

2017 RETIREE HEALTHCARE PLANS
POST-65/MEDICARE
COMMUNICATIONS & COMPARISONS
EXECUTIVE SUMMARY



HRA BENEFITS AND YOU

- Your Health Reimbursement Account (HRA) is money given to you by the City of Memphis each year to pay for health care. If you don't use it all, the balance will "roll over" to the next year and build up over time.
- With that extra money, you may benefit financially from choosing a plan with a higher deductible and lower premiums. Please consider your options.
- HRA Eligible Expenses
 - Premium Expenses
 - Deductible Expenses
 - Prescription Deductibles and Co-Pays

Annual HRA Funding Amounts for Retirees		
Category	Retiree (Individual)	Family
Pre-65 Line of Duty Disability	\$10,000	\$20,000
Pre-65 Ordinary Disability	\$5,000	\$10,000
Pre-65 Others	\$3,500	\$7,000
Post-65 Medicare	\$1,000	\$1,500

AVG MONTHLY COST TO MEDICARE RETIREES

FOR ILLUSTRATIVE PURPOSES ONLY

	2017 Private Exchange Monthly Premiums (Estimated)	2017 City Monthly Premiums (Estimated)
Medicare Supplemental Plans	\$68 - \$236*	\$128 - \$165
Medicare RX	\$18-\$86*	\$101 - \$218
Subsidy	\$83	\$0
Total Estimated Cost	\$3 - \$239	\$229 - \$383

PRIVATE EXCHANGE MEDICARE PLANS – MEMPHIS

FOR ILLUSTRATIVE PURPOSES ONLY

	Medicare Advantage	Medigap (Male, Age 75)	Medicare Part D
# of Plans	16	24	15
Premium Range	\$0 - \$214 (6 \$0 premium plans)	\$75 - \$258 (Plan F: \$204)	\$17 - \$92
Carriers	<ul style="list-style-type: none"> ▪ AARP ▪ Aetna ▪ Amerigroup ▪ BC BS of TN ▪ Humana ▪ WellCare 	<ul style="list-style-type: none"> ▪ AARP ▪ BC BS of TN ▪ Cigna ▪ First Health Life ▪ Humana ▪ Humana Connect 	<ul style="list-style-type: none"> ▪ AARP Part D ▪ Aetna ▪ Coventry Health Care ▪ Express Scripts Medicare ▪ Humana ▪ SilverScript ▪ WellCare

2017 SAMPLE MEDIGAP AND PART D PLANS FOR MEMPHIS, TN

FOR ILLUSTRATIVE PURPOSES ONLY

Benefits	Current City of Memphis Plan Plan F and Rx1	Medigap AARP Plan N + Coventry Value Plus RX	Medigap CIGNA Plan F + SilverScript Rx
Monthly Premium	Medical: \$221 + Rx \$ 291 = \$512 Subsidy = \$128 \$387 – Per Month after Subsidy	Medical: \$165 +Rx: \$39 = \$204 Subsidy = \$83 \$121 – Per Month after subsidy	Medical: \$204 +Rx: \$29 = \$233 Subsidy = \$83 \$150 – Per Month after subsidy
Deductible and General	Plan pays Medicare Part A and Part B deductibles No lifetime limit No network restriction	\$166 Part B deductible Plan pays Medicare Part A deductible No lifetime limit No network restriction	Plan pays Medicare Part A and Part B deductibles No lifetime limit No network restriction
Physician	100%	Up to \$20 copay for some physicians; plan covers Part B coinsurance Part B excess not covered by plan	Plan covers Part B coinsurance and Part B excess
Emergency/Urgent	100%	Up to \$50 copay for visits that do not result in an admission; plan covers Part B coinsurance after the Part B deductible	Plan covers Part B coinsurance and Part B excess
Hospital	100%	Covers Part A coinsurance and an additional 365 days at 100%	Covers Part A coinsurance and an additional 365 days at 100%
Pharmacy	<u>Retail Copay (30 Day Supply)</u> <u>Tier 1, \$10</u> <u>Tier 2, \$20</u> <u>Tier 3, \$40</u> <u>Tier 4, 40</u>	\$0 deductible 5 Tier: \$2; \$5; \$47; 50%, 33% After you enter the coverage gap, you pay 40% of the plans cost for covered brand name drugs and 51% of the plans cost for covered generic drugs until your costs total \$4,950	\$0 deductible 5 Tier: \$3; \$13; \$45; 50%, 33% After you enter the coverage gap, you pay 40% of the plans cost for covered brand name drugs and 51% of the plans cost for covered generic drugs until your costs total \$4,950

RETIREE SAVINGS ANALYSIS – AVERAGE UTILIZER (FIRST YEAR)

Cohort 1: Plan F and Rx Plan 1 with \$940 HRA and \$60 CatRx

FOR ILLUSTRATIVE PURPOSES ONLY

Current designs	Current	Medicare Supplement + Part D			MAPD
		Plan HiF	Plan N	Plan F	
Retiree contributions					
Plan Premium	\$5,435	\$1,291	\$1,999	\$2,676	\$0
Medicare Part B	1,259	1,259	1,259	1,259	1,259
City of Memphis subsidy/HRA	(1,467)	(940)	(940)	(940)	(940)
Total	\$5,226	\$1,610	\$2,318	\$2,994	\$319
Retiree costs at point-of-care					
Medical	\$24	\$1,276	\$463	\$24	\$2,441
Rx	783	1,558	1,558	1,558	1,558
Total	\$807	\$2,834	\$2,021	\$1,582	\$3,999
Average total retiree cost	\$6,034	\$4,444	\$4,339	\$4,576	\$4,318
Average retiree savings		1,590	1,695	1,457	1,716
Total City of Memphis cost/HRA	\$1,467	\$940	\$940	\$940	\$940
less RDS/add Cat Rx Fund	0	60	60	60	60
Net City of Memphis cost	\$1,467	\$1,000	\$1,000	\$1,000	\$1,000

- The current medical plan is not as rich as some options available in the individual market.
- Most individual market options are significantly more affordable than the current plan.
- An exchange transition can reduce financial commitment and afford retirees the opportunity to save money in the individual market.
- The cost comparisons are illustrative, based on an average retiree's cost profile. Individual circumstances will vary, and the private exchange vendor will provide resources to help retirees explore which options can best meet their needs.