

2 May 2025

Dear Members:

We are excited to share some positive changes in UA Local 740's benefit programs that aim to enhance your experience and provide better support.

The Trustees recently hired Eckler Ltd to evaluate the health plan's long-term sustainability and assess if the Employee Life & Health Trust (ELHT) fund can support benefit improvements. The study projected health plan costs, ELHT contribution rates, and member dollar bank deductions over the next ten years.

The study shows that benefit costs will rise by 5% per year, making current funding levels insufficient over time. To maintain support for the health plan and any improvements, the ELHT contribution rate will increase by \$0.25 on May 1st, 2025, followed by a 5% yearly increase each May 1st thereafter. This ensures ELHT fund assets can continue supporting your health plan benefits.

The study further indicates that the current member dollar bank deduction of \$275 is insufficient to cover the benefit costs. A member's dollar bank account reflects the monthly ELHT contributions deposited by the employer based on the hours worked each month, multiplied by the ELHT contribution rate specified in the collective agreement. The dollar bank is used to determine a member's eligibility for coverage under the Health Plan. When a member is covered under the plan, the dollar bank deduction is the monthly amount withdrawn from the member's dollar bank account to qualify for and pay premiums for benefits.

Effective May 1st, 2025, the dollar bank deduction will increase to \$300 per month, with an additional 5% annual increase each following May 1st. The schedule below outlines the new monthly dollar bank deductions, effective May 1st, 2025:

	Current	New – Effective May 1 st , 2025
Monthly Dollar Bank Deduction	\$275	\$300
Initial Eligibility (first of the second month following the accumulation of at least 3 months)	\$825	\$900
Reinstatement (first of the second month following the accumulation of at least 2 months)	\$550	\$600
Annual Dollar Bank Maximum (12 months of coverage)	\$3,300	\$3,600

The ELHT fund will top up members' dollar bank accounts to maintain coverage balance after the deduction change on May 1st. For instance, if you had \$825 for 3 months of coverage, your balance will be increased to \$900 to keep those 3 months.

Health Plan – Benefit Improvements effective May 1st, 2025

Health benefits, excluding prescription drug and dental expenses, are capped at \$8,000 per insured individual per calendar year. This policy remains unchanged. Various health benefits under this category have additional coverage limits. The Trustees have approved the following health benefit improvements effective May 1st, 2025:

- **Duly Licensed Paramedical Practitioner Coverage – increasing from \$1000 to \$2000**
Chiropractor, Podiatrist/Chiropodist, Acupuncturist, Physiotherapist, Massage Therapist* or Dietician – 80% to a combined maximum of \$2,000 per insured person per calendar year.
* Note: Massage therapy covers only therapeutic massage for injury rehabilitation as determined by a physician. A physician's referral is required and must be included with the claim.
- **Duly Licensed Clinical Psychologist – increasing from \$2000 to \$3000**
80% to a maximum of \$3,000 per calendar year per insured person.
- **Cpap Mask – increasing from \$300 to \$500**
Replacement masks are limited to 2 per year and are covered at 80% to a maximum of \$500 per calendar year.
- **Vision Care – Glasses/Contact Lenses/Safety Glasses (member only) – increasing from \$375 to \$500**
100% to a maximum of \$500 in any 24 consecutive month period per insured person (any 12 consecutive month period if under age 18). The maximum covers prescription safety glasses for insured active members only – dependents are not covered for safety glasses.
- **Refractive Eye Surgery - \$6000 lifetime maximum**
80% to a lifetime maximum of \$6000 per insured person.

Originally, laser eye surgery and foldable lens implants were standalone benefit items. This has changed. A new category has been introduced, Refractive Eye Surgery, that includes laser eye surgery, refractive lens exchange (formally foldable lens implants), and other refractive eye surgery procedures. To determine coverage, it is highly recommended that you submit a quote prior to having the procedure done. The health plan does not cover surgical fees or medical supplies for any procedure that is covered under MCP.

If you need glasses, contact lenses, or safety glasses following a refractive eye surgery procedure and your prescription has changed, coverage will be considered under this category based on your remaining balance. Please note that only one item will qualify for coverage, and safety glasses are applicable only to the insured member.

Insured individuals who claimed for laser eye surgery or foldable lens implants before May 1, 2025, are eligible for coverage under this category.

- **Surviving Spouse Self-Payment Plan Coverage – extended to lifetime coverage**

The Eckler study examined if the health plan could provide lifetime coverage for the surviving spouse of a deceased insured member. The study outcome supported this change if it was implemented in conjunction with the ELHT contribution increases noted earlier.

We are happy to report that effective May 1, 2025, a surviving spouse of a deceased insured member may continue their coverage for the remainder of their lifetime, by self-paying monthly at the same rate as the deceased member. To be eligible, they must be insured as a dependent under the health plan at the time of the member's passing, and in-benefit under the plan as of the effective date. The self-payment must begin in the month immediately following the member's date of death. Note, the self-payment rate is subject to change at the discretion of the Board of Trustees. Individuals will be notified of any rate change prior to the effective date.

- **Weight Management Cap – Prescription Drugs**

The health plan covers prescription drugs (including specialty drugs) at 80% to an annual maximum of \$10,000 per insured individual. Included in this coverage are GLP-1 Agonist medications, such as Ozempic.

Ozempic was approved by Health Canada as a treatment for diabetes. The drug helps to control blood sugar. It was quickly determined that Ozempic, and similar GLP-1 Agonist medications, are also effective for weight loss. Ozempic has been prescribed off-label (outside of its approved purpose) for use by our members and their dependents for the treatment of weight loss. Ozempic is now the largest single drug that is reimbursed under the health plan and prescription drug costs have been increasing at an alarming rate.

To manage this expense, effective May 1, 2025, we are introducing the following requirements:

- a \$2,500 Weight Management Cap under the existing prescription drug plan for weight loss medications.
- GLP-1 Agonist medications will require Prior Authorization approval to determine coverage. The Prior Authorization application form is available through your pharmacy or prescribing physician. All existing claimants will have a grace period of six (6) months starting on May 1, 2025 to submit a completed Prior Authorization form to Express Scripts Canada. Prior Authorization for the coverage of this drug will be required on an annual basis. If a Prior Authorization form is not completed within the grace period, the GLP-1 Agonist medication will not be covered.

Claimants with diabetes who have been prescribed a GLP-1 Agonist approved by Health Canada for the treatment of diabetes, the drug will not fall under the weight management cap.

Claimants using a GLP-1 Agonist, or other weight loss medications, for non-diabetes treatment, the drugs will be placed under the weight management cap.

For existing claimants that have been granted the 6-month grace period, your pharmacist will be notified three (3) months prior to the expiration of the grace period to serve as a reminder to complete the Prior Authorization form.

Prior Authorization is an effective part of the Health Plan's prescription drug management strategy to ensure that prescription drugs are used properly, and it also contributes to the sustainability of the Health Plan.

Pension Plan Update

Recent global events caused by the Trump administration have unsettled many people. Concerns about tariffs, economic uncertainty, and market reactions have raised questions about their impact on the pension fund.

Years ago, the Trustees established a long-term investment strategy and governance policy to create a stable and resilient pension fund. The fund is well-prepared to handle global uncertainty and market fluctuations. Though we can't control global events or predict future returns, the Trustees and our investment experts will continue to monitor market conditions closely. They will make strategic and careful decisions to ensure the pension fund supports you in the future.

Retirement Readiness Workshop

This fall, we will offer a Retirement Readiness Workshop with Roland Chiwetelu from Eckler Ltd. It will be open to unretired members aged 50+ and their spouses. Stay tuned for more details!

On behalf of the Board of Trustees,

Leslie Wells
Administrator