



NEW MEXICO
RETIREE
HEALTH CARE
AUTHORITY

Fall 2018 Switch Enrollment Pre-Medicare

Effective January 1, 2019

Tom Sullivan, President

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Agenda

- Agency Background Information
- Medical Monthly Premiums
- Prescription Drug Copays
- Plan Changes
 - Blue Cross and Blue Shield
 - Presbyterian Health Plan
 - SaveOn Program
 - Naturally Slim Program
- 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

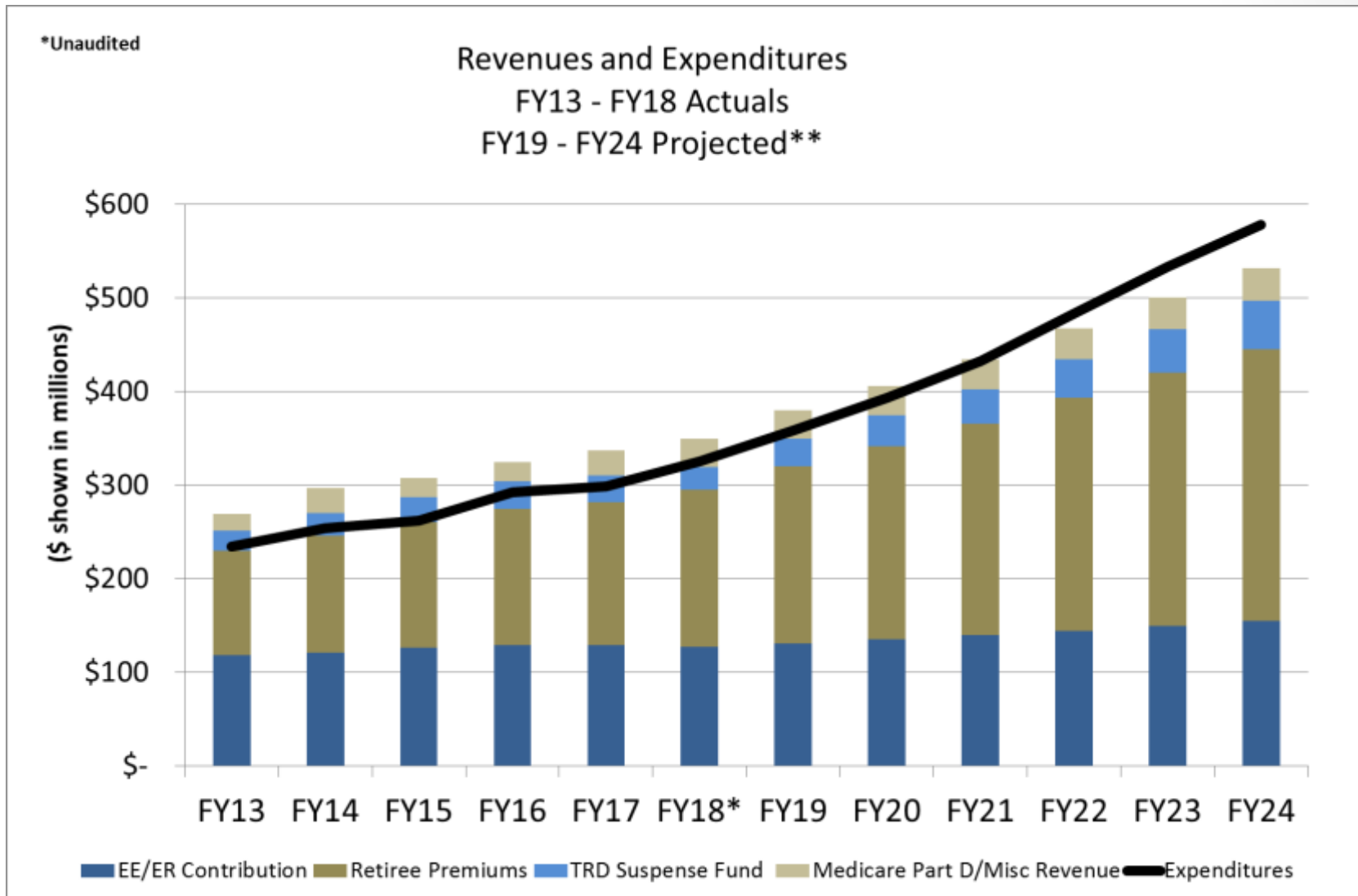
Mission

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

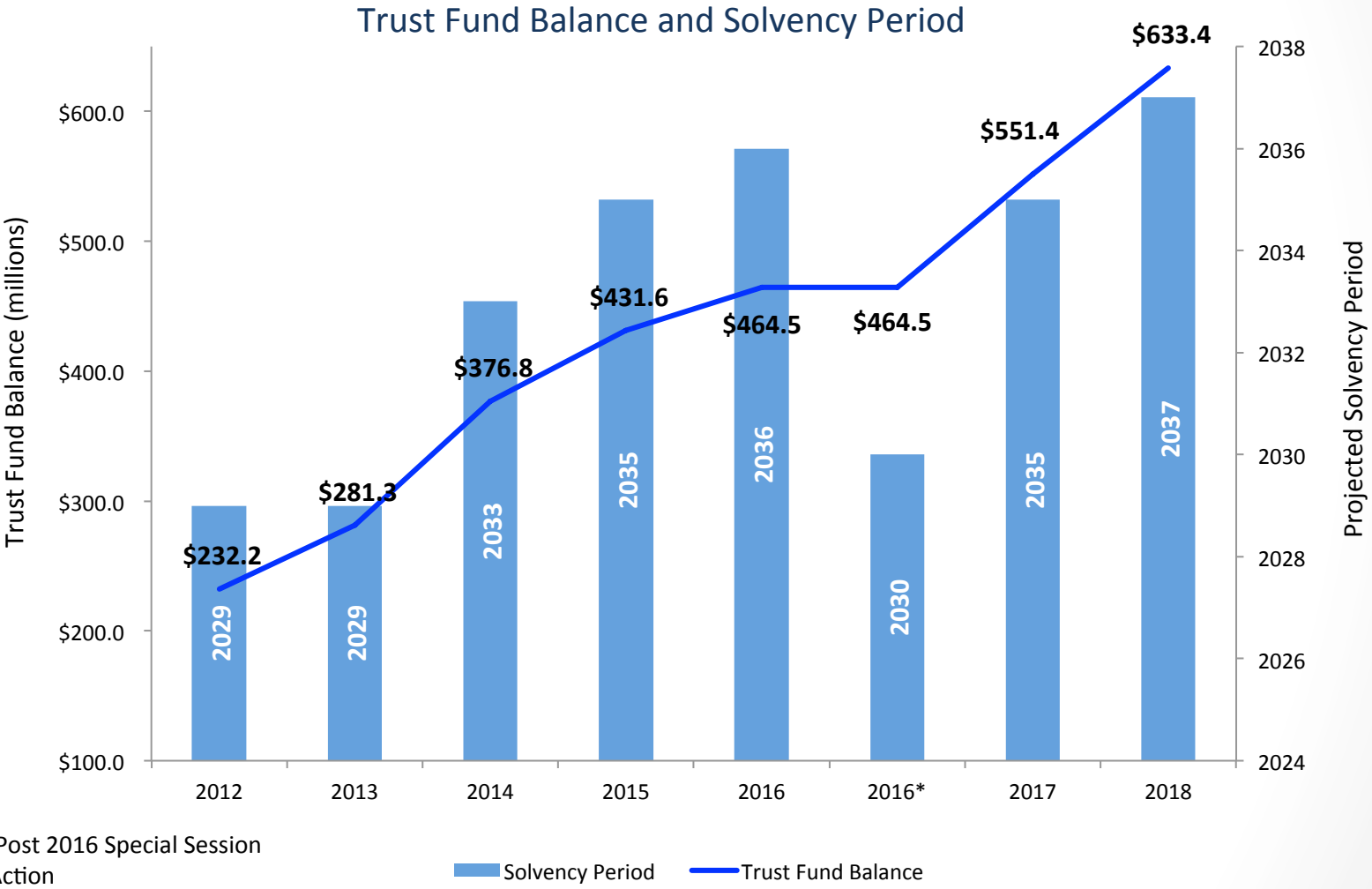
Strategic Goals

- 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)



Pre-Medicare Monthly Premiums/Copay Changes

- Rate Increase --- 8 percent (examples based on 20-years of service)

| | 2018 | 2019 | Monthly Difference | Annual Difference |
|----------------------------------|-----------|-----------|-----------------------|----------------------|
| BCBS/Presbyterian Premier | | | | |
| Retiree | \$ 241.44 | \$ 260.76 | \$ 19.32 | \$ 231.84 |
| Spouse/Domestic Partner | \$ 458.27 | \$ 494.92 | \$ 36.65 | \$ 439.80 |
| Child | \$ 234.36 | \$ 253.11 | \$ 18.75 | \$ 225.00 |
| BCBS/Presbyterian Value | | | | |
| Retiree | \$ 188.60 | \$ 203.69 | \$ 15.09 | \$ 181.08 |
| Spouse/Domestic Partner | \$ 357.95 | \$ 386.58 | \$ 28.63 | \$ 343.56 |
| Child | \$ 182.75 | \$ 197.37 | \$ 14.62 | \$ 175.44 |

- Increase in Brand Name Drug Copays

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

Pre-Medicare Plan Changes (BCBS)

NMRHCA Non-Medicare Premier PPO Plan

- Currently: \$800 deductible / \$4,500 annual OOP Max
- Blue Preferred Plus (1st Tier)
 - \$500 deductible/\$3,000 annual OOP Max
 - PCP - \$20 / Specialist \$35
 - Coinsurance – 10%
- Preferred Provider (2nd Tier)
 - \$800 deductible / \$4,500 annual OOP Max
 - PCP - \$30 / Specialist - \$45
 - Coinsurance – 25%
- Non-Preferred (3rd Tier)
 - \$1,500 deductible / \$6,000 annual OOP Max
 - PCP – 50%/ Specialist – 50%
 - Coinsurance – 50%
- Value HMO Plan – No Change

Pre-Medicare Plan Changes (Presbyterian)

NMRHCA Non-Medicare Premier PPO Plan/Value Plan

- Bundled payment agreements
- Premier Plan - \$500 copay compared to 25% coinsurance
- Value Plan - \$650 copay compared to 30% coinsurance
 - Presbyterian Health Care Services
 - Hernia
 - Laparoscopic Cholecystectomy Surgery
 - New Mexico Orthopedics
 - Shoulder Arthroscopy
 - Knee Arthroscopy
 - Service Expansion
 - Santa Fe – October 2018
 - Farmington – TBD
 - Las Cruces - TBD

Pre-Medicare Plan Changes (All)

SaveOn Program: Copay Offset Savings Program

- Administered by SaveOn
 - Agreement through Express Scripts
- Copays for 80+ specialty drugs
- Sample Medications Covered
 - Oncology
 - Inflammatory
 - Multiple Sclerosis
 - Blood Cell Deficiency
 - Hepatitis C
 - Hereditary Angioedema
 - Pulmonary Arterial Hypertension
- Reduces patient's responsibility to zero!

Pre-Medicare Plan Changes (All)

Naturally Slim

- Program aimed at metabolic syndrome reversal, diabetes prevention and weight management
- Applies to self-insured programs
 - BCBS Premier/Value
 - Presbyterian Premier/Value
- 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)

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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