



Employee & Retiree Health Care Plan Review
BOS Meeting Information: October 5, 2023



Executive Summary

Employee & Retiree Health Care Plan Information

- Plans Next Renewing January 1, 2024 (plans follow the Medicare annual renewal Jan thru Dec)
 - Current In Force Plans through BCBS of MA (MIIA)
 - Medex: 540 subscribers (Supplement to Medicare) +5.4%
 - Mgd Blue for Srs: 6 subscribers (Medicare HMO) +4.39%
- **The Town has been advised to offer a new Medicare Retiree plan called FreedomRx PPO Medicare Advantage**
 - The new option is lower cost and provides improved benefits
 - Retirees will have option to enroll during their annual open enrollment (can change plan election each year)
- **The Town has also been advised to implement a Medicare Buy In program for approximately 25 retirees who are on the HMO (24 subs) and PPO (1 sub) plans**
- **These retirees never qualified for free Medicare Part A so they were not required to enroll in Medicare at age 65**
 - Moving these members improves their benefits and reduces their monthly premium costs
 - Any Medicare fees and Penalties will be absorbed by the Town
 - **Town GASB costs will improve and MIIA will offer a 2% reduction to the determined July 2024 renewal rates**
 - Active employee plan costs (claims) are expected to improve based on moving this demographic from the HMO/PPO plans to the Medicare retiree plans
- **Town Cost Impact with above changes (2% active employee plan rate reduction – reduces July 2024 increase)**
 - Town premium cost savings estimate is \$240,000
 - Town increased cost for Medicare Buy In Program estimate is \$120,000

Senior Plan Comparison eff. January 1, 2024

MEDEX 2 PLAN - MANAGED BLUE FOR SENIORS PLAN - FREEDOMRx PPO MEDICARE ADVANTAGE PLAN



Benefit	Medex 2	Managed Blue For Seniors	FreedomRx PPO Medicare Advantage
Provider Network	Can see any provider anywhere who accepts Medicare	Must see providers in the <i>MBFS</i> network	Can see providers in <i>Medicare Advantage PPO</i> network
Calendar Year Deductible	No Deductible	No Deductible	No Deductible (in and out of network)
PCP Required?	NO	YES	NO
Referral to Specialist Required?	NO	YES	NO
Preventive Care Visit	No Copayment	\$10 Copayment	No Copayment (in and out of network)
PCP Visit	No Copayment	\$10 Copayment	No Copayment (in and out of network)
Specialist Visits	No Copayment	\$10 Copayment	No Copayment (in and out of network)
Emergency Room Visit	No Copayment	\$50 Copayment - waived if admitted	No Copayment (in and out of network)
Urgent Care Visit	No Copayment	\$10 Copayment	No Copayment (in and out of network)
Inpatient Hospitalization	No Copayment	No Copayment	No Copayment (in and out of network)
Outpatient Surgery	No Copayment	\$10 Copayment	No Copayment (in and out of network)
Outpatient MH / Substance Abuse	No Copayment	\$10 Copayment	No Copayment (in and out of network)
Diagnostic Testing, Lab & X-Rays	No Copayment	No Copayment	No Copayment (in and out of network)
Hospice Care	No Copayment	No Copayment	No Copayment (in and out of network)
Hearing Aids	Coverage: up to \$2,000 per ear every 36 months	Coverage: up to \$2,000 per ear every 36 months	IN NETWORK ONLY: Up to 2 (one per ear) TruHearing 'Advanced' or 'Premium' brand hearing aids per year \$699 or \$999 Copayment PER AID (per ear)
Routine Dental	No Routine Dental Coverage	No Routine Dental Coverage	\$0 copayment In Network / \$45 copayment Out of Network
Vision Care	Full Coverage for one routine vision exam per year; Supplies: up to \$150 per calendar year (frames and lenses)	\$10 Copayment for one Routine Vision Exam per year	\$0 copayment w/ EyeMed Providers \$45 Copayment w/ other Providers Up To \$200 Eyewear Allowance once every 24 Months
RETAIL PRESCRIPTION DRUGS (up to a 30-day supply) Tier 1 / Tier 2 / Tier 3	\$10 / \$25 / \$50 (Blue MedicareRx' PDP - Option 29)	\$10 / \$25 / \$50 (Blue MedicareRx' PDP - Option 29)	\$10 / \$20 / \$35 <i>Prescription Drug Coverage is included with this plan</i>
MAIL-ORDER MAINTENANCE DRUGS (90-day supply) Tier 1 / Tier 2 / Tier 3	\$20 / \$50 / \$110 (Blue MedicareRx' PDP - Option 29)	\$20 / \$50 / \$110 (Blue MedicareRx' PDP - Option 29)	\$20 / \$40 / \$70 <i>90-Day Mail Order Rx Coverage is included with this plan</i>
Winchester 2024 RATES	\$411.97	\$356.69	\$334.00
RETIREE PORTION: 30%	\$123.59	\$107.01	\$100.20
TOWN PORTION: 70%	\$288.38	\$249.68	\$233.80

Medicare Buy-In Program

- The Town has also been advised to implement a Medicare Buy In program for approximately 25 retirees who are on the HMO and PPO plans (never qualified for free Medicare Part A)
 - Moving these members improves their benefits and reduces their monthly premium costs
 - Any Medicare fees and Penalties will be absorbed by the Town
 - Town GASB costs will improve and MIIA will offer a 2% reduction to the determined July 2024 renewal rates

Plan	Coverage	FY2024 Premium	Town Share	Retiree Share	Medex Premium (1/24)	HMO Ind Prem	Town Share	Retiree Share	Medicare Part B cost (50%)	Total Retiree Cost*	Part A Premium	Part A Penalty	Part B Penalty
Blue Care Elect	Ind	\$1,179.18	\$589.59	\$589.59	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$16.49
Blue Care Elect	Ind	\$1,179.18	\$589.59	\$589.59	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$32.98
Blue Care Elect	Ind	\$1,179.18	\$589.59	\$589.59	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$82.45
Blue Care Elect	Ind	\$1,179.18	\$589.59	\$589.59	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$98.94
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$98.94
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$115.43
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$131.92
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$148.41
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$164.90
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$164.90
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$164.90
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$164.90
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$164.90
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$214.37
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$296.82
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$296.82
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$296.82
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$313.31
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$329.80
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$346.29
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$362.78
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$362.78
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$395.76
Network Blue NE	Ind	\$934.23	\$700.67	\$233.56	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$412.25
Network Blue NE	2 Per	\$1,868.47	\$1,401.35	\$467.12	\$411.97		\$288.38	\$123.59	\$82.45	\$206.04	\$506.00	\$50.60	\$445.23
					\$934.23	\$934.23	\$700.67	\$233.56		\$206.04	\$12,650.00	\$1,265.00	\$5,755.01
		\$25,269.79	\$17,773.16	\$7,496.63	\$11,233.48	\$934.23	\$7,910.15	\$3,323.33					\$19,670.01
			Current		Assume enrollment		New						New
					into Medex, MBFS &								
					Med Adv PPO could								
					result in lower costs								

Plan Comparison: HMO and PPO vs. Medex –Brief Description

Town of Winchester - Health Plan Comparison		
	MIIA Network Blue New England \$300 Ded HCCS: Broad Network Plan (& In-Net/PPO)	MIIA Medex 2 Any Medicare Provider
Benefit		
Deductible (Individual/Family)	\$300 / \$900	No Deductible
Out-of-Pocket Maximum (Individual/Family)	\$2,500/\$5,000 Med & \$1,000/\$2,000 Rx	N/A
Office Visits:		
Routine Preventive Care	\$0 Copay	No Co-pay
Primary Care	\$20 Copay	No Co-pay
Specialty Care	\$30 Co-pay	No Co-pay
Urgent Care or Minute Clinic	\$20 Copay	No Co-pay
Vision Exam	\$0 (1x in 12 months)	No Co-pay
Diagnostic Services/Lab Services	Deductible	No Co-pay
Diagnostic Services/Non Lab (X-ray/EKG)	Deductible	No Co-pay
High Tech Imaging (CAT, PET, MRI scans)	\$100 after Deductible	No Co-pay
Chemo & Rad Therapy & Dialysis	Deductible	No Co-pay
Prescriptions:		
Retail (Up to a 30-day supply)	\$10 / \$30 / \$65	\$10 / \$25 / \$50
Mail-Order (Up to a 90-day supply)	\$25 / \$75 / \$165	\$20 / \$50 / \$110
Emergency Room (Waived if Admitted)	\$100 Copay after Deductible	No Co-pay
Inpatient Hospital	Non HCCS: \$275 after Deductible HCCS: \$1,000 after Deductible	No Co-pay
	M & N \$200 Copay	
Skilled Nursing Facility	20% Coinsurance after Deductible	No Co-pay
Same-Day Surgery	\$250 Copay after Deductible	No Co-pay
Ambulance Transportation (Medically Necessary)	\$0 Copay	No Co-pay
Dental Care	Pedi dental included, extractions for wisdom teeth	No routine dental coverage
Hearing Aids	\$5k every 36 months	up to \$2000 per ear every 36 months

Estimated Health Care Budget Costs for MIIA plans

Town of Winchester: Estimated FY24 Health Care Plan Costs						
MIIA Rates as of July 2023						
Plan	Enrollment: Sep 23	Full Monthly Rate: 7/1/2023	Monthly Premium	Town Share	Member Share	Member Monthly Rate
				75.0%	25.0%	
HMO Blue NE BM2: 2 person available for retiree only						
Individual	298	\$934.23	\$ 278,401	\$208,801	\$69,600	\$233.56
Plus One	10	\$1,868.47	\$ 18,685	\$14,013	\$4,671	\$467.12
Family	310	\$2,522.38	\$ 781,939	\$586,454	\$195,485	\$630.60
HMO Blue NE Select; 2 person open to all subscribers						
Individual	8	\$840.81	\$ 6,726	\$5,045	\$1,682	\$210.20
Plus One	11	\$1,681.62	\$ 18,498	\$13,873	\$4,624	\$420.40
Family	2	\$2,270.15	\$ 4,540	\$3,405	\$1,135	\$567.54
				50.0%	50.0%	
BCE PPO BM2						
Individual	9	\$1,179.18	\$ 10,613	\$5,306	\$5,306	\$589.59
Family	4	\$3,183.74	\$ 12,735	\$6,367	\$6,367	\$1,591.87
Sub total:				\$843,266		
				70%	30%	
Medicare Retiree Plans*						
Medex 2	547	\$411.97	\$225,348	\$157,743	\$67,604	\$123.59
MBFS	6	\$356.69	\$2,140	\$1,498	\$642	\$107.01
Grand Total:	1205	Monthly Total:	\$1,359,625	\$1,002,507	\$357,117	
*renews Jan 2024						
			Rate increase			
			impact	\$ 12,030,085.15		
			1%	\$ 120,300.85		
			5%	\$ 601,504.26		
			10%	\$ 1,203,008.51		

Decisions / Next Steps

Benefit	Considerations
Senior Plans	<ul style="list-style-type: none"><input type="checkbox"/> Recommend the IAC approves the Med Adv plan addition<input type="checkbox"/> Recommend the IAC approves the Medicare Buy-In Program as presented
Active Plans	<ul style="list-style-type: none"><input type="checkbox"/> Meet with the IAC after the January MMA meeting (MIA announces the Trust rate range)<input type="checkbox"/> Further evaluate the Dental Plan Consideration (vision)

