

# Customized Group Medicare Advantage Plan for NYC Retirees

- Senior Care plan becoming increasingly expensive; design changes were inevitable and in fact were scheduled for January 2021, but deferred due to COVID and MA discussions
- Implementing a MA plan produces **\$500m+ in savings per year**, starting as early as January 1, 2022. This helps stabilize the long term financial status of retiree health care, and helps temporarily save the SF from depletion
- Offering this plan allows us to continue providing retirees with a health care plan with **no employee premium for health care**
- MA plans take advantage of significant Federal government subsidies, producing large savings and enhanced benefits, with minimal impact to retirees

**Implementing MA brings long-term stability to post-65 retiree health coverage**

# About Customized Group Medicare Advantage (MA)

- More than 36% of all retirees today have moved into MA plans, and that continues to grow at strong pace – MA plans are stable and not going away
- While private companies administer the programs, the federal government is still paying the majority of the cost; with strict regulations and requirements enforced by Centers for Medicare & Medicaid Services (CMS)
- The plan that will be offered to City retirees is a **Group Medicare PPO**, which does not restrict access to providers or services like an Individual Medicare HMO might
- In a MA PPO, retirees can still see any doctor who accepts Medicare
- Federal subsidies to MA plans increase with higher quality of care, better programs, and greater member satisfaction; they are not based on managing/restricting care
- Simpler retiree experience: one ID card, one set of EOBs

**Healthier Retirees = Larger Federal Subsidies**

# Why Customized MA Through the Alliance?

- Trusted partners: Alliance has a history of understanding and responding to the needs of the welfare funds and our members
- Alliance guarantees the cost to the City for the MA plan for at least 5 years, so savings are guaranteed for at least that time
- Provides many enhanced benefits to retirees as part of the MA plan, such as: hearing aid allowance, transportation, meals, wellness incentives, and out-of-pocket protection
- Alliance guaranteed that members will be able to use Memorial Sloan Kettering (MSK) and Hospital for Special Surgery (HSS) without disruption, and is working to bring both hospitals in network by 1/1/2022
- Superior provider access – same network as current Senior Care plan (see next slide) – this is not a restricted network

# Provider Access

- **Per the Alliance, there will be no disruption in the member/provider experience:**
  - Over 90% of current utilization ***will be covered on in-network basis***
  - In less than 10% of cases, Alliance concierge service will work with members and providers to arrange payment; however, ***members will be held harmless***
    - Alliance will also proactively perform outreach to these providers
  - Neither Medicare nor a Medicare Advantage plan will pay for services rendered by a provider that has opted-out of Medicare (less than 1% of all providers)
    - ***Medicare does not pay these providers under the current Senior Care plan***

“The Alliance was created to leverage Empire’s proven national Medicare Advantage capabilities and combine the EmblemHealth and Empire provider networks that your retirees already know and use today. **There will be no disruption in the member/provider experience.**”

Stated on 3/12/2021  
by The Alliance

# Common Misconceptions about MA PPOs

## Misconception

## Alliance Group MA PPO Plan

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|---|---|
| <ul style="list-style-type: none"><li>• <i>“The MA Plan is making my copays go up on some services.”</i></li></ul>  | <ul style="list-style-type: none"><li>• MLC and City had agreed to increase retiree copays in the Senior Care Plan effective January 1, 2021, but those changes were delayed due to COVID and the possibility of putting in an MA plan.</li></ul>   |
| <ul style="list-style-type: none"><li>• <i>“I won’t have the option to stay in Senior Care.”</i></li></ul>  | <ul style="list-style-type: none"><li>• Retirees will still have the option to stay in Senior Care, HIP VIP or possibly other plans. However, there will be a cost to retirees to remain in these programs.</li><li>• Based on the MA coverage, Emblem does not recommend retirees stay in the older plans.</li></ul> |
| <ul style="list-style-type: none"><li>• <i>“The Senior Care plan in place today provides retirees with protection from catastrophic costs.”</i></li></ul> | <ul style="list-style-type: none"><li>• The Senior Care plan does not have a cap on retirees’ out-of-pocket costs; while the MA plan does protect retirees with an annual cap.</li></ul>  |
| <ul style="list-style-type: none"><li>• <i>“I may not be able to see my doctor with an MA plan.”</i></li></ul>  | <ul style="list-style-type: none"><li>• According to the Alliance, there will be no disruption in the member/provider experience.</li></ul>   |
| <ul style="list-style-type: none"><li>• <i>“My drug rider coverage will have formulary and network changes.”</i></li></ul>                                | <ul style="list-style-type: none"><li>• The Drug Rider plan the Alliance will offer is the same plan as today, at a lower cost.</li></ul>   |

# Plan Design Comparison: General

Provision	Senior Care (Today)	Senior Care (as of 1/1/22)	Alliance Medicare Advantage Plan
Annual Deductible	\$253	\$253	\$253
Ann. Retiree Out-Of-Pocket Max*	No Limit / Protection	No Limit / Protection	\$1,470
PCP Visit	No Copay	\$15 Copay	\$0 Copay
Specialist Visit	No Copay	\$15 Copay	\$15 Copay
Diagnostic Tests (X-rays, lab, radiology, etc.)	No Copay	\$15 Copay	\$15 Copay
Mental Health / Substance Use Disorder	No Copay	\$15 Copay	\$15 Copay
Urgent Care Center	No Copay	\$15 Copay	\$15 Copay
Preventive Services	No Copay	No Copay	No Copay
Rehab. Services	No Copay	\$15 Copay	\$15 Copay
Durable Medical Equipment (DME)	\$25 Deductible, \$2,500 Ann. Benefit Max. (combined with PDN & Ambulance)	Same as Today	Deductible applies, \$0 Copay, no Ann. Max
Private Duty Nursing (PDN)	\$25 Deductible, \$2,500 Ann. Benefit Max. (combined with DME & Ambulance), 20% Coins.	Same as Today	Deductible applies, 20% Coins., \$2,500 Ann. Max
Eye / Hearing Exam	No Copay	\$15 Copay	\$10-\$15 Eye / \$0 Hearing Copays**

\* Out of Pocket Maximum protects retirees from catastrophic claims

\*\* Eye exams, \$10 copay is for PCPs, \$15 copay is for Specialists. Hearing Exams must be Hearing Care Solutions in-network providers.

# Plan Design Comparison: Hospital

Provision	Senior Care (Today)	Senior Care (as of 1/1/22)	Alliance Medicare Advantage Plan
Inpatient Stay	\$300 Copay per stay, \$750 ann. max.	\$300 Copay per stay, \$750 ann. max.	\$300 Copay per stay, \$750 ann. max.
Hospital Stay Coinsurance*	0% Coins. days 1-60 100% Coins. days 61-90 50% Coins. days 91-201 100% Coins. days 202-365	0% Coins. days 1-60 100% Coins. days 61-90 50% Coins. days 91-201 100% Coins. days 202-365	0% Coins. for all 365 days
Skilled Nursing Facility	No Copay days 1-100	No Copay days 1-100	No Copay days 1-100
Home Health Care	No Copay	No Copay	No Copay
Hospital Outpatient Services	No Copay	No Copay	No Copay
Outpatient Surgery	No Copay	No Copay	No Copay
Ambulance Services	\$25 Deductible, \$2,500 Ann. Benefit Max. (combined with PDN & DME)	Same as Today	\$0 Copay, Deductible does not apply, no Ann. Max.
Emergency Care	\$50 Copay	\$50 Copay	\$50 Copay

\* Enhanced Hospital 365 Day Optional Rider would cover all of these coinsurances, but requires retiree to pay for it today. The Medicare Advantage plan would cover all of these automatically, at no additional cost.

# Plan Design Comparison: Other

Provision	Senior Care (Today)	Senior Care (as of 1/1/22)	Alliance Medicare Advantage Plan
Meal Delivery	Not Covered	Not Covered	Up to 14 meals x 4 events = 56 meals / year, after inpatient stay or for certain weight / health conditions; also includes Healthy Pantry benefit
Fitness / Mobility Programs	Not Covered	Not Covered	Silver Sneakers program at no cost
Transportation	Not Covered	Not Covered	24 rides annually, up to 30 miles / ride
Fitness Tracker Device	Not Covered	Not Covered	Included at no cost
Hearing Aids	Not Covered	Not Covered	Up to \$500 allowance, every 12 months
Voluntary Incentive Gift Card	Not Covered	Not Covered	Up to \$200 in gift cards for completion of certain wellness activities



# In Summary...

- Still **no retiree premium** for basic health coverage; continued Medicare Part B Reimbursement
- MA will have equivalent access to providers as Senior Care
- More emphasis on quality of care under MA plans
- Out-of-Pocket cost protection is provided (none under Senior Care)
- Inpatient hospital stay coverage improves, as does the cost of the optional Medicare D Drug Rider
- Several services (ex. non-PCP office visits, diagnostic services) will have copays
- Many “extra” services not offered under Senior Care (can save significant money for retirees)