

Frequently Asked Questions

Why is this change being considered?

Medicare Advantage plans are the fastest-growing form of Medicare coverage, with a million new members enrolling each year. A few years ago, only 10% of seniors had Medicare Advantage programs – in 2016, 35% of retirees now have this type of coverage. Given this market trend the District felt it important to further explore the opportunity to move to such a plan for its retirees. We found that there is the potential for shared savings by moving to such an option, and we believe a Group Medicare Advantage plan would provide a more affordable healthcare solution for our retirees over the longer term.

These plans cost less mainly because they provide better coordination of care and management of chronic conditions than our current plan. Medicare Advantage plans also focus on providing healthier outcomes by promoting wellness and preventive care. Remember the savings are shared with retirees through reductions in your retiree premiums.

When would this change be effective?

The earliest possible date would be January 1, 2017. Any change would need to be made at the beginning of a calendar year.

I have heard the District will reduce their costs by \$2.9m by implementing this change. Is the savings a cost shift to the retiree?

The plan design itself is expected to be very similar to those already participating in the PPO. MAPD plans have a different model of delivering services, and focus on providing better coordination of care and improved management of chronic conditions – areas that are critical to keeping retirees healthy. Savings are derived from this enhanced focus and not from shifting cost to the retirees. The District would share this savings with retirees through reduced premiums. The \$2.9M is an estimate and the actual savings would be based on the actual cost of this program if we go forward with the change.

Is the MAPD plan accepted everywhere?

Not all providers accept MAPD plans. However, this is also true of Medicare, in that not all physicians accept Medicare patients. The District would seek to minimize disruption by carefully reviewing options related to design of the plan and carrier selected. Most MAPD plans do offer a national network of providers.

Will I be able to see the same physician?

In general we find that 95-98% of physicians already accept a Group MA plan. It is our experience that Medicare Advantage carriers will actively recruit the 2-5% of doctors that are nonparticipating providers to accept the plan.

Will this MAPD work like our current plan, where prescriptions are processed under Medicare Part D first, and if it is not covered, then it will be covered under the program?

The MAPD is a single plan that provides coverage for all eligible medical and prescription services. The plan works similar to an active plan, where a member has a single card and receives a single EOB (Explanation of Benefits) when services are received.

Why is the HMO being eliminated?

Only 18% of our Medicare-eligible retirees are currently enrolled in the HMO. HMO enrollees presently pay approximately \$300 per year in additional premiums for single coverage compared to those enrolled in the PPO plan. In order to get the best pricing and to include the widest network of physicians possible, a PPO plan design was identified as the best option for the Group MA program. We understand that the current HMO retirees would have a different design than they have today. Retirees currently enrolled in the HMO would see approximately \$300 in additional premium savings for single coverage over and above the decrease in contributions that PPO retirees will see.

My spouse/dependents are under age 65. How will this impact them?

Your under age-65 spouse and dependents would continue to be covered under the same plan that they have today. The biggest change for you is that there would now be a separate medical election for you and your dependents. For example, if you are in the HMO today, your spouse and dependents could continue to be in the HMO until they reach age 65. Upon reaching age 65, they would also transition to the MAPD plan.

I am over age 65 and not eligible for Medicare today. Am I still in this plan?

Only Medicare eligible retirees could be in this new plan. If you are not eligible for Medicare, you would continue to be in the same plan as you are in today.

I only live in Chicago half of the year – the other half I live in Florida. Will this plan offer me protection, regardless of where I am?

These plans would offer you coverage, regardless of where you live. Like the PPO you are covered under today, there is coverage when you are in different locations. It is a national network.

Why do we need to do this now?

The District is responsible for managing the cost of these benefits to ensure the long-term health of the retiree health care program. Part of this responsibility is to investigate alternative products in the marketplace that might offer more cost effective solutions while maintaining the current level of benefits. It is the District's belief that an MAPD plan would provide the current level of coverage at a reduced cost to the retiree and the District. This would have a positive impact on the long-term health of the retiree benefits program.

Will I still be able to take the same prescriptions I take today, or will the new plan not cover them the same way?

Drug coverage is determined by CMS (Medicare). Sometimes formularies may vary, but we do not anticipate situations where a current drug is not covered at all.

Do I have to purchase Medicare Part B?

You would still be required to pay for Medicare Part B just as you are today.

What if I don't like the plan, can I change back?

If this change is made, this will be the only option offered by the District. You could elect to opt-out of the coverage but there will be no alternate plan offered by the District.