

# Appendix B–StudentCare Contract Information

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## Definitions

**Policy Year** means the period from September 1st of one year to August 31st of the following year, and is the period on which changes to the UTSU Health and Dental plans are based.

**RFQ** means Request for Quotes, a process whereby an insurance broker solicits quotes from insurance companies based on past claims experience.

**HPA** means Health Plan Administrator, the role currently filled by the UTSU Health and Dental Plan Coordinator.

## Approval Required

The contract has two distinct terms:

January 1st, 2016 to August 31st 2016, for the performance of an RFQ, provision of Accidental Death and Dismemberment and Travel Insurance, and performance of administrative functions previously performed by CFS-Services, as authorized by the UTSU Board of Directors on November 20th, 2015. Compensation for this term is limited to the administrative fee that would have been paid to CFS-Services for January to August in 2016.

September 1st, 2016 to August 31st, 2020, for being the UTSU's broker and providing other administrative services as detailed below. The Fee outlined below only applies to this second period. Upon approval of this second term by the board of directors, the full agreement will be executed.

## Agreement Details

### Transparency and Accountability Measures

The agreement contains the following provisions to promote transparency and accountability in the brokerage and administration of the UTSU insurance plans:

- The agreement includes a clause mandating that the agreement (in full) be accessible to any member of the UTSU Board of Directors.

- Amendments to the agreement require an ordinary resolution from the UTSU Board of Directors.
- The agreement requires StudentCare to provide regular analysis and claims usage reports to the HPA and Executive Committee.
- The agreement requires StudentCare to provide a full financial annual report to the UTSU Executive and Board of Directors in coordination with the HPA, that will include operational issues, plan use, fee and cost breakdowns, analysis, and recommendations regarding plan changes.
- StudentCare must attend a UTSU meeting if requested by the Executive Committee or 1/3 of the UTSU Board to provide information and/or answer questions.
- Studentcare must conduct periodic surveys of UTSU members to obtain feedback on Health and Dental Plan coverage and other information which can help the board decide changes to the plan.
- The contract includes requirements for handling conflicts of interest that StudentCare may have with insurers (if applicable). Per insurance law, StudentCare is a fiduciary of UTSU.

## **Added Services**

StudentCare provides the following services, many of which are far greater than the services provided by Morneau Shepell (or our current arrangement with CFS-Services/Greenshield):

- Periodic surveys, as mentioned earlier. (This service was not provided with CFS-Services/Morneau). The surveys are distributed and analysed by a trained team with expertise in statistics and data science.
- An online opt-out website based on a live database (the Greenshield opt-out is a form which is reconciled manually later—this means that anyone can submit an application, whereas in a live database, applications cannot be processed unless the student is a member, and live help can be provided during the application process.)
- Data security and transfer systems which will reduce our blackout period by two months for most students, allowing them to submit claims when school starts (the blackout period is when students cannot submit claims because they are waiting for plan activation).
- Communications services with extensive language translation and design focus grouped to convey important information (our current arrangement only allows for translation into French, and options for print material are more limited.)
- Health Care Provider networks which are larger than our current discount networks, and which have more mainstream discounts (e.g. Shoppers Drug Mart vs. Network of Independent Pharmacists).
- Psychology network and alternative forms of care that may be more affordable than a traditional psychotherapy session, such as remote sessions.

## **Additional Services**

In addition to the services mentioned above, UTSU staff can make use of the following additional service improvements, at their choosing. If none of these additional services are used, studentcare's fee will be reduced by 12%.

- Online payment for family opt-in

- Refunds in two cheques, one for each semester to return some of the refund money earlier
- Direct deposit of opt-out refunds
- Installation of up to 3 Cloud video help kiosks where students can get answers to questions about coverage, opt outs, and using the insurance plans
- Flexible benefit insurance plans in future years
- Studentcare Mobile App
- Toll-free service center which students can contact by email, phone, and regular mail for plan inquiries

## **Performance Guarantees**

The contract contains performance guarantees in the following areas. If StudentCare fails to meet these requirements (or otherwise fails to uphold requirements of the agreement), the UTSU can send notice of breach, and terminate the agreement if the problem persists.

- Reliability and availability on time of the online opt-out site
- Timeliness of data for refund processing
- Timeliness of member activation

## **Fee**

StudentCare charges a fixed fee for being the UTSU's broker, in addition to providing other services. This fee remains the same for the term of the contract. The fee is equivalent to about 3.2% of the total Health and Dental Plan fees for upcoming 2016-2017 policy year. The brokerage fee for Morneau Shepell, the UTSU's past broker would have been about 1.7% of total Health and Dental Plan fees.

Since the fee is flat and unrelated to general plan expenses, there is no incentive for studentcare to be complacent about cost increases in the insurance plans. In addition, StudentCare will recommend different plan financial models and/or insurers in different circumstances (unlike in UTSU's previous arrangements), giving the organization more flexibility.

As outlined in the report of the VP Internal, the overall plan cost is greatly down from the projected cost of staying with UTSU's current administrator and insurer, and the results of the RFQ have justified the slightly greater StudentCare fee several times over.

## **Contract Term**

The (second) term of the agreement is for four policy years, expiring August 31<sup>st</sup>, 2020. Upon further research, we have been able to ascertain that this term is shorter than contracts that StudentCare has with other schools, including at UofT. Since some of the benefits (designing of materials, online infrastructures, establishment of data protection assurances to quicken insurance activation and opt-outs require up-front investment, StudentCare has demonstrated to UTSU that a fixed multi-year term is a bona fide business requirement.