



NEW MEXICO
RETIREE
HEALTH CARE
AUTHORITY

Fall 2018 Switch Enrollment Medicare

Effective January 1, 2018

Tom Sullivan, President

Joe Montañó, Vice President

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Agenda

- Agency Background Information
 - Purpose
 - Mission and Strategic Goals
 - Revenues and Expenditures
 - Fundamental Challenges
 - Solvency Results
- 2019 Medicare Monthly Premiums
- Prescription Drug Copays
- Dental Monthly Premiums
- Updates and Reminders
- Upcoming Events

Purpose

- Based on the 16th annual retiree health care cost estimate, retirement planners Fidelity estimates that couples retiring in 2018 at the age of 65 will need on average \$280,000 to cover medical expenses through retirement.
- Using same assumptions and life expectancies:
 - Male - \$133,000
 - Female - \$147,000
 - Women are expected to live longer than men
 - Average PERA monthly pension \$2,449*
 - Average ERB monthly pension \$1,831*
 - Average Social Security monthly benefit \$1,370
 - NMRHCA average retirement age 61 years

**2016 CAFR Reports

Mission and Strategic Goals

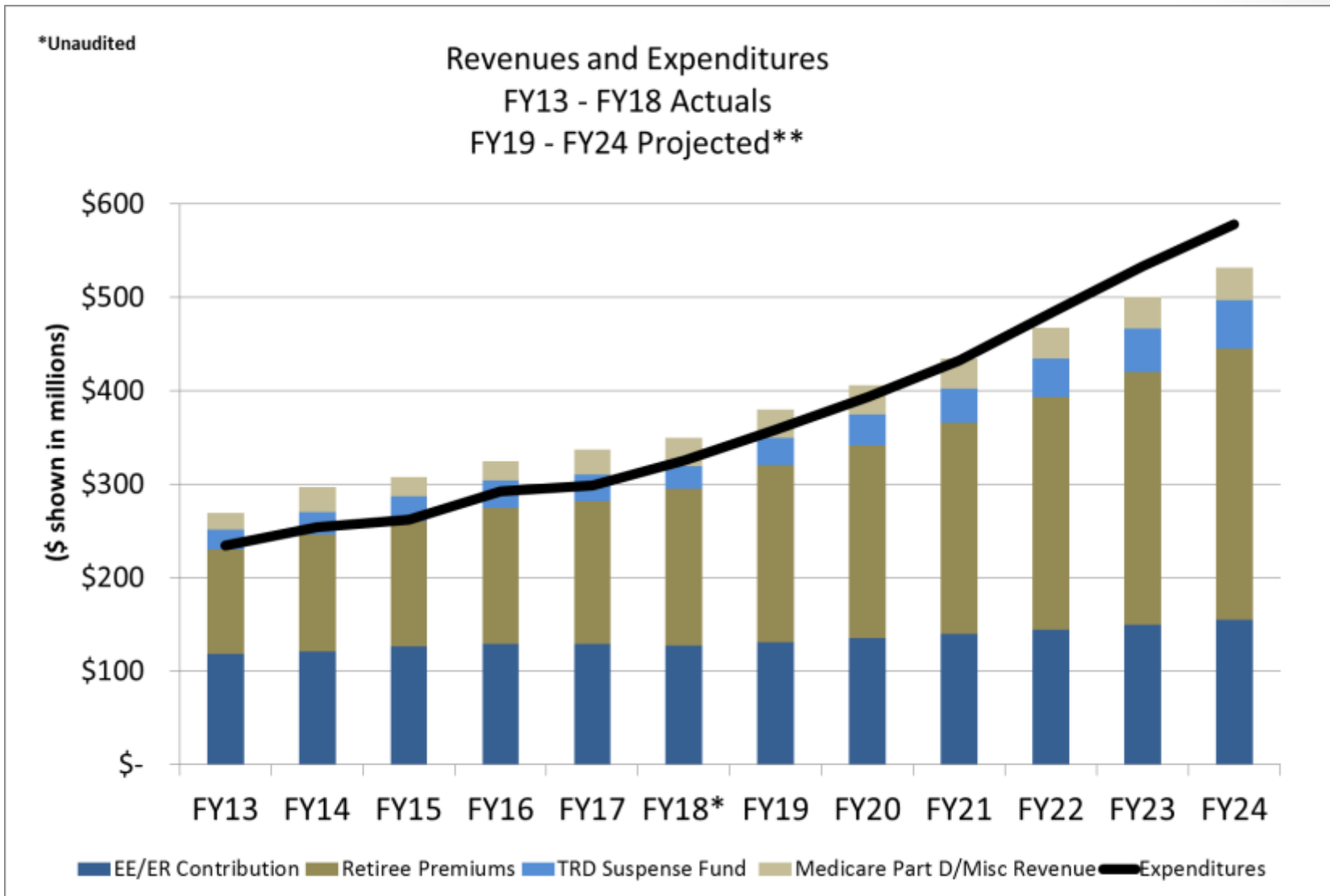
Mission

- Maintain comprehensive and affordable health insurance benefits for public retirees and eligible dependents

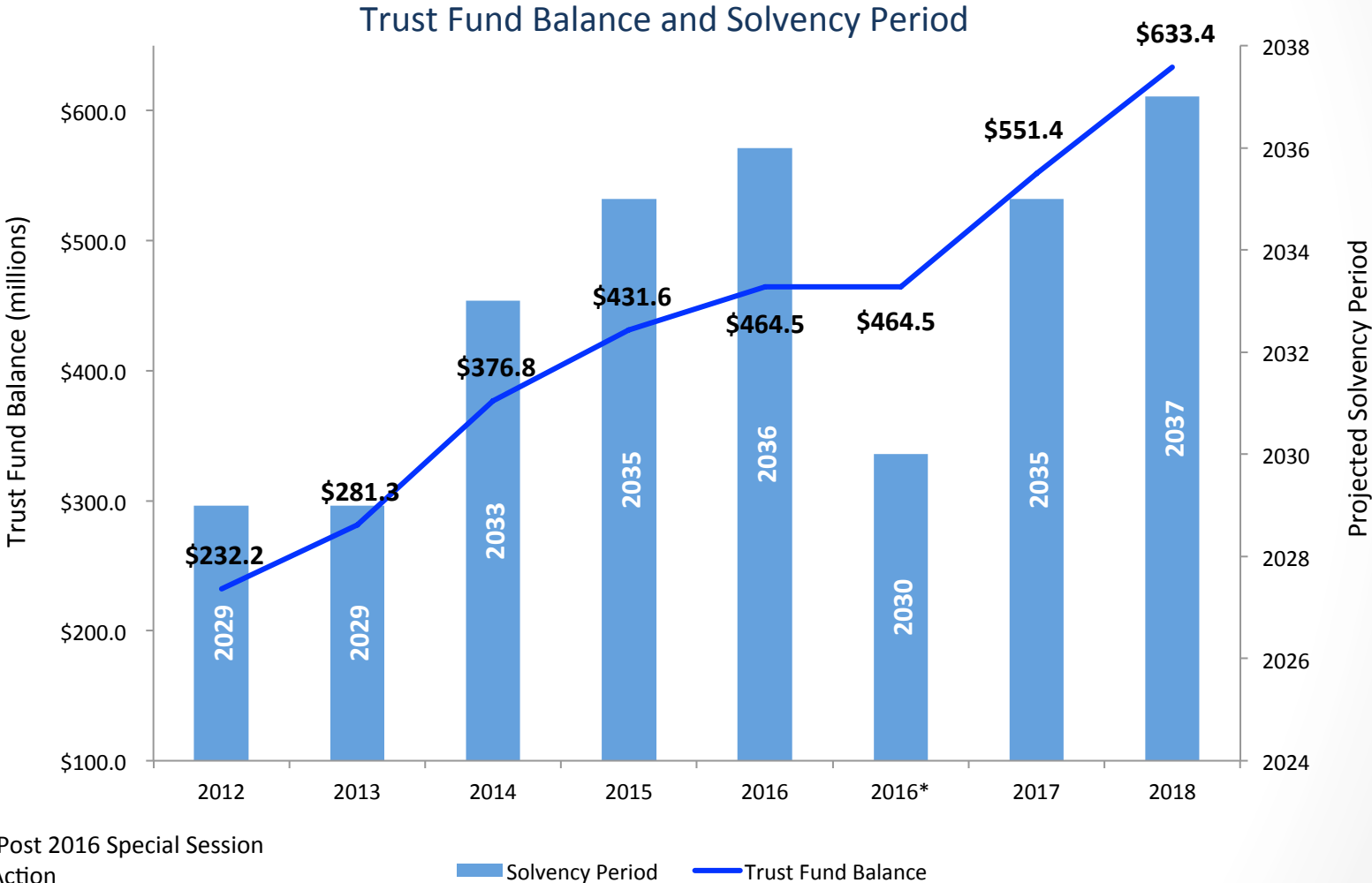
Strategic Goals

- Fiduciary Responsibility
 - Extend the solvency of the program
 - Trust-fund contributions and investment earnings
 - Avoid deficit spending
- Customer Service
 - Communication
 - Education
 - Wellness Programs
- Administration
 - Cost-Effective Procurement
 - Identification of programs and services
 - Comprehensive services and access to care

Fundamental Challenges



Solvency Results (2012 -2018)



Medicare Supplement Monthly Premiums/Copay Changes

- Rate Increase --- 6 percent (examples shown based on 20-years of service)

	2018	2019	Monthly Difference	Annual Difference
Medicare Supplement				
Retiree	\$199.96	\$211.96	\$12.00	\$144.00
Spouse/Domestic Partner	\$299.94	\$317.94	\$18.00	\$216.00
Dependent Child	\$399.92	\$423.92	\$24.00	\$288.00

- Increase in Brand Name Drug Copays

	2018		2019		Change	
Plans	Non-Specialty/Specialty					
	30%	30%	30%	30%	NA	NA
	\$25 Min	\$50 Min	\$30 Min	\$60 Min	\$5 Min	\$10 Min
Formulary	\$50 Max	\$100 Max	\$60 Max	\$120 Max	\$10 Max	\$20 Max
	50%	50%	50%	50%	NA	NA
	\$40 Min	\$100 Min	\$50 Min	\$100 Min	\$10 Min	NA
Non-Formulary	\$100 Max	\$150 Max	\$125 Max	\$250 Max	\$25 Max	\$100 Max

Medicare Supplement Plan Change

Naturally Slim

- Program aimed at metabolic syndrome reversal, diabetes prevention and weight management
- Clinical Results
 - 50% of participants reversed MetS
 - 55% of participants reduced their type 2 diabetes risk
 - 50% of participants reversed high blood pressure (of those who lost 5% or more of their body weight)
- Researching opportunities to extend offering to Medicare Advantage Plan participants

Medicare Advantage Monthly Premiums

(examples shown based on 20-years of service)

	2018 Rates			2019 Rates			Monthly	Annual	Retiree
	Retiree	NMRHCA	Total	Retiree	NMRHCA	Total	Difference	Difference	% Change
Blue Cross Blue Shield									
Plan I	\$ 69.60	\$ 69.60	\$ 139.20	\$ 66.10	\$ 66.10	\$ 132.20	\$ (3.50)	\$ (42.00)	-5.0%
Plan II	\$ 23.30	\$ 23.30	\$ 46.60	\$ 22.15	\$ 22.15	\$ 44.30	\$ (1.15)	\$ (13.80)	-4.9%
Presbyterian									
Plan I	\$ 96.50	\$ 96.50	\$ 193.00	\$ 94.50	\$ 94.50	\$ 189.00	\$ (2.00)	\$ (24.00)	-2.1%
Plan II	\$ 72.50	\$ 72.50	\$ 145.00	\$ 71.00	\$ 71.00	\$ 142.00	\$ (1.50)	\$ (18.00)	-2.1%
Humana									
Plan I	\$ 87.45	\$ 87.45	\$ 174.90	\$ 66.82	\$ 66.82	\$ 133.64	\$ (20.63)	\$ (247.56)	-23.6%
Plan II	\$ 53.06	\$ 53.06	\$ 106.12	\$ 34.07	\$ 34.07	\$ 68.14	\$ (18.99)	\$ (227.88)	-35.8%
United Healthcare									
Plan I	\$ 104.17	\$ 104.17	\$ 208.34	\$ 94.68	\$ 94.68	\$ 189.36	\$ (9.49)	\$ (113.88)	-9.1%
Plan II	\$ 54.65	\$ 54.65	\$ 109.30	\$ 49.65	\$ 49.65	\$ 99.30	\$ (5.00)	\$ (60.00)	-9.1%

Dental Plan Monthly Premiums

	2018	2019	Monthly	Annual
United Concordia			Difference	Difference
<u>Comprehensive</u>				
Single	\$ 34.28	\$ 36.28	\$ 2.00	\$ 24.00
Two Party	\$ 65.12	\$ 68.93	\$ 3.81	\$ 45.72
Family	\$ 97.65	\$ 103.36	\$ 5.71	\$ 68.52
<u>Basic</u>				
Single	\$ 16.80	\$ 17.78	\$ 0.98	\$ 11.76
Two Party	\$ 31.91	\$ 33.78	\$ 1.87	\$ 22.44
Family	\$ 47.87	\$ 50.67	\$ 2.80	\$ 33.60
Delta Dental				
<u>Comprehensive</u>				
Single	\$ 41.32	\$ 42.93	\$ 1.61	\$ 19.32
Two Party	\$ 78.52	\$ 81.58	\$ 3.06	\$ 36.72
Family	\$ 126.75	\$ 131.69	\$ 4.94	\$ 59.28
<u>Delta Dental</u>			\$ -	\$ -
Single	\$ 18.51	\$ 19.23	\$ 0.72	\$ 8.64
Two Party	\$ 34.72	\$ 36.07	\$ 1.35	\$ 16.20
Family	\$ 58.15	\$ 60.42	\$ 2.27	\$ 27.24

Updates and Reminders

- Delta Dental – additional cleaning each year
- Vision Plan – No Rate/Plan Changes
- Conversion of Basic Life Insurance Policy
 - 2018 – Retiree pays 25%
 - 2019 – Retiree pays 50%
 - 2020 – Retiree pays 75%
 - 2021 – Retiree pays 100%
- Moving/change of address --- please contact our office to let us know!

Upcoming Events

- Rule Making Change
 - Minimum age of 55 beginning January 1, 2020 (excludes non-enhanced retirees)
 - Years of service requirements increase from 20 to 25 beginning January 1, 2020 to receive maximum subsidy
- 2019 Open Enrollment --- Medical
 - January 1 – 31, 2019
- Life Insurance RFP
 - Effective July 1, 2019
- 2019 Legislative Session
 - Proposed increase in employee and employer contributions

Presented by:

New Mexico Retiree Health Care Authority

For Information or Questions:

Please call 800-233-2576 / 505-222-6400

Or visit us at: www.nmrhca.org or

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