



Medicare Advantage Plan Information from Proposals

August 4, 2016

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Topics to be Covered

- “ Process To This Point
- “ Information from Proposals
- “ Next Steps
- “ Board Direction

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Process to this Point

- “ Study Session on Medicare Advantage Prescription Drug Plans (MAPD)
- “ Retiree Informational Sessions (5 locations)
- “ Study Session on Retiree Feedback
- “ Issued Request for Proposal with MAPD option on May 4, 2016
- “ Proposals Received June 3, 2016

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RFP Document

- “ RFP solicited proposals for a Group MAPD Plan option
- “ Proposed plan should mirror the current retiree PPO plan and pharmacy coverage
- “ Proposed plan must include a national network of providers and minimize provider disruption

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MAPD Proposals

- “ Proposals received from 4 major insurance carriers
- “ MAPD plans proposed have Medicare Star ratings between 4.0 and 4.5 on a 5-point scale
 - No provider in the market has achieved a 5.0 rating
- “ All proposals include a national network ranging from 495,000 to 685,000 providers

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Provider Disruption

- “ Vendors were given a list of all providers utilized by a District retiree in the prior 2-year period
- “ Vendors provided a disruption analysis showing which of these PPO providers do not contract with Medicare
- “ Level of disruption ranged from 3% - 6% compared to the current PPO
- “ Providers each presented strategies to reduce this disruption even further

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Plan Design Match

- “ All 4 proposals included a plan design that met or exceeded the current PPO
 - . i.e. same deductible, co-insurance, maximum out-of-pocket, pharmacy co-pays
- “ Formulary match for prescription drug coverage was 98%

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Added Programs and Services

- “ All 4 proposals included added services built into the plan design
- “ Examples
 - . Silver Sneakers Program
 - . Vision and/or Hearing Aid Discounts
 - . Telemedicine
 - . Nurseline
 - . Chronic Condition Care Programs (i.e. diabetes, hypertension)
 - . House call or in-home assessment programs

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Additional Advantages

- “ Medical and pharmacy coverage under one plan
- “ Single ID card, single point of contact
- “ Member service representatives are specialists dedicated to Medicare participants only
- “ Premium savings according to initial proposals:
 - . PPO ranged from 30% - 40%
 - . HMO ranged from 40% - 50%
 - * Single rate used for comparison
- “ Savings are shared by retiree and the District

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Next Steps

- “ Board direction on MAPD or traditional PPO/HMO design
- “ District will issue Best and Final Offer to vendors for final proposed pricing
- “ District will make vendor recommendation for contract(s) award at September 1, 2016 Board meeting

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Board Direction

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