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**VOTE ON
INSURANCE COVERAGE**



Fédération
des intervenantes
en petite enfance
du Québec (CSQ)

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Overview

- How group insurance coverage works
- Legal implications of a group insurance plan
- Arguments in favour of discontinuing the group insurance contract
- Arguments against discontinuing the group insurance contract
- Realities of individual disability coverage
- A few statistics
- Voting logistics

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How Group Insurance Coverage Works

- Amount of insurance premium is determined
 - Total benefits paid out under specified coverage + administrative fees divided by number of participants
- Premiums paid by HCEs
 - Share of the Ministère de la Famille du Québec (MFQ) paid through the subsidy

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MFQ's Share

COMPENSATION FOR SOCIAL PROTECTION PAYMENTS MADE BY THE MFQ TO HCEs (APRIL 1, 2018)

Social safeguards	MFQ's approximate contribution	Payment per day/per child	Payment per year (234 days) for 3 children	Payment per year (234 days) for 6 children	Payment per year (234 days) for 9 children
Quebec Pension Plan	5.175%	\$1.17	\$821.34	\$1,642.68	\$2,464.02
Quebec Parental Insurance Plan	0.434%	\$0.10	\$70.20	\$140.40	\$210.60
Group insurance	4.0%	\$0.90	\$631.80	\$1,263.60	\$1,895.40
Retirement fund	5.9%	\$1.33	\$933.66	\$1,867.32	\$2,800.98
CNESST (occupational health and safety)	2.775%	\$0.63	\$442.26	\$884.52	\$1,326.78
Heath Services Fund	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Total	18.284% + \$150.00	\$4.13			
Total received	18.593%	\$4.20	\$2,948.40	\$5,896.80	\$8,845.20

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Legal Implications of a Group Insurance Plan

Act Respecting Prescription Drug Insurance

- Section 15.1
 - Definition of a group
- Section 16
 - Mandatory participation if coverage is offered
- Section 42.2
 - Provision that an administrator may not offer, make available or maintain a plan that has one or more of the distinctive characteristics of group insurance without providing prescription drug coverage
 - Criteria: uniform annual premium, coverage offered without medical evidence, rates based on the history of the group, a contract negotiated between an insurer and an intermediary on behalf of the group

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Arguments in Favour of Discontinuing the Group Insurance Contract

- 100% prescription drug coverage for children under RAMQ
- RAMQ prescription drug insurance less expensive in cases of minimal use, for products included in the RAMQ's list of insured medications
- RAMQ premiums based on net household income and paid via tax returns (\$648/adult)

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Outcomes of Abolishing the Insurance Plan

RAMQ rates

As of July 1, 2020

Adults 18 to 64 not covered by a private prescription drug plan		
Annual premium	Deductible	Co-pay
\$0–\$648	\$21.75/month if medications purchased	37.0% of cost of medications
Based on net household income	Maximum contribution: \$95.31/month	

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Arguments Against Discontinuing the Group Insurance Contract

- Risk of being refused individual insurance coverage for a number of HCEs because of a medical condition
- RAMQ does not provide extras such as paramedical services or disability insurance

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Arguments Against Discontinuing the Group Insurance Contract (cont'd)

- Group or individual disability insurance cannot be provided by ADIM or CSQ without also providing group prescription drug coverage
- Loss of services for members if a problem arises with the insurer
- More complex follow-up with SSQ and DSF for people currently receiving disability benefits

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Disability Cases

- Should the group insurance plan be discontinued:
 - Benefits will continue for as long as a disability is recognized by SSQ or DSF
 - Insurance claims for prescription drugs will have to be submitted to the RAMQ or the spouse's insurance provider
 - In case of a relapse for an existing condition, it will be determined whether recurrence benefits still apply and whether the old plan is the one to continue to pay the corresponding amounts
 - Once the disability is no longer recognized and the recurrence period has lapsed, the insurer will no longer have any obligations toward the claimant

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Recurrence Period

- Should the group insurance plan be discontinued:
 - 31 days of short-term disability coverage and 6 months of long-term disability
 - Applicable to relapse that occurs after return to full-time work
 - Definition of the nature of the new disability period
 - Cause related to or completely different from the previous disability
 - If there is a relapse after the recurrence period, the insurer will no longer have any obligation toward the insured; otherwise the insurer must resume benefits

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Realities of Individual Disability Coverage

- The vast majority of individual insurance plans required satisfactory evidence of insurability
- Factors that may lead an insurer to refuse or withdraw coverage:
 - Age, sex, weight
 - Lifestyle habits (smoking, drinking, drugs)
 - Previous disability claims
 - Current medication and medical situation (under/not under control)
 - Major surgery in the past 2 years
 - Birth defect in a major organ
 - Etc.

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A Few Statistics

- **50%** of this group are people who are exempt from health insurance
- The MFQ's share for childcare providers with 6+ children is higher than the annual premium for basic disability insurance plan 2 (short- and long-term disability combined), including taxes

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A Few Statistics (cont'd)

- Health insurance exemption: 3,398 HCEs
- Basic plan: 1,533 HCEs
- Basic plan + optional 1: 562 HCEs
- Basic plan 1 + 2 : 1,326 HCEs
- Voluntary suspension: 57
- Suspension without pay (COVID-19, etc.): 155
- Total HCEs as of Dec. 31, 2019: 9,093 HCEs

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Voting System and Implications

Voting Conditions

- Quebec-wide vote by phone
- Will take place November 5–9, 2020
- A majority of votes across Quebec is required to maintain or discontinue the group insurance contract
- Results will be revealed on November 11, 2020, after the ADIM Sectoral Council (CSA) meets
- Should coverage be discontinued, the contract will terminate at the latest on June 30, 2021

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Question to Be Put to a Vote

The question that will be put to members over the phone is the following:

- Considering the choice to be made as to whether or not to maintain the current group insurance plan;
- Considering that I have read the documents and information sent to me by my ADIM via the usual means;
 - Considering that the group insurance plan is the one that will be in effect on July 1, 2021, if the decision is made to maintain a plan;



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Question to Be Put to a Vote

(Here are the two possible choices)

- **Yes, I want a group insurance plan.**

OR

- **No, I do not want a group insurance plan.**

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Thank you for your attention!