

2020 Medicare Program Changes

Item 5C – Group Insurance Board

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Action Needed

Staff requests the Board approve 7 total policies where 5 are scenario based to facilitate implementation of “split” contracts effective January 1, 2020

- Currently: “Splits”
 - Retiree family contract
 - 1 or more eligible for Medicare
 - 1 or more not eligible
- Today “Splits” also include retiree family contract, insured under two health plans

Recommendations

1

Create A New Life Change Event

Becoming eligible or losing eligibility for Medicare

- Outside of open enrollment:
 - Permit a subscriber to change health plans
 - Permit coverage changes, example: family → single
 - **Do not** permit new enrollments

2a

“Splits” may be insured by two health plans

- Retiree may insure Medicare individual(s) under Medicare Advantage (MA) or Medicare Plus and non-Medicare individual(s) under one other health plan
- Staff and health plans are developing system requirements to facilitate
- Staff will communicate the rates and policies in plain language

What Happens Scenario 2b:

When non-Medicare individuals in “Split” become eligible for Medicare?

- Non-Medicare individuals in “splits” insured by two health plans, who age in to Medicare, will have their plan change to the Medicare plan in place
- **Effective:** Date of Medicare eligibility

What Happens Scenario 2c:

When MA individuals drop Medicare?

- Medicare Advantage (MA) individuals must be enrolled in both Parts A & B to be eligible for coverage
- Each year, a few members drop Part B. If they are enrolled in MA, they will lose that coverage
- “Splits” who have this happen, will have the Medicare individual who drops Part B automatically moved to the non-Medicare plan

What Happens Scenario 2d:

When MA retiree marries a person eligible for but not enrolled in Medicare (not a “Split”)?

- Medicare Advantage (MA) individuals must be enrolled in both Parts A & B to be eligible for coverage
- Spouses are eligible for coverage as of the date of marriage
- Retiree may keep single coverage or must change health plans as of the marriage date

What Happens Scenario 2e:

When a “Split” direct pay premium is not paid timely to both health plans?

- If the dependent submits single premium and the subscriber pays nothing, the coverage is canceled due to non-payment
- If a subscriber submits single premium, they are changed to single coverage
- Federal law permits subscribers who pay premiums post-tax to change from family to single coverage at any time

What Happens Scenario 2f:

When Medicare individual dies and more than one non-Medicare individual remains covered?

- In this rare event, ETF has permitted the survivors to continue to be charged the lower “split” rate instead of the higher non-Medicare full family premium
- 5 contracts in 2018
- If this “split” were to include either MA or Medicare Plus and one other health plan, the premium will change to the non-Medicare plan’s “split” rate

What Happens Scenario 2f:

When Medicare individual dies and more than one non-Medicare individual remains covered?

Example of Premium Rates:

| Health Plan | Split Family Rate | Non-Medicare Family Rate |
|--------------------|-------------------|--------------------------|
| Dean | \$1,045 | \$1,579 |
| Medicare Advantage | \$902 | --- |



Action Needed

Staff requests Board approval of recommendations 1 through 2f to

- A. Facilitate more retiree access to health plan choices in response to member requests for flexibility (1)
- B. Implement policies to manage “split” contracts where a family utilizes two health plans (2a, 2b, 2c, 2e and 2f)
- C. Align program policies with federal rules for Medicare Advantage (2d)



Questions?

Thank you



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