



The Administrative Buzz

Winter 2010

**BBD's e-Newsletter
for Plan
Administrators**

IN THIS ISSUE:

BBD Employee Corner

**BBD Now Offers Life,
AD&D and Dependent
Life Benefits to Age 75**

**Fundraising by our BBD
Employees**

**Phase Two of the
Alberta Pharmaceutical
Strategy**

**Hot Topics for Plan
Administrators**

**Changes to Green
Shield's Pharmacy
Reimbursement Model**

**BBD Online and
GeoTrust**

**Quick Facts for Plan
Administrators**

BBD Employee Corner

Denise Preston, Manager of Client Services, BBD West

I have been in the Group Benefits industry for over 28 years in various Sales and Client Services roles. I joined BBD just over 2 years ago and am thoroughly enjoying being a part of a dynamic and innovative client focused company.

I am part of a great Client Services team in the Port Coquitlam office consisting of 4 Account Managers and 8 Client Service Representatives. Our CS team prides itself on the commitment to providing a high level of customer service through our knowledgeable employees and their responsive and helpful attitude.

The best part of my role is the opportunity to make a difference and have a positive impact on our clients through the sharing of my benefit industry knowledge and experience and managing the customer service needs of our clients.

Outside of BBD I enjoy various activities such as cycling, tennis and walking my newly adopted dog, Bella. I also enjoy listening to all kinds of music especially Jazz and taking in the occasional concert or play. I love trying new restaurants and new recipes and sharing these with friends and family.



BBD now offers Life, ADD&D and Dependent Life benefits to Age 75

Effective immediately, BBD offers Life, ADD&D and Dependent Life benefits to age 75. The Life and ADD&D benefits will reduce by an additional 50% at age 70, to a maximum of \$25,000.

For existing BBD clients, employees between the ages of 70 – 74 can be added back on to the plan, with an adjustment made to the current life rate. The ADD&D and Dependent Life rates remain unchanged.

Groups with Critical Illness coverage can also be adjusted to reflect the same termination age as the Life benefits.

Contact your Account Manager for more information.

Fundraising by BBD Employees

We are pleased and proud to announce that the employees of BBD have been hard at work, raising funds to help out worthy causes. In December, the BBD Employees raised \$1,500.00 for the Empty Stocking Fund, \$400.00 for the Ryandale Shelter for the Homeless in Kingston and both Vancouver and Kingston offices made large donations to the food banks.

BBD recently raised \$1,800.00 for the Red Cross Relief Fund for the Haiti devastation.

What is Phase 2 of the Alberta Pharmaceutical Strategy, and what does it mean to you?

In December 2008, Alberta Health and Wellness announced the Alberta Pharmaceutical Strategy. It is designed to help make drug coverage more accessible, sustainable, and affordable for all Albertans and is being implemented in two phases:

- **Phase 1** (announced December 2008) focuses on a variety of drug programs, including changes to the Seniors' Drug Plan- Effective July 1, 2010.
- **Phase 2** (announced October 2009) focuses on reducing generic drug prices and expanding the roles of pharmacists.

For an overview of the phases, visit the Alberta Health and Wellness website at <http://www.health.alberta.ca/initiatives/pharmaceuticalstrategy.html>

For the majority of your clients, the biggest impact from these changes will come from Phase 2.

According to Green Shield Canada, "right now Alberta's generic prices are usually about 75% of the brand name price. The good news is that Phase 2 will roll back the price of various generics to 45% and these reduced prices will be available to all plans (public and

private). The bad news is that to date there is not enough data available to accurately assess the impact on plan sponsors”.

Existing BBD Alberta Clients

For any existing Alberta BBD clients that wish to add this option, just let us know at any time and we will be happy to make the change!

At BBD we are looking out for the best interests of you and your clients!

For more information contact your Account Manager.

Important Announcement about Green Shield’s Pharmacy Reimbursement Model

Effective January 1, 2010 Green Shield has changed their pharmacy model in Ontario.

- The maximum allowable dispensing fee for prescription drugs in Ontario will increase from \$10.99 to \$11.99. Green Shield will reimburse the lesser of a pharmacy’s posted usual and customary professional fee or the Green Shield maximum allowable dispensing fee of \$11.99.
- Pharmacies in Ontario have the ability to bill plan members for amounts in excess of Green Shield’s maximum allowed dispensing fee at their discretion.
- The allowed markup for brand drugs in Ontario will increase by up to 5%.
- There is no change to the allowed markup for generic drugs in Ontario.

If plan members contribute towards the cost of the prescription drugs through a co-payment based on the ingredient cost and/or dispensing fee, they may see an increase in their portion of the expense.

Green Shield feels that their change to the pharmacy reimbursement model will ensure plan members will continue to have access to the medications they need at the pharmacy of their choice.

For more information, contact your Account Manager.

Hot Topics for Plan Administrators

Here are a number of tips that you may find useful in order for easier enrollment, expedition of claims payments, and more effective management of your plan:

- ✎ Timeliness is key! Enrollment forms, Change of Name and Beneficiary, Request for Dependent Status Changes, Request for Partial Waivers and Applications for Benefits Previously Waived should be completed within 31 days of the change / coverage effective date.
- ✎ Employee terminations must be reported to BBD immediately. Please advise our office as soon as you know about an employee termination by e-mail, fax or BBD Online. If BBD is notified late, and Extended Health and Dental claims are incurred after the date of termination, we will charge premiums for the benefit(s) and duration the claims were incurred.
- ✎ When submitting paper administration forms, we require the originals for Group Insurance Enrolment and Beneficiary forms. Kindly ensure all forms are fully completed. Please access BBD Online for more convenient submissions.
- ✎ For your convenience, BBD is able to set up your account for Pre-Authorized Payments. What a better way to pay your bills on time AND save money – on stamps, bank charges and your own personal time.
- ✎ If Provincial Health Coverage is mandatory in your province, employees must have coverage to be insured for Extended Health Benefits. If not, some restriction in coverage will apply. Please contact BBD Client Services for further information.
- ✎ Requests to waive waiting periods will be considered by the insurers upon receipt of an official request from you indicating the reason why the waiver of waiting period is being requested. Each request is considered in its own merits and approval is not automatic.
- ✎ You can download all the necessary administration forms on our website at www.bbd.ca.

Quick Facts for 2010

We have attached some comparisons that we thought would be of use.

Canada / Quebec Pension Plans

Contributions		2009	2010
Annual Maximum Pensionable Earnings		\$46,300	\$47,200
Annual Basic Exemption		\$3,500	\$3,500
Contribution Basis		\$42,800	\$43,700
Maximum Annual Contributions	Employee	\$2,118.60 4.95% of \$42,800	\$2,163.15 4.95% of \$43,700
	Employer	\$2,118.60 4.95% of \$42,800	\$2,163.15 4.95% of \$43,700
	Self-employed	\$4,237.20 9.9% of \$42,800	\$4,326.30 9.9% of \$43,700

Benefits - CPP		2009	2010
Retirement Pension starting at age 65		\$908.75	\$934.17
Death Benefits			
<ul style="list-style-type: none"> Lump sum Surviving spouse (under age 65) Surviving spouse (Age 65 & over) Child (per child) 		\$2,500.00 \$506.38/mon \$545.25/mon \$213.99/mon	\$2,500.00 \$516.57/mon \$560.50/mon \$214.85/mon
Disability Benefits			
<ul style="list-style-type: none"> Contributor Child (per child) 		\$1,105.99/mon \$213.99/mon	\$1,126.76/mon \$214.85/ mon

Benefits - QPP		2009	2010
Death Benefits			
<ul style="list-style-type: none"> Lump sum 		\$2,500.00	\$2,500.00
<ul style="list-style-type: none"> Under Age 45 	Without dependent children	\$449.47/mon	\$459.43/mon
	With dependent children	\$734.82/mon	\$745.93/mon
	Disabled (with or without children)	\$765.18/mon	\$776.41/mon
<ul style="list-style-type: none"> Age 45 to 64 Age 65 & over Child (per child) 		\$765.18/mon \$545.25/mon \$67.95/mon	\$776.41/mon \$560.50/mon \$68.22/mon
Disability Benefits			
<ul style="list-style-type: none"> Contributor Child (per child) 		\$1,105.96/mon \$67.95/mon	\$1,126.73/mon \$68.22/ mon

Employment Insurance

	2009	2010
Maximum Weekly Benefit	\$447	\$457
Maximum Annual Insurable Earnings	\$42,300	\$43,200
Employee Contribution Rate (outside Quebec)	1.73%	1.73%
Employer Contribution Rate	2.42%	2.42%
Employer Contribution Rate – Qualified Plan Cat.3	2.03%	2.02%
Maximum Employee Cost	\$731.79	\$747.36
Maximum Employer Cost – Non-Qualified Plan	\$1,024.51	\$1,046.30
Maximum Employer Cost – Qualified Plan (Cat. 3)	\$859.85	\$873.66
Employee Contribution Rate (Quebec)	1.38%	1.36%
Employer Contribution Rate	1.93%	1.90%
Employer Contribution Rate – Qualified Plan Cat.3	1.54%	1.50%
Maximum Employee Cost	\$583.74	\$587.52
Maximum Employer Cost – Non-Qualified Plan	\$817.24	\$822.53
Maximum Employer Cost – Qualified Plan (Cat. 3)	\$652.04	\$649.80

Quebec Parental Insurance Plan (QPIP)

	2009	2010
Maximum Annual Insurable Earnings	\$62,000	\$62,500
Employee Contribution Rate	0.484%	0.506%
Employer Contribution Rate	0.677%	0.708%
Maximum Employee Cost	\$300.08	\$316.25
Maximum Employer Cost	\$419.74	\$442.50

Registered Pension / Savings Plans

	2009	2010
Defined Benefit Plan (Limit for P.A. Calc.)	\$2,444	\$2,494
Defined Contribution Plan / RPP	\$22,000	\$22,450
Registered Retirement Savings Plan (RRSP)	\$21,000	\$22,000
Deferred Profit Sharing Plan (DPSP)	\$11,000	\$11,225

To access further information, please go to www.bbd.ca/planadvisor.

BBD Online and GeoTrust

As you may already know, BBD Online is an Internet site that we have provided to Plan Administrators and Advisors. It allows the peace of mind to securely view client information and perform certain transactions online, or access to invoices and commission statements. We have just added a seal of certification on the site that you can access to get more information from a renowned security authority, GeoTrust, who attests our site is indeed secure.

One way to keep the site secure is to deny unauthorized access unless the user provides a valid login and password. Unfortunately, no sites like ours are safe with the use of bad passwords or poor practices in protecting the password. To help you select better passwords, we have put additional restrictions on what they can contain. You now must use at least three kinds of characters in the password, and they are lower-case, upper-case, numeric, and non-alphanumeric (i.e. neither a letter nor digit). Furthermore, it would not be allowed to include your first name, last name, or login.

Finally, one of the good practices of protecting your password is to change it regularly. As a reminder, you can do that by clicking on "Options" on the menu bar.

We hope we have addressed any concerns you may have had about the security of BBD Online.

For further information, please contact your Account Manager.

Comings and Goings in 2010: In the drug world, that is.....

It's too bad that predicting when drugs will go off patent and when new ones will enter the market isn't as simple as gazing into a drug-world crystal ball. In reality, numerous factors influence drug comings and goings. Everything from legislative changes to legal issues to the internal workings of the pharmaceutical industry makes predicting what the future holds for brands and generics a complicated "guesstimate". Here is the word on the street to date.

Comings:

- No blockbusters like the Lipitors of the past appear to be coming down the product development pipeline in the immediate future.
- Bulk of new development will likely be in biotechnology drugs with expensive products for very small markets.

This could mean an increase in costs for plan sponsors.

Goings:

- Prevacid (treatment of stomach acid) and Norvasc (treatment of high blood pressure): originally predicted to come off patent in 2010 and 2011 respectively have already come off patent.
- Lipitor (treatment of high cholesterol): predicted to come off patent in 2011 but Lipitor could be as early as July 2010.

This could mean savings for plans sponsors.

So now the question becomes, what will be the net effect of these comings and goings for plan sponsor costs? Once again, the answer is TDB so stay tuned.

Source: Green Shield Inside Story – December/January 2010