

## **Retiree Information Session on Medicare Advantage Plans**

**February 2016**

1

### **Agenda**

- Today's Retiree Health Benefits
- What is a Medicare Advantage Plan with Part D coverage (MAPD)?
- Why Transition to MAPD Plan?
- What May Change
- What Won't Change
- Benefits to You
- Summary and Questions

2

## Today's Retiree Health Benefits

- Currently, retiree benefits are consistent with active employees (effective January 1, 2016)

Summary of Key Plan Provisions	Active	Retiree
<b>PPO</b>		
Deductible (individual)	\$350	\$350
Co-insurance (in-network)	85%	85%
Out-of-pocket Limit (individual)	\$1,500	\$1,500
<b>HMO</b>		
Office visit co-pay	\$20	\$20
Out-of-pocket Limit (individual)	\$1,500	\$1,500

3

## What Is a Group Medicare Advantage Plan with Part D (MAPD)?

- Group plan sponsored by employer
- Offered by private insurance company and approved by Medicare for all Medicare-eligible retirees
- Covers all Medicare services (hospital, physician services, prescription drug coverage)
- Utilizes a national network
- Over 17 million Americans are covered by these plans

4

## **Why Transition to a MAPD?**

- MAPD Plans focus on improving healthy outcomes for retirees
  - Promote wellness and prevention
  - Improve coordination of care between healthcare providers
  - Improve management of chronic conditions
- MAPD plans generally reduce the cost of healthcare by 20-40% while providing comparable benefits
  - Savings would be shared with retirees

5

## **What May Change Under a MAPD Plan?**

- All Medicare-eligible retirees would be offered coverage under a PPO design
  - Some minor design changes can occur, but the District would work to minimize any changes
- Minor changes to provider network
  - Potentially 2-5% of current providers are not part of the MAPD network; the MAPD plan carrier will reach out to providers not in the network to have them join
- Medical and prescription drug under one plan
  - You have only one carrier to call if questions arise

6

## MAPD Plan – Impact on Premium Rates

- The MAPD provides reduced premium rates while maintaining comparable coverage levels
- Retiree monthly contributions would decrease

Illustrative Savings Summary for PPO Plan <i>(Assumes 20-40% Savings)</i>	2015 Retiree Rate	Expected Monthly Savings	Expected Annual Savings
PPO (retiree only)	\$168.09	(\$35-\$75)	(\$420-\$900)
HMO (retiree only) *	\$194.78	(\$60-\$100)	(\$720-\$1200)

\* HMO option will no longer be available. Above figures reflect difference between HMO premium and illustrative PPO cost

7

## Converting to a MAPD Plan – What Won't Change

- You will have:
  - Continued access to medical and prescription drug benefits
  - Access to a wide variety of services and healthcare providers including specialists
- Continue group plan coverage with District oversight on plan provisions and providers
- You continue to pay your monthly Part B premium

8

## MAPD Plan – Benefits to You

- Medical and pharmacy benefits under one plan (single card, single contact)
- Improved coordination of care and condition management programs
- Reduction in retiree premiums as savings are shared with retirees

9

## Group MA is different than Individual MA Plans

	<b>“Individual Market” Medicare Advantage</b>	<b>Group Medicare Advantage</b>
<b>Provider Access</b>	Typically narrow networks of doctors and hospitals	National networks of “all willing providers”
<b>Prescription Drug Coverage</b>	Additional out of pocket costs for those retirees with high drug costs	Same retiree out of pockets regardless of cost of drugs
<b>Premium levels</b>	Premium based on a number of factors including age and location	Premium is the same for all District retirees
<b>Sustainability</b>	To maintain desired premium rates, retirees may need to increase out-of-pocket levels	District controls plan design and can balance need for plan design changes with premium rates

10

## **Summary**

- The MAPD plan reduces the cost of your monthly premiums while retaining current coverage levels
- The District would review the impact on retirees before approving any plan change

11

## **Your Questions**

12