

## The New Public Service Health Care Plan: A Good Deal for Pensioners

While not all the improvements sought by FSNA members were attained, FSNA considers that the five-year agreement that extends the Public Service Health Care Plan (PSHCP) until March 2011 is the best that could be achieved and is a good deal for pensioners.

### Single plan

The negotiators for all parties agreed to keep pensioners within the existing plan, rather than creating a separate plan for them. In all likelihood, a separate plan could have been more costly for pensioners, could have offered lesser benefits, or both.

### FSNA keeps Party status

FSNA has succeeded in keeping its official status as the “Party” representing all pensioners in the governance of the PSHCP. This status gives FSNA a great opportunity to promote and defend the interests of all pensioners, FSNA members included.

### Shared costs

Cost management issues were at the heart of the round of negotiations initiated in the spring of 2004. The prescription drug costs, for example, increased by 97.7% between 1999 and 2004. In recent years, the employer has paid an increasing proportion of plan costs for pensioners, as the absolute cost of benefits had been climbing.

Under the new agreement, the coverage cost for pensioners was therefore increased, but kept at a manageable level. The employer will now pay 75% of the pensioners’ plan costs, leaving 25% of pensioners’ plan costs to be paid by pensioners through their monthly premiums. This agreement restores the cost-sharing ratio between the government and pensioners that applied at the time the 2000 Trust Agreement was signed.

### Premiums

Pensioners’ monthly premiums will increase by \$5.70 for single coverage and by \$12.14 for family coverage, bringing the monthly premiums for Level I Hospital Coverage to \$14.71 and \$29.80, respectively. These rates will however remain frozen at that level for the duration of the agreement. The other option would have been to raise premiums every time the costs went up during the five-year agreement, an option that would most likely have been more costly for pensioner plan members.

**Monthly Pensioner Supplementary Coverage Contribution Rates  
Maximum Daily Hospital Coverage  
Effective 1 April 2006**

	Status	Monthly Rates	Maximum Daily Coverage
Level I	Single	\$14.71	\$60
	Family	\$29.80	\$60
Level II	Single	\$31.27	\$140
	Family	\$46.36	\$140
Level III	Single	\$60.12	\$220
	Family	\$75.21	\$220

## **FSNA's negotiating team**

The FSNA negotiating team was well prepared as it entered the negotiations for the renewal of the Memorandum of Understanding and the Plan Document.

It had a negotiation strategy that was discussed and approved at the October 2002 NBOD meeting.

The team consisted of:

Chief representative of FSNA: **Rex Guy**, Immediate Past National President

Spokesperson: **Jean-Guy Soulière**, Executive Director

Advisors: **Bernard Dussault**, Senior Research and Communications Officer, and  
**Charlotte Roy**, Research and Communications Officer