



Choosing Extended Health and Travel Insurance to Meet Your Specific Needs

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UBC Emeritus College
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**Separate dental insurance, which is not discussed in this document,
is available from UBC/Sun Life, Johnson, and RTO.
See the websites listed on page 9 for information on their dental plans.**



Introduction

This report provides information that will help you choose the extended health and travel insurance that best meets your specific needs and priorities. Links are also provided to documents and web sites where you can get additional information.

Extended Health Care [EHC] insurance assists with the cost of in-province medical expenses that are not fully covered by the provincial B.C. Medical Services Plan (MSP), such as drugs, physiotherapy, and some expenses associated with hospitalization. **Travel insurance** provides coverage for eligible travel medical expenses incurred due to an accident or sudden and unforeseen medical emergency while traveling outside of Canada or within Canada but outside of British Columbia.

UBC emeriti have access to four plans, referred to in this document as:

- **the UBC/Sun Life plan** (UBC RSB Extended Health Care Plan)
 - **the MEDOC plan** (MEDOC Travel Insurance plan)
 - **the Johnson plan** (Johnson EHC and Prestige Travel plan)
 - **the RTO plan** (RTO/ERO EHC plan).
- (The plan names used by UBC HR, Johnson, Inc., and RTO are in parentheses.)

UBC Human Resources offers retired faculty and staff extended health care insurance through the **UBC/Sun Life plan**, which is administered by Sun Life. This plan also provides some coverage for emergency medical expenses incurred outside B.C. or Canada.

Through the UBC Emeritus College's cooperation with Johnson, Inc., RTO (Retired Teachers of Ontario), and CURAC (College and University Retiree Associations of Canada), three additional options are provided:

1. The **MEDOC plan is an annual Travel Insurance plan** that covers an unlimited number of trips and includes coverage for emergency medical expenses, trip cancellation and trip interruption insurance;
2. The **Johnson plan provides Extended Health Care insurance and Travel insurance**. This can be purchased either as a supplement to the UBC/Sun Life insurance or instead of it;
3. The **RTO plan provides Extended Health Care insurance and Travel insurance**. This can be purchased either as a supplement to the UBC/Sun Life insurance or as a replacement of UBC/Sun Life Insurance.

In considering your insurance options, it is important to be aware that **if at any time you cancel your UBC/Sun Life Extended Health insurance, this decision is not reversible, and you will NOT be able to re-enrol in the UBC plan in the future. Similarly, if you do not enrol in the UBC/Sun Life plan within 31 days of retirement, you cannot enrol at a later date.**

As will be discussed below, you may wish to have two health insurance plans:

- the UBC/Sun Life plan, primarily for EHC; and
- a second plan to provide either additional travel insurance (e.g., the MEDOC plan) **OR** a plan (such as the Johnson or RTO plan) to provide additional travel insurance as well as enhanced EHC coverage to address gaps in the UBC/Sun Life EHC plan.



IMPORTANT NOTES

We have endeavored to ensure the accuracy of all information presented. However, in the event of a discrepancy, the official documents issued by UBC/Sun Life, Johnson, and RTO shall prevail. Members are responsible for verifying the coverage available and for making their own decisions as to which insurance is best for their specific situation. Neither the UBC Emeritus College, the University of British Columbia, nor their representatives can make recommendations for individuals.

In the interest of full disclosure, it should be noted that the UBC Emeritus College receives 2% of the gross premiums that emeriti pay to Johnson for extended health insurance and MEDOC travel insurance. The UBC Emeritus College receives 1% of the gross premiums that emeriti pay to RTO, and CURAC also receives 1%. The income the UBC Emeritus College receives from Johnson and RTO goes solely toward the expenses of the College.

Extended Health Care Insurance

1. UBC/Sun Life EHC Insurance Plan 3

Although the insurance that is offered to UBC faculty and staff upon retirement (or while still employed, if they continue to work past age 71) is not as comprehensive as the insurance provided to them as employees, it still provides very valuable coverage. **Its main strength is that it provides broad coverage of prescription drugs with no annual limit.** (The plan has a total lifetime limit for all reimbursements of \$200,000.) After the annual deductible of \$1,000 (per individual or couple/family) has been reached, coverage is at 80%, and after \$1,000 has been reimbursed per person per year, the insurance pays 100%.

The UBC/Sun Life plan also provides coverage for emergency medical expenses while outside Canada or outside of British Columbia. (Reimbursements for eligible emergency medical expenses are counted toward the same \$200,000 lifetime maximum.) **There is no coverage for trip cancellation or trip interruption expenses.**

The main gaps in the UBC/Sun Life EHC coverage are the \$1,000 annual deductible, the lack of coverage for eye glasses, contact lens, and hearing aids, and the low sub-limits for paramedical care such as physiotherapists and psychologists. The lifetime maximum of \$200,000 per insured individual for Plan 3 is a further limitation of this insurance.

Note: UBC/Sun Life Plan 3 for retirees is the only plan available for individuals who enrol after November 1, 2003. Plans 1 and 2, for individuals who enrolled prior to November 1, 2003, have some different features and much lower lifetime limits of \$15,000 and \$50,000 respectively. Page 9 of this Report indicates where more information on Plans 1, 2, and 3 may be found. **The only UBC/Sun Life plan discussed in this document is Plan 3, since the vast majority of retired faculty are in this plan.**



If you have questions or would like additional information concerning the UBC/Sun Life plans, you can call Julia Carandang in UBC Human Resources at 604.822.4580, or email her at julia.carandang@ubc.ca or go to <http://www.hr.ubc.ca/wellbeing-benefits/benefits/details/retirement-survivor-benefits/>

2. Johnson Plan providing EHC and Travel Insurance

The Johnson plan providing Extended Health Care and Travel insurance is available to all individuals (and their spouses) who are members of the UBC Emeritus College or who, as UBC emeriti, are eligible for membership in the UBC Emeritus College. As of mid-2018, more than 300 UBC emeriti and their spouses had this Johnson insurance.

Individuals who are currently enrolled in a group extended health care plan (either the UBC/Sun Life plan or one comparable to it) or apply with 60 days of losing group extended health care coverage can enrol in the Johnson plan without providing evidence of insurability. Those who apply outside of this eligibility period will need to fill out a medical questionnaire and may be denied coverage

The main strengths of the extended health coverage of this plan are the absence of an annual deductible, broader coverage than the UBC/Sun Life plan for paramedical expenses (such as physiotherapists and psychologists), and the partial coverage for eye glasses and hearing aids. There is a \$200,000 lifetime maximum per insured person for in-province extended health care expenses. There is a separate maximum for eligible emergency travel expenses of \$5,000,000 per insured individual per trip.

The most significant limitation of this EHC insurance is that there is a limit on the reimbursement for prescription drugs of either \$2,000 per household per calendar year (Plan A) or \$4,000 per household per calendar year (Plan B). (Note: For individuals who also have the UBC/Sun Life insurance, Plan A is likely to be more cost effective than Plan B, since the UBC/Sun Life plan is the first payer for prescription drugs. The Johnson plan would only provide reimbursement for drug costs that have not been reimbursed by the UBC/Sun Life plan.)

If you enrol in both the UBC/Sun Life plan and the Johnson plan, the UBC/Sun Life plan is the first payer for in-province extended health expenses. Claims not fully covered by the UBC/Sun Life plan are then submitted to the Johnson plan.

In addition to the coverage you have through your own EHC insurance, all residents of British Columbia have partial coverage for prescription drug costs through the province's Fair PharmaCare Program. However, **B.C. Fair PharmaCare does not cover all prescription drugs and has a relatively high annual deductible based upon family net income. More information on the B.C. Fair PharmaCare Program is presented later in this report.**

Trip interruption and cancellation insurance are included up to \$8,000 per trip for each insured individual. An unlimited number of trips, **up to 62 days per trip**, is covered. (Supplemental insurance is available for trips longer than 62 days.)



This travel insurance does not have a “stability clause”. Instead, it has the less restrictive requirement that a medical emergency must be “sudden and unforeseen” to be covered. This very important difference is discussed further on pp. 8 and 13-15.

Additional information on this Johnson plan, which combines EHC and Travel insurance, may be found at: www.johnson.ca/ubc/en/bc.
By phone you can reach Johnson, Inc. at 1.866.799.0000.

3. RTO Plan providing EHC and Travel Insurance

The RTO plan providing Extended Health and Travel insurance is available to all retiring UBC faculty and staff. **Individuals who have had continuous coverage since retirement in a group extended health plan (either the UBC/Sun Life plan or one comparable to it) can enrol in the RTO plan without providing evidence of insurability.** Those who have not had continuous group extended health care insurance since retirement will need to fill out a medical questionnaire and **may be denied coverage.** If coverage is approved, it will begin on the date the insurer approves the application.

The RTO plan is similar in design and structure to the Johnson plan. There is no annual deductible, it provides enhanced coverage for paramedical expenses (such as physiotherapists and psychologists), and it includes partial coverage for eye glasses and hearing aids.

The RTO Extended Health Care Plan includes an Out-of-Province/Canada Travel plan that covers a maximum of \$2,000,000 per insured individual per trip for eligible emergency medical expenses. Trip interruption and cancellation insurance is also included at no additional cost for up to \$6,000 per trip for each insured individual. An unlimited number of trips, **up to 93 days per trip**, is covered. (Supplemental insurance is available for trips longer than 93 days.)

If you enrol in both the UBC/Sun Life plan and the RTO plan, the UBC/Sun Life plan is the first payer for in-province extended health expenses. The remaining portion of the claims is then submitted to the RTO plan.

RTO Plan vs. the Johnson Plan

Although the Johnson and RTO plans have many similarities, there are significant differences as well. Depending on your financial needs and your pre-existing medical conditions, some individuals may prefer the Johnson plan and others may favour the RTO plan.

One advantage of the RTO plan is that annual premiums are less than those of the Johnson plan by approximately \$550 for an individual and \$675 for a couple. (This is due largely to the fact that there are some 100,000 RTO members and their dependents insured.) However, **it should be noted that unlike the Johnson plan, the RTO plan does not cover the additional cost of a semi-private hospital room. RTO provides optional separate insurance for this at a cost of approximately \$175 per person per year. (The UBC/Sun Life plan covers 80% of the cost difference between a room on a general ward and a semi-private or private room.)**



Another advantage of the RTO plan compared to the Johnson plan is that it has higher limits for some of the extended health benefits. For example, it pays up to a combined maximum of \$1,300 per insured person per year for physiotherapists and 16 other paramedical practitioners compared to \$1,000 in the Johnson plan.

The RTO plan, like the Johnson plan, has an annual limit on the reimbursement for prescription drugs. This annual limit of \$3,400 **per person** (not per household) is greater than the annual limit for the Johnson plan of \$2,000 **per household** for Plan A. (However, it is also important to note that if you also have the UBC/Sun Life insurance, the UBC/Sun Life insurance is the first-payer for prescription drugs.)

In regard to **travel insurance**, the RTO plan has a **stability clause** requiring that a pre-existing medical condition must be stable for 90 days prior to a trip in order to be covered. The Johnson plan is more flexible regarding pre-existing conditions. Instead of a stability clause, it requires that a medical emergency while traveling be **“sudden and unforeseen”** in order to be covered. This means that if your physician, after considering any pre-existing medical conditions or changes in medication, considers you fit to travel, you would generally be covered under the Johnson plan. **There is additional information on how Johnson interprets the “sudden and unforeseen” clause in the section on Travel Insurance (p. 8), as well as in Appendix 1 to this document (pp.13-15).**

Note: Appendix 3 provides a summary table comparing the coverage of the UBC/Sun Life, Johnson, RTO, and MEDOC plans.

Additional information on the RTO plan may be found at
<https://www.rto-ero.org/group-insurance-plans/rtoeros-group-insurance-plans/extended-health-care-plan>
or by calling 1.877.406.9007.
To ensure you get the correction information, identify yourself as being affiliated with UBC and CURAC (College and University Retiree Associations of Canada.)

4. Combining the UBC/Sun Life Plan with either the Johnson Plan or the RTO Plan

Since the high cost of prescription drugs is one of the most significant financial risks individuals face as they age, and **the UBC/Sun Life plan (unlike the Johnson and RTO plans) does not have a separate annual limit on reimbursement for prescription drugs, this plan provides especially valuable insurance.**

As noted above, **if at any time you cancel your UBC/Sun Life Extended Health insurance, this decision is not reversible, and you will NOT be able to re-enrol in the UBC plan at a later date.**

Some individuals with the UBC/Sun Life plan may wish to augment their EHC coverage by also having either the Johnson Plan or the RTO plan.



The option of adding the Johnson or RTO plan to your existing UBC/Sun Life coverage will have the greatest appeal for individuals who want more extensive travel insurance and also want to address some of the gaps in the UBC/Sun Life EHC insurance. The Johnson and RTO plans supplement the UBC/Sun Life EHC insurance by covering 80% (Johnson) or 85% (RTO) of the \$1,000 annual deductible in the UBC/Sun Life plan, by their partial payments for eye glasses and hearing aids, and their broader coverage for paramedical expenses.

The Johnson and RTO plans also have separate, much higher limits for emergency travel medical expenses. (\$5,000,000 per person per trip for the Johnson plan and \$2,000,000 per person per trip for the RTO plan. The total lifetime combined limit for in-province and out-of-country expenses of the UBC/Sun Life plan is \$200,000.) The Johnson and RTO plans also include trip cancellation and interruption insurance, which the UBC/Sun Life plan does not have.

Needless to say, the Johnson and RTO plans will also strongly appeal to individuals who don't presently have Extended Health Care insurance, are approaching the lifetime maximum in their existing Extended Health Care insurance, or are concerned about the high cost of their present travel insurance due to age or health status.

The premiums of the Johnson and RTO plans do not increase with age, unlike the premiums for stand-alone travel insurance like MEDOC. This means that by age 76, when the cost of stand-alone travel insurance such as MEDOC increases significantly, the potential savings from the Johnson or RTO plan become even greater.

If an individual or couple has coverage under the UBC/Sun Life plan and either the Johnson or RTO plan, the Johnson or RTO plan is first payer for eligible out-of-province emergency medical expenses. This means that only if an out-of-province expense is not fully covered by the Johnson or RTO insurance would the remainder of the claim be submitted to UBC/Sun Life for reimbursement.

For eligible in-province medical expenses, the UBC/Sun Life plan is first payer and the Johnson or RTO plan is the second payer. To take an illustrative example, if an individual enrolled in two plans has \$3,000 of eligible prescription drug costs in a given calendar year, he/she would receive reimbursement as follows:

	<u>UBC/Sun Life Pays</u>	<u>Johnson Pays</u>	OR	<u>RTO Pays</u>
first \$1,000	zero (due to \$1,000 deductible)	80% of \$1,000=\$800		85% of \$1,000=\$850
next \$1,250	80% of \$1,250=\$1,000	\$250		\$250
next \$750	100% of \$750=\$750	zero		zero
TOTAL	\$1,750	\$1,050		\$1,100



In addition, if an individual has \$500 of eligible physiotherapist expenses in a year, assuming that the annual deductible has already been satisfied, the UBC/Sun Life plan would pay \$250 (the annual maximum for this benefit) and the Johnson or RTO plans would each pay an additional \$250.

If an individual has expenses for hearing aids, the UBC/Sun Life plan would pay zero (hearing aids are not covered by this plan). The Johnson plan would pay 80% up to a maximum of \$600 for three calendar years, whereas the RTO plan would pay 80% up to a maximum of \$1,100 in any three consecutive years.

If an individual has prescription eye glass expenses of \$600, the UBC/Sun Life plan would pay zero (glasses and contact lens are not covered by this plan). The Johnson and RTO plans would pay 80% up to a maximum of \$400 every two calendar years. The Johnson plan also covers 80% of the cost of eye examinations up to \$100 for two calendar years, whereas the RTO plan covers 80% of the cost of eye examinations up to \$150 in any two consecutive calendar years.

Some of the differences between the travel insurance provided by the Johnson plan, the RTO plan, and the MEDOC plan (which Johnson also provides) are discussed in the next section of this document.

Note: See Appendix 3 of this report for a chart that more fully compares the coverage of the UBC/Sun Life, Johnson, RTO, and MEDOC plans.

Travel Insurance

The UBC/Sun Life plan provides coverage for emergency medical expenses when traveling out of province and outside of Canada. However, since the total lifetime maximum of this insurance is only \$200,000 for Plan 3 (and considerably less for Plans 1 and 2), many individuals consider it prudent to buy additional travel insurance to provide protection against depleting their extended health insurance and for possible catastrophic claims that might exceed \$200,000.

Individuals may also want to purchase additional travel insurance to obtain trip cancellation and interruption coverage, since this is not part of the UBC/Sun Life plan.

Questions to Ask Yourself

Stand-alone emergency medical travel insurance is provided by the MEDOC plan and by insurance issued by numerous insurance companies, banks, and credit card companies. In choosing appropriate emergency medical travel insurance, the first question to consider is whether you want a policy to cover a **single trip** (if you expect to make only 1–2 trips in the next 12 months) or a **multi-trip policy** that will cover an unlimited number of trips (up to a specified maximum number of days per trip).



In addition to price, you should consider the specifics of each policy:

1. **Who is the “first payer”?** In other words, if you have a major claim and are enrolled in a group insurance plan such as UBC/Sun Life, is the claim applied to your Sun Life extended health insurance before the additional emergency medical travel insurance you have purchased pays out any money? The travel insurance offered by BCAA, as well as most banks and credit card companies, requires that your claims must first be submitted for payment to your Sun Life plan. **The BCAA insurance only covers eligible expenses not paid by your Sun Life insurance. This means that your UBC/Sun Life extended health lifetime maximum is not protected and you are likely to receive limited benefit from BCAA travel insurance and plans like it.**
2. **Is trip cancellation and trip interruption coverage included in the insurance?**
3. **For what period of time (e.g., 90 days, 180 days) must pre-existing medical conditions be stable** for there to be coverage under the insurance?
4. Do you want to purchase **just emergency medical travel insurance, or do you also want additional in-province extended health insurance** to supplement the coverage provided by the UBC/Sun Life insurance?

MEDOC travel insurance is an annual plan that covers an unlimited number of trips that are either 17 or 35 days’ duration or less, depending upon which option is selected. (For an additional fee, longer trips can be covered.). It includes trip cancellation and interruption insurance, is **the first payer for out-of-province emergency medical expenses**, and has a 90-day stability clause (rather than the 180-day stability period required by a number of other companies). As of mid-2018, more than 300 UBC emeriti and their spouses had MEDOC travel insurance.

Additional information about the MEDOC plan may be found at
<https://www.johnson.ca/travel/medoc/splash-en.jsp>
or call 1.866.606.3362.

Comparing Travel Insurance Plans

MEDOC Travel Insurance vs. Johnson and RTO Combined EHC/Travel Insurance

There are several important differences between the MEDOC stand-alone travel insurance plan and the Johnson and RTO plans which combine EHC and travel insurance.

Age

Unlike the MEDOC plan, the premiums for the Johnson and RTO plans do not increase with age. This means that at age 76 and above, when MEDOC premiums increase significantly, individuals may find it less expensive to purchase the Johnson and RTO plans for their travel insurance, while prior to age 76 they may find it less expensive to purchase the MEDOC plan for their travel insurance.

Medical Questionnaire

Unlike the MEDOC plan, the Johnson and RTO plans do not require an annual medical questionnaire, and premiums are not dependent upon an individual’s health.



Pre-existing Conditions

The MEDOC and RTO plans have a **90-day stability clause**. This means that emergency medical expenses associated with a pre-existing medical condition **will not be covered if that condition was not stable or there was a significant change in the medication to treat the condition (potentially even including a decrease in dosage)** during the 90 days prior to departure. In contrast, **the Johnson plan is less restrictive** in that it replaces the stability clause with the requirement that emergency medical travel expenses be the result of a **“sudden and unforeseen”** medical emergency. **If your physician, after considering any pre-existing medical conditions or changes in medication, considers you fit to travel, you would generally be covered under the Johnson plan. However, it is important to be aware that each claim is reviewed utilizing the medical information provided by your physician at the time of the claim. If in doubt, you should ask Johnson for advice on how a possible claim is likely to be viewed before you begin your trip. Further information, and some examples of how actual inquiries have been evaluated by Johnson, is included in Appendix 1 to this document.**

Trip Duration

- The Johnson plan covers an unlimited number of trips that are **62 days’ duration** or less. (For an additional fee, longer trips can be covered.) It covers emergency medical travel expenses up to \$5,000,000 per person per trip, and it includes trip cancellation and interruption insurance of up to \$8,000 per insured person per trip.
- The MEDOC plan covers an unlimited number of trips that are either **17 or 35 days’ duration** or less, depending upon which option is selected. (For an additional fee, longer trips can be covered.) It covers emergency medical travel expenses up to \$5,000,000 per policy year for each insured individual and includes trip cancellation and interruption insurance of up to \$8,000 per insured person per trip.
- The RTO plan covers an unlimited number of trips that are **93 days’ duration** or less. (For an additional fee, longer trips can be covered.) It covers emergency medical travel expenses up to \$2,000,000 per person per trip and includes trip cancellation and interruption insurance of up to \$6,000 per person per trip.

Note: See Appendix 3 of this report for a chart that more fully compares the coverage of the UBC/Sun Life, Johnson, RTO, and MEDOC plans.

Information Sources for the Four Plans

The UBC/Sun Life plan: <http://www.hr.ubc.ca/wellbeing-benefits/benefits/details/retirement-survivor-benefits/>. You can also call Julia Carandang in UBC Human Resources at 604.822.4580 or email her at julia.carandang@ubc.ca.

The Johnson plan: www.johnson.ca/ubc/en/bc. By phone you can reach Johnson, Inc. at 1.866.799.0000.

The RTO plan: <https://www.rto-ero.org/group-insurance-plans/rtoeros-group-insurance-plans/extended-health-care-plan>. By phone you can get more information at 1.877.406.9007. To ensure you get the correct information, identify yourself as being affiliated with UBC and CURAC (College and University Retiree Associations of Canada.)

The MEDOC plan: <https://www.johnson.ca/travel/medoc/splash-en.jsp>. By phone, you can get more information at 1.866.606.3362.



Cost of Insurance

The table in Appendix 2 lists the **annual premiums as of January 1, 2019** for the UBC/Sun Life Plan 3, the MEDOC plan, the Johnson plan, and the RTO plan. The cost of MEDOC travel insurance depends upon age and upon health, as determined by the answers given to an annual health questionnaire. MEDOC premiums increase with age, and the rates for the “Standard” health category are considerably more expensive than those for the “Preferred” and “Optimum” categories. The cost of the UBC/Sun Life, the Johnson, and the RTO plans do not depend upon your age or health.

Note: The premiums listed in the table in Appendix 2 do not include the separate monthly MSP premium that all residents of B.C. are currently required to pay. (For those covered by the UBC/Sun Life plan, as a convenience, the monthly MSP premium can be deducted from your bank account at the same time that extended health and dental premiums are deducted.)

Province of BC Fair PharmaCare Plan

Fair PharmaCare is a free provincial program designed to protect residents of British Columbia from catastrophic prescription drug costs. **Many, but not all, prescription drugs are covered.** **There is an annual deductible that depends upon net family income.** Individuals (or their extended health plan) pay the full cost of drugs until the annual deductible is reached. After the annual deductible has been reached, Fair PharmaCare pays approximately 70% of the eligible costs of drugs that are covered. Once you (or your extended health insurance) have reached the Annual Family Maximum, which is also based on income, Fair PharmaCare pays 100% of the cost of prescription drugs that are covered, as well as designated medical supplies and services.

Here is **an illustrative example**: For a family with a net annual income of \$100,000, the annual deductible is \$3,000 and the Annual Family Maximum is \$4,000. Accordingly, this family (or their EHC insurance) would pay all of the first \$3,000 of eligible prescription drug costs each year. Thereafter, Fair PharmaCare would pay 70% of the eligible costs in a given calendar year between \$3,000 and \$4,000. Once the eligible prescription costs in a given calendar year have reached \$4,000, Fair PharmaCare would pay 100% of the further eligible expenses for the rest of the year. (Note: If you or your spouse were born in 1939 or earlier, Fair PharmaCare benefits are enhanced.)

All residents of BC who have either UBC/Sun Life, Johnson or RTO extended health insurance are required to enrol in the Fair PharmaCare Plan. Enrolment is a simple one-step process. Your annual deductible and Family Maximum are automatically recalculated each year based upon the information contained in your tax return (which Fair PharmaCare obtains from the Canadian Revenue Agency). Once you have enrolled, you are not likely to receive further information or requests from Fair PharmaCare. This means it is easy for individuals to forget whether they have enrolled. See below, for information on how you can easily check whether you have already enrolled.

To check whether you have already registered under Fair PharmaCare, go to <https://pharmacare.moh.hnet.bc.ca/PPIBroker?ExternalAction=JppiSearch>. Where it asks for your Personal Health Number, enter the number on your B.C. medical CareCard.



For information on how Fair PharmaCare works, go to <https://www2.gov.bc.ca/gov/content/health/health-drug-coverage/pharmacare-for-bc-residents/who-we-cover/fair-pharmacare-plan>.

A calculator to ascertain what your Fair PharmaCare deductible is based upon your net family income (or more precisely **your family's net income two years ago, as reported on Line 236 of your tax return**) may be found at: <http://www.health.gov.bc.ca/pharmacare/plani/calculator/calculator.html>.

For more information on what expenses Fair PharmaCare does and does not cover, go to: <https://www2.gov.bc.ca/gov/content/health/health-drug-coverage/pharmacare-for-bc-residents/what-we-cover>.

For more specific information on what prescription drugs are and are not covered by Fair PharmaCare, go to: <https://www2.gov.bc.ca/gov/content/health/health-drug-coverage/pharmacare-for-bc-residents/what-we-cover/drug-coverage>.

MSP Premiums

Residents of B.C. currently pay monthly MSP premiums to cover medical and hospital expenses. For 2019, the premiums are \$37.50/month for an individual and \$75/month for couples.

For those covered by the UBC/Sun Life plans, as a convenience, the monthly MSP payment can be deducted from your bank account by UBC at the same time that medical and dental premiums are deducted. Those not covered by the UBC/Sun Life Plans, and whose MSP premiums are not being paid in conjunction with some other coverage, need to make separate arrangements with the province to deduct monthly MSP payments

UBC/Sun Life Extended Health Care Insurance: Plans 1, 2, and 3

There are three different UBC/Sun Life Extended Health Care insurance plans for retirees currently in effect: Plans 1, 2, and 3. The particular plan you are in depends upon when you retired. Plans 1 and 2 are for UBC retirees who retired and enrolled prior to November 1, 2003. **Plan 3 is the only plan available for individuals who enrolled after November 1, 2003.** The lifetime limit on benefits paid under each of these plans is: Plan 1, \$15,000; Plan 2, \$50,000; and Plan 3, \$200,000. To ascertain what benefits you have and what premiums you pay, you need to know which plan you are in. **The only UBC/Sun Life plan discussed in this document is Plan 3, since the vast majority of retired faculty are in this plan.**

For general information on UBC Retirement and Survivor Benefits and what it includes, go to: <http://www.hr.ubc.ca/wellbeing-benefits/benefits/details/retirement-survivor-benefits/>.

More detailed information on UBC/Sun Life Plans 1, 2, and 3 may be found at: <http://www.hr.ubc.ca/benefits/files/020605-RSB-Sun-Life-Contract-Booklet.pdf>.

To find out how much of your lifetime maximum remains, call Sun Life at 1.800.361.6212 and inform them you are a member of plan 020605 and provide them with your name and date of birth.



If you have questions or would like additional information concerning the UBC/Sun Life plans, you can call Julia Carandang in UBC Human Resources at 604.822.4580 or email her at julia.carandang@ubc.ca. She can also confirm which UBC/Sun Life plan you are enrolled in.

Concluding Summary:

A Step-By-Step Approach to Choosing the Insurance that Best Meets Your Specific Needs

A Starting Point

One way to structure your decision-making about insurance is to ask yourself sequentially the following questions:

1. Do I want to enrol in the UBC/Sun Life plan?
2. Do I want additional travel insurance?
3. If I want additional travel insurance, should I purchase travel insurance only or should I purchase a plan that provides additional EHC insurance as well?

A. **If I want additional travel insurance only**, do I prefer the MEDOC plan or insurance provided by another entity, such as a bank, a credit card company, or BCAA?

OR

B. **If I want additional travel and EHC insurance**, do I prefer the Johnson plan or the RTO plan?

Specific Decisions

1. Deciding on Whether to Enrol in the UBC/Sun Life Plan

A decision on enrolling in the UBC/Sun Life plan should be made prior to retirement.

If you do not enrol in the UBC/Sun Life insurance within 31 days of retirement, you cannot enrol at a later date. If at any time you cancel your UBC/Sun Life Extended Health insurance, this decision is not reversible, and you will NOT be able to re-enrol in the UBC plan in the future.

The high cost of prescription drugs is one of the most significant financial risks individuals face as they age. **The UBC/Sun Life plan, unlike the Johnson and RTO plans, does not have a separate annual limit on reimbursement for prescription drugs** (though there is the lifetime limit of \$200,000 on reimbursements). The UBC/Sun life plan also includes broad coverage of a wide range of medical expenses for a reasonable price. For these reasons, many individuals will choose this insurance.

If you have access to a comparable EHC plan (e.g., through your spouse's employer), you should carefully compare the coverage of this plan to the UBC/Sun Life plan. You should also consider what



happens to your coverage should your spouse pre-decease you or should the insurance provider stop covering spouses. (Provisions for coverage in the event of the dissolution of marriage might also be considered.)

2. Deciding on Travel Insurance

Most individuals who travel will also want travel insurance. If you are injured or have a major illness while traveling, this can be very costly. You also may want trip cancellation and interruption insurance, in case accident or illness forces you to alter your travel plans.

The UBC/Sun Life plan provides coverage for emergency medical expenses while you are out of province or out of country. However, since the UBC/Sun Life plan has a lifetime limit of \$200,000, even with this insurance, many individuals will want additional travel insurance to safeguard against the depletion of the UBC/Sun Life insurance and to obtain the trip cancellation and interruption insurance it lacks.

The MEDOC plan provides travel insurance, while the Johnson and RTO plans provide both travel and EHC insurance.

3. Deciding on Stand-alone Travel Insurance vs. Insurance providing Travel and EHC Coverage

If you decide you want travel insurance, you next need to decide whether you only want travel insurance or would prefer a plan that provides travel and EHC coverage.

Factors to consider in making this decision include: the relative cost and expected benefit from different plans, your existing travel and EHC insurance, your age, your health, how you feel about completing an annual health questionnaire, and how restrictive you feel a stability clause for pre-existing conditions would be compared to a clause requiring that a medical emergency while travelling be “sudden and unforeseen”.

The cost of stand-alone travel insurance depends upon your age and health. Younger retirees (e.g., below the age of 76) who are in good health, may find that stand-alone travel insurance is less costly than a plan combining EHC and travel insurance. Conversely, **individuals over the age of 75 who have pre-existing conditions may find that the net cost (i.e., premiums less expected reimbursements) for a plan that provides EHC and travel insurance is less than the net cost of stand-alone travel insurance.**

- **Comparing MEDOC Travel Insurance with other Stand-alone Travel Insurance Plans**

This report (pp. 7-9) discusses key features that you should consider when comparing stand-alone travel insurance plans such as MEDOC with the travel insurance offered by banks, credit card companies, and other entities (such as BCAA). As explained in this report, **it is of vital importance that you ascertain whether your travel insurance plan or your EHC plan would be the first payer in the event of a claim.** Most stand-alone travel insurance plans stipulate that if you have an EHC plan with a lifetime maximum above \$100,000 (or in some cases above \$50,000), the EHC plan, and not the travel insurance, is the first-payer. Unfortunately, this is the case with BCAA travel insurance. However, **MEDOC travel insurance is the first-payer for emergency out-of-province medical expenses, and it has a 90-day stability clause (rather than the 180-day stability period required by a number of other companies).**



- **Comparing the Johnson and RTO Plans**

The Johnson and RTO plans both provide EHC and travel insurance and both are the first payer for emergency out-of-province medical expenses, even if you have the UBC/Sun Life EHC plan.

The main advantage of the RTO plan is that it provides more generous benefits and it costs less than the Johnson plan. Premiums are approximately \$550 less for an individual and \$675 less for a couple.

As discussed in this report (page 8), the main advantage of the travel insurance in the Johnson plan is that it replaces a 90-day stability clause with the more flexible provision that a medical emergency be “sudden and unforeseen”. Some individuals may feel that this added flexibility regarding travel with pre-existing conditions is worth the extra cost, while others may feel it is not worth the additional expense. **(Also see Appendix 1 for a discussion of how the “sudden and unforeseen” provision of the Johnson insurance is interpreted.)**



Appendix 1 Interpreting the Meaning of the “Sudden and Unforeseen” Clause

As discussed above, in the section on “Travel Insurance,” the Johnson plan deals with pre-existing conditions differently than the MEDOC or RTO plans. The Johnson plan is less restrictive in that it replaces the 90-day stability clause of MEDOC and RTO with the requirement that emergency medical travel expenses be the result of a “sudden and unforeseen” medical emergency.

To help clarify what is meant by “sudden and unforeseen,” Johnson, Inc. has provided the following explanation, along with some examples of how actual inquiries and cases have been evaluated by DFS. Although the underwriter of the Prestige Travel Plan portion of the Johnson insurance plan has recently been changed from DFS to RSA, no significant changes are expected in how “sudden and unforeseen” will be interpreted. **(As is noted in the section on “Travel Insurance,” if you are in doubt before you travel, you should ask Johnson for advice on how a possible claim is likely to be viewed.)**

Explanation and Examples Provided by Johnson, Inc.

The Plan presumes you are in good health and medically fit to travel. Although there is no specific pre-existing condition clause in the policy, emergencies must be sudden and unforeseen. For example, if your doctor advises you not to travel, you would not be covered for that condition as it is not sudden and unforeseen. Because there is no stability period within the plan, a change in medication or treatment does not necessarily dictate that coverage would be restricted.

There are no guarantees of coverage because each case is reviewed on its own, given the medical information provided by the insured's physician at the time of claim. However, in general terms, this Plan is the most comprehensive Travel coverage in the voluntary retiree market, with no pre-existing condition limitation. The fact that emergencies must be sudden and unforeseen means just that. However, it is case specific. As a minimum, the insured must be medically fit for travel and must not have been advised by his/her physician not to travel for a medical condition.

Definition of Medical Emergency (Extracted from the Certificate of Insurance)

“Medical emergency” (as used with regard to emergency medical travel coverage Eligible Expenses under the Extended Health Care Plan Benefits section) shall mean an emergency service rendered for the sudden onset of a medical condition, manifesting itself by acute symptoms of sufficient severity that the absence of immediate medical attention could result in:

- 1. permanently placing the individual's health in jeopardy;*
- 2. serious impairment and dysfunction of any bodily organ or part; or*
- 3. other serious medical consequence.*

For your reference, here are some real life examples of cases which have been reviewed and/or considered under the sudden and unforeseen provision. As you can see, each is decided upon based on its own unique set of circumstances. This is a key part of the medical history review done at time of claim.



Examples of How Past Claims have Been Handled

Situation Example #1 – Prior to Departure Inquiry on Known Condition:

Question: My condition is known as "radiation proctitis", which causes blood loss, and transfusion when the hemoglobin goes down. I have had this condition since Feb 2010. It is now being treated (since July 2010) with a procedure called "argon plasma coagulation" - a form of laser which cauterizes the colon tissue to stop the bleeding. The condition is as a result of radiation, which I received for cervical cancer a year and a half ago, and which has been successfully arrested. The radiation caused damage to the tissue and is being treated by the above procedure, which is well known and has a good success rate.

Would I be covered should an incident occur, which is directly related to my pre-existing condition in the U.S.A.? My condition is considered stable via these treatments, which I receive about once a month now, and it should be more wide-spread as time marches on.

Answer: The condition would not be considered sudden and unforeseen, and therefore not covered.

Situation Example #2 – Prior to Departure Inquiry on Known Condition:

Question: Member was diagnosed 3 weeks ago with a 3.9cm abdominal aortic aneurysm, but was told by the doctor that he is "stable" and would require regular 6 months follow up check. If he were to travel and have a claim related to this condition, would it be considered sudden and unforeseen, or would the claim be denied?

Answer: With the information provided, Sigma Assistel considers that emergency health care related to this medical condition occurring while travelling would be considered as sudden and unforeseen. This decision was based on the fact that the patient's treating physician stated the medical condition as stable.

***** Although; emergency health care related to this condition would be covered, the regular follow up (every 6 months) would not be considered as sudden and unforeseen and then would not be covered under travel insurance.***

Situation Example #3 – Prior to Departure Inquiry on Known Condition:

Question: Member called to advise has digestive disease condition of the large colon and would like to confirm if a related emergency while travelling would be considered unforeseen. Diagnosis is diverticulitis.

Answer: In order to find out if this medical condition would be considered as unforeseen, we would need to obtain the medical report of the past episode(s). At this point, we can't confirm if it would be considered as unforeseen. If (we) are able to obtain the medical report for the first and any recent episodes of diverticulitis, we would then be able to determine if it was sudden and unforeseen.



Situation Example #4 – Determination of Not Sudden & Unforeseen at time of Claim:

Question: *The member is advising she was told by her physician that she was okay to travel and that it was not anticipated that she would have continuing problems, otherwise she would not have travelled. She advises that she sought medical attention while travelling because the sudden and severe pain she was having in her head made her concerned that it was a brain aneurysm or something such as that and that her pain on this occurrence was very different from what she was having prior to her departure. The member recognizes that any routine testing and follow up would not be covered, however she does see this particular incident as sudden and unforeseen. She also advised she is willing to share the cost of this claim.*

Answer: *The patient's consultation was due to severe headaches and the doctor requested an MRI. Sigma advised the insured that the MRI required authorization from their medical team. The hospital contacted Sigma to request authorization of a CT Scan and Sigma explained that they needed to obtain medical records and subsequently, authorisation from their medical team.*

Medical records and history from the member's home physician were received and evaluated by Sigma's medical staff. It was determined the condition was not sudden and unforeseen, as the patient had consulted for the same symptoms only days prior to her departure. The patient's physician had also considered requesting a CT scan at that time. According to the information obtained from the members' family doctor, she had seen a doctor just before her travel for a "history of headaches for some weeks". The doctor wrote in his file note that the patient "may need a CT" "if significant worsening in any way". During her travel, the member had the same symptoms (i.e. headaches).

Therefore, our decision is based on the fact that this is not a sudden and unexpected illness which takes place during an insured trip, since the condition was known before departure.

It should be remembered that trip cancellation coverage is built into the Johnson plan, so if an individual is not fit to travel due to a medical condition, they should be looking into this policy provision and not take the risk of travelling when unfit to do so.



Appendix 2: Annual Premiums of the Plans

		Individual	Couple
UBC/Sun Life Plan 3 (rates for 2019)		\$788	\$1,576
MEDOC Plan 35-day maximum per trip Depends upon age and health (rates for 2018-2019)			
	Ages 65-69		
	Optimum	\$153	\$306
	Preferred	\$175	\$350
	Standard	\$350	\$700
	Ages 70-75		
	Optimum	\$322	\$644
	Preferred	\$375	\$750
	Standard	\$573	\$1,146
	Ages 76-80		
	Optimum	\$560	\$1,120
	Preferred	\$657	\$1,314
	Standard	\$944	\$1,888
	Ages 81 & over		
	Optimum	\$1,093	\$2,186
	Preferred	\$1,278	\$2,556
	Standard	\$1,620	\$3,240
Johnson Plan 62-day maximum per trip (rates for 2018-2019)			
	Plan A (\$2,000 per household per calendar year maximum for drugs)	\$1,740	\$3,060
	Plan B (\$4,000 per household per calendar year maximum for drugs)	\$2,916	\$5,028
RTO Plan 93-day maximum per trip (rates for 2019)	(doesn't include separate hospitalization insurance which is available for \$175 per person)	\$1,193	\$2,386



Appendix 3

Highlights of the UBC/Sun Life, Johnson, RTO, and MEDOC Plans

The chart on the pages that follow, which summarizes the UBC/Sun Life, Johnson, RTO, and MEDOC plans, is for information purposes only. While we have endeavored to ensure the chart's accuracy, in the event of a discrepancy, the official documents issued by UBC/Sun Life, Johnson, and RTO shall prevail. Members are responsible for verifying the coverage available and for making their own decisions as to which insurance is best for their specific situation. Neither the UBC Emeritus College, the University of British Columbia, nor their representatives can make recommendations for individuals.

In considering your insurance options, it is important to be aware that **if at any time you cancel your UBC/Sun Life Extended Health insurance, this decision is not reversible, and you will NOT be able to re-enrol in the UBC plan in the future. Similarly, if you do not enrol in the UBC/Sun Life insurance within 31 days of retirement, you cannot enrol at a later date.**

As explained in the report, some individuals may wish to have the UBC/Sun Life plan as well as either the Johnson or RTO plan.

MEDOC Travel Insurance, which is also provided by Johnson, is available for those who want stand-alone travel insurance without additional EHC insurance.

Note: The coverage listed in the chart is per insured person unless otherwise indicated.

Appendix 3: Comparison of Major Provisions of the Plans Part 1: In-Province Extended Health Care Coverage

Note: MEDOC Travel insurance covers emergency medical expenses while traveling out of province and out of country. It does not cover medical expenses incurred in British Columbia. (However, MEDOC and Johnson EHC/Travel do cover trip cancellation and interruption for in-province trips.) **See part 2 for a comparison of emergency out-of-province coverage.**

All benefits are per insured individual unless otherwise stated.

Benefit	UBC/Sun Life Plan 3	Johnson EHC/Travel	RTO EHC/Travel
Annual Deductible	\$1,000 per year per single person or couple/family	None	None
Prescription Drug Card (pharmacy paid directly)	Yes	Yes	Yes
Reimbursement Rate for Eligible Expenses	After the \$1,000 has been reached, coverage is 80%. After \$1,000 has been reimbursed per person, per year, coverage is 100%	80%	85% for eligible prescription drugs 80% for other benefits
EHC Lifetime Maximum	\$200,000 per insured person (includes emergency out-of-province medical expenses)	\$200,000 per insured person (separate limit for emergency out-of-province medical expenses)	No lifetime EHC maximum. However, there is an annual maximum for prescription drugs and there is no coverage for in-province hospitalization under the EHC plan.
Annual Maximum for Eligible Prescription Drugs	<u>None</u>	Annual maximum <u>per household</u> per calendar year of \$2,000 (for Plan A) or \$4,000 (for Plan B)	Annual maximum <u>per person</u> of \$3,400
Eligible Drugs	Eligible prescription drugs. Pre-authorization required for some drugs. (Vaccines and erectile dysfunction drugs are not covered.)	Eligible prescription drugs subject to Mandatory Generic Substitution Pricing. Pre-authorization required for some drugs. (Vaccines and erectile dysfunction drugs are not covered.)	Eligible prescription drugs. Pre-authorization required for some drugs. (Vaccines and erectile dysfunction drugs are covered as part of the annual maximum.)

Benefit	UBC/Sun Life Plan 3	Johnson EHC/Travel	RTO EHC/Travel
Hearing Aids	none (except for insured children)	\$600 per 3 consecutive calendar years	\$1,100 per 3 consecutive calendar years
Vision Care	None	\$400 per 2 calendar years for eyeglasses/contact lenses. \$100 for 1 eye exam per two calendar years	\$400 per 2 calendar years for eyeglasses/contact lenses. \$150 for multiple eye exams per two calendar years
Register/Licensed Psychologists	\$100 per calendar year	Included under “Paramedical Benefit” for a combined maximum benefit totaling \$1,000 per calendar year	Included under “Paramedical Benefit” for a combined maximum benefit totaling \$1,300 per calendar year.
Physiotherapists and Massage Therapists	Combined maximum of \$250 per calendar year.	Included under “Paramedical Benefit” totaling \$1,000 per calendar year	Included under “Paramedical Benefit” for a combined maximum Benefit totaling \$1,300 per calendar year.
In-Province Hospital Accommodation	Covers 80% of the cost difference between a room on a general ward and a semi-private or private room.	Covers 100% of a private or semi-private room up to \$165/day.	Not covered under EHC plan. Separate hospitalization insurance available for \$175 per person per year.
Private Duty Nursing	Up to 720 hours per person per benefit year (in hospital only)	\$3,000 per three calendar years (out of hospital only)	\$2,000 in 2 consecutive years (only for out of hospital services)
Home Care	Not covered	\$50/day, up to 10 days after a hospital stay	Not covered under EHC Plan
Eligibility to Apply for Insurance	Retirement from employment at UBC at age 55 or older; faculty and staff at UBC working past age 71	Members of the UBC Emeritus College; UBC faculty and administrators eligible for College membership (even if still working). Guaranteed acceptance when enrolling from a group insurance plan.	Past or present employment by a Canadian university, college, or school board with guaranteed acceptance when enrolling from a group insurance plan

Appendix 3
Part 2: Emergency Out-of-Province and Out-of-Country Coverage

Benefit	UBC/Sun Life Plan 3	Johnson EHC/Travel	RTO EHC/Travel	MEDOC Travel
Maximum	Total lifetime maximum of \$200,000 per insured person for in-province and out-of-province/country medical expenses	Maximum of \$5,000,000 per insured individual per trip for “sudden and unforeseen” emergency medical travel expenses	\$2,000,000 per insured person per trip	Lifetime maximum of \$5,000,000 per insured person per year for emergency medical and non-medical benefits
Maximum Duration for each trip	90 days following departure from B.C.	62 days following departure from Canada. (Longer coverage is available for an extra fee.)	93 days following departure from home province. (Longer coverage is available for an extra fee.)	plans for up to 17 or 35 days following departure from Canada. (Longer coverage is available for an extra fee.)
Pre-existing Medical Conditions	No stability clause. Covers emergency medical expenses. (Continuous or routine medical services for pre-existing conditions not covered.)	No stability clause. Covers “sudden and unforeseen” emergency medical expenses	90-day stability clause	90-day stability clause
Trip Interruption/ Cancellation	Not covered	\$8,000 per insured individual per trip	\$6,000 per insured individual per trip	\$8,000 per insured individual per trip
Reimbursement Rate for Eligible Expenses	100%	100%	100%	100%