



DEL Δ NEY
the engagement people

Public Service Pension Plan:
Retirement group health benefits
What we heard from members

February 2021

ABOUT THE ENGAGEMENT

Retirement group health benefits are available to members of the Public Service Pension Plan. To ensure the long-term financial sustainability of the benefits, the Public Service Pension Board of Trustees periodically reviews the health benefits program. The board identified member input as an important element to its current review so that member preferences could help to inform their decision making. In late 2020, retired members and active members within five years of retirement were engaged via an online survey.

The online survey solicited feedback in a number of areas, including options for the levels of reimbursement under a tiered formulary and a grandparenting timeframe.

Currently, all drugs are covered at a reimbursement level of 70%. Having a tiered formulary would mean certain drug types are grouped into tiers, and each tier reimbursed at a different percentage. Tier 1 (BC PharmaCare-covered) drugs would be covered at a different, higher reimbursement level than Tier 2 (non-BC PharmaCare-covered) drugs. To allow members currently using Tier 2 drugs time to switch to a Tier 1 drug, a transitional or grandparenting timeframe will be introduced.

The survey proposed three options with different reimbursement levels and grandparenting timeframes.

You can find more information about the review and potential changes on the plan website at pspp.pensionsbc.ca/retirement-group-health-benefits-review-and-engagement.

THE SURVEY AT A GLANCE

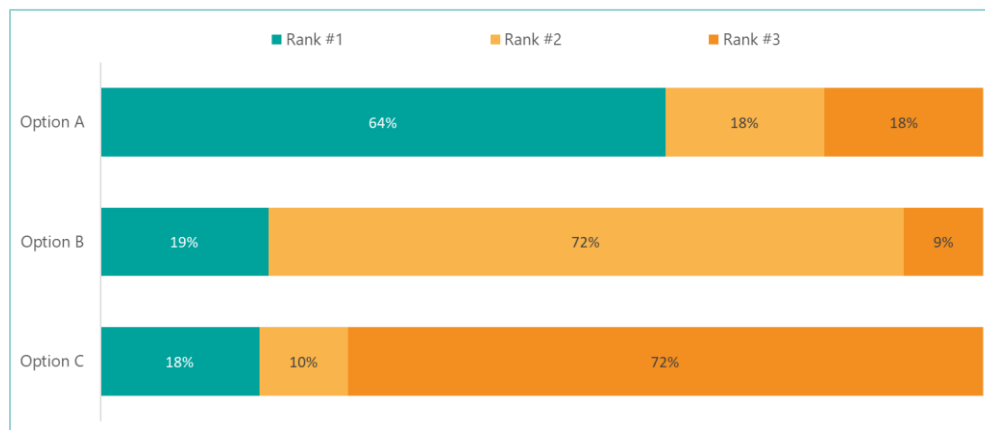
- More than 1,300 members participated in the survey.
 - About eight in 10 were retired members or their spouses/dependants.
 - About two in 10 were active working members.
- About 300 members participated in one of three live webinars about the proposed changes, which included a live Q&A.
 - Many more watched a recording of the webinar (about 550 visitors) or viewed other background information online.
- Most respondents indicated that they take a prescription medication(s) covered by the plan.
 - For the majority, these medications are Tier 1 drugs covered by BC PharmaCare.
 - A smaller proportion of respondents were covered for a Tier 2 or non-BC PharmaCare medication.
- Of three options for a new tiered formulary, **the preferred option proposed the least changes to reimbursement levels and allowed for the shortest grandparenting period.**
 - This option, Option A, increases reimbursement for Tier 1 drugs from 70% to 80%, decreases reimbursement for Tier 2 drugs from 70% to 60% and has a one-year grandparenting period.

ADDITIONAL INSIGHTS

The three options were:

Option A	Option B	Option C
<ul style="list-style-type: none"> • Tier 1 drugs – increase to 80% • Tier 2 drugs – decrease to 60% • Grandparenting period: 1 year 	<ul style="list-style-type: none"> • Tier 1 drugs – increase to 80% • Tier 2 drugs – decrease to 50% • Grandparenting period: 3 years 	<ul style="list-style-type: none"> • Tier 1 drugs – maintain at 70% • Tier 2 drugs – decrease to 50% • Grandparenting period: 5 years

Ranking of most preferred to least preferred:



- Overall, 64% of respondents chose Option A as their most preferred option and stated these reasons:
 - the smallest change,
 - the fairest option,
 - the highest reimbursement level for the largest segment of the membership, and
 - the best fit for personal circumstances.
- One in five (19%) preferred an option (Option B) that would also see Tier 1 drugs be reimbursed at 80% but would drop Tier 2 reimbursement to 50%, while allowing for a three-year grandparenting period.
- Slightly fewer (18%) preferred the option (Option C) with the longest grandparenting period of five years but with a status quo at 70% for Tier 1 drugs and reduced reimbursement levels for Tier 2 drugs to 50%.
- Those who preferred Options B or C indicated a longer grandparenting period would be more reasonable and fairer to those on Tier 2 medication and the most affected by this change.

NEXT STEPS

In 2021, the board will review the survey findings as well as other data, including current drug usage, trends and financial impacts, to make a decision on changes to the drug plan. The board is committed to providing members with as much notice as possible of anticipated changes.