

EBD Rate Submission Suggestions

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NOTE: Many individuals refer to "rates" and "premiums" in their questions, we consistently use the term "Medicare Retiree Contributions." When reviewing the explanations and values, the reader should keep in mind that savings generated from the elimination of Medicare retiree pharmacy coverage saved the plan about \$38.5M.

Suggestion	Net to State	Explanation
1 5% increase to health insurance for 65+ like other state employees	\$1.7M	Increasing Medicare Retiree contributions by 5% will yield about \$1.7M in additional contributions.
2 Lower wellness credit from \$75 to \$25	\$11.8M	Reducing the wellness credit by another \$25 (from \$50 to \$25) will yield another \$5.9M
3 Increase the state's contribution for ASE to \$465 PMPM		By statute, the highest we can currently raise the state's contribution to is \$450.
4 \$15.00 increase in the 65 + Medicare rate from \$175.16 to \$190.16	Retiree Only: \$1.4M All Retirees: \$2.0M	Increasing the Medicare retiree only contribution from \$175.16 to \$190.16 will yield about \$1.4M. Increasing all Medicare retiree contributions by \$15 per month will yield about \$2.0M
5 Eliminate spouses from the retiree coverage	\$4.7M	Eliminating Medicare spouses from retiree coverage will yield about \$4.7M in savings (after factoring reduction in claim spend and loss in contribution revenue)
6 What percentage would all state employees rates increase if it were to cover the cost of prescription coverage for Medicare eligible retirees?		A 35% increase on all employees / retirees from the proposed 2021 contributions. Alternatively, a 37% increase on all employees / retirees from the proposed 2021 contributions if we maintain a \$50 wellness credit.
7 What percentage would Medicare eligible retirees rates increase if it were to cover the cost of prescription coverage for Medicare eligible retirees?		An increase of 116% (i.e., contributions would more than double) in 2021 Medicare retirees contributions would be needed to match the reduction in plan expense related to removal of prescription drug benefit for Medicare retirees. For example: the Medicare retiree only contribution would increase from \$175.16 to \$378.35.
8 Calculate the cost of only raising rates for Medicare retirees		An increase of 116% (i.e., contributions would more than double) in 2021 Medicare retirees contributions would be needed to match the reduction in plan expense related to removal of prescription drug benefit for Medicare retirees. For example: the Medicare retiree only contribution would increase from \$175.16 to \$378.35.
9 Consider reducing premium for Medicare retirees to compensate for losing drug coverage.	\$20 reduction: (\$2.6M) \$40 reduction: (\$5.3M) \$50 reduction: (\$6.6M)	Reducing all Medicare retiree contributions by \$20 (e.g. decreasing retiree-only contribution from \$175.16 to \$155.16) will reduce retirees contributions about \$2.6M per year. Reducing all Medicare retiree contributions by \$40 (e.g. decreasing retiree-only contribution from \$175.16 to \$135.16) will reduce retirees contributions about \$5.3M per year. Reducing all Medicare retiree contributions by \$50 (e.g. decreasing retiree-only contribution from \$175.16 to \$125.16) will reduce retirees contributions about \$6.6M per year.
10 Instead of taking retirees off the drug plan did the board consider raising our rates by 5 percent.	\$1.7M	Increasing Medicare Retiree contributions by 5% will yield about \$1.7M in additional contributions.
11 I feel confident that many of the Medicare Eligible Retirees would be glad to share the additional cost of our drugs with an additional premium added to our monthly premium without raising the premiums of state and public school employees in other categories to keep our current pharmacy benefits.		Not a question. See #6.
12 If you plan on proceeding with the Part D conversion I believe retirees should receive at least a 10% reduction in current premiums and no increase in 2022. Otherwise, I think I and the rest of the retirees would prefer the 5% bump.	10% reduction: (\$3.3M) 5% increase: \$1.7M	Reducing Medicare Retiree contributions by 10% (e.g. decreasing retiree-only contribution from \$175.16 to \$157.64) will reduce retirees contributions about \$3.3M per year. Increasing Medicare Retirees by 5% will yield about \$1.7M in additional contributions.

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13 It is not possible for a Medicare eligible retiree member to obtain a \$0-dollar cost Medicare Part D Plan and remain on the State Insurance Plan. Medicare Part C Plans are the only option for \$0 cost. Medicare Part C plans would require the member to leave the state retiree plan. I need to mention experience with Part C Plans including \$0 dollars cost do not pay their claims and many providers refuse to accept these plans.		Not a question.
14 I would be willing to pay extra money to remain in this RX plan. What about charging each Agency more for their share of this program?		See #6 and #3.
15 why not begin this policy for those that retire after January 1, 2021 or why not do away with employees that retire coming back to work with full benefits including salaries.		Grandfathering existing retirees is expected to have limited impact on the 2021 budget and the near future.
16 I think you would find that an increase of 5% or even 10% would have been preferable to most, if not all of us, rather than having our coverage eliminated.	5% increase: \$1.7M	Increasing Medicare Retirees contributions by 5% will yield about \$1.7M in additional contributions.
	10% increase: \$3.3M	Increasing Medicare Retirees contributions by 10% will yield about \$3.3M in additional contributions.
17 The State Legislatively authorized contribution for retiree health insurance is being decreased from \$243.30 in 2020 to \$63.08 in 2021. This is an amount legislatively authorized and the reduction in my opinion is tantamount to administrative re-appropriation of legislatively authorized funds. At the very least, the difference should be utilized to reduce the amount state Medicare eligible retirees must pay for just health insurance.		Not a question.
18 Medicare eligible PSE elected to purchase private drug insurance many years ago in lieu of a much lower monthly premium. I currently pay \$175.16 per month versus \$100.78 for a PSE retiree. Proposed new rates for 2021 is also \$175.16 (no reduction in premium) versus \$100.78 for a PSE with a loss of prescription benefit. Therefore, I may have to spend another \$40 to \$70 per month to get an equivalent prescription drug policy. For couples-the amounts are similarly different.	(\$11M)	Setting the State of Arkansas Medicare Retiree contributions equivalent to the Public School Retiree contributions will reduce the amount of contributions by approximately \$11M. Note, some retirees may see an increase, while others will see a decrease in their monthly contributions depending upon what coverage tier they elect.
19 Your EBD Director that answers to the Board and Secretary are fond of saying a retiree can get a policy for free or \$15 a month for generic prescriptions-this will only be true for a small portion of the 65 and over retirees. Some individuals that worked their entire lives paying their part of a properly managed self-funded insurance program that supported other retirees will be bankrupted by your decision. This is not something I would want on my conscience.		Not a question.
20 Please consider: Is this the right time to be changing employees' medical benefits? Should you consider exempting those of us that are already retired and introducing this change to current employees as they become eligible for benefits?		Grandfathering existing retirees is expected to have limited impact on the 2021 budget and the near future.

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21 I believe the Board should review this matter and consider other options. Was any consideration given to raise our rates? I was at the Board meeting last year when the rates were increased across the board for state employees-active and retired. This increase was to keep our retirees prescription drug plan. This year state employees rates were increased and retirees not on Medicare were increased. Why are retirees on Medicare being singled out to drop our coverage of prescription drugs? I understand keeping a solid plan; but, we Medicare retirees should not be dropped to bail out the system!		TBD
22 The reason I was given for this action was to avoid a 5% increase in premiums. Most people in my situation would prefer an increase of %5 or more rather than elimination of our coverage.	\$1.7M	Increasing Medicare Retirees contributions by 5% will yield about \$1.7M in additional contributions.
23 Please reconsider your decision to remove retired employees from our insurance plan that covers pharmacy costs. I, as well as others that I with whom I have visited would much prefer the 5 per cent increase, actually would be very understanding, due to rising costs. The Medicare Part D does not offer near the coverage we currently have and poses a severe hardship and a feeling of penalty for being a retiree. I worked for many years as a public State employee and feel that my service and the the payment I made through those years for my insurance is being disregarded. Your reconsideration of this decision will be much appreciated.	\$1.7M	Increasing Medicare Retirees contributions by 5% will yield about \$1.7M in additional contributions.
24 As a member of the ARBenefits Board, I wish to let you know that ALL retirees are very upset with the Board's action to remove prescription drug coverage from our State health insurance benefits. Further, we cannot understand why the Retiree monthly premium is not being reduced to reflect this lack of coverage. I'm confident that all retirees would not balk at having the monthly premiums increased by 8% if necessary, to stabilize the ARBenefits funding. A cursory review of purchasing prescription drug coverage through the Medicare Part D program will cost Retirees more than the 8% stated in the consultant's report.	\$2.7M	Increasing Medicare Retirees contributions by 8% will yield about \$2.7M in additional contributions.
25 Give retired state employees the option to pay a higher premium and keep their prescription plan.	\$1.7M	Increasing Medicare Retirees contributions by 5% will yield about \$1.7M in additional contributions.
26 Grandfather in state employees who are already retired to keep the prescription drug plan and increase premiums for those who are still working and are 3 years or more from retirement.		Grandfathering existing retirees is expected to have limited impact on the 2021 budget and in the near future. In order to offset the savings by requiring Medicare eligible retirees to obtain coverage through the Medicare Part D market place, would require the plan to increase everyone's (employees, retirees, dependents) contribution by 35% from the proposed 2021 contributions
27 Keep the prescription plan but allow retirees to switch to medicare Part D, if they chose. I understand with this option the cost of the state plan will continue to go up as the pool size goes down. So premiums would have to continually be reviewed and raised as necessary to keep the program funded.		Medicare retirees have options today, including coverage through spouse, Medicare Advantage, Medicare Supplement, etc.
28 Delay the change in prescription drug coverage for one year and ask for more suggestions. This would give everyone more time to evaluate their options and make changes in coverage that best fits their personal situation.		There would need to be additional State funding, benefit design changes for Active/Pre-65, and/or additional employee and retiree contributions to fund 2021 and maintain the viability of the plan.

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Reduce premium for health coverage since you are reducing benefits, ie, removing prescription coverage. This would offset the cost of part D prescription coverage. Retired state employees are receiving calls from multiple companies to provide Part D supplements or Part C coverage. They don't have time to fully evaluate all of these alternatives.	\$20 reduction: (\$2.6M)	Reducing all Medicare retiree contributions by \$20 (e.g. decreasing retiree-only contribution from \$175.16 to \$155.16) will reduce retirees contributions about \$2.6M per year.
	\$40 reduction: (\$5.3M)	Reducing all Medicare retiree contributions by \$40 (e.g. decreasing retiree-only contribution from \$175.16 to \$135.16) will reduce retirees contributions about \$5.3M per year.
	\$50 reduction: (\$6.6M)	Reducing all Medicare retiree contributions by \$50 (e.g. decreasing retiree-only contribution from \$175.16 to \$125.16) will reduce retirees contributions about \$6.6M per year.