

NOVA SCOTIA PROVINCIAL JUDGES' SALARIES AND BENEFITS TRIBUNAL
(2004-2007)

Supplementary Report
Re: Changes in Health and Dental Benefits and Insurance Premiums

Tribunal Members

Professor Bruce P. Archibald, Q.C.
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January 16, 2008
Halifax, Nova Scotia

SUPPLEMENTARY REPORT

1. This Supplementary Report re Changes in Health and Dental Benefits and Insurance Premiums follows upon previous reports of the Tribunal, in particular the Tribunal's General Report for the period 2004-2007 dated September 12, 2005, a Supplemental Report re Health and Dental Benefits dated February 25, 2007 and a Supplemental Report re Increases in Pension Contribution Rates, dated September 17, 2007. The Tribunal's mandate with respect to this issue is set out in section 21E(1)(d) of the *Provincial Court Act* which reads as follows:

21 E(1) A tribunal shall inquire into and prepare a report containing recommendations with respect to (d) pension benefits, long-term disability benefits or salary continuation, life insurance and health and dental benefits for judges of the Provincial Court and the Family Court and the respective contributions of the Province and the judges for such benefits;

The Tribunal was initially seized of this matter by correspondence from the Government dated October 16, 2007 which gave notice to the Tribunal of the issue. This was followed by a formal submission to the Tribunal from the Government in a letter dated October 24, 2007. The Tribunal also received correspondence from the Nova Scotia Provincial Court Judges' Association, dated October 23, 2007 [sic] in which the Association concurs with the Government in its submissions dated October 16 and October 24, 2007.

2. The operative part of the Government's submission of October 24, 2007 reads as follows:

As part of the annual review of rates for the provincial insurance and health policies, it has been determined that several rate reductions are appropriate. The Province requests that the Tribunal recommend a 12% reduction in the unit rate of the Basic Group Life Insurance plan and a 20% reduction in the age banded rates for Optional Life Insurance plan, both reductions to be effective September 1, 2007. The reduction in the basic Life Insurance unit rate results in a bi-weekly unit rate reduction from 7 cents to 6 cents per \$1,000 of coverage. As the Optional Life Insurance is age banded the following breakdown of the reduction impact is provided:

Optional Life Insurance	Current bi-weekly rate (cents per \$1000)	Proposed bi-weekly rate (cents per \$1000)
Under age 40	3.0	2.4
Age 40-44	4.1	3.3
Age 45-49	7.7	6.2
Age 50-54	11.9	9.5
Age 55-59	20.7	16.6
Age 60-64	34.5	27.6
Age 65-69	46.9	37.5
Age 70-74	89.1	71.3

The Province submits further that a 5% rate increase is required with respect to the Health and Dental Plan contributions for judges and the employer.

Attached as Schedule A is a copy of a document entitled “Benefits at a Glance.” The document is prepared by the Public Service Commission and provides a summary of the current health and dental benefits available to plan members. This is the Plan in place as a result of the Tribunal’s prior recommendations. The Plan is a contributory, self-insured plan, jointly funded by plan members and the employer. The employer contributes 65% of the funding. The Plan is administered by Medavie Blue Cross Canada. The Public Service Commission is the policy holder.

On an annual basis the Province receives financial information which allows for a review of the Plan rates. Rising costs of health and dental care products and services in combination with an increase in utilization has resulted in a need to increase the contribution rate. It is felt that the proposed rate increase is in keeping with the claims experience to date. The Plan continues to be cost shared, such that the employer’s contributions will increase by \$1.48 per pay for an employee with single coverage, and \$3.66 per pay for an employee with family coverage. Plan member contributions will increase by \$0.79 per pay for single coverage and \$1.97 per pay for family coverage.

The rate increase allows the Plan to continue to offer the generous benefits set out in Schedule A. The rate increase impacts plan members beyond the judges, and of course significantly impacts the employer as well. It is submitted that the judges receive the benefit of the plan only as a result of the large number of contributors and must keep pace with the rate contributions of other plan members.

Finally, the Province submits that the Tribunal recommend a change to the administration of the drug co-pay maximum so that the Judges will receive the same improvement that was recently negotiated for the NSGEU civil servants and is being implemented for all excluded employees. As you will see from the attached Schedule A, the current situation is that an annual \$425 maximum is set for each participant. As a result of recently

concluded collective bargaining with the NSGEU, this maximum now applies for the entire family combined, rather than to each family member. As well, the co-pay maximum will be administered on a fiscal year basis and will increase by 5% in each of the next three fiscal years.

The Province submits that all of the above changes are appropriate and in keeping with the Tribunal's previous recommendations. The Province requests that the Tribunal recommend the changes for implementation in relation to the judges. If the Tribunal is considering a recommendation other than that put forward in these submissions, the Province seeks an opportunity to present additional oral submissions in relation to the plan costs and other relevant factors.

The Government acknowledged the fact that Association had been consulted and concurred with the Government's position.

3. After consideration of the above submissions, the 2004-2007 Tribunal is satisfied that the criteria established by Section 21E(3) for making benefit recommendations to ensure the independence of provincial court judges are met by the Government's proposed changes which are concurred in by the Association. The Tribunal therefore recommends that the above submissions be adopted and implemented (retroactively where necessary) so as to allow the recommended changes to the health and dental benefits and insurance premiums for provincial court judges.

4. This will be the last Supplemental Report from the 2004-2007 Tribunal, since a new Tribunal for 2008-2011 is being formed. However, pursuant to section 21A(8) of the *Provincial Court Act*, a Tribunal working on a Report may complete it after expiry of its formal term as though its term has not expired. The Tribunal thus respectfully and unanimously makes the foregoing recommendation to the Honourable Cecil P. Clarke, Attorney General and Minister of Justice for Nova Scotia and expresses its satisfaction for the opportunity to serve the people and justice system of the Province over the past three years as tribunal members.

Dated this 16th day of January, 2008.

Bruce P. Archibald, Q.C.
Chair

Ronald A. Pink, Q.C.
Association Nominee

Terry Roane, Q.C.
Government Nominee

Schedule "A"

Province of Nova Scotia - Employees Consolidated Health and Dental Plan
This information applies to eligible employees who are enrolled in one of the following groups: 10100; 10140; 10143; and 10138- except sections 672 and 002.

Introduction

This summary has been provided as a quick reference. To make it as easy to follow as possible, we've summarized the insurance contract provisions. **If there are inconsistencies between this document and the Medavie Blue Cross master insurance contract, the provisions of the master contract will apply.**

Additional plan information can be found by logging onto www.medavie.bluecross.ca and accessing the cardholder site. There, you will find information specific to your own claims history and coverage. You can also call Blue Cross toll free at 1-800-667-4511.

Enrollment

Enrollment in the Consolidated Health and Dental Plan is a condition of employment for eligible employees of the Government of Nova Scotia. If you are eligible, you must apply for coverage unless you can provide proof of comparable coverage elsewhere.

Eligible employees will be covered as of their date of appointment provided an application is completed, and the application is received by your Human Resources division. Any delay will result in a delay of the effective date of your coverage.

Who Is Eligible?

You are eligible if you are an active, permanent employee who works a minimum of 40% of full-time hours and are eligible to enroll in one of the groups and sections noted at the top of this page.

Eligible Dependents

Your family members are eligible if they meet the following definitions:

Spouse shall mean a person of the opposite sex or same sex who is legally married to the Subscriber, or has continuously resided with the Subscriber for at least 12 months; Children shall mean the Subscriber's natural, adopted, stepchildren, or grandchildren who are dependent upon the Subscriber for financial care and support (proper documentation required). These children must be unmarried, unemployed and less than 21 years of age; or if over age 21, but less than 25, they must be attending university on a full-time basis.

What if my spouse also has coverage?

Canadian insurance companies follow a process called Co-ordination of Benefits (CoB) when both partners have family coverage. CoB ensures you receive the maximum benefit available from your health/dental policies. Two policies can be combined to give you up to 100% reimbursement of eligible claims. Please notify your HR division if you or your dependents are also covered by your spouse's plan.

What is Covered?

Blue Cross will pay the Usual, Customary and reasonable charges for the following eligible expenses covered by our contract. The main benefits covered by our contract are noted below.

Benefit Type/Service	Coverage
Hospital Room	Semi-Private Accommodation.
Private Duty Nursing	Eligible expenses up to \$5,000 per 12 consecutive months. Services must be pre-approved by Blue Cross.
Medical Equipment	Charges for rental of a wheelchair, standard hospital bed, medication compressor, insulin pump, compression pump or other durable medical equipment as approved by Blue Cross.
Medical Prosthesis	Charges for artificial limbs, eyes or other prosthetic appliances required as a result of an injury occurring or disease commencing while covered under this program. Replacements are covered only in the event of pathological change or growth of child. Charges for repair, adjustment or maintenance are covered.
Orthotics	Custom molded arch supports up to \$200 per calendar year; \$300 maximum for children under age 21. Orthopaedic shoes or orthopaedic modifications to regular shoes up to \$100 per participant in any 12-month period.
Emergency Transportation	Charges for emergency transportation by air, rail or water from an area not served by regular licensed professional ground ambulance to the nearest Hospital or medical facility able to provide the required care. Up to \$500 per participant for any one emergency illness.

Private Practice Para-Medical Services (duly licensed, certified and registered)	Up to \$500 per practitioner in a calendar year. The overall combined maximum for all practitioners is \$1500 in a calendar year. Para-medical practitioner shall include physiotherapists, speech therapists, occupational therapists, chiropractors, chiropodists, podiatrists, massage therapists, and acupuncturists.
Psychologist (duly licensed, certified and registered) or licensed, approved Social Worker	Up to \$800 per calendar year.
Naturopath, Homeopath, and Osteopath (duly licensed, certified and registered)	Up to \$300 per practitioner in a calendar year.
Accidental Dental	Charges for services for damage due to a direct, accidental blow to the mouth and for the repair or replacement of natural, vital teeth. Services must be rendered within 12 months following the accident provided the Participant's coverage remains in force.
Hearing Aids	Charges for hearing aids up to \$750 in any five consecutive year period.
Vision Care Services	Vision care services are available once in any 2 calendar years for adults and once in a calendar year for participants under age eighteen. Frames and prescription lenses up to \$150. One eye refraction by a licensed optometrist or ophthalmologist based on reasonable and customary charges as determined by Blue Cross.
Out of Province/Out of Country	Subject to specific plan maximums and must be based on the result of an accident or unexpected illness.
Prescription Drugs	Eligible prescription drugs are covered and coverage is based on the generic equivalent, if applicable. Prescription Drug Benefits are available only to those employees and their eligible dependents who are under age 65. Those over age 65 are eligible for coverage under the government Pharmacare program. Co-Payment: Payment is equal to the dispensing fee charged by the pharmacist for each item, up to \$425 per participant per calendar year. Prescription Quantities: Maintenance or long-term preparations may be dispensed in quantities sufficient for 100 days.
Basic Dental Services covered at 100% of the eligible expense, and subject to specific internal plan maximums.	Diagnostic, Preventive, Oral Surgery, Minor Restorative The maximum amount payable is \$1,000 per participant per calendar year.
Major Restorative Dental Services covered at 80% of the eligible expense and subject to specific internal plan maximums.	Endodontic, Periodontic, Major Restorative, Prosthodontic. The maximum amount payable is \$1,000 per participant per calendar year.
Orthodontic Dental Services covered at 50% of the eligible expense and subject to specific internal plan maximums.	Orthodontic Appliances and Adjustments Maximum Benefit: The lifetime maximum orthodontic benefit per participant is \$2,000. Please submit a pre-determination to Blue Cross.

Termination of Coverage:

Coverage under this plan will cease 28 days after your employment termination date. You are entitled to **convert** to an individual health plan with Blue Cross as long as you contact Blue Cross within 31 days of your termination date. The coverage and cost are not the same as under the Province's plan. However if you contact Blue Cross within 31 days of your coverage terminating, you will not have to submit medical evidence. Call Blue Cross at 1-800-667-4511.

Upon retirement, if you are receiving the Public Service Superannuation, you are eligible to participate in the **Pensioners Extended Health Plan**. If you are already a member of the employee health plan, then at retirement, you will automatically be enrolled in the Pensioners Extended Health Plan. For inquiries, please contact Benefits Division, Public Service Commission at 424-3240 or 424-7685.

Payment of Claims:

Claims for prescription drugs are typically handled directly with your pharmacy by presenting your Blue Cross ID card. For reimbursement of other eligible services or supplies, please submit your claim form, and original paid in full receipt to Blue Cross. For immediate reimbursement, you can go to a **Medavie Blue Cross Quick Pay Centre** - in Dartmouth at 7 Spectacle Lake Drive in the Burnside Industrial Park; or in Halifax at Scotia Square, (Barrington Tower) 1894 Barrington Street. Otherwise mail to Medavie Blue Cross, 7 Spectacle Lake Drive, P.O. Box 2200, Dartmouth, Nova Scotia, B3J 3C6.

If you require a duplicate Blue Cross Identification Card, please contact your HR division.