

YOUR INSURANCE BENEFITS

UPDATE



CHRISTIAN SCHOOLS
INTERNATIONAL

In the last edition of *Your Insurance Benefits Update* – which you can view online at www.CSionline.org/benefits – you read about the CSI Insurance Plan (the “benefits plan”) and several new plan features that we asked you to consider. We also encouraged you to complete an online benefits survey, which provided CSI with valuable feedback on how you think we should optimize the benefits plan to make it as flexible and valuable as possible for schools and members. With the survey results now in, we want to let you know what the community said about the benefits plan and how CSI will take your feedback into account going forward.

Why Are We Considering Change?

It is common for employer-sponsored benefits plans in Canada to make design changes from time to time. Factors such as usage trends, new design features, inflation, legislative changes, and current industry practices can all prompt plan sponsors to review and adjust a benefits plan to maximize its flexibility and cost effectiveness.

At CSI, our stewardship of the benefits plan is ongoing. Part of our role is to monitor industry trends and to ensure that our plan continues to meet the needs of our schools and community. To do that well, we need ideas and suggestions from within the CSI community, which we collect both informally and through more structured exercises such as the recent online benefits survey. Our end goal is to ensure the benefits plan continues to provide valuable and comprehensive coverage and accommodates the differing needs of members.

Benefits Survey: Here's What You Told Us

Through the online benefits survey, which was open from February 12 to March 15, 2010, you had the opportunity to tell CSI what you thought about several potential plan design changes. The survey also allowed you to share your opinions on your current benefits coverage and how it could better meet your needs or the needs of your staff.

By the closing date of the online benefits survey, we received feedback from approximately 200 respondents. About half of the respondents were teachers, while the other half included administration, finance, and support staff, principals, and board members. All feedback was carefully reviewed by the Board of Trustees and will be invaluable in helping CSI determine how the benefits plan should be optimized. Here are some highlights of the survey results:

- An overwhelming majority of respondents (92%) were either very satisfied or somewhat satisfied with their current benefits plan.
- Strengths of the plan that were identified include the extended medical and dental coverage, drug coverage, and convenient claims process (for example, use of the pay-direct drug card and availability of online services).
- Many respondents commented that the current benefits plans meet their needs, provide comprehensive coverage in many areas, and are flexible and easy to use.
- Many respondents seemed open to adding more flexibility to the benefits plan to better accommodate the needs of members at different stages of life (for example, single with no dependents or married with several dependents).
- Some respondents expressed certain concerns about the benefits plan and the potential plan design changes. Most of these concerns related to the perception that implementing design changes would mean reducing current coverage, taking away current choices, or increasing costs for plan members. These are normal reactions, and the Trustees will be sensitive to them during the review of the benefits plan.

This newsletter is meant to provide a summary of some information related to the CSI benefits plan. It is not a complete explanation of the plan. The official plan text will govern all rights and obligations in respect of the plan.

Benefits Survey: Here's What You Told Us (*continued*)

Respondents also expressed their preferences for the potential plan design changes and provided suggestions of their own. This feedback suggests that there is significant interest in the following potential plan design changes:

- Adding a new “safety net” flex plan with a Health Care Spending Account (HCSA): this potential plan design change was the most popular among respondents, with 70% saying they would definitely consider or may consider this change for their schools.
- Adding a new “shared coverage” flex plan with an HCSA for families covered through a spouse's employer: this potential plan design change was also popular among respondents, with 63% saying they would definitely consider or may consider this change for their schools.
- Extending vision care coverage: this was the most common suggestion when respondents were asked for other plan design ideas.

While not as popular as the options above, the following potential plan design changes are also being considered by the Board of Trustees:

- Modifying out-of-country coverage for dependent students.
- Automatically including the Employee Family Assistance Program (EFAP) in all plans.
- Introducing Preferred Provider Networks (PPNs).

Keep reading to find out more about each plan design change currently under consideration.

Adding a New “Safety Net” Flex Plan with an HCSA

A safety net plan is a new flex plan that would be added to the current menu. It would provide less coverage for those who choose it – think of it as “safety net” coverage that includes only the most essential features (e.g., prescription drugs, hospital coverage, travel insurance) and would catch you in the event you encounter financial hardship from medical expenses. In exchange, cost savings from the reduced coverage would be used to generate benefit dollars in a Health Care Spending Account (HCSA), which members could apply towards expenses that they choose. This potential flex plan would provide members with less traditional coverage but with more money to make their own spending decisions.



Adding a New “Shared Coverage” Flex Plan with an HCSA for Families Covered Through a Spouse's Employer

This potential change consists of adding a new flex plan to the current menu for members whose spouse has a benefits plan. It assumes that the spouse's plan would reimburse the majority of an eligible expense for the spouse and dependent children, allowing the CSI flex plan's reimbursement levels for spouses and dependent children to remain low (for example, at 20%). In exchange, cost savings from the reduced reimbursement levels would be used to generate benefit dollars in a Health Care Spending Account (HCSA), which members could apply towards expenses that they choose.

Even though this flex option would lower the burden of costs on the CSI benefits plan and would generate savings for schools, members who choose it would not necessarily experience a reduction in reimbursement of eligible expenses if they coordinate benefits effectively. In addition, members would benefit from the added flexibility of an HCSA.

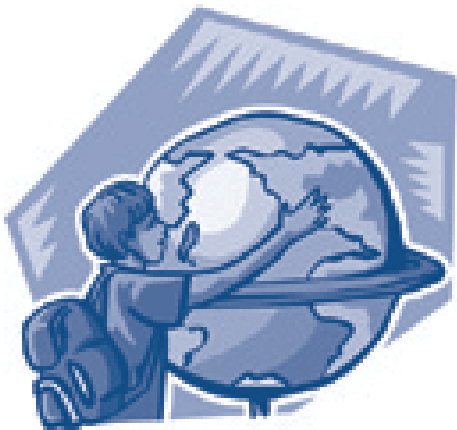
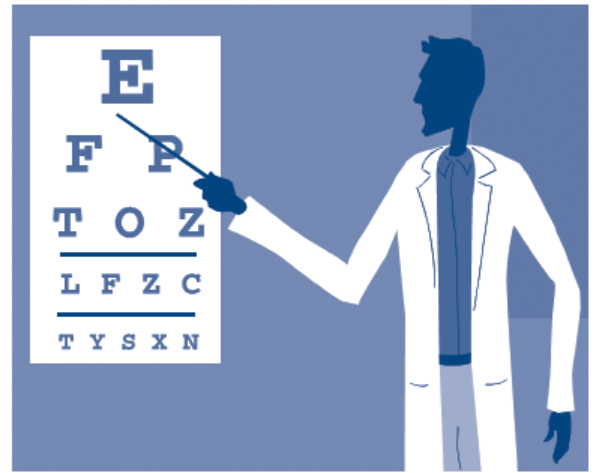


Extending Vision Care Coverage

Under the current benefits plan, schools can choose to provide optional coverage for vision care to their staff. This optional coverage includes 100% reimbursement for eye exams, frames, lenses, and contact lenses up to a maximum of \$200 every 24 months (or every 12 months for children age 18 and under). This level of coverage is considered standard across many industries, yet increased vision coverage is often near the top of the list when members of benefits plans in Canada are asked about how their plans could better meet their needs.

In fact, when respondents were asked for other plan design ideas in the CSI online benefits survey, the most common suggestion was extending vision care coverage. At the same time, many respondents indicated that they do not want increased out-of-pocket costs for plan members.

Keeping the survey feedback in mind, this potential plan design change may consist of increasing the reimbursement dollar maximum for vision care and/or decreasing the reimbursement frequency maximum while keeping premium increases as modest as possible.



Modifying Out-of-Country Coverage for Dependent Students

Currently, all CSI plans (except the Limited Benefits Plan) automatically include comprehensive medical coverage for eligible dependent children (up to their 25th birthday) who study outside of Canada on a regular, full-time basis. This coverage is available for the full duration of the child's studies and provides 100% reimbursement for a wide range of emergency and non-emergency medical expenses, including hospital accommodation, physician's charges, paramedical services, and prescription drugs.

This type of coverage is unique to the CSI benefits plan. We started offering this coverage more than 30 years ago, when Christian post-secondary education was less prevalent in Canada than it is today. Times have changed: as a result, out-of-country coverage for dependent students is used less often in the CSI community. Because this lifestyle benefit is less relevant to the community than in the past, the potential plan design change consists of either:

- Modifying the benefit to provide coverage for emergency medical expenses only; or
- Offering the benefit as optional coverage that can be purchased by those members who need it at competitive group rates (approximately \$25 per dependent child, per month – less than half the cost of what you might pay for similar coverage on the retail market).

Automatically Including the Employee Family Assistance Program (EFAP)

Currently, the CSI benefits plan offers an optional feature to all schools – the Employee Family Assistance Program (EFAP). The EFAP is a support service that can help members and their families address many different types of problems. This service can make a real difference in the lives of members because it provides professional, confidential counselling to help overcome personal challenges before they become more serious difficulties.



The potential plan design change consists of automatically including the EFAP, instead of giving schools the option to include or exclude it. This change would mean that all members and their families, regardless of the plan they participate in, could benefit from the EFAP and access its services. The associated cost would be approximately \$2 per member, per month.

Introducing Preferred Provider Networks (PPNs)

This potential change consists of establishing one or more preferred provider networks (PPNs) for members of the CSI benefits plan.



A PPN is a group of health care providers (e.g., dentists, pharmacies, vision care practitioners) that come to an agreement with CSI to provide health care products and services to members of the benefits plan at reduced prices.

The introduction of PPNs would offer several benefits to members:

- By using a health care provider in the PPN, members would ensure that any excess or unnecessary costs are minimized.
- Since fees are negotiated in advance with providers in a PPN, members can be confident that they are receiving the most competitive prices without any hassle.
- Providers that participate in a PPN agree to offer a guaranteed level of service, so experiences with these providers will be more consistent between members.

What's Next?

These plan design ideas are among the potential changes being reviewed by the Board of Trustees, who are considering your feedback as well as the needs of the broader community. Plan design changes are expected to be reviewed over the next several months, with decisions being made by the Board of Trustees at their November 2010 meeting. Following that meeting, you will receive another edition of *Your Insurance Benefits Update*.

Thanks again to everyone who took the time to complete the online survey. Your opinions count and are essential to the Board of Trustees as they consider potential plan design changes. We really appreciate your contribution. Have a wonderful summer!

Board of Trustees

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Questions?

If you have any questions, please contact Howard Van Mersbergen, Vice President of Employee Benefits, at 1-877-274-8796 ext. 226 or hvanmersbergen@CSIONline.org.

For details about the benefits plan, visit the CSI Employee Benefits website at www.CSIONline.org/benefits.