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2021 Medicare Advantage Enhanced Plan Benefits

Board of Trustees Meeting

April 6, 2020

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Medicare Advantage Plan History

- Medicare Advantage Plans were introduced in 2014, with two identical plan designs, a Base Plan and an Enhanced Plan, offered by two different carriers.
 - Humana Group Medicare Advantage (PPO) Base Plan
 - Humana Group Medicare Advantage (PPO) Enhanced Plan
 - UnitedHealthcare Group Medicare Advantage (PPO) Base Plan
 - UnitedHealthcare Group Medicare Advantage (PPO) Enhanced Plan
- The Base Plans were free to eligible retirees and disabled members and the Enhanced Plans, offered reduced member cost-shares and were available for an additional premium.

Medicare Advantage Plan History

- After two years, the Plan made changes to the Enhanced Plan to keep the premiums from increasing.
- Those changes made the plans much less “enhanced.”
- The changes also introduced differences in the Enhanced Plan by carrier, so the UnitedHealthcare and Humana Enhanced Plans no longer had the same core benefits.
- In 2017, the Plan only offered one carrier, UnitedHealthcare, for the Base and Enhanced Plans.

Medicare Advantage Enhanced Plan Design Options

- For 2021, Humana has tweaked the Enhanced Plan design to provide more value for Plan members.
- To ensure the cost of the Enhanced Plan remains affordable, some Enhanced Plan cost-shares must increase to offset reductions in other areas.
- The proposed increases make the Enhanced copay for specific benefits the same as the Base Plan copay.

Copay Reductions	Cost-Share increase
Reduce PCP copay to \$10	Increase Outpatient Radiology to \$40
Reduce Lab copay to \$10	Increase Radiation Therapy to \$40
Reduce In-Patient Hospital copay \$125	Increase Tier 1 90/day Rx copay to \$24
Reduce Partial Hospitalization to \$15	Increase Tier 2 30/day Rx copay to \$40 Increase Tier 2 90/day Rx copay to \$80

Current 2020 Plan Design

Proposed for
2021

Plan Design Feature	70/30 Plan	Medicare Advantage Base	Medicare Advantage Enhanced	Medicare Advantage Enhanced
Annual Deductible	\$1,500 in-network \$3,000 out-of-network	\$0	\$0	\$0
Annual OOP	\$5,900 in-network \$11,800 out-of-network	\$4,000	\$3,300	\$3,300
Preventive Svcs	\$0	\$0	\$0	\$0
PCP Visits	\$45, or \$30 if PCP on ID card used	\$20	\$15	\$10
Specialist Visits	\$94	\$40	\$35	\$35
Lab Visits	If done in office, no additional fee; if outpatient, deductible/coinsurance	\$40	\$20	\$10
Chiropractic Visits	\$72	\$20	\$20	\$20

Current 2020 Plan Design

Proposed
for 2021

Plan Design Feature	70/30 Plan	Medicare Advantage Base	Medicare Advantage Enhanced	Medicare Advantage Enhanced
Urgent Care	\$100	\$50	\$40	\$40
Emergency Room	\$337 + Deductible/Coinsurance	\$65	\$65	\$65
Outpatient Hospital	Deductible/Coinsurance	\$125	\$100	\$100
Outpatient Surgery in ASC	Deductible/Coinsurance	\$250	\$250	\$250
Radiology - OP	Deductible/Coinsurance	\$40	\$25	\$40
Radiation Therapy	Deductible/Coinsurance	\$40	\$10	\$40
Inpatient Hospital	\$337 + Deductible/Coinsurance	\$160 – Days 1-10	\$150 – Days 1-10	\$125 Days 1-10
Partial Hospitalization	Deductible/Coinsurance	\$55	\$55	\$15

Current 2020 Plan Design

Proposed for
2021

Rx Plan Design Feature	70/30 Plan	Medicare Advantage Base	Medicare Advantage Enhanced	Medicare Advantage Enhanced
Rx Out-of-Pocket	NA	\$2,500	\$2,500	\$2,500
Tier 1	\$16 / 30-day supply \$48 / 90-day supply	\$10 / 31-day supply \$24 / 90-day supply	\$10 / 31-day supply \$20 / 90-day supply	\$10 / 30-day supply \$24 / 90-day supply
Tier 2	\$47 / 30-day supply \$141 / 90-day supply	\$40 / 31-day supply \$80 / 90-day supply	\$35 / 31-day supply \$70 / 90-day supply	\$40 / 30-day supply \$80 / 90-day supply
Tier 3	Deductible/Coinsurance	\$64 / 31-day supply \$128 / 90-day supply	\$50 / 31-day supply \$100 / 90-day supply	\$50 / 30-day supply \$100 / 90-day supply
Tier 4	\$200 / 30-day supply \$600 / 90-day supply	25% up to \$100 / 30 day supply 25% up to \$300 / 90 day supply	25% up to \$100 / 31 day supply 25% up to \$200 / 90 day supply	25% up to \$100 / 30 day supply 25% up to \$200 / 90 day supply*
Tier 5	\$350 / 30-day supply \$1,050 / 90-day supply	NA	NA	NA
Tier 6	Deductible/Coinsurance	NA	NA	NA

*Very few specialty medications come in a 90-day supply.

Group Medicare Advantage (PPO) Enhanced Plan Recommendation

Requires Board Vote

- **Group Medicare Advantage (PPO) Enhanced Plan**
 - Approve plan design for the Medicare Advantage (PPO) Enhanced Plan as outlined on slides 5-7.



North Carolina
State Health Plan
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Open Enrollment Strategy

Board of Trustees Meeting

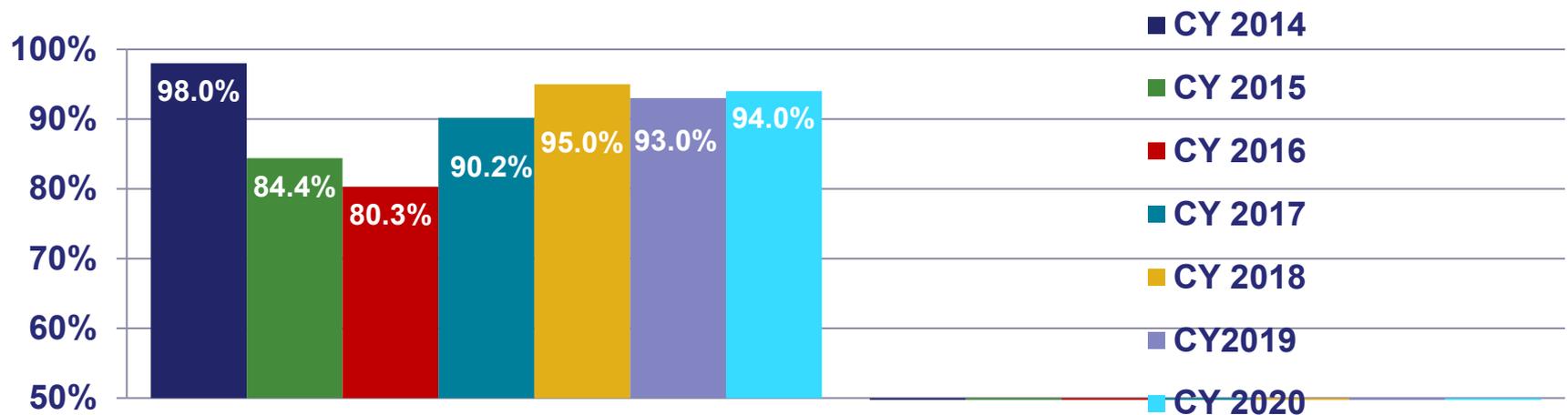
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Default Enrollment Strategy History

- **2014 Open Enrollment (OE)** – All members were moved to the 70/30 Plan and subscribers had to elect a higher value plan **and** complete healthy activities to earn premium credits.
- **2015 & 2016 OE** – Members remained in their current plan and if they did not want to change plans, only had to complete the premium wellness credits.
- **2017, 2018, 2019 & 2020 OE** – Members were moved to 70/30 Plan. Subscribers had to elect a higher value plan and complete premium credit(s) to reduce their premium.

OE Credit Completion Rate



Enrollment Strategy Recommendation (Non-Medicare Primary)

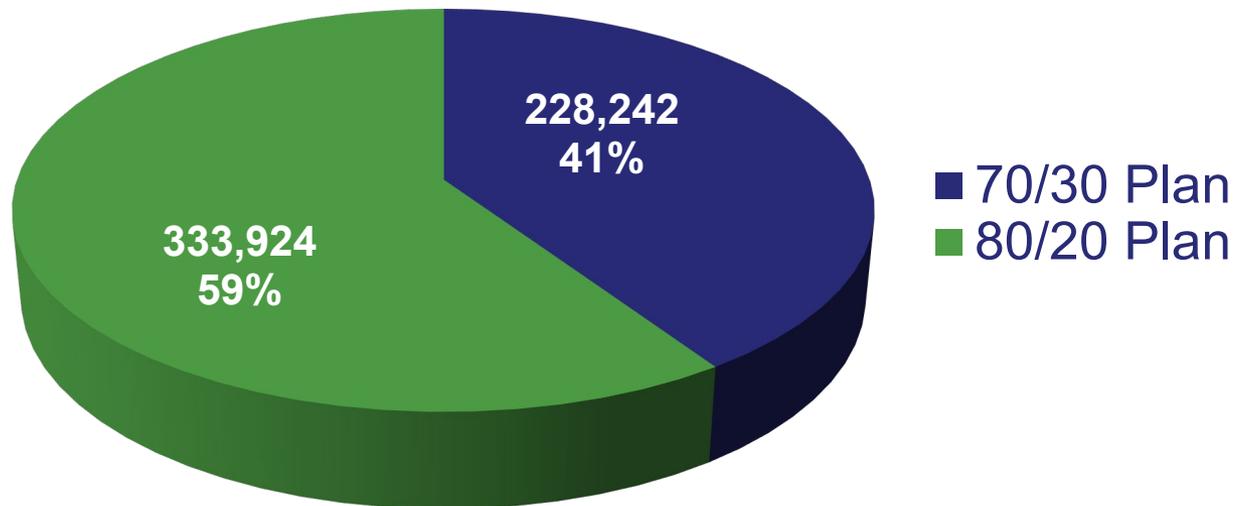
Default members to the 70/30 Plan for the start of Open Enrollment

Pros	Cons
<p>Messaging is simple: All subscribers must take action.</p>	<p>Subscribers currently enrolled in the 80/20 Plan are required to re-elect the 80/20 Plan for next year, which requires two more clicks during the online enrollment process.</p>
<p>Subscribers who do not take action will have a lower premium than if they started in the 80/20: \$85/month for 70/30 vs. \$110/month for 80/20.</p>	

Enrollment Strategy Recommendation (Non-Medicare Primary)

Requires Board Vote

- **Move all subscribers to the 70/30 Plan for the start of OE.**
 - If subscriber has no other changes, then the only requirement would be to complete the tobacco attestation and follow the enrollment workflow through to the final save button.



Medicare Primary Enrollment Strategy

- **For 2021:**
 - The Plan will transition services from UnitedHealthcare to Humana.
 - The **Base Medicare Advantage Plan** benefits will remain the same as 2020, with possible changes to the drug formulary.
 - The **Enhanced Medicare Advantage Plan** benefits will differ slightly from what is offered today.

Medicare Primary Enrollment Strategy Recommendation

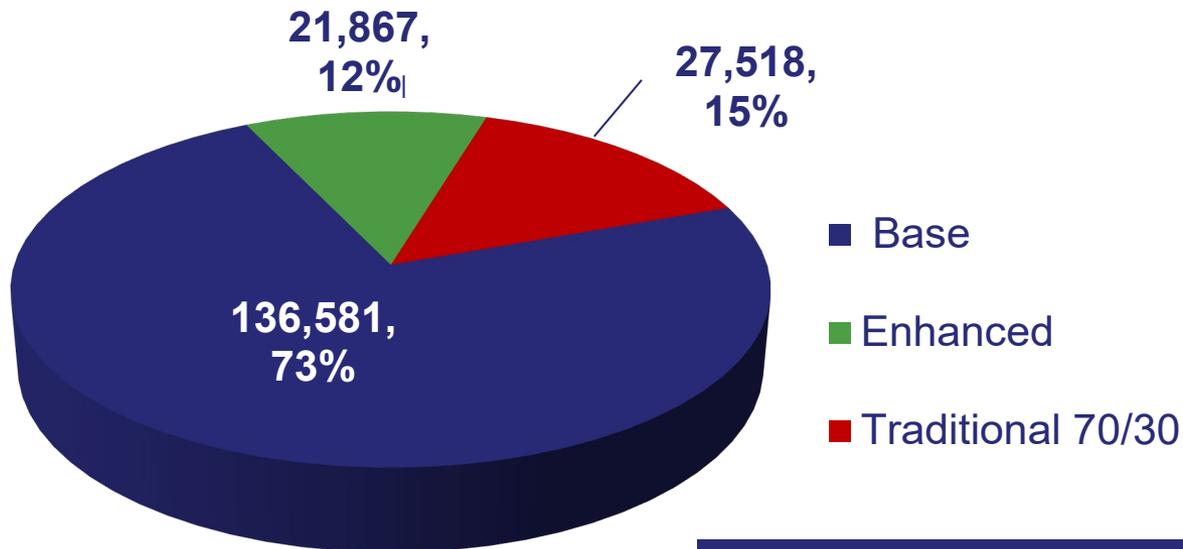
- While the Plan has had some success defaulting **all** Medicare Primary members into a Medicare Advantage Plan during OE, it does cause some member disruption for those that have other coverage outside of the State Health Plan (example: Tricare).
- Given that the **Enhanced Medicare Advantage Plan** benefits will change slightly in 2021, Plan staff recommend defaulting **ONLY** members in the Enhanced Medicare Advantage Plan to the Base Medicare Advantage Plan.
- During OE these members will have the opportunity to change plans.

2020 Medicare Primary Enrollment Status	Maps to this Plan for 2021 Open Enrollment
70/30 PPO Plan	70/30 PPO Plan
Base Medicare Advantage Plan	Base Medicare Advantage Plan
Enhanced Medicare Advantage Plan	Base Medicare Advantage Plan

Medicare Primary Enrollment Strategy Recommendation

Requires Board Vote

- **Move all members currently in the Enhanced Medicare Advantage Plan to the Base Medicare Advantage Plan at the start of OE.**
 - All other Medicare Primary members will remain in the plan they are currently enrolled in or have the opportunity to change plans during OE.



185,966 Medicare Members



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COVID-19 Status

Administrative Updates
Financial Impacts

Dee Jones, *Executive Director*

Matthew Rish, *Sr. Dir., Finance, Planning & Analytics*

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