

# Frequently Asked Questions – SCMMA Benefits

## Current benefits plan

### **How does our benefits plan work?**

- We have an ASO (Administration Services Only) plan:
  - The money that SCMMA members and the City contribute to the plan is pooled to pay for all member claims.
- The City pays 1% of earnings towards the cost of the Health Plan and 100% of the Dental premiums.
- SCMMA members were paying a flat premium of \$80.32 per month whether your coverage level is single, couple or family. On January 1, 2025, after a member vote in November 2024, SCMMA contributions were increased by \$25.45 per month to a total of \$105.77. Coverage remains the same to repay the debt in ~24 months.
- [SCMMA Benefits Booklet](#)

### **How much do other civic unions pay for their benefits?**

- Please see below link for all other union plan rates and benefits:  
<https://cityofsaskatoon.sharepoint.com/sites/mycity-benefits/SitePages/Health-And-Dental.aspx>

### **Can individual members opt out?**

- No, there is no option to opt-out.

### **What happens if everyone maxes out their benefits coverage?**

- We would not have enough funds going into the account which would result in creating/ increasing debt. This would mean that rates and/or plan would need to change again.

### **Do people get cut off when they hit the max?**

- Each member has the same benefit maximums as defined in our agreement. Blue Cross will only pay for claims up to that maximum and further claims will be denied.

## Benefits Plan Debt

### **Why were we able to spend more money than we are contributing to the plan?**

- We are under a contract with Blue Cross for the administration of the plan. Blue Cross can't deny a paying member of the plan just because our account has been overdrawn. They will continue to pay claims for individuals up to their benefit maximum.
- What they can do is advise when our account is approaching a deficit.
- Based on this advice, they would make suggestions for plan or pricing changes. If we don't make changes and remain in a deficit, Blue Cross can call the debt and freeze claims.



**How did we end up with this amount of debt?**

- The previous fees of \$12.50 per pay period were based on average past use or a prediction. We continued to contribute the same amount, despite there being more claims than anticipated.

**Is Blue Cross in breach of contract?**

No, changes to the plan did not occur in a timely manner so debt continued to grow.

**Why is this not Blue Cross's issue?**

- As per our contract, SCMMA members spent the money so SCMMA members must pay for it.

**Did Blue Cross warn us of the debt?**

- Blue Cross issued regular statements that showed the balance of the pool, which would have been a deficit.

**Why are we not engaging legal support?**

- It's not clear if there was negligence by Blue Cross and the cost of legal support would outweigh the benefit.

**Has SCMMA asked Blue Cross if they are willing to write off some of the interest?**

- SCMMA requested Blue Cross reduce the debt, but they were not willing to. The agreement was that they would pay interest on a surplus in our account, and we would pay interest on a deficit.

**What interest rate is Blue Cross charging on our outstanding balance?**

- Our interest rate is Prime minus 2%

Repayment of Deficit

**Did SCMMA ask the City to pay our debt?**

- Other civic unions negotiated debt payoff with the City as part of contract bargaining. SCMMA has not yet had the opportunity to do so.

**How is SCMMA paying off the debt?**

- On January 1, 2025, after a member vote in November 2024, SCMMA contributions were increased by \$25.45 per month to a total of \$105.77. Coverage remains the same to repay the debt in ~24 months.



**What were the results of the November 8, 2024 membership vote?**

- 297 (66.6%) of 446 electors voted in this ballot managed by Simply Voting:

Option	Votes
OPTION 1: Raise SCMMA contributions by \$25.45 per month to a total of \$105.77. Coverage remains the same. Repayment of debt in ~24 months.	117 (39.4%)
OPTION 2: Raise SCMMA contributions by \$11.74 per month to a total of \$92.06. Coverage decreases (view details below). Repayment of debt in ~24 months.	110 (37.0%)
OPTION 3: Raise SCMMA contributions by \$45.23 per month to a total of \$125.55. Coverage remains the same. Repayment of debt in ~18 months.	70 (23.6%)

**VOTER SUMMARY**

Total	297
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**Can we adjust the budget so we can pay more to Blue Cross?**

- No, we do not have the funds for this.

**Can we take out a loan to pay off the debt?**

- SCMMA is a non-profit so finding a lender is unlikely and the interest on the loan would be higher than the interest Blue Cross charges us.

**Can we decrease coverage, so our fees pay off the debt quicker?**

- We could decrease coverage if the majority of the SCMMA membership agreed to do so. This option last went to vote on November 7, 2024, and did not pass.

Plan Management

**How does SCMMA monitor our spending? How often do we check our account?**

- Blue Cross provides general monthly statement and a more detailed quarterly statement.

**How will transparency be given to SCMMA members?**

- There is a committee responsible for this program that reports to the SCMMA Board. The board committed to providing quarterly updates to members on the status of the repayment and any other changes.



**What changes has SCMMA made to manage our plan, pay off the debt and make sure we don't have a major deficit again?**

- Communications from Blue Cross are now sent to the SCMMA board email address which is monitored by multiple people – this ensures more than one person is now aware of what is happening and knowledge transfers to new members when needed.
- A committee of stewards and board members has been formed to review the statements and meets as needed.
- Documents are being stored in an accessible location for all committee members.

**What will SCMMA do if our plan is in a deficit again in the future?**

- Once we get to a surplus position, we can begin investigating options with plan improvements and/or different providers.

Future Benefit Plan

**Are we obligated to stay with Blue Cross as our provider?**

- We are obligated to stay with Blue Cross until the debt is paid. Once the debt is paid in full, we can explore other options.

**Can we join our buying power with other unions?**

- We are exploring this option. All participating unions would need to clear their debt to Blue Cross before this could occur.

**Is SCMMA's bargaining committee addressing this at the bargaining table?**

- SCMMA will be discussing benefits at the bargaining table.

