

EMPLOYEE BENEFITS REPORT 2025

The NSFM Benefits Program is tailored to help municipalities attract and retain talent while promoting the overall wellbeing of municipal employees and elected officials, their families, and their communities. The program offers a comprehensive suite of benefits, including health, dental, life, and disability coverage, along with a range of optional supports such as an Employee and Family Assistance Program (EFAP), virtual healthcare, wellness modules, early intervention support for long-term disability, and additional wellness tools and resources.

More than 50 municipalities, towns, villages, and affiliated organizations participate in the program, representing approximately 2,300 municipal employees across Nova Scotia. This collective participation provides strong purchasing power, enabling cost savings, greater leverage in negotiations with insurers, and access to stable, sustainable rates.

The NSFM Health & Benefits Committee (HBC) oversees the Program and demonstrates a high degree of commitment to its success.

Members of the Committee include:

Tracy Dixon, *Municipality of East Hants*

Rachel Hiltz, *Municipality of the District of Lunenburg*

Krista Crossman, *Town of Amherst*

Lynn Wagner, *Municipal Joint Services Board – Lunenburg Region*

Carlene Hawley, *County of Inverness*

Ian Morrison, *NSFM*

David Campbell, *AMANS*

At HUB International Atlantic, we're proud to continue our valued partnership with the NSFM Benefits Program and its participating organizations. As a leading national benefits consulting firm, HUB provides strategic guidance and support for the program, working closely with the HBC to deliver expert advice on plan design, cost management, benefits administration, disability support, and workplace wellness initiatives.

Highlights from 2025

Group Benefits Plan

The annual premiums for the plan last year were \$12.3 million. Benefit plan claim costs, in general, continue to rise due to several factors, including increased utilization (a higher number of claims), an aging workforce, the growing prevalence of chronic diseases like diabetes, and significant costs associated with highly effective specialty drugs for rheumatoid arthritis, crohn's & colitis, cancer, and psoriasis. Drug claims trend did slow compared to the previous year, in part due to prior authorization criteria implemented for diabetes and weight management drugs. There continued to be higher growth in mental health practitioner paramedical claims (psychologist, social workers, counsellors).

Long-term disability claims are most prevalent due to diagnosis for mental health and complex disease. There was an increase (+64%) in Long-term disability early assistance referrals made by municipalities last year. The program provides support (physical rehab, psychotherapy, return to work planning), at no additional cost for the member or municipality, to those who have been absent for 10 days.

Great member satisfaction is reported (97% 5-star feedback) with the Virtual Care benefit. It provides members with a virtual consultation with a physician/nurse practitioner, on demand or by appointment, available 24/7. Members can obtain counselling/advice, be prescribed medication or a medication refill, or obtain referrals to other practitioners. The benefit is not intended to replace a primary care practitioner but rather supplement care by providing access in an efficient, convenient manner. There is no cost to the member when utilizing the virtual care benefit.

The Health & Benefits Committee continues to monitor claims, and consider changes to the plan design and rates, to meet the needs of the plan members and municipalities. Many organizations continue to face challenges surrounding mental health, growing incidence and duration of medical absences, and employee attraction and retention.

Participating municipalities enjoy continuous savings from lower administrative fees, enhancing the plan's capacity to cover claims while also ensuring competitive rates. At the 2023 market study, general administration fees were reduced and set for five years. Pooling and travel rates renewed in April coming off a rate guarantee. The market study also resulted in reduced life and long-term disability premium rates, with a rate guarantee in place. These rates will renew in April 2026 with a combined 15% rate cap each of the next two renewals that will ensure excellent cost stability for years to come.

Education and Information Updates

We continued the NSFM Roadshow this year in June, hosting half day in person sessions in Bridgewater & Truro. The sessions focused on financial strain and the top trends in benefits, which included fraud, increased mortality trends, increasing prevalence and cost of ADHD, legislative updates on National Pharmacare and the Canadian Dental Care Plan, changing travel habits of Canadians, and the impact of tariffs.

We conducted a review of employee persona profiles and their relation to financial fragility and financial strain, where we found that about 25% of municipal employees are likely to be financially strained. Since 2022, mental health practitioner claims have increased 86%, and mental health drugs claims by 30%. A number of supports related to financial strain that are available within the plan were highlighted, including EAP Counselling and consultations with financial professionals specializing in credit/debt management, budgeting, bankruptcy, and tax. Access to an AI-Enabled financial coaching program at a preferred price is available to plan members with Medavie Blue Cross coverage.

HUB was also delighted to provide a webinar (at no cost) to employees and elected officials titled *Curated Retirement: Preparing for Life After Work, Retirement Planning Beyond the Numbers*. The session, provided by Retirement Coach Tammy Vigue, was about envisioning and developing a plan for a fulfilling life after your career. Participants explored how to make your retirement years more meaningful by discovering satisfying alternatives to work and finding a renewed sense of purpose. Practical strategies to navigate the transition from a structured career and work identify to a new chapter of life were provided.

We are excited to host a plenary session at the 2025 NSFM Fall Conference entitled *Mental Health in Office: Real Talk, Real Tools*. Elected officials face constant demands, public scrutiny, and high expectations, all of which can take a toll on mental well-being. Public officials share their personal experiences alongside a mental health professional to provide practical strategies and tools to help manage stress, build resilience, and support overall wellness.

Closing

At HUB International Atlantic, we value our partnership with NSFM and the participating municipalities. If you're interested in learning more or discussing any aspect of the NSFM Benefits Program, we welcome you to reach out to us:

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