Alternative Medicare Solutions

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Agenda

- Employer Group Waiver Medicare Advantage Plans
  - How do they work?
- Employer Group Waiver Part D Plans
  - How do they work?
- Considerations When Procuring
- Implementation
- Success Stories Leveraging Best Practices
- Q&A/Final Thoughts
Group Medicare Advantage Plans

How do they work?

- Third party administrator assumes the role of Medicare
- Medicare Parts A and B are integrated into one benefit plan
- The carrier assumes full responsibility from CMS for the services covered in the plan.
- About one out of every three Medicare beneficiaries is now enrolled in a Medicare Advantage plan

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<th>Original Medicare Essentials</th>
<th>Medicare Advantage Essentials</th>
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<td>Designed to pay medical claims</td>
<td>Leverages effectiveness of third part administration</td>
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<td>Needs supplemental coverage to fill benefit gaps</td>
<td>One plan covers all medical benefits and can integrate Rx</td>
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<td>Requires coordination (Medicare, secondary plans)</td>
<td>One ID card, explanation of benefits, point of contact (if Rx integrated)</td>
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<td>No care advocacy or integrated Rx benefits</td>
<td>Integrated retiree care advocacy &amp; service</td>
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<td>No value-add programs</td>
<td>Retiree fitness, wellness, discount programs are all standard</td>
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<td>No network, services from any Medicare provider</td>
<td>Potential provider limitations and considerations</td>
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How do they work?

- Pharmacy benefit manager contracts with CMS to provide services
- Covers drugs allowed under Medicare Part D
- Allows the group to “wrap” around core offering to cover drugs excluded by Part D
- Takes advantage of federal subsidies for manufacturer discounts and catastrophic reimbursement

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<th>Stages of a Medicare Part D plan</th>
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<td>Stage 1</td>
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<td>Stage 2</td>
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<td>Stage 3</td>
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<td>Stage 4</td>
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Considerations When Procuring

- Leverage group waiver, actuarially equivalent benefits
- Provider strategy
- Service and clinical model
- Star Rating and revenue optimization strategy
- Financial arrangement and renewal methodology
- Comparable experience
Implementation

- Communications
  - Waves
- Information technology
- Benefits and contributions
- Service model
- Contracting
- Reporting
Success Stories Leveraging Best Practices

- State sponsored group retiree plan
  - Separate Medicare Advantage and Part D Plan procurements
  - Implemented enhanced benefits at a reduced monthly premium for retirees
  - Two year guaranteed premium with alternative funding arrangement
  - Still extended solvency of healthcare plan by nearly two years

- VEBA Trust
  - Inclusive Medicare Advantage with Part D Plan procurement from comparable existing offering
  - Sought to match current benefits, implemented improved benefits for retirees
  - Second year rate cap extended projected solvency of fund by 10-12 years
Thank you!
Disclaimers

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