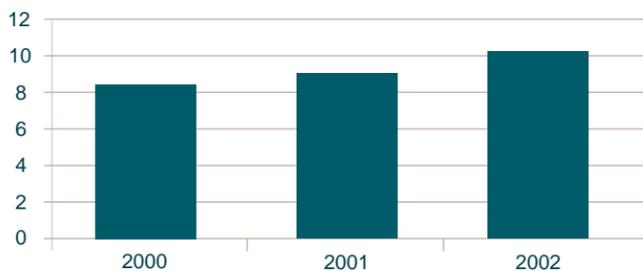
Premium Increase

The HEBP Board of Trustees has approved a Dental Plan premium increase *effective June 1, 2003*. The increase is necessary to offset the Manitoba Dental Fee Guide adjustment and the rise in claims paid.

	MONTHLY PREMIUMS BEFORE INCREASE	MONTHLY PREMIUMS EFFECTIVE JUNE 1, 2003	DIFFERENCE
Single Coverage	\$21.40	\$23.54	\$2.14
Family Coverage	\$62.50	\$68.76	\$6.26

50% of these premiums are paid by the employer at most facilities. For most employees, the new deduction will begin on their second pay in May.

Increase in Dental Claims
(\$ millions)



If you require further information regarding premium increases or coverage changes, please contact HEBP:

Phone: (204) 942-6591
Toll-free: 1-888-842-4233
Email: info@hepp.mb.ca

Welcome!

Arborg & District Seniors Resource Council Inc. has recently joined HEPP/HEBP. The continuing expansion of participating facilities means increased portability of pension and benefits for our members throughout Manitoba.

Updates to Benefits Brochures

New brochures outlining the main features of the Disability and Rehabilitation (D&R) Plan have been distributed to facilities for new employees. Updated information is also available in the D&R section of HEPP/HEBP's website: www.hepp.mb.ca

All HEPP/HEBP benefits brochures are currently being updated and re-designed to provide members with more information. The new brochures will be released this fall.

Disability & Rehabilitation Plan

Update

On June 1, 2002 the Long Term Disability (LTD) Plan became fully self-insured and is now administered in-house at HEBP under the new name *HEBP Disability and Rehabilitation (D&R) Plan*.

The overall goal of the program is to provide coverage and support for members who are unable to work due to a disability.

HEBP staff coordinates claim assessment, rehabilitation programs and claim payments for disabled plan members with claims incurred on or after June 1, 2002. This includes the development and implementation of effective and timely return to work programs in partnership with members, employers and unions.

D&R staff is committed to treating members and stakeholders with respect and dignity while providing:

- A non-adversarial approach
- Confidential, professional, fair, objective and timely services
- Open communication
- Flexibility and innovation in creating individualized rehabilitation and return to work programs
- Leadership in championing Disability Management issues

An update on the D&R Plan's first year will be provided this fall.

Changes in Premium Rates and Benefit Levels

The HEBP Board of Trustees approved changes to Disability and Rehabilitation (D&R) Plan premium rates and benefit levels, **effective April 1, 2003** to ensure the Plan remains viable into the future.

Complete information regarding the changes was provided in a notice to members in February 2003. Following is a summary of the changes.

Changes to Premium Rates

- Effective April 1, 2003, D&R Plan premium rates increased to 2.3 percent from 2 percent of basic earnings for each covered member.
Note: HEBP is not responsible to adjust the amounts paid by each party (employees and employers).

Changes to Benefits

- Benefit payments for members with a date of disability on or after April 1, 2003 will be **60 percent** of gross basic monthly earnings. Members with a date of disability prior to April 1, 2003 will continue to be paid **66 2/3 percent** of gross basic monthly earnings.
- For members with a date of disability on or after April 1, 2003, monthly disability benefits will be reduced by retirement benefits from the Healthcare Employees Pension Plan (HEPP), if they are eligible for an unreduced pension.
- For members with a date of disability on or after April 1, 2003, the "own occupation period" will be reduced to include the 119-day elimination period and the following 20 months (a total of **24 months**). *Note: For members with a date of disability prior to April 1, 2003, 28 months applies (119-day waiting period and the following 24 months).* During the "own occupation period", members must meet the definition of disability defined by the Plan and be unable to perform a substantial or essential part of the regular duties of their job due to a medical condition as certified by a medical doctor to qualify for benefits.

The Inside Story



On Benefits

Member Feedback

Group Healthcare and Dental Plan Survey Results

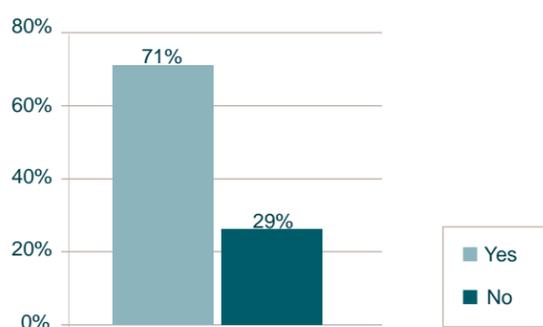
A survey was distributed to all Group Healthcare and Dental Plan members in July 2002 to obtain feedback on benefits and services.

We would like to thank all respondents. A total of 5,744 completed surveys out of the 20,702 mailed were returned to HEBP, representing over 27 percent of Group Healthcare Plan members.

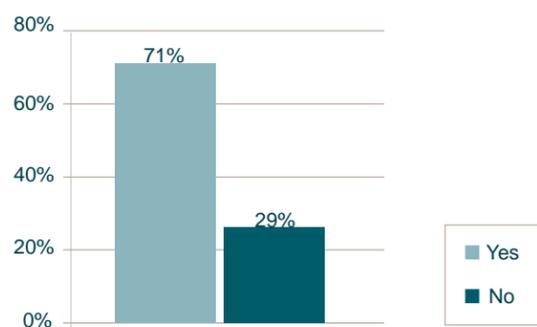
Following is a summary of the survey results. The results were considered by the HEBP Board of Trustees in their recent decision to adjust premiums and benefits to offset increases in paid claims, and will assist in future planning.

Group Healthcare Plan

Would you consider the creation of a single plan to take the place of the existing plans with coverage and premiums somewhere between the existing two plans?



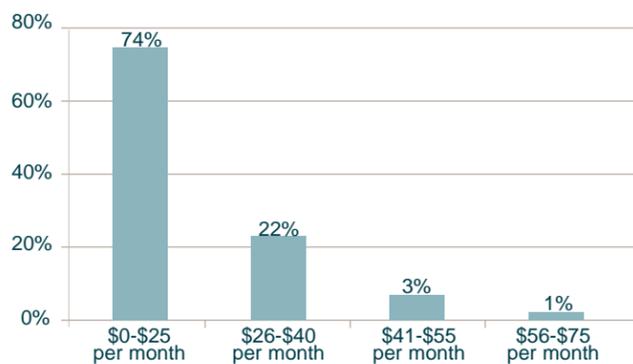
Would you agree with a change to an overall paramedical benefit maximum with one total maximum for paramedical benefits per year?



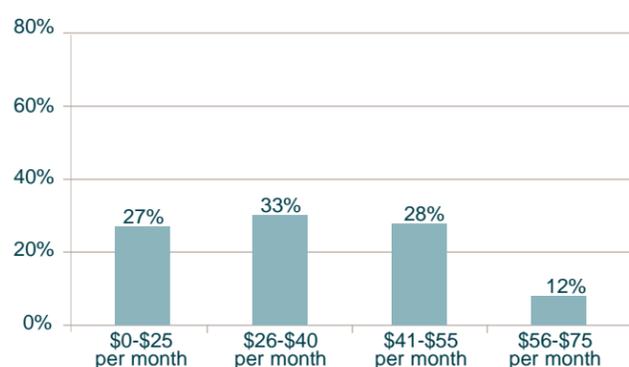
- Respondents rated prescription drug coverage, vision care, ambulance/hospital and travel healthcare as the benefits most important to them.
- Athletic therapy, private duty nursing, podiatry/foot care and chiropractic benefits were rated as the least important benefits to respondents.
- 56 percent of respondents with the BlueNet Point of Sale Drug Card did not want to see the card cancelled. Some comments strongly opposed cancellation of the card.
- 57 percent of respondents who are Enhanced Plan members with a child/children age 18 or under said they would agree with reducing the child vision benefit to \$150 every two years from \$150 each year.

Plan Cost

How much would you be willing to pay to maintain the current Basic Healthcare coverage?



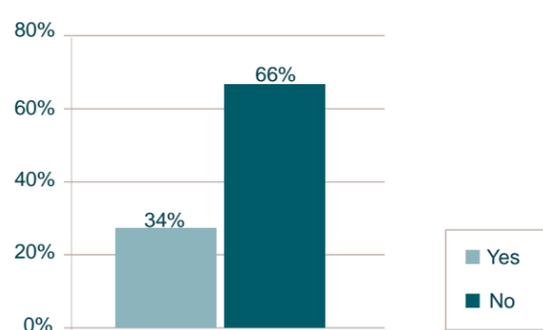
How much would you be willing to pay to maintain the current Enhanced Healthcare coverage?



- Respondents indicated that a combination of options should be considered to offset increases in paid claims. The two options favored were to continue to increase premiums as necessary and to introduce deductibles. Respondents did not want to see benefits reduced or lower percentages of benefits covered.

Dental Plan

Would you be willing to pay slightly higher premiums if coverage was increased to 60 percent from 50 percent of eligible charges for major dental treatment?



- 80 percent of respondents would not want to pay slightly higher premiums to increase the lifetime maximum for orthodontic treatment for dependent children under age 18 to \$1,250 from \$1,000.
- Respondents would prefer to see a combination of increasing premiums as necessary and introducing deductibles to offset increases in paid claims.

Communications

- 80 percent of respondents indicated that the Plan information booklets give them a lot or somewhat of a better understanding of the benefits available to them.
- Most respondents prefer to receive Plan information in booklets, newsletters and fact sheets over annual reports, email and the website.
- 84 percent of respondents prefer Plan information to be mailed to their homes.

We Appreciate Your Feedback

If you have a comment or a suggestion for **PlanTalk**, please contact us at:

PlanTalk
HEPP/HBP Manitoba
900-200 Graham Ave., Winnipeg, MB R3C 4L5
Phone: (204) 942-6591
Toll Free: 1-888-842-4233
Fax: (204) 943-3862 Website: www.hepp.mb.ca
Email: communications@hepp.mb.ca

The Inside Story

On Pension



Annual Statements

Annual statements will be mailed to active Pension Plan members in June 2003. These personal statements include the following information:

- Pension benefits earned to December 31, 2002
- Dates of employment and Plan membership
- Length of employment service and credited service
- Contributions made to the Plan
- Early unreduced retirement dates

Please take the time to review your statement to ensure the information is accurate and up to date. If you have any questions or concerns, please contact HEPP:

Phone: (204) 942-6591
Toll Free: 1-888-842-4233
Email: info@hepp.mb.ca

2003 Provincial Health Conference & Exhibition

You are invited to visit HEPP/HEBP's booth at the 2003 Provincial Health Conference & Exhibition.

When: October 8 and 9, 2003
Where: Winnipeg Convention Centre
375 York Avenue, Winnipeg Manitoba

HEPP/HEBP will also present pension and benefits workshops on October 8 at the Winnipeg Convention Centre for the convenience of members and employers who may wish to attend the Health Conference and HEPP/HEBP workshops.

Further information on workshop times and topics will be announced prior to the conference.

From the Boardroom

Investment Committee Changes

The HEPP Investment Committee welcomes newly appointed member Alan Brownridge from IG Investment Management Ltd.

Phone Ahead for On-site Counselling

As the number of visitors we receive continues to grow, we ask that members please phone ahead to book appointments with Service Representatives.

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Toll-Free: 1-888-842-4233

