



middlesex
centre

2024 GROUP BENEFITS SUMMARY
2025 Budget Forecast
Presented by:
Kevin Routley, Partner
Selectpath Benefits & Financial Inc.

SELECTPATH

THE RIGHT PATH®



NAVACORD®

Local Touch. National Strength.™

Program Overview



PRESENTATION PURPOSE

To provide an overview of the employee benefit program and allow council to better understand plan design competitiveness relative to peer municipalities and funding as part of the overall organization engagement and culture that your local administration fosters.

ACCESS

The benefits plan provides members access to protection that would otherwise be unavailable or unaffordable to individuals.

HEALTH

Ensuring plan members maintain good health and recover effectively from illness or injury is good for all stakeholders.

PROTECTION

Providing protection against unforeseen catastrophic loss will help protect covered members.



LIFE & DISABILITY

Costs are based on a combination of weighted average age, the performance of the entire provider pool of risk and economic factors. These benefits are fully insured.

HEALTH & DENTAL

Costs are based on the consumption of plan members plus fees and applicable charges associated with coverage features. These benefits are self-insured with stop-loss insurance for claims greater than \$10,000 per individual.

Program Highlights



- **March 2024 Renewal – 5.5% change in cost was accepted.**
- **Life Insurance and Long-Term Disability Benefits**
 - pooled benefits – 24 month rate guarantee until March 2026
 - 13.6% decrease in premiums
- **Extended Health Care (Administrative Services Only – ASO)**
 - Year End Deficit Position (February 28, 2024) of **\$5,129.**
 - Current (September 30, 2024) Deficit Position of **\$15,902.**
 - Stop-loss Threshold has been pierced and monthly refunds are expected through February 2025.
- **Dental (Administrative Services Only – ASO)**
 - Year End Surplus (February 28, 2024) surplus position of \$18,515
 - Current (September 30, 2024) Surplus Position of \$16,094

Extended Health Care

CATEGORY	Dec/ 20 - Nov/ 21		Dec/ 21 - Nov/ 22		Dec/ 22 - Nov/ 23		Dec 23/ Aug 24 Annualized		CHANGE OVER PRIOR PERIOD	
	PAID CLAIMS	%	PAID CLAIMS	%	PAID CLAIMS	%	PAID CLAIMS	%	\$	%
Drugs	\$120,409	61.8%	\$99,270	55.4%	\$218,500	71.5%	\$161,400	62.8%	-\$57,100	-26.1%
Paramedical	\$52,353	26.9%	\$56,973	31.8%	\$68,098	22.3%	\$76,688	29.9%	\$8,590	12.6%
Hospital	\$3,296	1.7%	\$1,375	0.8%	\$275	0.1%	\$745	0.3%	\$470	171.0%
Vision	\$15,995	8.2%	\$18,133	10.1%	\$14,325	4.7%	\$16,343	6.4%	\$2,017	14.1%
Services & Supplies	\$2,906	1.5%	\$3,494	1.9%	\$4,187	1.4%	\$1,647	0.6%	-\$2,540	-60.7%
Total	\$194,960	100.0%	\$179,245	100%	\$305,385	100.0%	\$256,823	100.0%	-\$48,562	-15.9%
Less: Pooled Health Claims	\$47,713		\$12,002		\$104,620		\$43,744		-\$60,876	
Net Health	\$147,247		\$167,243		\$200,766		\$213,079		\$12,313	6.1%

Overall, health claims have increased 6.1% (annualized year over year).

CATEGORY	Dec/ 20 - Nov/ 21		Dec/ 21 - Nov/ 22		Dec/ 22 - Nov/ 23		Dec 23 - Aug 24 Annualized		CHANGE OVER PRIOR PERIOD	
	PAID CLAIMS	%	PAID CLAIMS	%	PAID CLAIMS	%	PAID CLAIMS	%	\$	%
Acupuncturist	\$0	0.0%	\$0	0.0%	\$320	0.5%	\$427	0.6%	\$107	33.3%
Chiropractor	\$9,630	18.4%	\$7,983	14.0%	\$11,805	17.3%	\$13,512	19.8%	\$1,707	14.5%
Chiropodist/ Podiatrist	\$155	0.3%	\$85	0.1%	\$335	0.5%	\$327	0.5%	-\$8	-2.5%
Massage Therapist	\$16,182	30.9%	\$16,270	28.6%	\$16,964	24.9%	\$17,635	25.9%	\$670	4.0%
Mental Health Practitioners	\$15,970	30.5%	\$20,733	36.4%	\$20,645	30.3%	\$21,039	30.9%	\$394	1.9%
Naturopath	\$1,591	3.0%	\$901	1.6%	\$2,839	4.2%	\$2,603	3.8%	-\$236	-8.3%
Osteopath	\$80	0.2%	\$865	1.5%	\$1,351	2.0%	\$1,295	1.9%	-\$56	-4.2%
Physiotherapist	\$6,856	13.1%	\$7,201	12.6%	\$10,932	16.1%	\$9,615	14.1%	-\$1,317	-12.1%
Speech Therapist	\$1,888	3.6%	\$2,934	5.1%	\$2,907	4.3%	\$3,028	4.4%	\$121	4.2%
Total	\$52,353	100.0%	\$56,973	100%	\$68,098	100.0%	\$69,479	100.0%	\$11,126	2.0%

Paramedical Claims have increased 2% (annualized year over year).

Dental

CATEGORY	Dec/20 - Nov/21		Dec/21 - Nov/22		Dec/22 - Nov/23		Dec 23 - Aug 24 Annualized		CHANGE OVER PRIOR PERIOD	
	PAID CLAIMS	%	PAID CLAIMS	%	PAID CLAIMS	%	PAID CLAIMS	%	\$	%
Preventative	\$23,202	24.7%	\$25,055	23.6%	\$25,931	23.3%	\$29,049	22.9%	\$3,119	12.0%
Minor Restorative	\$33,000	35.1%	\$38,446	36.2%	\$41,222	37.1%	\$43,508	34.3%	\$2,286	5.5%
Periodontic	\$25,909	27.6%	\$30,662	28.8%	\$34,623	31.2%	\$38,200	30.1%	\$3,577	10.3%
Endodontic	\$6,193	6.6%	\$3,843	3.6%	\$970	0.9%	\$5,485	4.3%	\$4,516	465.7%
Major Restoration	\$4,908	5.2%	\$6,652	6.3%	\$2,851	2.6%	\$5,971	4.7%	\$3,120	109.4%
Orthodontic	\$720	0.8%	\$1,630	1.5%	\$5,493	4.9%	\$4,552	3.6%	-\$941	-17.1%
Total	\$93,932	100.0%	\$106,289	100%	\$111,088	100.0%	\$126,765	100.0%	\$15,677	14.1%

Based on Annualizing the claims (Dec 23 – Aug 24) we recognize:

Routine Dental Claims (first three categories) have increased 8.8%.

Major Dental Claims & Endodontic combined have tripled.

Orthodontic Claims have decreased 17%.

Overall Dental Claims have increased 14.1%.

Comparable Benchmarking



	Middlesex Centre	Municipality 1	Municipality 2
Life & AD&D	1.5 times income	1.5 times income	2.0 times salary
Dependent Life	\$10,000/\$5,000	\$5,000/\$2,500	n/a
<hr/>			
<i>Short-Term Disability</i>	100% Salary Continuance	100% Through Employee Sick bank	100%/70% Salary Continuance
Long Term Disability	75% to \$13,000/month	66.67% to \$10,000	70% to \$6,000/month
Healthcare Spending Account	\$600/year	n/a	n/a

Comparable Benchmarking



	Middlesex Centre	Municipality 1	Municipality 2
Deductible	Nil	Nil	Nil
Coinsurance	100%	100%	100%
DRUG COVERAGE			
Coinsurance <i>(Mandatory Generic)</i>	100%	100%	100%
Dispensing Fee	Nil	\$9 cap on dispensing fee	Nil
Drug Maximum	Unlimited	Unlimited	Unlimited

Comparable Benchmarking



Middlesex Centre

Municipality 1

Municipality 2

VISION CARE

Eyeglasses, Contacts, Laser Eye

\$500 every 24 months

\$450 every 24 months

\$475 every 24 months

Eye Examinations

Once every 24 months

Once every 24 months

Once every 24 months

PARAMEDICAL PRACTITIONERS

Osteopath, Naturopath, Podiatrist
Speech Therapist, Physiotherapy,
Mental Health Practitioner

\$2,000 combined max/year

\$500 per practitioner/year
\$750 Mental Health

Massage Therapy & Chiropractor

\$500 combined maximum to
increase to \$600 Mar/26

\$1,300 combined overall
maximum for all

20 massage visits/year

Comparable Benchmarking



	Middlesex Centre	Municipality 1	Municipality 2
Deductible	Nil	Nil	Nil
Fee Guide Schedule	Current	Current	Current
Coverage	100% Basic (Unlimited) 60% Major (\$2,500) 50% Ortho (\$2,500 Lifetime)	100% Basic (Unlimited) 50% Major (\$2,000) 50% Ortho (\$2,000 Lifetime) ee	100% Basic (Unlimited) 60% Major (\$2,500) 60% Ortho (\$2,500 Lifetime)
Periodontal Scaling Units	16 units every 12 months	8 units every 12 months	10 units every 12 months
Complete Oral Examination	Once every 3 years	Once every 3 years	Once every 3 years
Recall Visit	Once every 9 months	Once every 9 months	Once every 6 months
Termination	Age 75 or earlier Retirement	Retirement	Age 70 or earlier Retirement

Historical Rate Data and 2025 Forecast

Benefit	Volume	Mar 1/08	Mar 1/09	Mar 1/10	Mar 1/11	Mar 1/12	Mar 1/13	Mar 1/14	Mar 1/15	Mar 1/16	Mar 1/17	Mar 1/18	Apr 1/19	Mar 1/20	Mar 1/21	Mar 1/22	Mar 1/23	Mar 1/24	June 1/24					
Basic Life	\$9,077,000	LaCapitale	LaCapitale	LaCapitale	LaCapitale	LaCapitale	LaCapitale	LaCapitale	LaCapitale	LaCapitale	LaCapitale	LaCapitale	Canada Life	Canada Life	Equitable	Equitable	Equitable	Camden	Camden	Rate Guarantee				
		0.445	0.41	0.41	0.37	0.35	0.35	0.35	0.35	0.32	0.29	0.26	0.216	0.216	0.172	0.172	0.172	0.181	0.181					
A. D. & D	\$9,077,000	\$4,039.27	\$3,721.57	\$3,721.57	\$3,358.49	\$3,176.95	\$3,176.95	\$3,176.95	\$3,176.95	\$2,904.64	\$2,632.33	\$2,360.02	\$1,960.63	\$1,960.63	\$1,561.24	\$1,561.24	\$1,561.24	\$1,642.94	\$1,642.94	Rate Guarantee				
		0.064	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04					
Dependent Life	60	2.94	1.95	1.95	1.97	2.57	2.57	2.57	2.57	2.57	2.57	2.55	2.38	2.38	2.55	2.55	2.55	2.16	2.16	Rate Guarantee				
		\$176.40	\$117.00	\$117.00	\$118.20	\$154.20	\$154.20	\$154.20	\$154.20	\$154.20	\$154.20	\$154.20	\$153.00	\$142.80	\$142.80	\$153.00	\$153.00	\$153.00	\$129.60		\$129.60			
Long Term Disability	\$360,986	2.58	1.98	1.98	2.03	2.00	1.95	1.95	1.95	2.01	2.26	2.27	2.56	2.56	2.69	2.69	2.69	2.23	2.23	Rate Guarantee				
		\$9,313.44	\$7,147.52	\$7,147.52	\$7,328.02	\$7,219.72	\$7,039.23	\$7,039.23	\$7,039.23	\$7,255.82	\$8,158.28	\$8,194.38	\$9,241.24	\$9,241.24	\$9,703.30	\$9,703.30	\$9,703.30	\$8,039.16	\$8,039.16					
Health																								
Single	17	90.74	87.93	105.26	108.68	89.63	81.90	81.90	82.25	82.45	82.95	93.23	93.23	99.49	109.49	113.72	109.49	135.69	154.75	10%Increase				
Family	62	212.66	206.39	247.31	254.94	254.94	190.94	190.94	191.64	195.17	196.02	220.65	220.65	235.64	260.64	270.80	260.64	323.65	369.48					
		\$14,727.50	\$14,290.99	\$17,122.64	\$17,653.84	\$17,329.99	\$13,230.58	\$13,230.58	\$13,279.93	\$13,502.19	\$13,563.39	\$15,265.21	\$15,265.21	\$16,301.01	\$18,021.01	\$18,722.84	\$18,021.01	\$22,373.03	\$25,538.51					
Dental																								
Single	17	44.90	39.47	35.29	36.03	42.00	42.00	42.00	42.00	42.00	48.30	56.51	56.51	56.51	46.51	46.51	65.11	65.11	73.15	10%Increase				
Family	63	109.72	96.46	86.24	88.04	102.63	102.63	102.63	102.63	102.63	118.02	138.08	138.08	138.08	113.08	113.08	158.31	158.31	177.86					
		\$7,675.66	\$6,747.97	\$6,033.05	\$6,159.03	\$7,179.69	\$7,179.69	\$7,179.69	\$7,179.69	\$7,179.69	\$7,179.69	\$8,256.36	\$9,659.71	\$9,659.71	\$9,659.71	\$7,914.71	\$7,914.71	\$11,080.40	\$11,080.40	\$12,448.73				
Total Monthly Cost		\$36,513	\$32,388	\$34,505	\$34,981	\$35,424	\$31,144	\$31,144	\$31,193	\$31,360	\$33,128	\$35,995	\$36,633	\$37,668	\$37,716	\$38,418	\$40,882	\$43,628	\$48,162	\$51,960.74				
%change			-11.30%	6.54%	1.38%	1.27%	-12.08%	0.00%	0.16%	0.53%	5.64%	8.66%	1.77%	2.83%	0.13%	1.86%	8.39%	15.67%	25.36%	7.89%				
%change from 2008																		19.49%	31.90%					
Yearly ave. %change																		1.22%	1.99%					
Illustration is based on 2024 demographic employee count.																								
ASO Premium Refund					-\$ 29,216 -\$ 19,906 -\$ 15,000 -\$ 9,991 -\$ 15,000 \$ - \$ - \$ -															-\$ 89,113				
HCSA Return of premium					-\$10,177 -\$15,876 -\$13,790 -\$13,864 -\$12,734 -\$12,660 -\$15,190 -\$12,665 -\$17,762 -\$16,727 -\$22,239 -\$30,393 -\$21,022 -\$24,601 -\$239,700																			
E. & O.E.																		Reserve	-\$328,813					

Benefit Enhancements



- The financial health of the program has been maintained all the while increasing benefits:
 - 2008 Vision = \$230/year – 2024 Vision = \$500/year*
 - 2008 Paramedical Maximum = \$500/year – 2024 Paramedical Maximum = \$2,000 combined, \$500/year*
 - 2008 Major Dental = No Coverage – 2024 Major Dental = \$2,500/year*
 - 2008 Orthodontic = \$2,000/lifetime – 2024 Orthodontic = \$2,500/lifetime*
- Accessibility & Inclusion – “Middlesex Centre is committed to an inclusive community and workplace that fosters a sense of belonging for everyone.” -
 - Gender Affirmation Procedures - \$5,000/lifetime (employee)*
 - Treatment for Obesity - \$5,000/lifetime*
 - Smoking Cessation Products - \$1,000/lifetime (prescription required)*
 - Hearing Aids - \$1,500/5 years*
 - Increase Healthcare Spending Account (Dec/24) – Increase coverage from \$600 to \$780/year*
- Structural & Competitive Changes
 - Visioncare – Increase from \$400 to \$500/24 months*
 - Major Restorative Dental – Increase maximum from \$2,000 to \$2,500/year*
 - Orthodontic Dental – Increase maximum from \$2,000 to \$2,500/Lifetime*
 - Paramedical Coverage (March/26) – Massage & Chiropractic from \$500 to \$600/year, Other from \$2,000 to \$2,250/year*

Benefit Enhancements



- With a history of innovation, collaboration, fore-thought and a benefit carrier that has provided third party administration flexibility, we have worked alongside your administrative team to:
 - *Build a benefit plan design that has grown with your workforce and maintained competitiveness within the marketplace.*
 - *Create a significant employee benefit reserve. Allowing for long term stability.*
 - *Maintain an average annual rate increase well below the general inflation rate.*
 - *Allow the implementation of benefits that meet your priorities of an inclusive employer and community.*
 - *Provide best in class coverage vs. your peer class and your neighbouring municipalities*
 - *Provide costs structures that are stable.*

State of the Employee Benefits Program = stable

- **Pooled Benefits (Life, AD&D, Disability) rates are guaranteed through the next benefit year to March 2026.**
 - **Life & AD&D Rates at Middlesex Centre historical lows (50% lower than 2008).**
 - **LTD Rates are back to 2017 levels.**
- **Extended Health Care (Administrative Services Only – ASO)**
 - **Claims did appear to be stabilizing through July but claims increased 27% in August & September. Claims are up 6.1% annualized.**
- **We recommend: 10% increase to the healthcare benefit.**
- **Dental (Administrative Services Only – ASO)**
 - **Claims are up 14% annualized.**
 - **Dental Fee Guides increases was a 25% compound change in cost since 2021.**
- **We recommend: 10% increase to the dental benefit.**
- **Provided forecasted claims occur, we feel comfortable that 2025 renewal should come in less than 7.8%. Surplus funds can be utilized to stabilize any other change in 2025.**

Thank you for your business



Allow me to answer your questions!