

Retiree Health Insurance Plan

NEW RATES AND PLAN CHANGES BEGINNING JANUARY 1, 2016



Every dollar counts, especially when you are a retiree. Whether you are buying your groceries or planning a trip, getting value for your money is important.

We understand that. And it's also true for the VIA Rail retiree health insurance plan. That's why each year we review the plan to make sure it's managed well and that you are getting value for the money you pay. Following this year's review, we are pleased to announce new rates and plan design changes starting January 1, 2016.

Rates for 2016

GOOD NEWS! Overall, your health insurance rates will be decreasing. The monthly rates taking effect on January 1, 2016 (see the chart on the back), are based on your province of residence and the type of coverage you have chosen (single or family). Your contribution will continue to be automatically deducted from your monthly pension payments.

Coverage improvements and other changes

On January 1, 2016, we will be introducing certain plan design changes to ensure that your plan stays aligned with best market practices. Some changes will improve your coverage and make it easier for you to use the plan, while others will help control costs to ensure the plan stays affordable for you. Also, with these changes, it will take you longer to reach your lifetime coverage maximum. In making these changes, we are guided by our responsibility to manage the plan as carefully as possible since you pay the full cost of your coverage.

The plan design changes that will take effect in January are:

PRESCRIPTION DRUGS

- ✓ **NEW!** Pay-direct drug card
- ✓ Mandatory generic substitution
- ✓ Prior authorization for high-price drugs
- ✓ New deductible arrangement

OTHER COVERAGE

- ✓ Change in paramedical service maximums
- ✓ Change in coverage for laboratory tests and analysis
- ✓ New coverage for preventive vaccines
- ✓ Increase in overall lifetime maximum

Read on for full details!

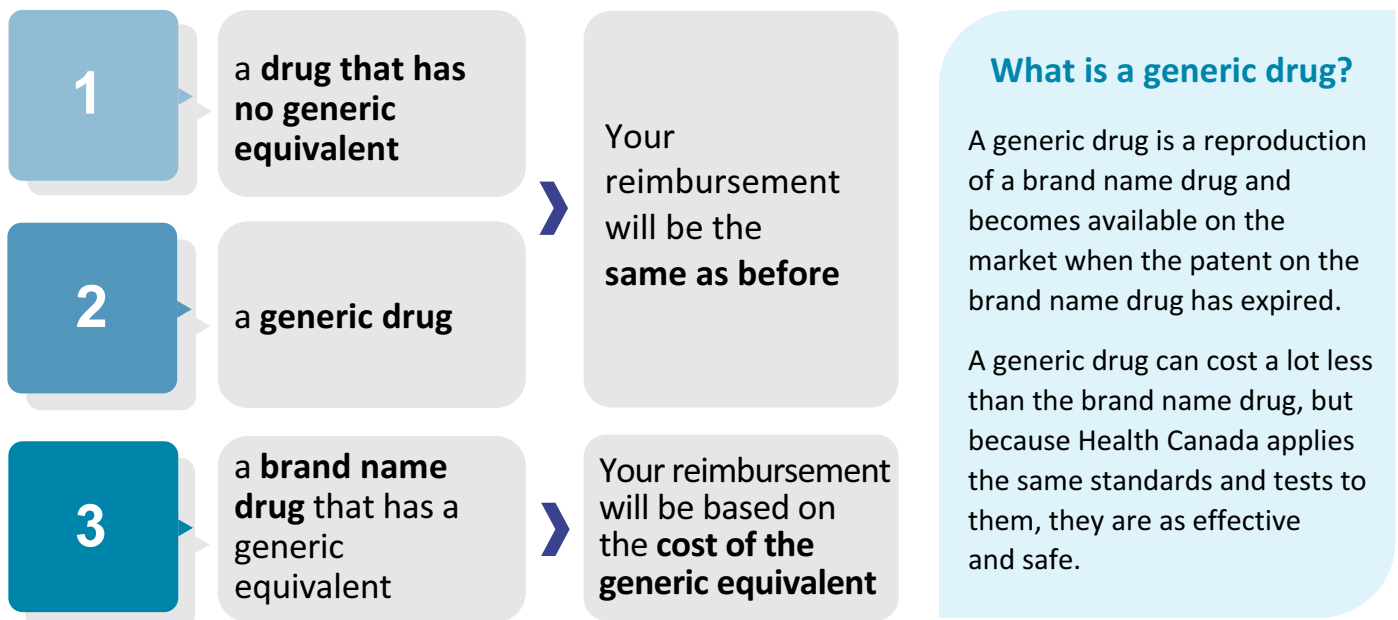
Improving how we manage drugs

NEW! Drug card – simplified claims process

With your new pay-direct drug card, when you go to the pharmacy you'll pay only your portion of the cost for eligible prescription drug expenses, instead of paying the full amount and then submitting a form for a reimbursement. Simply present your card to the pharmacist and the transaction will be completed electronically on the spot. No more forms to fill out and no more delay to obtain a reimbursement! You will receive your card in early December (keep in mind, however, that you can start using the card beginning only on January 1, 2016).

Generic-based drug reimbursement – ensuring value for your money

We are introducing mandatory generic-based reimbursements for prescription drugs. This means that if you submit a claim for:



Something to think about

If you are currently taking a brand name drug, ask your pharmacist or doctor if it is possible to change to a generic drug equivalent. If you prefer to buy the brand name drug, you can still do so and pay the difference.

WE'LL LET YOU KNOW

If you are currently purchasing prescription drugs for which the reimbursement could be reduced beginning on January 1, 2016, you will soon receive a letter from Great-West Life reminding you of the options available to you.

Can't take the generic drug? If a medical reason prevents you from taking the generic version of your brand name drug, you can request an exemption. Have your doctor complete the *Request for Brand Name Drug Coverage* form, found on Great-West Life's website at www.greatwestlife.com or call **1-800-957-9777** to obtain the form.

A "no substitution" note on the prescription is insufficient. On the form, your doctor must give the medical reasons supporting the need for the brand name drug. If your request is approved, you will be reimbursed the cost of the brand name drug according to the terms of the health insurance plan.

EXAMPLE

Beginning **January 1, 2016**, here is how the reimbursement will be determined for a **\$100 brand name drug** and its **\$50 generic equivalent**, based on an 80% reimbursement level, excluding deductibles:

80% reimbursement level

BRAND NAME DRUG (\$100)

Before
January 1, 2016

You pay
(20% of \$100)

\$20

The plan
pays
(80% of \$100)

\$80

Beginning
January 1, 2016

You pay
(Remainder
of what is not
covered by
the plan)

\$60

The plan
pays
(80% of
\$50, which
corresponds to
the cost of the
generic
equivalent)

\$40

GENERIC EQUIVALENT DRUG (\$50)

Beginning
January 1, 2016

You pay
(20% of \$50)

\$10

The plan
pays
(80% of \$50)

\$40

Your
BEST
option

Prior authorization for high-price prescription drugs (for newly prescribed drugs after January 1, 2016)

Effective January 1, 2016, Great-West Life needs to approve in advance certain prescription drug expenses (e.g., specialty or biologic drugs) before they can be considered for reimbursement. Prior authorization will be required for new drugs prescribed on or after January 1, 2016, and not for drugs prescribed before that date.

What are specialty and biologic drugs?

Specialty and biologic drugs are high-cost drugs used to treat complex or rare conditions, such as multiple sclerosis, rheumatoid arthritis, hepatitis C, and hemophilia. They require special handling, administration and monitoring.

What you need to do

If a drug you are prescribed is on Great-West Life's list of drugs requiring prior authorization, the pharmacy will not immediately fill your prescription, and you will need to:

- ✓ Go to the Great-West Life website (www.greatwestlife.com) or call **1-800-957-9777** to obtain the form.
- ✓ Ask your attending physician to complete it.
- ✓ Send the completed form to Great-West Life by mail or fax.

Upon receipt of the completed form, Great-West Life will notify you of the coverage available for the specific drug indicated, including any maximums or limitations.

Prescription drug coverage in Québec



If you are a Québec resident, you must comply with the Québec *Act respecting prescription drug insurance*, which requires everyone under age 65 who has access to a private insurance plan to join it. Also, you are required to cover your spouse and dependent children, unless they are already covered by another private plan.

At age 65, the Régie de l'assurance maladie du Québec (RAMQ) will automatically enrol you in the RAMQ prescription drug plan. At that time, you will be able to choose between maintaining your drug coverage under the VIA Rail plan (contact VIA Rail if you choose this option) or changing to the RAMQ plan. Even if you change to the RAMQ prescription drug plan, you can still maintain your coverage under the VIA Rail retiree health insurance plan to cover the portion of expenses not covered by the RAMQ plan, for drugs not on the RAMQ drug list and for other eligible medical expenses covered under the VIA Rail plan. Please contact Shared Services for more information, at:

Telephone: 1-800-799-9934
Email: sharedservices@viarail.ca

Coverage improvements and other changes

	CURRENT COVERAGE	COVERAGE EFFECTIVE JANUARY 1, 2016
Deductibles	<ul style="list-style-type: none"> ➤ Annual \$25 deductible for all health care services combined 	<ul style="list-style-type: none"> ➤ Per-prescription drug deductible* (lower for generic drugs) <ul style="list-style-type: none"> ✓ Generic drugs and brand name drugs without generic equivalents – \$3/drug ✓ Brand name drugs with generic equivalents – \$6/drug ➤ No deductible for other eligible health care expenses
Paramedical services	<ul style="list-style-type: none"> ➤ Physiotherapist <ul style="list-style-type: none"> ✓ No annual maximum ➤ All other covered practitioners (excluding physiotherapists) <ul style="list-style-type: none"> ✓ Maximum of \$15 per visit ✓ Maximum of 20 visits per year for each practitioner 	<ul style="list-style-type: none"> ➤ Physiotherapist <ul style="list-style-type: none"> ✓ Annual maximum of \$1,000 ➤ All other covered practitioners (excluding physiotherapists) <ul style="list-style-type: none"> ✓ No per-visit maximum ✓ Annual combined maximum of \$500
Laboratory tests and analyses	<ul style="list-style-type: none"> ➤ Annual maximum of \$2,000 	<ul style="list-style-type: none"> ➤ Annual maximum of \$1,500
Preventive vaccines Example: Twinrix for hepatitis A and B	<ul style="list-style-type: none"> ➤ Not covered 	<ul style="list-style-type: none"> ➤ Covered at 80%, up to \$500 per year
Lifetime maximum (for all services except travel assistance and hospital coverage in Canada)	<ul style="list-style-type: none"> ➤ \$40,000 	<ul style="list-style-type: none"> ➤ \$50,000

***TIP:** Ask your pharmacist for a three-month supply of any medication you take regularly. This way, you pay deductible less often.



Enclosed is a summary of your health coverage that takes effect on January 1, 2016. Please insert the summary into your Great-West Life booklet until you receive a revised booklet.

Useful reminders about your plan participation

DEADLINE FOR SUBMITTING CLAIMS

Claims must be submitted to Great-West Life within 15 months after the date the expenses are incurred.

TAXATION

If you are able to deduct your health insurance premiums as a medical expense on your income tax return, you will need to use your December 2015 pension deposit statement issued by VIA Rail as your official receipt. Be sure to keep this statement in a safe place as no other document will be issued.

OPTING OUT

To stop participating in the health insurance plan, you must inform us of your decision in writing. Keep in mind, however, that your decision will be irreversible and neither you nor your spouse will be able to join the plan again at a later time.

Being careful with your lifetime maximum



VIA Rail's retiree health insurance plan, you may be able to borrow a wheelchair under the provincial plan.

Your retiree health insurance plan has a lifetime maximum of \$40,000 (increasing to \$50,000 on January 1, 2016) in eligible expenses for each covered person. That's why you should consider using your provincial health care plan as much as possible.

Your provincial plan may cover more medical devices and services than you think. Have the reflex of asking your doctor, pharmacist or other health care professional if the device or service you need is covered. For example, if you need a wheelchair, instead of purchasing it and claiming the cost under

Also, be sure to purchase personal emergency medical care when you travel outside Canada. Otherwise, any expenses you incur outside Canada could considerably reduce your lifetime maximum.

New monthly rates beginning January 1, 2016

PROVINCE	SINGLE COVERAGE	FAMILY COVERAGE
British Columbia	\$65.97	\$132.72
Alberta	\$37.80	\$75.80
Saskatchewan	\$78.43	\$157.15
Manitoba	\$83.32	\$166.90
Ontario*	\$67.05	\$134.27
Québec*	\$116.40	\$233.09
New Brunswick	\$151.00	\$302.13
Nova Scotia	\$132.48	\$265.19
Prince Edward Island	\$113.97	\$228.21
Newfoundland and Labrador	\$85.65	\$171.56

* Rates include the 8% Ontario sales tax and 9% Québec sales tax

What influences health insurance rates?

Health insurance rates in a given year are influenced by different factors, including the:

- ✓ Total cost of claims in the previous years;
- ✓ Anticipated inflation in the health care sector for the coming year.

Contacts

For information about the retiree health insurance plan

Contact Great-West Life

› Telephone:
1-800-957-9777

› Website:
www.greatwestlife.com

Have your identification number (your VIA Rail employee number) and your policy number (**164194**) handy.

Keep VIA Rail up to date!

To provide VIA Rail with the most recent information about you and your dependents, or to obtain information about your drug coverage if you live in Québec

Contact Shared Services

› Telephone:
1-800-799-9934

› Email:
sharedservices@viarail.ca