



Teaching Support Staff Union

SFU receives kickback from private health insurer

FOR IMMEDIATE RELEASE

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Burnaby, BC -The Teaching Support Staff Union (TSSU) today released documents obtained under the Freedom of Information and Protection of Personal Privacy Act (FOIPPA) detailing a “financial incentive” SFU received to pick the most expensive health plan in BC for its students.

The documents detail a kickback to SFU “not to exceed 5% of the total annual insurance premium volume.” The private insurance provider, Guard.me, also offered to “consider additional requests beyond this commitment on a case by case basis.”¹

The coverage provided by Guard.me is meant to be a stop-gap between when a student arrives in BC and when they become eligible for the BC Medical Services Plan (MSP) two months after the month of arrival. All new SFU students who are not permanent residents or citizens of Canada have the Guard.me health plan fee added to their student fees, whether they require it or not. Members of TSSU have been forced to pay the fee when they have lived in BC for years and were already enrolled in MSP through SFU.

The Guard.me coverage costs substantially more than the same type of coverage at other universities in BC. The average of the cost at UBC, UNBC, KPU, UFV, and UVic is \$167.45 / student, with UBC being amongst the most affordable at \$150 / student². SFU's coverage, at \$353 / student costs more than double the average and is almost triple the cost of SFU's previous provider, which cost \$126.00 / student. The \$353 charged to students by SFU includes a \$17 administration fee levied by SFU and a \$17 minimum kickback to SFU.

“We have clear evidence of a public institution who forced their students into the most expensive option when students would have chosen a different option”, said TSSU spokesperson Derek Sahota. Sahota added: “It is very difficult to opt-out of the plan, which causes students to be automatically re-enrolled. SFU continues to charge students exorbitant premiums every semester that add up to over \$4000 in needless coverage over the course of a typical SFU degree. When the students can't afford to pay, they are charged punitive interest rates of 26.8% APR. We don't see any rational reason for SFU to have chosen the most expensive plan from amongst the 5 bids.”

The contract between Guard.me and SFU states that students may be eligible for a refund of unused premiums, but only if they have documentation for a refund on paper rather than in electronic form. Sahota added: “SFU gives all undergraduate students

¹ Source: FOIPPA disclosure to TSSU, page 21 of 141, Q10. Document attached. Contact dereks@tssu.ca for more information.

² Source: Information collected from public websites by TSSU. See attached document “International Medical Comparison Chart.pdf” for details and links to original sources.



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electronic records which automatically disqualifies them from refunds they would otherwise be owed. SFU and Guard.me claim they need to do this for 'administrative reasons internal to [Guard.me],'³ but in the 21st century such reasons seem very dubious.”

The documents released today were obtained as part of a grievance investigation that TSSU initiated in July 2013. The documents represent a small portion of the information TSSU requested from SFU via the FOIPPA. The majority of documents received were heavily redacted. SFU has delayed release of this information in violation of the law, a fact which SFU has acknowledged.⁴ SFU and TSSU have an Arbitration scheduled on the imposition of Guard.me on TSSU members for December 2014.

The documents also indicate that several other bids were obtained by SFU, with prices ranging from \$188 to \$335, with the chosen Guard.me plan being the most expensive. No rationale or justification for the decision to choose Guard.me was given in any of the documents.

Sahota continued: “Those responsible for making the decision to go with Guard.me must be held to account. Since the implementation of Guard.me, students have overpaid by hundreds of thousands of dollars compared to the other bids obtained by SFU. The only significant difference that we can ascertain is that Guard.me offered a 5% kickback to SFU. These students are owed more than an apology; they are owed a refund of the money that SFU has charged them.”

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For further information:	Derek Sahota 778-840-9428	TSSU Spokesperson dereks@tssu.ca
	Reagan Belan 778-782-4735	TSSU Chief Steward chief_steward@tssu.ca

³ Source: Agreement for Services between Guard.me and SFU. Obtained through FOIPPA by TSSU. Page 7 of 13, clause 3.(i)iv.

⁴ Source: Letter to TSSU from SFU's Chief Privacy Officer