

Case Study:

Syndicat des débardeurs du Port de Montréal



"Since 2002, we have successfully reduced our annual management fees and claims by an average of over 500\$ per active employee while improving our control over information, optimizing our processes and reducing payment for unjustified claims!

These savings provided us with the means to maintain intact our existing benefits, while extending new health benefits that better reflect today's needs, such as disability coverage. »

Benoit Wolfe, Administrative Director of "Régime de Sécurité Sociale du Syndicat des Débardeurs, SFCP section locale 375"

Established for more than one hundred years, the Port of Montreal Dockers union is one of the oldest unions in the Province of Quebec. With one thousand active members and about 650 pensioners under administration and working for 5 maritime employers, the Port of Montreal Dockers union is certainly a model of a successful self administered plan managed by a union organization.

In 1972, under Mr. Théodore Beaudin then president, the union began to gradually step into a self-administration plan: a trust was created to offer a uniform drugs and healthcare coverage to all active members.

Later in 1990, the union negotiated and obtained from their employers a better group plan for the benefit of its members; life insurance, dental care, short and long term disability benefits were added to those already offered by the union.

Beginning with a standard administrative formula assumed by carriers, in an ASO mode towards 1999, the union quickly realized that successive premium increases put seriously in danger the survival of the plan for its members. Many reasons could explain the problem: The lack of controls from carriers to claim payment, unjustified paid claims and high administrative charges, etc...

In 2001, the union decided then to take care of the full administration and adjudication of its group plan, with the exception of the life insurance benefit. To do it, the union purchased C

-surance.ca/Allegroupe service, a fully integrated group plan administrative system from MDI

Since then, with more than 100,000 paid claims per year to members and dependents, the union manages and controls from A to Z its group plan.

In Short :

Industry

Maritime

Geography

Montréal

Challenges

- Protect group benefit insurances for their members
- Manage, control and optimize processes
- Reduce payment of unjustified claims

Solution

C-surance.ca Allegroupe service

Actuary

Jean-Marc Legendre
Optimum Service Conseil

Results

- Faster services to members,
- Optimal access in real time of information
- Yearly saving of over 500,000\$ since implementation date in 2001,
- Improve benefits for certain health categories,
- Management cost reduction (+ 100\$ per employee per year),
- Better control over unjustified claims,
- Substantial reduction of average claim (+250\$ per employee per year).

Amongst our most concrete benefits following the “in house” implementation of the MDI solution is the fact that the union is saving annually over 500,000\$ since 2001. Saving is mainly credited to the following activities:

- Elimination of dental and drug cards :
 - o Expense associated with these cards varied from 4 to 40% of paid contribution.
 - The cost of managing the partial reimbursement for retired employees of the RAMQ deductible through the drug card where costing approximately 40% of actual payout. Saving allowed an increase in the deductible reimbursement % for these members without actually adding to the available budget.
 - Eliminating the standard 12% fee for dental and 4% for drug cards used by our active members provided additional funds to help us improve the available services.
 - o Changing the payment model and inviting the members to pay for services before submitting claims, generated a positive modification in the purchase habit. The impact was major as it allowed for a reduction of consumption of services that were not essential.

- Internal management provided with opportunities to identify weaknesses in regard with the previously available tools as well as allowed to better set up the contract configuration. These sensitive control might not have been a priority with our previous provider as they were operating under a “cost plus” formula. As an example: clauses that should have limited payment of denture to once every 3 or 5 years, went more often than not unnoticed by our carrier.

- By having a direct access to each claim, the administrators were able to identify trends. Some of those allowed for stopping of abuses as well as potential fraudulent claims.

Over and above the financial improvement for the members, the “in house” access and tools provided a way to improve substantially the speed of services to members. When needed, a check can be issued within a few minutes. This efficiency did not go unnoticed by none union employees that are managing the service, as their personal experience with traditional carrier can no way compare with the quality and speed the members are getting day in and day out.

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