# Frequently Asked Questions – Blue Cross Debt

Updated: October 5, 2025

**Sections:**



## SCMMA's Blue Cross benefits plan debt

SCMMA's benefits account wasn't properly monitored during and following the pandemic. During that time, member claims increased quite a bit, quickly surpassing the balance in our account where our premiums we credited monthly. Every other union at the City had a similar issue, but we are on our own to solve it.

In November 2023, SCMMA's account was in a deficit of $915,000 with interest added monthly. The board removed the health spending account benefit, reduced the maximum for prescriptions and increased the member monthly premium. Members voted to add a $50 levy per month deduction from their paychecks to contribute to the debt, beginning January 1, 2024.

At October 2, 2025, the deficit is $437,000 after an initial lump sum payment and 21 months of levies. The interest on the debt owing was increased in May 2025 from Prime -2% to Prime +2% monthly.

The contract with Blue Cross ended May 30, 2025, which was extended to December 31, 2025. During bargaining, SCMMA signed on to the new health benefit plan with Sun Life, which will be managed by the employer. There will be regular reporting, monitoring and accountability. This plan will take effect January 1, 2026 and the Blue Cross debt will need to be paid off before we can leave them.

When IFPTE, our international union, learned about our situation, they wanted to help. After months of working on a proposal, making presentations and having meetings, with help from IFPTE reps, your executive team secured a zero-interest rate loan from our sister union the Society of United Professionals, IFPTE Local 160. We signed a contract for up to $550,000 to pay off this debt and free us from these obligations.

Members will each keep paying $50 per month ($25 per paycheck), but we will save 10s of thousands of dollars in interest and pay it back faster than with Blue Cross at almost 7%. Securing this loan was critical for the bargaining team to negotiate wage increases, as other unions didn't have any other options but to take cash from the employer for their Blue Cross debt, giving up wage increases in some capacity.

We'll fight for the highest wage increases and the biggest back pay. That way, members can decide if you want to save it for the ongoing loan repayment deductions or manage the future payments.

On October 1-3, SCMMA presented a proposal to members to join the Society of United Professionals. As part of the offer, the loan will be absorbed and covered with regular member dues, beginning when the current collective bargaining agreement is ratified. Members will vote on joining the Society October 20-21, 2025.

## Blue Cross health plan - Debt

**What did SCMMA do to address the debt and overspending?**

- By November 2023, when the current board members were elected, we learned that we owed $915,000 to Blue Cross for overspending.
- At the time, we cancelled the health spending accounts, reduced coverage for prescriptions and twice we increased our premium payments to where everyone is now paying $106 per month in deductions, which includes $50 dedicated to the deficit.
- Blue Cross is charging 6.95% interest on the outstanding amount, which was $585,000 at May 2025, on track to be paid off in 31 months.

**How did we end up with this amount of debt?**

- The previous fees of $12.50 per pay period were based on average past use or a prediction. We continued to contribute the same amount, despite there being more claims than anticipated.

**Why were plan members able to spend more money than we are contributing to the plan?**

- SCMMA has a contract with Blue Cross for the administration of the plan only. Blue Cross reviews claims based on eligibility, not based on the plan account balance.
- However, Blue Cross can monitor the account balance and advise when the balance is approaching a deficit. They could offer advice and make suggestions for plan or pricing changes. If we don't make changes and remain in a deficit, Blue Cross can charge interest on what's owing and/or call the debt and freeze claims.

**Is Blue Cross in breach of contract? Are we taking legal action?**

- While there hasn't been a formal audit of this situation, and it's still unclear who dropped the ball. What is clear is that there were opportunities for people on all sides to do better and to catch this sooner.
- Blue Cross issued regular statements that showed the balance of the pool, which would have been a deficit. The statements were often 2 or 3 months late.
- It's not clear if there was negligence by Blue Cross and the cost of legal support would outweigh the benefit.

**What interest rate is Blue Cross charging on our outstanding balance?**

- On May 1, 2025, Blue Cross increased the rate to Prime PLUS 2% (was Prime minus 2%), which is ~6.95%.

- SCMMA requested Blue Cross reduce the debt, but they were not willing to. The agreement was that they would pay interest on a surplus in our account, and we would pay interest on a deficit.

## Repayment of Deficit

**Did SCMMA ask the City to pay our debt?**

- Other civic unions negotiated debt payoff with the City as part of contract bargaining, in exchange for back pay or other benefits. SCMMA did not want to give up bargaining power and secured an interest-free loan from our IFPTE sister union, the Society of United Professionals.

**How is SCMMA paying off the debt?**

- Your SCMMA board secured an interest-free loan from our IFPTE sister union, the Society of United Professionals. Members will continue to pay $50 per month through deductions of $25 on each paycheck until the loan is paid.

**What were the results of the November 8, 2024 membership vote?**

- Options for repaying debt owed in consultation with Blue Cross were presented to the membership and 297 (66.6%) of 446 electors voted in this ballot managed by Simply Voting:

| Option | Votes |
|---|---|
| OPTION 1: Raise SCMMA contributions by $25.45 per month to a total of $105.77. Coverage remains the same. Repayment of debt in ~24 months. | 117 (39.4%) |
| OPTION 2: Raise SCMMA contributions by $11.74 per month to a total of $92.06. Coverage decreases (view details below). Repayment of debt in ~24 months. | 110 (37.0%) |
| OPTION 3: Raise SCMMA contributions by $45.23 per month to a total of $125.55. Coverage remains the same. Repayment of debt in ~18 months. | 70 (23.6%) |

VOTER SUMMARY

| | |
|---|---|
| Total | 297 |

## Benefits plan - Management

**How does SCMMA monitor our spending? How often do we check our account?**

- Blue Cross provides monthly statements on plan usage and balance/deficit that are reviewed by board members and a new committee. The monthly statements are often a couple of months late.

**How will transparency be given to SCMMA members?**

- There is a committee responsible for this program that reports to the SCMMA Board. The board committed to providing quarterly updates to members on the status of the repayment and any other changes.

**What changes has SCMMA made to monitor the plan statements so issues are caught early?**

- Communications from Blue Cross are now sent to the SCMMA board email address which is monitored by multiple people – this ensures more than one person is now aware of what is happening and knowledge transfers to new members when needed.
- A committee of stewards and board members has been formed to review the statements and meets as needed.
- Documents are being stored in an accessible location for all committee members.

**Are we obligated to stay with Blue Cross as our provider?**

- The contract with Blue Cross expired on May 31, 2025 and it was extended to the end of 2025, as the City and unions prepare for transitioning to a new health and dental benefits provider.

## New Benefit Plan – January 1, 2026

- SCMMA signed on to the City's new health and dental plan, to begin January 1, 2026. Read: MyCity | New provider selected for City's redesigned benefit plans
- The City will monitor the plan with the new provider and the unions won't be responsible for tracking the spending.

## Current Blue Cross benefits plan - general

**How does our benefits plan work?**

- We have an ASO (Administration Services Only) Health Plan with Saskatchewan Blue Cross:
    - There's a deduction of $52.89 on each SCMMA member's paycheck (premium) credited to our account with Blue Cross. Each claim that is paid out to a member is debited from this same account.
- The City contributes 1% of earnings towards the Blue Cross account and 100% of the Dental premiums.
- SCMMA members pay a flat premium (105.77 per month) and everyone has the same coverage.
- SCMMA Benefits Booklet

**How much does the plan cost**

- All members currently pay $105.77, in two payments of $52.89 on each paycheck. $50 of this is for the debt repayment and $55.78 is the premium for the plan.

**How much do other civic unions pay for their benefits?**

- Please see below link for all other union plan rates and benefits: https://cityofsaskatoon.sharepoint.com/sites/mycity-benefits/SitePages/Health-And-Dental.aspx

**Can individual members opt out of the Blue Cross Health Plan?**

- No, there is no option to opt-out. A new plan with Sun Life will take effect in 2026 with options for the level of coverage.

**Do people get cut off when they hit the max?**

- Yes, each member has the same benefit maximums as defined in our agreement. Blue Cross will only reimburse members for claims up to that maximum, and further claims will be denied.

**What happens if everyone maxes out their benefits coverage?**

- When everyone uses their maximum benefits allowed, the account balance gets used up, and a debt builds. To cover the cost of member claims, the monthly premiums must be increased.
- The member premium is determined based on the number and amount of benefit claims at the time. The fees credited to the account are meant to cover the claims drawn from the account; otherwise, the account goes into a deficit.
- When there's a deficit on the account, SCMMA is charged interest on what's owed.