

The background of the cover is a photograph of a modern glass-walled building. The sun is shining from behind the building, creating a bright, hazy sky with some clouds. The sun's rays create a lens flare effect across the middle of the image. The building's glass reflects the sky and the sun. The overall color palette is dominated by blues and whites, with a warm orange glow from the sun.

2024

ANNUAL
REPORT

**FEDERAL PUBLIC SERVICE
HEALTH CARE PLAN
ADMINISTRATION AUTHORITY**

**Our contribution
towards a well-governed
health care plan**

pshcp.ca

LETTER FROM THE CHAIRPERSON OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER



Sustained contributions were made in 2024 towards fully operationalizing the Public Service Health Care Plan (PSHCP) Contract, however the work is not complete. The Board of Directors and staff of the Public Service Health Care Plan Administration Authority (Administration Authority) are driven by our vision to ensure that stakeholders benefit from our contribution towards a well-governed health care plan, and we continue to work, grow and evolve to meet this goal.

Through concerted efforts with our stakeholders, services to Plan members significantly improved and the overall level of satisfaction from the membership increased in 2024. While progress was made leading to improved member satisfaction, we acknowledge that this was not the case for all Plan members. The services to members with comprehensive coverage and those travelling were still not where they needed to be at the end of 2024. This will continue to be an area of focus in 2025. As well, Canada Life's reporting solution which provides detailed data on Plan performance is still not fully functional, thereby creating a challenge for the Administration Authority in fulfilling its reporting obligations to stakeholders. This work and the service issues that persisted into 2024 have had a direct impact on the Administration Authority's operations. The Board has worked closely with the senior management team to develop a strategy that will position the organization for continued success in its role as an oversight and governance partner.

In 2024, the Board and the staff of the Administration Authority have remained focused on developing and utilizing our strengths to ensure coordinated excellence in all areas of work. In our discussions and planning, we have challenged ourselves to review and refine our strategic direction and objectives to reset our organization to meet the new realities and challenges ahead. Given the prolonged transition period, it is critical that we remain focused on delivering on our mandate, achieving our long-term goals and seeking opportunities to demonstrate the true value of the Administration Authority. Examples of the initiatives that we have identified for 2025 are the general PSHCP claims audit and initiating the modernization of the appeal process to allow for digital submission of member appeals. We remain committed to our values of integrity, collaboration and independence while seeking opportunities to bring value to our stakeholders.



We would like to thank our Board of Directors for its hard work, dedication and contributions to the PSHCP. The Directors’ knowledge, support and probing questions ensure that no stone is left unturned in fulfilling our mandate. The Board membership saw some changes in 2024, and we want to take this opportunity to thank John Gordon for his significant and valuable contribution over his 12 years as a Board member, and to welcome our two new Board members, Chris Aylward and Will Leffler.

We would also like to acknowledge and thank the staff of the Administration Authority for their guidance, resilience and dedication throughout 2024. We applaud their demonstrated ability to cope with increased workloads and to manage competing priorities as they continued to actively support the transition efforts. The success of the Administration Authority is a direct result of the rich talent of our small but mighty team that continues to demonstrate its ability to deliver on the organization’s goals and objectives despite challenging and stressful times. Of note, we would like to thank Natalie Ladouceur for her commitment and invaluable contribution during her 14 years with the organization. We wish her a very happy and well-deserved retirement.

In closing, we want to thank our stakeholders and partners for their unwavering support throughout the year. We remain committed to our role in ensuring that the prescriptive requirements of the PSHCP are met and that members receive the benefits to which they are entitled. We look forward to another successful year in 2025 as we continue to seek out opportunities to bring support and added value to our stakeholders.

Caroline Curran

Chairperson, Board of Directors
PSHCP Administration Authority

Manon LeBlanc

Chief Executive Officer
PSHCP Administration Authority

THE PSHCP ADMINISTRATION AUTHORITY – 2024 AT A GLANCE



2024 REPORTING FRAMEWORK

The Administration Authority prepares a comprehensive list of reports throughout the year. In 2024, the organization met all its oversight responsibilities and delivered its reporting deliverables to the Partners Committee as portrayed below. This reporting ensures that stakeholders are kept informed of the various operational aspects of the PSHCP. This includes audit program results, instances of suspected fraudulent activity, appeals submissions and Plan performance information. For more information on the reports delivered to the Partners Committee, please refer to Annex A of this report.

2024 REPORTING FRAMEWORK - PARTNERS COMMITTEE			
APRIL	JUNE	AUGUST	NOVEMBER
Annual Appeals Report	Annual Report	Budget	Appeals Report (Q1/Q2)
Audited Financial Statements	Budget Variance Report (Q1)	Budget Variance Report (Q2)	Budget Variance Report (Q3)
Budget Variance Report (Q4)	Paid Claims Analysis	Business Plan	Compliance Report
Paid Claims Analysis	Risk Based Audit Plan	Communications Strategy	Paid Claims Analysis
Suspected Fraud and ACVP			Suspected fraud and ACVP

THE FEDERAL PUBLIC SERVICE HEALTH CARE PLAN ADMINISTRATION AUTHORITY

The Federal Public Service Health Care Plan Administration Authority (Administration Authority) is a corporation without share capital whose mandate is to oversee the Plan Administrator's execution of the PSHCP Contract. The Administration Authority ensures that the Plan Administrator delivers benefits efficiently and effectively to PSHCP members in accordance with the Plan provisions. The Administration Authority operates in a shared governance model with TBS and is accountable to the Partners Committee.

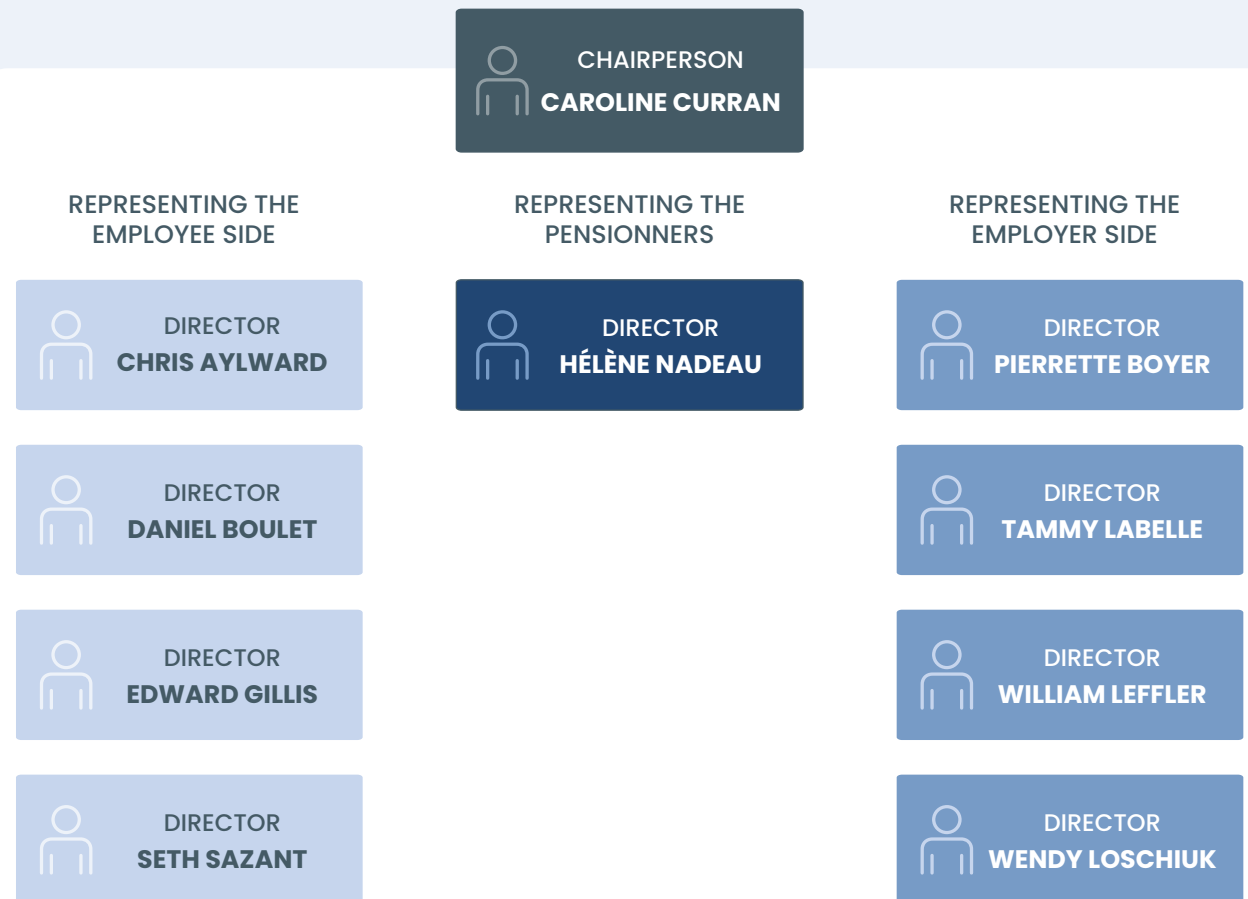
THE ORGANIZATION HAS SEVERAL OPERATIONAL AND REPORTING RESPONSIBILITIES, WHICH INCLUDE, BUT ARE NOT LIMITED TO:

- Ensuring that service standards outlined in the PSHCP Contract are met;
- Overseeing the results of the Audit Claims Verification Program run by the Plan Administrator;
- Conducting audits and evaluations regarding the payment of PSHCP benefits;
- Processing appeals submitted by Plan members;
- Communicating with Plan members about their benefits;
- Providing accurate, comprehensive, and up-to-date information on Plan performance;
- Providing direction to Canada Life on the interpretation of Plan provisions; and
- Reporting on incidents of fraud detected by the Plan Administrator.

THE ADMINISTRATION AUTHORITY IS GOVERNED BY A BOARD OF NINE DIRECTORS AND A CHAIRPERSON.

The Board of Directors and its three committees (Executive, Appeals, Audit and Finance) is responsible for overseeing the management of the Administration Authority and is involved in the following activities:

- Setting the strategic direction and approving the triennial Business Plan;
- Ensuring that potential threats and principal risks are identified and managed;
- Monitoring the performance of the Chief Executive Officer;
- Supporting the Chief Executive Officer in the development and implementation of organizational policies;
- Overseeing the financial management of the Administration Authority; and
- Rendering decisions related to the appeals process.

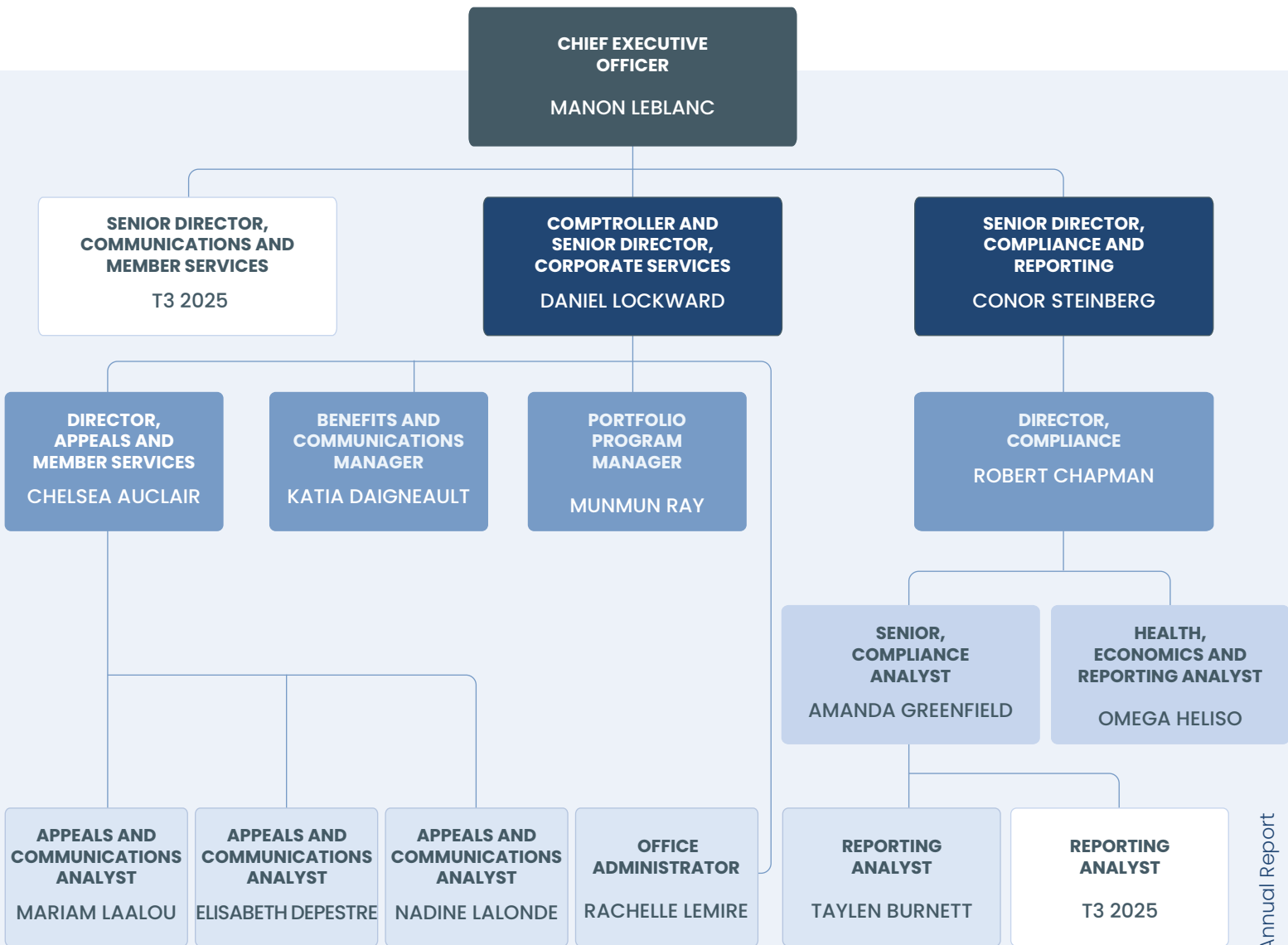


For more information on the Administration Authority and its Board of Directors, please visit www.pshcp.ca/about-the-pshcp/about-the-administration-authority

ADMINISTRATION AUTHORITY ORGANIZATIONAL STRUCTURE

In 2024, the staffing complement at the Administration Authority comprised 13 PSHCP specialists with expertise in numerous fields, including finance, management, audit, compliance, communications, claims adjudication and group benefits administration.

To meet its strategic objectives, the Administration Authority's operations are divided into three functional areas: Corporate Services, Compliance and Reporting, and Communications and Member Services, as portrayed in the organizational chart below. The diagram also includes vacant positions that will be filled in 2025.



STRATEGIC PLAN FOR 2024

In the context of an ever-changing environment, the Administration Authority strives to be flexible and responsive to its numerous stakeholders, including the needs of the Partners Committee, TBS, Plan members, and the Plan Administrator. The Administration Authority updates its Strategic Plan on an annual basis and aligns its Business Plan accordingly.

The Strategic Plan includes the Administration Authority's vision, mission, values and strategic objectives. Specific deliverables and initiatives are identified to achieve these goals.

VISION

Stakeholders will benefit from our contribution towards a robust and well-governed health care plan.

MISSION

To ensure that benefits and services to Plan members and their covered dependants, as defined in the PSHCP documentation, are delivered in a manner that ensures the effective and efficient administration of the Plan.

OUR VALUES



Our reporting will be honest, truthful and accurate.



We respect the diverse opinions of our stakeholder groups and value cooperation with all players in the system.



You can trust that we will provide unbiased advice that is independent of any one stakeholder group.

STRATEGIC OBJECTIVES AND PERFORMANCE EXPECTATIONS FOR 2024

PLAN STEWARDSHIP



TO PROVIDE EXCELLENT CONTRACT OVERSIGHT

- Provide timely and comprehensive program oversight and compliance monitoring
- When requested, generate insight on opportunities for improvement in plan administration

STAKEHOLDER RELATIONSHIPS



TO STRENGTHEN KEY RELATIONSHIPS

- Plan and perform timely and informative communication and outreach with stakeholder audiences

EXPERTISE AND INNOVATION



TO BE THE TRUSTED SOURCE OF KNOWLEDGE ON THE PLAN AND EMERGING BENEFIT PLAN ISSUES

- Build/maintain knowledge base of benefit industry leading practices
- Conduct future-oriented analysis and timely sharing of related insight with stakeholders
- Inform Plan changes through ongoing research activities
- Actively support outstanding PSHCP Contract transition initiatives
- Continuously improve the HR regime, including staff development

GOVERNANCE



TO PROVIDE EXCELLENCE IN GOVERNANCE AND MANAGEMENT

- Maintain focused strategic and business planning and process monitoring
- Conduct regular and timely assessment of Board performance
- Maintain efficient and effective use of Administration Authority resources

2024

OPERATIONAL ACCOMPLISHMENTS

CORPORATE SERVICES

FUNCTION OVERVIEW

This business management function includes the administration and oversight of:

- The organization’s strategic and business planning and monitoring processes
- The organization’s internal financial management activities and human resource management activities
- The overall monitoring of Canada Life’s compliance with the requirements of the Contract

KEY ACCOMPLISHMENT FOR 2024 – THE TRANSITION OF THE PSHCP CONTRACT

In 2024, the organization, including senior levels of leadership, remained heavily engaged in supporting the transition of the PSHCP to Canada Life. More specifically, the focus was on the implementation of solutions for members with comprehensive coverage, the Out-of-Province Benefit, the audit program and the reporting requirements of the Contract. This included the participation in daily leadership meetings and various in-person meetings with TBS, Canada Life and Public Services and Procurement Canada to discuss solution enhancements and service issues with a goal to ensure the constant and accurate delivery of benefits to the membership. In parallel with this work, the Administration Authority was able to maintain its regular operations by addressing conflicting priorities in a flexible and creative manner. Due to the resilience and dedication of all staff, the Administration Authority was able to successfully complete the deliverables identified in its annual Business Plan.

OTHER ACCOMPLISHMENTS FOR 2024

- Completed all recommendations from the Internal Audit Evaluation Bureau at TBS from the organization’s 2022 audit
- Conducted a Request for Proposal for fiscal year 2024 audited financial statements, as well as a PSHCP Privacy Audit (as per Contract requirements)
- Increased the organization’s workforce to meet the demands of the new Contract and meet operational requirements
- Provided reliable and effective Board support

COMPLIANCE AND REPORTING

FUNCTION OVERVIEW

This function of the Administration Authority includes the following areas of expertise:

- Audits and evaluations conducted of Canada Life
- Oversight of the Audit and Claim Verification Program undertaken by Canada Life as required under the Contract
- Report on the results of fraud investigations and prevention
- Management of the Contract compliance
- Implementation of the Risk-based Audit Plan
- Risk analysis and management
- Research, analysis and reporting

AUDITS AND INVESTIGATIONS

This function includes the management of Contract compliance of the PSHCP Contract and is responsible for overseeing the audit program of the PSHCP, the implementation of the Risk-based Audit Plan, risk analysis and management, and reporting on the results of fraud investigations and prevention.

KEY ACCOMPLISHMENT FOR 2024 – THE AUDIT AND CLAIMS VERIFICATION PROGRAM

In April 2024, the Administration Authority's Audit and Investigations team oversaw the completion and launch of the PSHCP's Audit and Claims Verification Program which is an essential component of the PSHCP Contract. The objectives of the Audit and Claim Verification Program (ACVP) include verifying that claim submissions and financial transactions between the Plan Administrator, providers, and members are correct and consistent with the Plan provisions; detecting billing irregularities; and managing, controlling, and reporting on inappropriate claiming activities.

While data for the entire year 2024 was not available at the time of the production of this annual report, from January to June 2024, the PSHCP paid over 15.7 million services totaling over \$1,008M. Of that amount, the ACVP evaluated more than 127,400 claims totaling nearly \$84.6M and identified approximately \$1.6M in savings and recoveries to the Plan.

In addition to managing the ACVP, the Administration Authority built a comprehensive compliance review and reporting tool to monitor and deliver complex reporting on the Plan Administrator's performance against the Contract's various service levels and service standards.

OTHER ACCOMPLISHMENTS FOR 2024

- Contributed to the development of an audit program for the new Contract
- Fraud detection, management and prevention: this included collaboration with Canada Life and TBS to ensure effective and efficient fraud case management and resolution, evaluating case information, determining risk and preparing case summaries for review by TBS
- Finalized a detailed Plan risk assessment, which informed the development of the 2025–2027 Three-Year Risk-based Audit Plan



REPORTING, RESEARCH, AND ANALYSIS

The research, analysis and reporting function is responsible for developing and maintaining a research and analysis plan and for overseeing the planning and conduct of the research and reporting agenda of the Administration Authority. This function is also responsible for providing compliance oversight of the reporting-related elements of the Contract.

KEY ACCOMPLISHMENT FOR 2024 – THE PSHCP REPORTING SOLUTION

The Administration Authority continued to dedicate significant resources to finalize the PSHCP reporting solution, which includes over 125 standards reports, 15 management dashboards, an ad hoc reporting tool and a secure website through which all reports are delivered. The reporting solution is an essential component of the PSHCP Contract as the Administration Authority cannot meet the reporting requirements as stipulated in the Letters Patent without accurate, complete, trustworthy data, nor can it confirm that the Plan Administrator is compliant with the contract requirements. The Administration Authority's expectation is that the reporting solution will be fully functional in 2025.

OTHER ACCOMPLISHMENTS FOR 2024

- Completed research and analysis on the potential impact of the introduction of Pharmacare
- Completed analysis on the impact of the drug management features that were introduced in 2023
- Conducted ongoing analysis on the Plan experience for diabetes and weight management drugs
- Providing regular reporting to the Board of Directors and Partners on the PSHCP experience and operations

APPEALS AND MEMBER SERVICES

FUNCTION OVERVIEW

This function of the Administration Authority involves the following activities:

- Management of the appeals process and member inquiries
- Oversight of claims processing and call centre-related issues
- Collaboration with TBS in the planning and execution of communications initiatives across a range of audiences

APPEALS

The Administration Authority’s appeals management function is responsible for supporting the appeals process and the work of the Appeals Committee of the Board. This includes preparing appeals submitted by Plan members (both coverage and benefit related), communicating related decisions to appellants, and providing semi-annual appeals reports to the Partners Committee.

KEY ACCOMPLISHMENT FOR 2024 – ADAPT THE APPEALS PROGRAM TO THE NEW CONTRACT

A significant portion of the appeals received in 2024 stemmed from differences in adjudication practices following the transition to the new Plan Administrator. Not only did this increase the number of appeals received, it also brought on new types of appeals which required additional research, education, and the development of new processes and documentation. The table further demonstrates the different types of appeals received in 2023, and the trends observed in 2024. The table also reflects the impact of the new benefits introduced in July 2023 on the appeals program.

2023	#	2024
Contribution refund – 17.6%	1	Contribution refund – 12.3%
Late claim – 8.1%	2	Retroactive coverage – 5.8%
Vision care – 4.1%	3	Osteopathy – credentialing – 5.3%
Ineligible medical practitioner – 3.8%	4	Naturopathist – 5.1%
Retroactive coverage – 3.6%	5	Coverage – 5.1%
Hearing aids–request for addl. funding 2.8%	6	Vision care – 4.4%
Acupuncture – 2.8%	7	Prior authorization – 3.0%
Continuous glucose monitors – 2.3%	8	Provincial integration – 2.8%
Off label drugs – 2%	9	Late claim – 2.3%
Delisted providers – 2%	10	Ineligible psychology – 2.1%

OTHER ACCOMPLISHMENTS FOR 2024

- Managed 699 appeals, an increase of approximately 16.5% when compared to 2023, and 104% when compared to 2022 (pre-transition)
- 431 appeals were heard by the Appeals Committee
- 268 appeal cases were resolved without requiring a review by the Appeals Committee. This represents a 29.5% increase over 2023 and a 227% increase when compared to 2022 where there were only 82 cases. Most of these cases in 2024 arose due to adjudication errors and plan interpretation issues on the part of the Plan Administrator. These cases were resolved directly with Canada Life, which avoids reoccurrence and improves the Plan member experience

APPEALS IN NUMBERS

	2022	2023	2024
Appeals heard by the committee	261	393	431
Appeals resolved administratively	82	207	268
Total appeals managed	343	600	699

For more information on the appeals process, please visit www.pshcp.ca/appeals

MEMBER SERVICES

The organization collaborates with TBS to streamline information and increase the effectiveness of all channels of communication. This allows for a better understanding of collective issues, thereby ensuring that the best strategies and action plans are deployed to address them. The Member Services team also met on a monthly and ad hoc basis with TBS and Canada Life to discuss and resolve adjudication and communication issues.

KEY ACCOMPLISHMENT FOR 2024 – SUSTAINED COLLABORATION WITH TBS ON THE DEVELOPMENT OF NEW COMMUNICATION PRODUCTS

This team ensured that member-facing products efficiently met the requirements, the quality standards, the official languages, and the accessibility expectations of the Contract. This included the PSHCP member booklet, which was published in June 2024, the elaboration of the member portal for Canada Life and MSH (international coverage provider), two PSHCP Bulletins, and the launch of the PSHCP mobile application in November 2024. The team also collaborated with TBS on the development of content related to a cyber incident and a postal strike.

OTHER ACCOMPLISHMENTS FOR 2024

- Managed 342 escalations and 52 correspondences for delayed claims, high-cost claims, emergency medical and financial situations
- Managed an increased number of Access to Information and Personal Information requests.
- Worked with TBS and Canada Life to ensure that adjudication practices and claims are processed in line with the intent of the PSHCP, namely regarding the Gender Affirmation coverage, compression stockings, reasonable and customary charges, acupuncture, and provider credentialing in underregulated provinces.

LOOKING FORWARD TO 2025

The Board of Directors and the staff of the Administration Authority have set ambitious goals for 2025 and onward. These areas of focus will serve to overcome the challenges ahead and contribute to the sound governance of the PSHCP. In doing so, we will continue to seek out opportunities to support our stakeholders as we navigate continued advancement and change in the health and wellness environment.

- **Fully operationalizing the PSHCP Contract: continue to support the resolution of the outstanding contractual deliverables and monitor Canada Life's compliance with the PSHCP Contract.**
 - Address the outcomes of the general claims audit of Canada Life and its subcontractors.
- **Stabilizing the administration of the PSHCP: Ensure that the health care plan remains well administered by continuing to review, analyze, and report on its performance regularly.**
 - Leverage the results of the Administration Authority's multiple oversight activities to keep stakeholders informed of issues and trends affecting the PSHCP;
 - Initiate the work to modernize the appeals process that will allow for digital member submissions.

ANNEX A – PARTNERS REPORTING

QUARTERLY AND SEMI-ANNUAL DELIVERABLES

APPEALS REPORT

- Executive Summary
- Appeal highlights
- Committee decisions
- Appeals closed without Committee
- Aging of appeals
- Appeals categories

ACVP REPORT

- Contract-to-date results for ACVP Program components
- Claims and dollar error rates across program components
- Annual comparisons

BUDGET VARIANCE REPORT

- Quarterly expenditures vs budget
- Explanation of variances
- Financial commitment for current year

FRAUD MANAGEMENT REPORT

- Overview of current case load and status
- Outstanding recoveries
- Plan recoveries and cost avoidance for the period

PAID CLAIMS ANALYSIS

Variance in:

- Paid claims
- Membership
- Cost per member



ANNUAL DELIVERABLES

ANNUAL REPORT

- Strategic Plan and objectives
- Goals of the organization
- Operational accomplishments
- Board of Directors and its committees

BUSINESS PLAN

Overview of the Administration Authority's proposed activities regarding:

- Business management
- Communications
- Plan member services monitoring
- Appeals management
- Audit program
- Research, analysis and reporting

COMMUNICATIONS STRATEGY

- Communications mandate
- Planned communications to members and stakeholders
- Communications oversight of the Plan Administrator
- Strategic communications framework

COMPLIANCE REPORT

Plan Administrator's compliance with:

- Core delivery services
- Program management services
- Infrastructure services

RISK-BASED AUDIT PLAN

- Audit activity planned for the next three years
- Proposed audit timelines and resources
- Risk priorities and approaches to mitigation



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