

November 29, 2023

**To: Benefit Administrators / Human Resource Personnel**

**From: Lorne Shiplack**  
**Director, Benefit Services**

**Re: Out-of-Scope Extended Health Care and Enhanced Dental Plan Contribution Rate Increase Effective April 1, 2024**

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Following their annual review with the plan actuary, the Employee Benefit Plans Board of Trustees approved an increase to the out-of-scope extended health care and enhanced dental (OOS EHC & ED) plan contribution rate from \$164.00 per FTE to \$190.00 per FTE effective April 1, 2024.

The funding position of the Plan has continued to deteriorate as a result of inflation and the sensitivity of the plan assets to elevated interest rates. In addition to the investment market experience, the Saskatchewan Dental Association Fee Guide, effective January 1, 2023, saw another 6% increase over the prior year. On the health side, claims paid in 2023 increased by 14% compared to the prior year. The increase to the Fee Guide and the claims utilization are both significant drivers of the increase to claims costs this year.

The extended health care portion of the Plan is underwritten on an insured refund basis. An insured refund arrangement means that the insurance provider insures the claims risk but surplus amounts remaining above the actual cost of claims, expenses, and reserves required by the insurer may be returned to the trust at the end of each plan year.

The enhanced dental portion of the Plan is underwritten on an administrative services only (ASO) basis. An ASO arrangement means that the plan covers the full cost of actual claims incurred plus an administrative fee for service to the insurance provider for paying the claims on the Plan's behalf.

The Employee Benefit Plans Board of Trustees will continue to monitor the OOS EHC & ED plan contribution rate closely. The rate will be reviewed next in October 2024. A rate increase will only be implemented if it is required.

If you have any questions about the OOS EHC & ED plan contribution rate for 2024, please contact Lorne Shiplack at [Lorne.Shiplack@3sHealth.ca](mailto:Lorne.Shiplack@3sHealth.ca) or 306.347.5528.