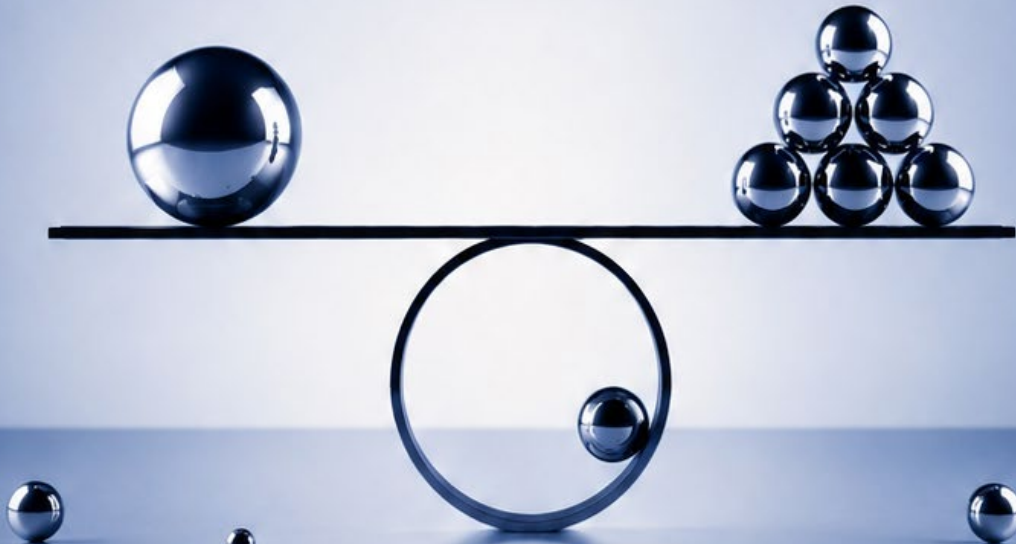


2025

ANNUAL REPORT



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

pshcp.ca

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

MESSAGE FROM THE CHAIRPERSON AND THE CHIEF EXECUTIVE OFFICER



Throughout 2025, the PSHCP Administration Authority Board of Directors and staff remained focused on delivering on the organization's mandate and ensuring that stakeholders benefit from the significant work that is done on their behalf. Although there has been forward momentum and operational stabilization on many fronts, there are persistent delays in areas where progress remains slow and as a result, the Public Service Health Care Plan (PSHCP) Administration Authority is constrained in its ability to fully deliver on its mandate.

Most notably, despite the Administration Authority and the Government of Canada having invested continuous efforts and significant resources over the last three years, Canada Life has yet to complete the delivery of the PSHCP Reporting Solution. This critical contractual deliverable was designed to provide the data required to oversee the administration of the contract and provide information and advice to stakeholders. This is especially important considering the current healthcare landscape and the unprecedented cost pressures facing benefit plans. Although important groundwork has been put in place, the Administration Authority remains limited in its ability to fully exercise its oversight duties, monitor compliance with contractual service standards and monitor trends in benefit utilization. A sustained and coordinated commitment to resolve this issue is required in 2026.

As well, further effort is required to improve services to members residing and travelling outside of Canada. Throughout 2025, there have been improvements in claim assessment and call centre responsiveness for international services but work in this area is not complete. The Administration Authority continued to address inconsistencies which were observed through service-level reporting, escalations, and other contract oversight activities. The Administration Authority also experienced an increase in appeals from members residing and travelling abroad. This work will remain a high priority in the year ahead.

Finally, it should be noted that the time, resources and effort that have been required to attempt to finalize these areas of the contract have also required the Board to consider and implement trade-offs. Planned initiatives – including the modernization of the appeals process – have had to be set aside temporarily. This initiative would modernize the process, enable digital member submissions and improve accessibility, efficiency, and member experience. We remain committed to delivering on this in the coming years.

While further work remains in these areas, we would like to acknowledge the advancements made by all parties in 2025, which have created a strong foundation for continued improvement and long-term success. The Administration Authority's sustained efforts and commitment to excellence



over the last year guided our staff to seek out opportunities to improve the administration of the PSHCP and deliver a more efficient and responsive experience for all members. There are a number of notable accomplishments, including the initiation of the General Claims Audit and the improvements made to streamline procedures and reinforce fairness and transparency for the members.

We would like to extend our sincere gratitude to our Board Members for their unwavering support during a challenging and busy year. There was a significant amount of turnover on the Board of Directors in 2025. We wish to thank Pierrette Boyer, Edward Gillis and Wendy Loschiuk for their valued service on the Board of Directors. We have benefited from their wise counsel, dedication and professionalism. We are pleased to welcome our new Board members, Vivian Shih, Erika Henley, and Nancy Lamarche, and look forward to their contributions.

We would also like to extend our heartfelt thanks and appreciation to the staff of the Administration Authority for their resilience, patience, and professionalism throughout the year. Their ability to navigate challenges with determination and grace has made all the difference in what we've been able to achieve together. We acknowledge their commitment to getting it right – even when it requires persistence and difficult adjustments – and are confident in their ability to address the challenges ahead.

The Board of Directors and the staff of the Administration Authority have set ambitious goals for 2026 and beyond, focused on overcoming emerging challenges and supporting the sound governance of the PSHCP.

Our key priority in 2026 will be to support the resolution of outstanding contractual deliverables, monitor Canada Life's compliance and address the outcomes of the general claims audit of Canada Life and its subcontractors. We will leverage the Administration Authority's multiple oversight activities to keep stakeholders informed about issues and trends affecting the PSHCP. As we navigate continued advancement and change in the health and wellness environment, we will actively pursue opportunities to support our stakeholders and enhance the overall performance of the Plan.

We are honoured to work on behalf of our stakeholders to support the management of the PSHCP and wish to thank them and our partners for their unwavering support of the organization and the important work we do. We are proud of the results we achieved in 2025 and remain committed to delivering on our priorities in 2026.

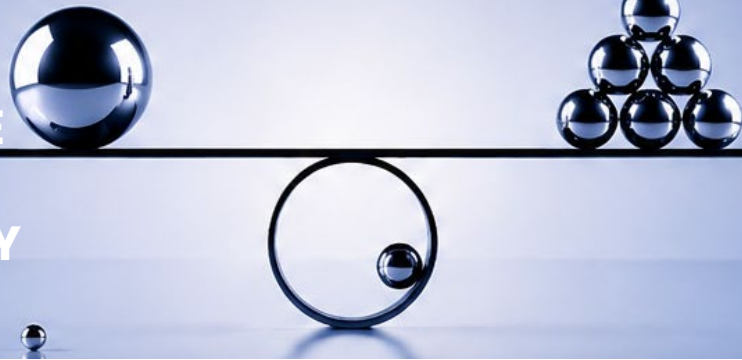
Caroline Curran

Chairperson
PSHCP Administration Authority

Manon LeBlanc

Chief Executive Officer
PSHCP Administration Authority

THE FEDERAL PUBLIC SERVICE HEALTH CARE PLAN ADMINISTRATION AUTHORITY



The PSHCP 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 Canada Life and its subcontractors deliver 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.

OUR GOVERNANCE COLLABORATORS





ADMINISTRATION AUTHORITY ORGANIZATIONAL STRUCTURE

The Administration Authority is governed by a Board of nine directors and a chairperson (see Annex A). The Board of Directors and its three committees (Executive, Appeals, Audit and Finance) are responsible for overseeing the management of the Administration Authority.

In 2025, the staffing complement at the Administration Authority comprised 15 PSHCP specialists with expertise in numerous fields, including finance, management, audit, compliance, communications, claims adjudication and group benefits administration (see Annex B).

The organization has delivered on all its operational and reporting responsibilities to the extent that information was provided by Canada Life. Where information was not available, the Administration Authority sought other means to monitor and conduct oversight of the PSHCP functions.

These operational and reporting responsibilities include:

- Ensuring that service standards are 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
- Reporting on incidents of fraud detected by the Plan Administrator.

STRATEGIC PLAN

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.

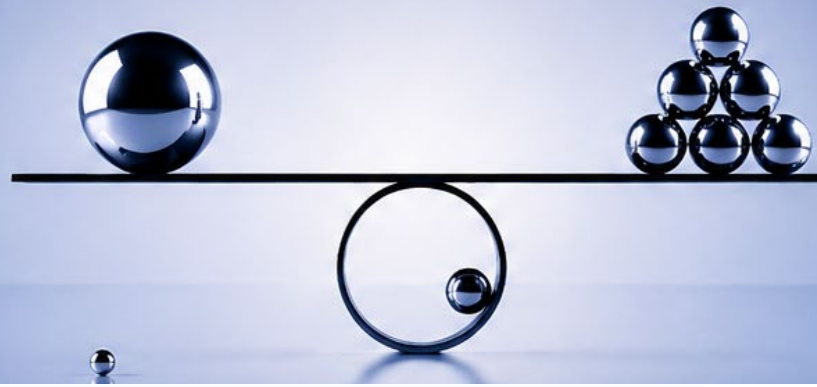


We respect the diverse opinions of our stakeholder groups and value cooperation with all players in the system.



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

STRATEGIC OBJECTIVES AND PERFORMANCE EXPECTATIONS



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



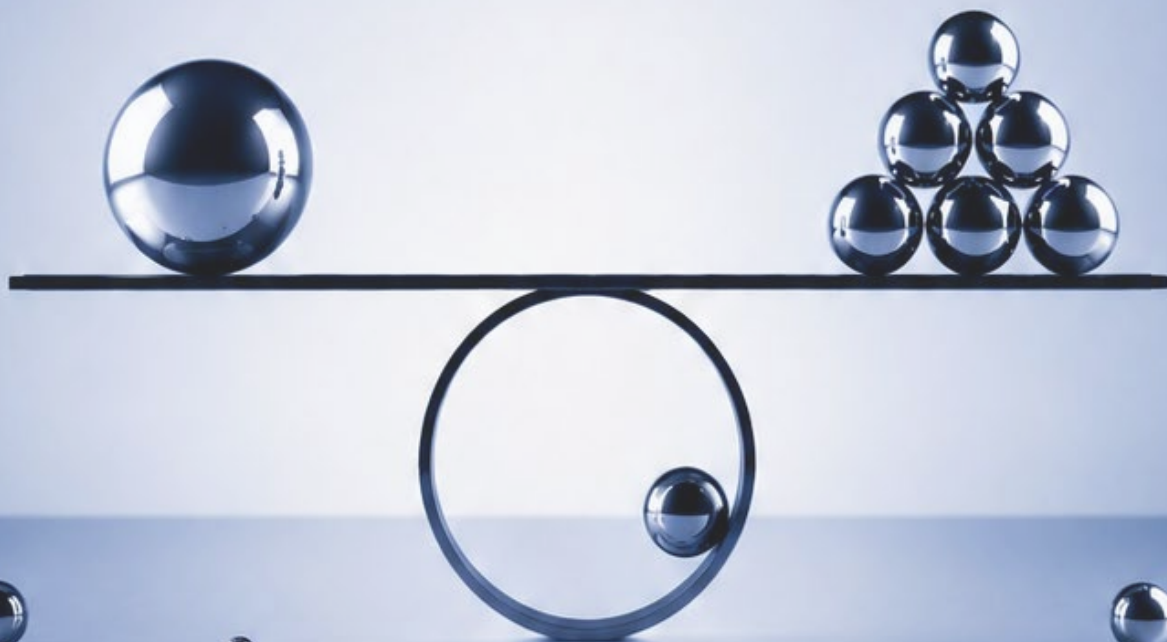
TO PROVIDE EXCELLENCE IN GOVERNANCE AND MANAGEMENT

- 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

To meet its strategic objectives, the Administration Authority's operations are divided into three functional areas: **Appeal and Member Services**, **Compliance and Reporting**, and **Corporate Services**.

ADMINISTRATION AUTHORITY

2025 AT A GLANCE



2025 KEY ACCOMPLISHMENTS BY FUNCTIONAL AREA

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.

STABILIZATION OF THE APPEALS PROGRAM UNDER THE NEW CONTRACT

While the transition to the new Plan Administrator in July 2023 had resulted in inconsistencies in adjudication practices in previous years, 2025 showed continued stabilization. Appeal volumes decreased for the first time since 2023, indicating clearer, more consistent adjudication. Although still above pre-transition levels, fewer cases escalated to the Committee as more issues were resolved earlier in the process. Despite the year-over-year decrease, appeal volumes remain materially higher than the pre-transition baseline. This sustained elevation demonstrates the lasting effects of the 2023 Plan changes and the continued need for monitoring, outreach, and communication to support member understanding. The Administration Authority has maintained its efforts to work closely with the Plan Administrator to refine practices and improve the efficiency of the appeals process.

The adjacent table reflects differences in the types of appeals received in 2025 compared to 2024. This comparison points to clarifications and refinements in adjudication practices in 2024, which reduced the number of appeals for osteopathy and naturopathy services. The trends observed show an increase in appeals from members who reside outside of Canada or experienced an emergency while travelling, two appeal categories that did not appear in the top 10 for 2024.

2024	#	2025
Contribution refund – 12.3%	1	Contribution refund – 13.6%
Retroactive coverage – 5.8%	2	Retroactive coverage – 10.4%
Osteopathy – credentialing – 5.3%	3	Other coverage related – 6.8%
Naturopathist – 5.1%	4	Vision care – 4.6%
Coverage – 5.1%	5	Comprehensive coverage – MSH – 4.6%
Vision care – 4.4%	6	Drug – prior-authorization – 4.1%
Prior authorization – 3.0%	7	Travel – MSH – 4.1%
Provincial integration – 2.8%	8	Orthotics – 2.2%
Late claim – 2.3%	9	Psychology – mental health – 2.2%
Ineligible psychology – 2.1%	10	Reasonable and customary charges – 1.4%

APPEALS IN NUMBERS	2022	2023	2024	2025
Appeals heard by the committee	261	393	431	367
Appeals resolved administratively	82	207	268	139
Total appeals managed	343	600	699	506

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 met monthly and on an ad hoc basis with TBS and Canada Life to discuss and resolve adjudication and communication issues.

SUSTAINED COLLABORATION WITH TBS ON THE DEVELOPMENT OF NEW COMMUNICATION PRODUCTS

This team continued to ensure that member-facing products efficiently meet the requirements, the quality standards, the official languages, and the accessibility expectations of the Contract. This included an ongoing collaboration with Canada Life, MSH and TBS to improve the MSH portal, the production of two PSHCP Bulletins and a special Bulletin insert on Comprehensive coverage.

For more information on the Administration Authority's communication activities, visit: www.pshcp.ca/articles/category/news

COMPLIANCE, AUDIT AND INVESTIGATIONS, AND REPORTING

The Administration Authority is responsible for a range of oversight and analytical functions to ensure effective contract management and accountability. These responsibilities include conducting audits and evaluations of Canada Life, overseeing the Audit and Claim Verification Program as required under the Contract, and reporting on the results of fraud investigations and prevention efforts. The Authority also manages contract compliance, implements the Risk-based Audit Plan, and carries out risk analysis and management. In addition, it supports informed decision-making through ongoing research, analysis, and reporting.

COMPLIANCE MONITORING

The Administration Authority finalized its reporting on the Plan Administrator's performance against the Contract's various service levels and service standards for the 2024 calendar year. However, the Plan Administrator's incomplete and inconsistent reporting on self-declared service achievements prevented the Administration Authority from conducting its quarterly compliance verification and performance reporting throughout 2025.

More broadly, the incomplete state of the reporting solution for the PSHCP and the remaining deficiencies restrict the Administration Authority's ability to inform and protect decision-makers with reliable data. The current situation also limits autonomy and oversight capability and weakens governance controls. The inability to assess membership trends, analyze benefit usage, and evaluate the impact of plan design changes further restrict oversight functions.

The Administration Authority remained committed to supporting the finalization of all reporting deliverables and the resolution of data integrity issues, which involve extensive rework, increase administrative burden, and reduce operational efficiency.

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.

At the time of this writing, Canada Life's reporting on the results of the PSHCP Audit and Claim Verification Program for 2025 was not available. The lack of reporting has limited the Administration Authority's ability to exercise its oversight function for the audit program, which in 2024 evaluated nearly 263,000 claims totaling \$194.9M and identified approximately \$3.3M in savings and recoveries to the Plan.

Throughout 2025, the Administration Authority monitored Canada Life and its subcontractors' (TELUS Health and MSH) compliance with audit program requirements using available program results and false claims reporting. This contributed to enhanced audit processes, an improved member experience, and reduced delays in the payment of claims selected for audit.

KEY ACCOMPLISHMENTS FOR 2025

Privacy Audit: This external compliance audit was completed in 2025 under the direction of the Administration Authority. The audit evaluated the effectiveness of privacy management controls and processes in place at Canada Life and its subcontractors. Canada Life has established an action plan to address the recommendations stemming from the audit.

General Claims Audit: This external compliance audit was initiated in 2025 under the direction of the Administration Authority. The audit, which is scheduled to be completed in 2026, will include a review of claims processed by Canada Life and its subcontractors.

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 THE 2025

THE PSHCP REPORTING SOLUTION

The Administration Authority continued to escalate concerns and convey the sense of urgency for the timely completion of a reliable reporting solution for the PSHCP. The Administration Authority continued to collaborate to support Canada Life in their efforts to finalize the PSHCP reporting solution, which includes over 125 monthly standard 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 Canada Life is compliant with the contract requirements. The Administration Authority's expectation is that the reporting solution will be fully functional in 2026.

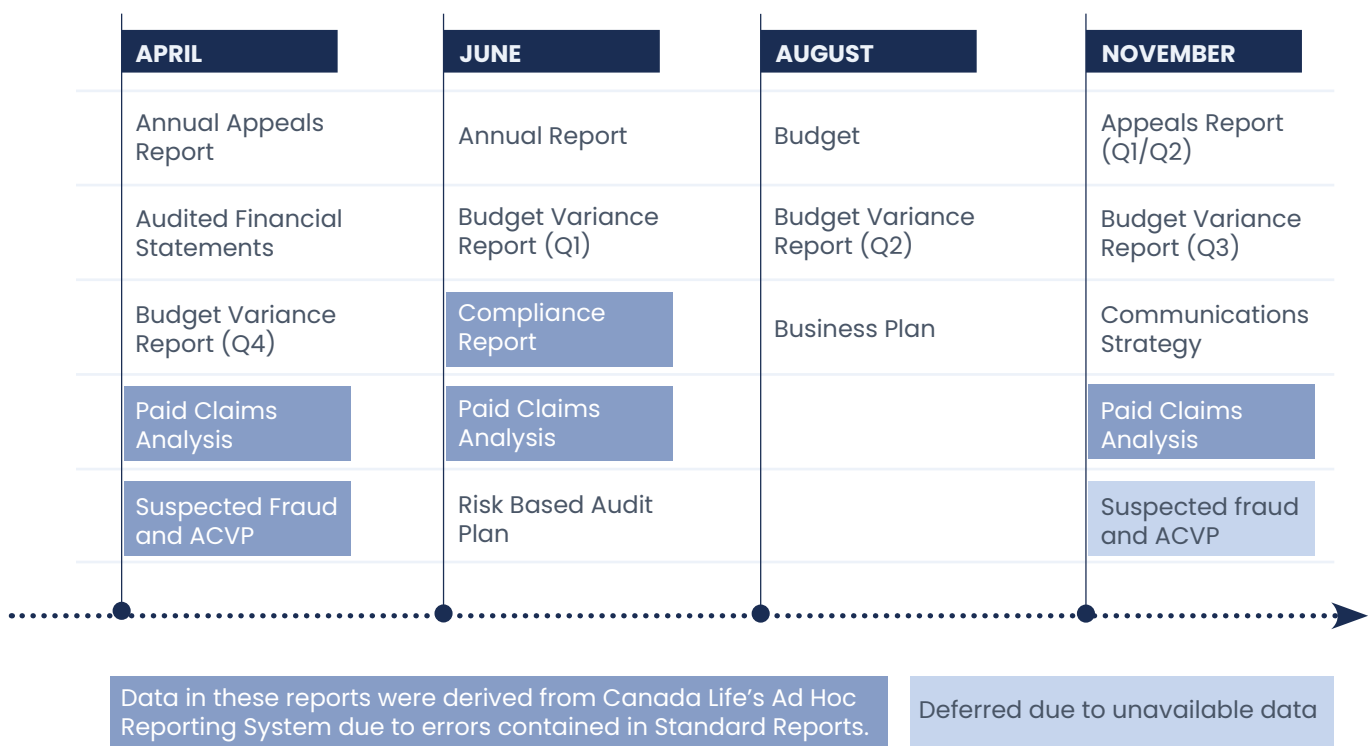
2025 REPORTING FRAMEWORK



As outlined in the preceding pages, and in alignment with its mandate, the Administration Authority prepares and maintains a comprehensive schedule of reports throughout the year. In 2025, the organization delivered its reporting responsibilities to the Partners Committee, as summarized in the graph below. This ensures that the stakeholders are informed of the Plan’s performance and issues affecting the PSHCP. Much of this activity relies on Canada Life’s reporting. Due to development and implementation issues with the reporting solution, many contractually required reports were delayed, while others remain outstanding, including 250 audit program reports. This significantly limits transparency and restricts the Administration Authority’s ability to assess plan experience and monitor operational performance.

The Administration Authority continues to contribute to a more robust reporting solution by raising anomalies with Canada Life and actively participating in testing of the solution. In the interim, limitations in the Administration Authority’s reporting have been flagged in the graph below. For further details regarding the reports submitted to the Partners Committee, please refer to Annex C of this report.

2025 REPORTING FRAMEWORK PARTNERS COMMITTEE



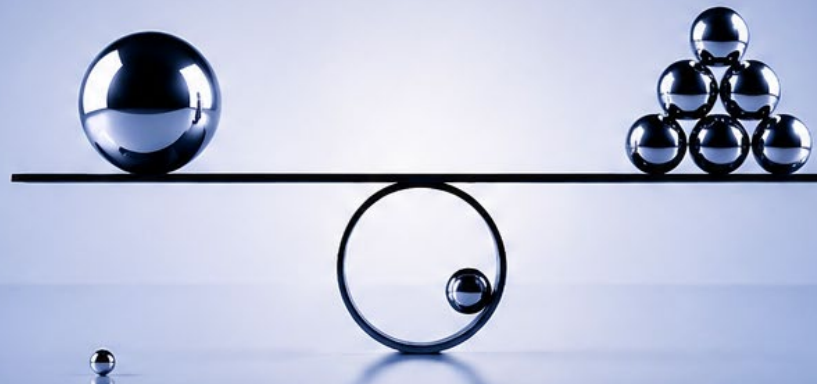
The Corporate Services function is responsible for the administration and oversight of the organization's strategic and business planning, including ongoing monitoring processes to ensure alignment with objectives. It also encompasses the management of internal financial operations and human resource activities, supporting efficient and effective organizational performance. In addition, Corporate Services ensures the continuous monitoring of Canada Life's compliance with the requirements set out in the Contract.

THE TRANSITION OF THE PSHCP CONTRACT

To effectively support the refinement and advancement of the solutions for the PSHCP, the Administration Authority maintained strong, productive collaboration with all governing parties— including Treasury Board of Canada Secretariat (TBS), Public Services and Procurement Canada (PSPC), the Partners Committee, Canada Life, and MSH International. Despite differing perspectives and complex policy considerations, the Administration Authority successfully maintained an environment of open dialogue, mutual respect, and professionalism. By fostering transparent communication and focusing on shared objectives, the team ensured that discussions remained solutions-oriented and that relationships stayed collegial and constructive. This ongoing operational and leadership collaboration has strengthened governance processes, supported effective decision-making, and reinforced trust among all parties involved.

In parallel, thanks to the resilience and dedication of all staff members, the Administration Authority successfully completed the deliverables identified in its annual Business Plan, including investing in staff well-being and providing efficient Board support.

OTHER 2025 ACCOMPLISHMENTS

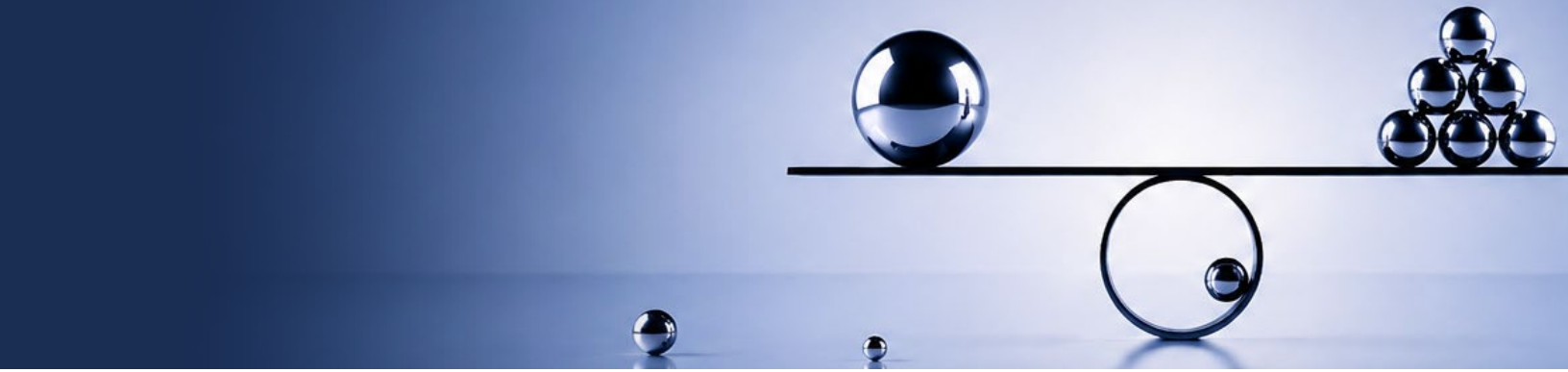


APPEALS AND MEMBER SERVICES

- ✓ Received 522 appeals, a decrease of approximately 19% from the 645 received in 2024 and a 10% decrease compared to 580 in 2023. Although numbers are stabilizing, they remain above pre transition volumes (400 in 2021 and 408 in 2022).
- ✓ 367 appeals were heard by the Appeals Committee, a 14.8% decrease from the 431 reviewed in 2024.
- ✓ 139 cases were resolved without requiring an Appeals Committee review (“no committees”), representing a 48.1% decrease from 268 in 2024. Pre transition, there were 82 such cases in 2022, increasing to 207 in 2023 due to transition related issues. While trending downward, these cases have not yet returned to pre transition levels. Most stemmed from adjudication errors and plan interpretation issues by the Plan Administrator. These were resolved directly with Canada Life and MSH to refine adjudication practices, prevent recurrence and improve the member experience.
- ✓ Managed 209 escalations and 36 correspondences from members seeking assistance from the Administration Authority with delayed claims, high-cost claims, emergency medical and financial hardship situations.
- ✓ Managed an increased number of Access to Information and Personal Information requests.
- ✓ Worked with TBS and Canada Life to leverage the feedback from members and ensure that adjudication practices and claims are processed in line with the intent of the PSHCP.

COMPLIANCE, AUDIT AND INVESTIGATIONS, AND REPORTING

- ✓ Finalized a comprehensive Plan Risk Assessment, which informed the development of the 2026-2028 Risk-based Audit Plan.
- ✓ Fraud management: The Administration Authority collaborated 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.
- ✓ Engaged with TBS and Canada Life to explore ways to strengthen controls and processes related to fraud prevention and detection. As part of these efforts, Canada Life implemented enhancements to its controls and processes related to eligibility and enrolment in late 2025. Discussions regarding enhancement opportunities for claims controls and processes are ongoing.



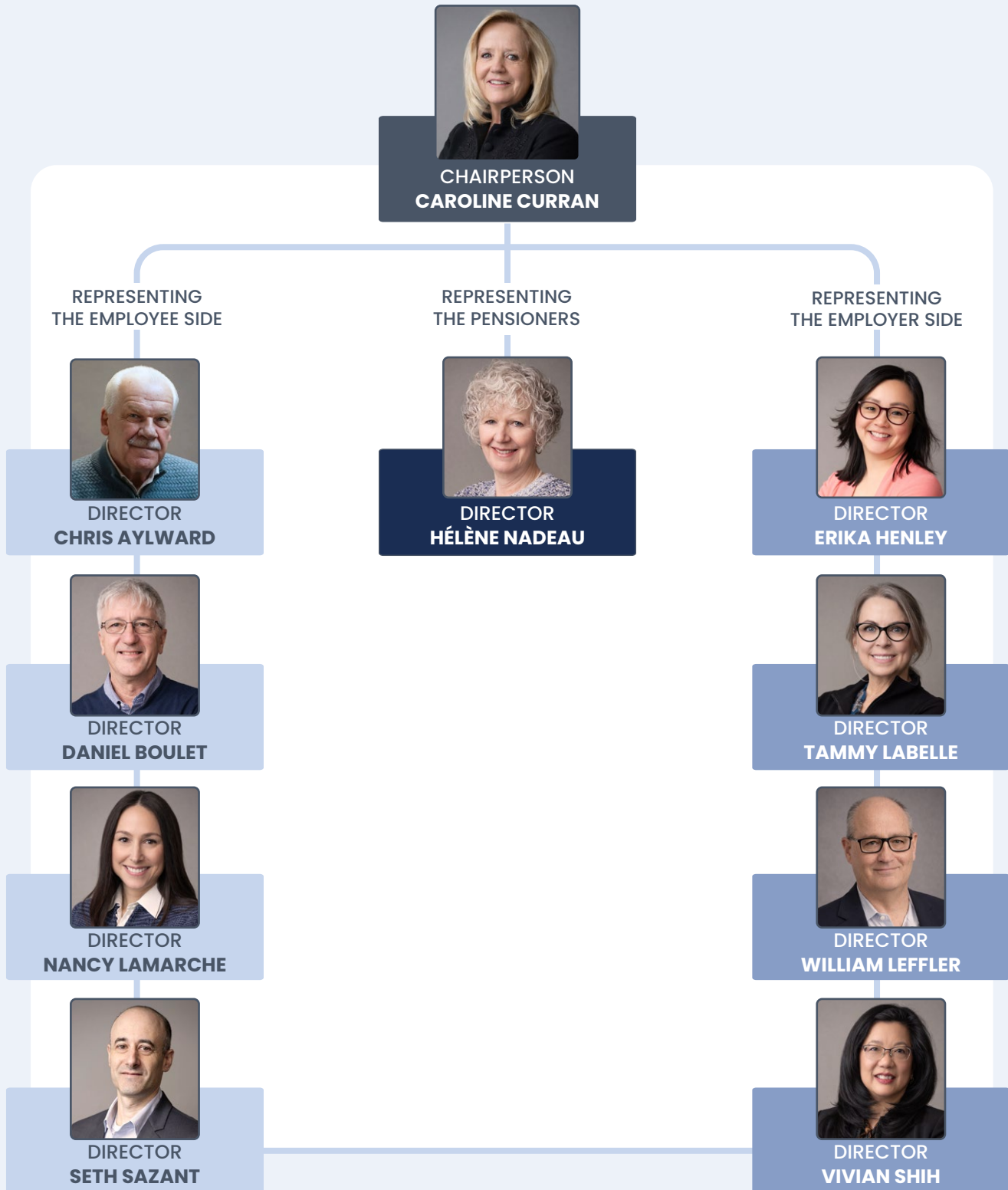
REPORTING, RESEARCH, AND ANALYSIS

- ✓ Conducted ongoing analysis on the Plan experience, including reviews to assess the impact of Plan design changes implemented in 2023. This was limited to aggregate Plan-level experience as opposed to more targeted benefit-related trending and analysis due to the unfinished state of Canada Life's reporting solution.
- ✓ Monitored the public healthcare landscape, with a focus on Pharmacare and its potential impact on the PSHCP.

CORPORATE SERVICES

- ✓ Conducted a staff assessment and succession planning exercise which yielded positive results whereby staff revealed that the work environment is collegial and that they are generally satisfied with their employment, despite the challenging demands given the limited resources.
- ✓ Obtained an unqualified audit opinion on the organization's audited financial statements (clean audit).

ANNEX A – PSHCP ADMINISTRATION AUTHORITY 2025 BOARD OF DIRECTORS



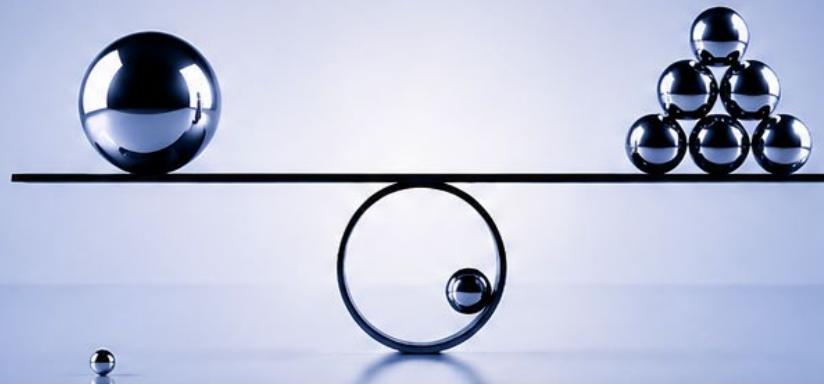
For more information on the Administration Authority and its Board of Directors, please visit www.pshcp.ca/about-the-pshcp/about-the-administration-authority



ANNEX B – PSHCP ADMINISTRATION AUTHORITY 2025 STAFF COMPLEMENT

MANON LEBLANC	Chief Executive Officer
DANIEL LOCKWARD	Comptroller and Senior Director, Corporate Services
CONOR STEINBERG	Senior Director, Program Compliance and Reporting
CHELSEA AUCLAIR	Director, Appeals and Member Services
KATIA DAIGNEAULT	Benefits and Communications Manager
MUNMUN RAY	Portfolio Program Manager
ROBERT CHAPMAN	Director, Program Compliance and Reporting
AMANDA GREENFIELD	Senior Analyst, Performance Monitoring and Reporting
OMEGA HELISO	Health Economics and Reporting Analyst
MARIAM LAALOU	Appeals and Communications Analyst
ELIZABETH DEPESTRE	Appeals and Communications Analyst
NADINE LALONDE	Appeals and Communications Analyst
TAYLEN BURNETT	Reporting Analyst
MITCHELL BEACOM	Reporting Analyst
RACHELLE LEMIRE	Office Administrator

ANNEX C – PARTNERS REPORTING



QUARTERLY AND SEMI-ANNUAL DELIVERABLES

APPEALS REPORT

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

AS&D 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

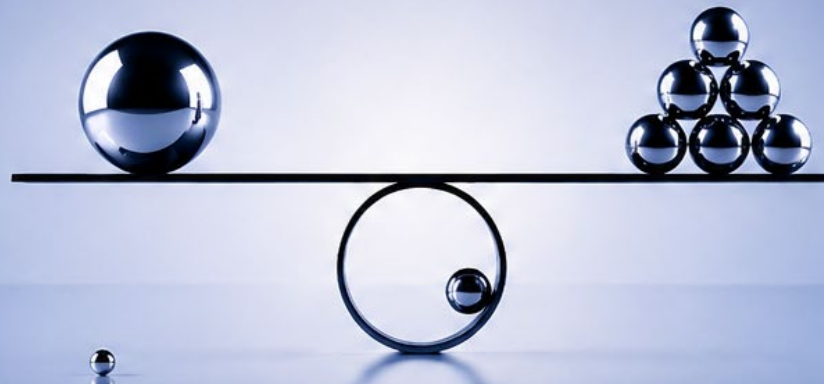
- Overview of current case load and status
- Outstanding recoveries
- Plan recoveries and cost avoidance for the period

PAID CLAIMS ANALYSIS

Variance in:

- Paid claims
- Membership
- Cost per member

ANNEX C – PARTNERS REPORTING



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

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



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

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