

8. Re: Mutual Benefit Society
 Dental Plan Coverage of Basic Dentistry
 (Fillings, Extractions, Cleaning, Dental Plates, etc.,
 other than Crowns, Bridges & Gold Work)

The Mutual Benefit Society is a society formed by the employees of the Municipality to administer certain fringe benefits, one of which is a dental plan.

At the Annual General Meeting of April 27th the membership of the Society resolved that the Directors be asked to consider arrangements to increase the percentage of basic dental costs paid by C U & C Health Services from 80% to 90%. The main advantages of this change would be that the majority of Dentists would accept such payment, that is 90% of the Dental College Fee Schedule, as being full payment of their fees for basic dental service. This has been the experience of the Medical Services Association Dental Plan which covers 90% of basic dental costs.

Acceptance of the 90% payment as payment in full relieves the Dentists of the obligation of a double billing system to both C U & C Health Services as the insurer (at the present 80% of cost) and the employee at 20% of cost. It was also noted that it would tend to significantly reduce problems occurring where the Dentists are billing employees for amounts that could be more than 20% of basic costs, as no detailed statement is provided to employees by the Dentists. It was felt that although there would be an increased premium cost for this coverage, the benefits achieved would far outweigh such costs. The estimated increase in cost is \$12,000 per year. This estimate is based on the following calculation:

	Present 1971 Rates	1972 Rates	Rates at 90% Coverage	Additional Costs Over 1972 (Present) Rates
Unit 1	\$ 6.15	\$ 5.54	\$ 6.15	\$.61
2	10.50	9.46	10.50	1.04
3 or more	15.80	14.22	15.80	1.58

An average cost of \$1.25 per month per member for 800 members would result in an increased cost of \$1,000 per month or \$12,000 per year.

Such cost is shared 60%/40% by the Municipality and the employees respectively, pursuant to the Union agreement. The increased cost would be approximately \$7,200 to the Municipality and the increased cost to the employees would be approximately \$4,800 per year.

In effect, the annual cost of the dental plan would be at the same level as in 1971 if dental services were increased from 80% to 90%.

At their meeting on July 12, the Directors approved of the increase in principle and asked the Personnel Director to discuss this matter with the Manager.

Continued....

8. Re: Mutual Benefit Society (continued)

The Corporation has agreed, pursuant to the collective agreements, to pay 60% of the premium cost of the benefit plans provided that the employees pay 40% of such costs. There is no restriction on the Society or the Directors with respect to increasing or decreasing benefits. Therefore, when the premium rates charged to the Society by C U & C Health Services were decreased, effective February 1, 1972, the Directors approved of the change without reference to the Municipality. In this case Council approval is asked because the amount of benefit would be increased from 80% to 90% of basic dentistry, which will result in premium costs increasing to the 1971 level, that is Unit 1, Unit 2 and Unit 3., \$6.15, \$10.50, \$15.80, respectively.

RECOMMENDATION:

THAT authority be given to increase the benefit from 80% to 90% of basic dentistry with the Municipality paying 60% of the increased costs.