



**Federal Government Dockyard
Trades & Labour Council
(West)**



BULLETIN

January 26, 2022

To All Members

Change of Provider for the Public Service Health Care Plan

On December 1, 2021 the employer announced that the provider of the Public Service Health Care Plan (PSHCP) would be changing to Canada Life. This change will occur on July 1, 2023 after a lengthy transition process from the current provider Sunlife, which has held the contract since 2009.

We will distribute information on this as it comes out, all we have for now is the initial announcement and the FAQs from the employer's website on the following pages.

In Solidarity,

**Des Rogers
President
FGDTLC (W)**

New contract awarded to administer the Public Service Health Care Plan

From [Treasury Board of Canada Secretariat](#)

Date: December 1, 2021

To: Heads of Human Resources, Chiefs of Compensation, Outside Employers, managers and employees

Purpose

The Government of Canada is pleased to announce that it has awarded an Administrative Services Only (ASO) contract to the Canada Life Assurance Company (Canada Life) for the administration of the Public Service Health Care Plan (PSHCP). The contract will take effect July 1, 2023, following a transition period.

Background

The PSHCP is an optional health care plan for eligible federal public service employees and retirees, as well as their dependants and survivors. It is designed to supplement provincial and territorial health insurance plans.

The Treasury Board of Canada Secretariat (TBS) is the plan sponsor and has an obligation to competitively re-tender the PSHCP service contract. The new contract, the result of a Public Services and Procurement Canada procurement process that began in 2018, has a term of up to 12 years and will provide the following administrative services for the PSHCP:

- Claims Processing and Claims Payment Services
- Positive Enrolment and Member Management Services
- Audit and Claim Verification Program
- Reporting Services
- Member Communications and Information Services
- Provider Communications and Information Services

Service improvements

The new ASO contract will meet TBS's business needs as the plan sponsor in a cost-effective and flexible way. The contract will maintain, and in some areas surpass, existing PSHCP claims processing services. It will provide high-quality data for decision-making, robust auditing, advanced fraud detection, increased digitization and improved member communications and services. The new contract will also support the Government of Canada's policy goals on green procurement, digitization, and diversity and inclusion, and it will also specifically create opportunities for Indigenous Canadians.

Impact on plan members

A new plan administrator will have no impact on the cost of the PSHCP for plan members or to the benefits available to them and their families. Contribution rates are approved annually by the President of the Treasury Board, and plan changes are negotiated at the PSHCP Partners Committee, a collaborative forum comprised of Bargaining Agent, Employer and Pensioner representatives. This procurement process is entirely separate and forms part of the life cycle of any public service benefit plan. The award of the new contract to Canada Life simply changes who administers the PSHCP and adjudicates claims, starting July 1, 2023.

Next steps

Transition working groups from the Government of Canada, the Federal PSHCP Administration Authority, Sun Life Financial and Canada Life will work together to provide PSHCP members with a seamless transition from the current ASO contract to the new one. The transition period to move to the new administrator, which will take place until June 30, 2023, is both a complex project and an opportunity to streamline PSHCP processes. The new contract will allow the plan to be more responsive to the changing administrative health care needs of plan members and innovations in the health care industry.

How to prepare for the new contract

PSHCP members will receive regular updates on the transition progress and be asked to take a few simple actions leading up to the move to the new administrator. The Government of Canada asks that plan members respond to these requests and keep their contact information current with Sun Life to help ensure that there is no interruption in PSHCP coverage when the new contract starts on July 1, 2023.

PSHCP members must continue to send all claims and requests to Sun Life until June 30, 2023.

For more information on the [Public Service Health Care Plan](#), visit Canada.ca/Pension-Benefits.

For questions or concerns, contact the [Employee Relations and Total Compensation Sector](#) by email.

New Public Service Health Care Plan (PSHCP) administrator frequently asked questions

The new contract

1. Who is the new Public Service Health Care Plan (PSHCP) administrator?
 - On December 1, 2021, the Government of Canada announced that the Canada Life Assurance Company (Canada Life) was awarded the Administrative Services Only

contract for the PSHCP. This was the outcome of a competitive procurement process led by Public Services and Procurement Canada.

- Canada Life will begin processing PSHCP claims on July 1, 2023, following a transition period. Sun Life will continue as the administrator until June 30, 2023.

2. 2. What is an Administrative Services Only (ASO) contract?

- Under an Administrative Services Only (ASO) contract, the Government of Canada funds its own employee benefits plan. The government hires a third-party administrator, often an insurance company, to perform specific administrative services, such as claims processing and claims payment.

3. 3. What is the purpose of the new PSHCP Administrative Services Only (ASO) contract?

- The new contract procures the following third-party administrative services for up to 12 years:
 - claims processing and payment services
 - positive enrollment and membership management services
 - provider registration and management services
 - audit and claim verification
 - reporting services
 - member communication and information services
 - provider communication and information services
 - Veterans Affairs Canada Remittance Administration Services
- The contract also recognizes the importance of greenhouse gas emission reduction and diversity and inclusion.

4. 4. How was the new PSHCP administrator selected?

- An open, fair and transparent competitive procurement process with an agile engagement process was used. It actively sought industry feedback on the Government of Canada's requirements for the administration of the PSHCP. Following that engagement, a Request For Proposal (RFP) inviting industry to submit formal bids was published on buyandsell.gc.ca. Each bid was reviewed by subject matter experts and scored on the mandatory and point-rated criteria set out in the RFP.

5. 5. Why is the government changing PSHCP administrators?

- The government is committed to overall employee compensation, including benefits, that is reasonable, affordable and sustainable, and aligned with that of other public and private sector employers. The Treasury Board of Canada Secretariat, as sponsor

of the PSHCP, must competitively retender the PSHCP service contract as part of the continuous life cycle of a public service benefits plan.

6. 6. When was the PSHCP ASO contract last retendered?
 - Public Services and Procurement Canada last launched a competitive procurement process to retender the ASO contract for the PSHCP in 2007 and awarded the contract in 2009.
7. 7. What changes with the new contract?
 - Canada Life will become the plan administrator, taking over the day-to-day operations of the PSHCP, on July 1, 2023.
 - The objective of the new contract is ongoing excellence in claims processing and payment services. In addition, the new contract introduces several new and/or enhanced services, such as:
 - electronic claims submission for paramedical providers such as optometrists and physiotherapists. This will allow registered providers to submit claims on behalf of plan participants. Participants will have to pay only their share up front, instead of paying the full cost of the service and waiting for reimbursement.
 - enhanced member communications tools
 - a dedicated website that will give providers access to their PSHCP statements, information and member communications
 - artificial intelligence/machine learning to support PSHCP audit activities
 - enhanced security to protect PSHCP data
 - The current plan administrator, Sun Life, will deliver PSHCP benefits to active and retired members and their families on behalf of the Government of Canada until June 30, 2023. Sun Life will continue to adhere to the terms of the PSHCP contract as it reviews claims, reimburses eligible claims and communicates with plan members.

How to prepare for the new contract

1. 1. What do I need to do to prepare for the transition to Canada Life?
 - You will receive regular updates on the transition progress and will be asked to take a few simple actions before the move to Canada Life. In the meantime, be sure to keep your Positive Enrolment information up to date on the Sun Life Plan Member Services website or mobile app (including your dependants' information and your postal and email addresses).
2. 2. How will the transition affect PSHCP contribution rates?

- The selection of a new administrator has no impact on PSHCP contribution rates. PSHCP rates are reviewed annually and any recommended changes are approved by the President of the Treasury Board.
3. 3. How will the transition affect PSHCP benefits?
- The procurement of this contract has no impact on PSHCP negotiated benefits. Plan changes are negotiated by the Public Service Health Care Plan Partners Committee, a joint negotiation forum consisting of bargaining agents (unions), a pensioner representative and the employer.
4. 4. Has the government engaged with bargaining agents (unions)?
- The PSHCP Partners Committee, the joint negotiation forum consisting of bargaining agents, a pensioner representative and the employer, is an important part of the plan's governance and was engaged throughout the retendering process.
5. 5. Will the new PSHCP service contract affect Phoenix?
- Phoenix and the plan administrator's systems operate independently. The only interaction will be the exchange of data files with member eligibility information, through the Shared Services Canada Managed Secure File Transfer service.

The PSHCP and its processes

1. 1. How many participants are enrolled in the PSHCP?
- The PSHCP has over 1.5 million participants, including members and their families.
2. 2. What is the value of the PSHCP contract?
- Contact Public Services and Procurement Canada for this and other contract details.
3. 3. Where do I send my PSHCP claims?
- Until June 30, 2023, continue to send your claims and correspondence to [Sun Life](#). As of July 1, 2023, claims should be sent to Canada Life.
4. 4. Who do I contact if I have a question about a claim or coverage?
- Until June 30, 2023, questions about claims and coverage should go to [Sun Life](#). As of July 1, 2023, questions will be answered by Canada Life.
5. 5. What if I disagree with a claim decision?
- If you do not agree with a claim decision, you may send a letter of appeal to the Public Service Health Care Plan Administration Authority. All appeals must be submitted in writing.

Send your appeal to:

PSHCP Administration Authority
P.O. Box 2245, Station D
Ottawa, ON K1P 5W4

- The Appeals Committee of the PSHCP Board of Directors will review your appeal to determine whether your claim was processed in accordance with the provisions of the [PSHCP Directive](#). Those provisions are negotiated between the Government of Canada and Bargaining Agent and retiree representatives, at the PSHCP Partners Committee. The plan administrator does not have a seat at the negotiating table and does not make decisions about what is covered under your plan.