



Board Meeting

Nevada

Public Employees' Benefits Program

Medicare Exchanges Overview

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Medicare Exchange Market

Overview

Private Exchanges provide access to the individual Medicare marketplace



Medicare Supplement (“Medigap”) Plans

Covers Medicare A/B deductibles and the coinsurance. Different options provide additional benefits



Medicare Advantage Plans

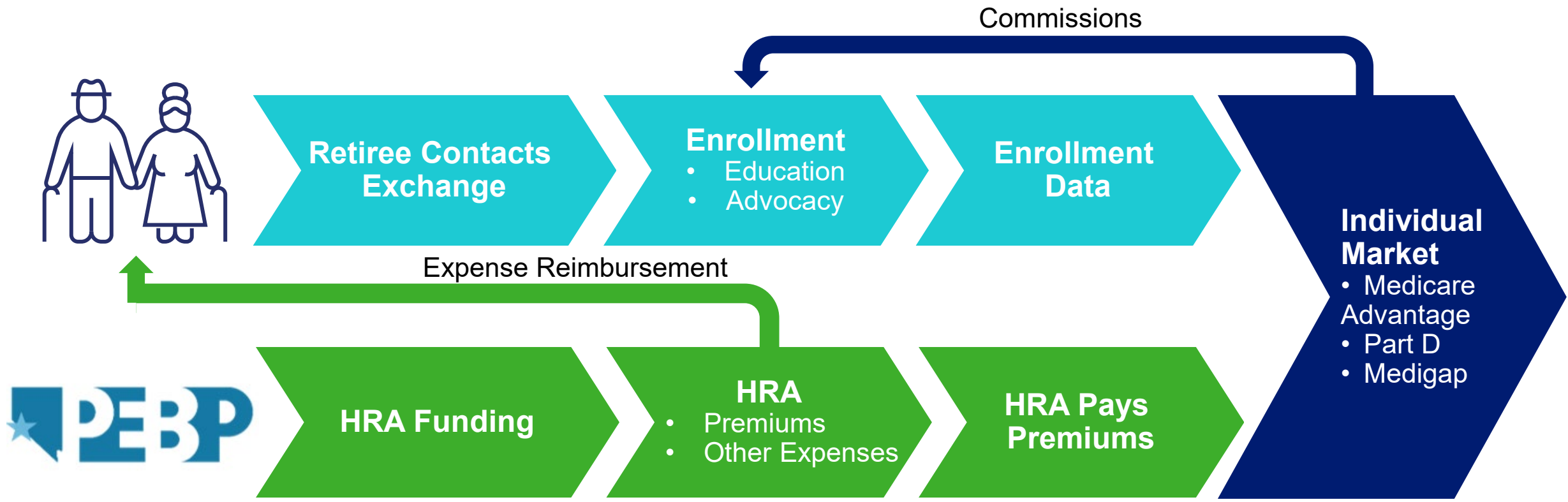
Replaces Medicare parts A and B with an HMO-like plan for (historically) very little additional premium.



Medicare Prescription Drug Plans (PDPs)

Basic Medicare does not cover prescription drugs, Medicare Part D plans do.

How Exchanges Work



Considerations Specific to Medicare Exchanges

Exchanges Contract with Carriers

- PEBP has no input
- Plans Change
- Service Areas Change

Individual Enrollment

- Geography
- Age
- Health status
- Rx use

HRA Funds Premiums/OOP Expenses

Costs Vary for Retirees

- Age
- Gender
- Geographic location

Exchange Holds Broker of Record

Commissions Fund Exchange Services

- Fixed By Carrier
- Can Vary By Exchange Due To Different Carrier Mix

Contracts are Usually on a “Zero Dollar” Basis

Challenging to Move Existing Retirees to New Exchange

- Medicare non-solicitation rules
- Commission duration

Medicare Exchange Market

Key Players and Differentiators

Key differentiators

- Strength of advocacy services
- Level of customer assistance for non-enrollment questions
- Relationship with advocates (geographic focus/single point of contact focus)
- Metrics (e.g., call wait times, satisfaction)
- Level of outsourcing
- Communications Support
- Minimum group size requirements
- Experience/book of business
- Plan and carrier availability

Key players:

- Via (WTW)
- Alight
- Aptia (Mercer)
- Conduent
- Aetna (w/ eHealth)
- Anthem
- Humana (w/ Via)
- UHC
- Select Quote
- AmWINS

We anticipate that the list of vendors and differentiators will continue to evolve over time.

Medicare Market

Legislative and Regulatory Changes

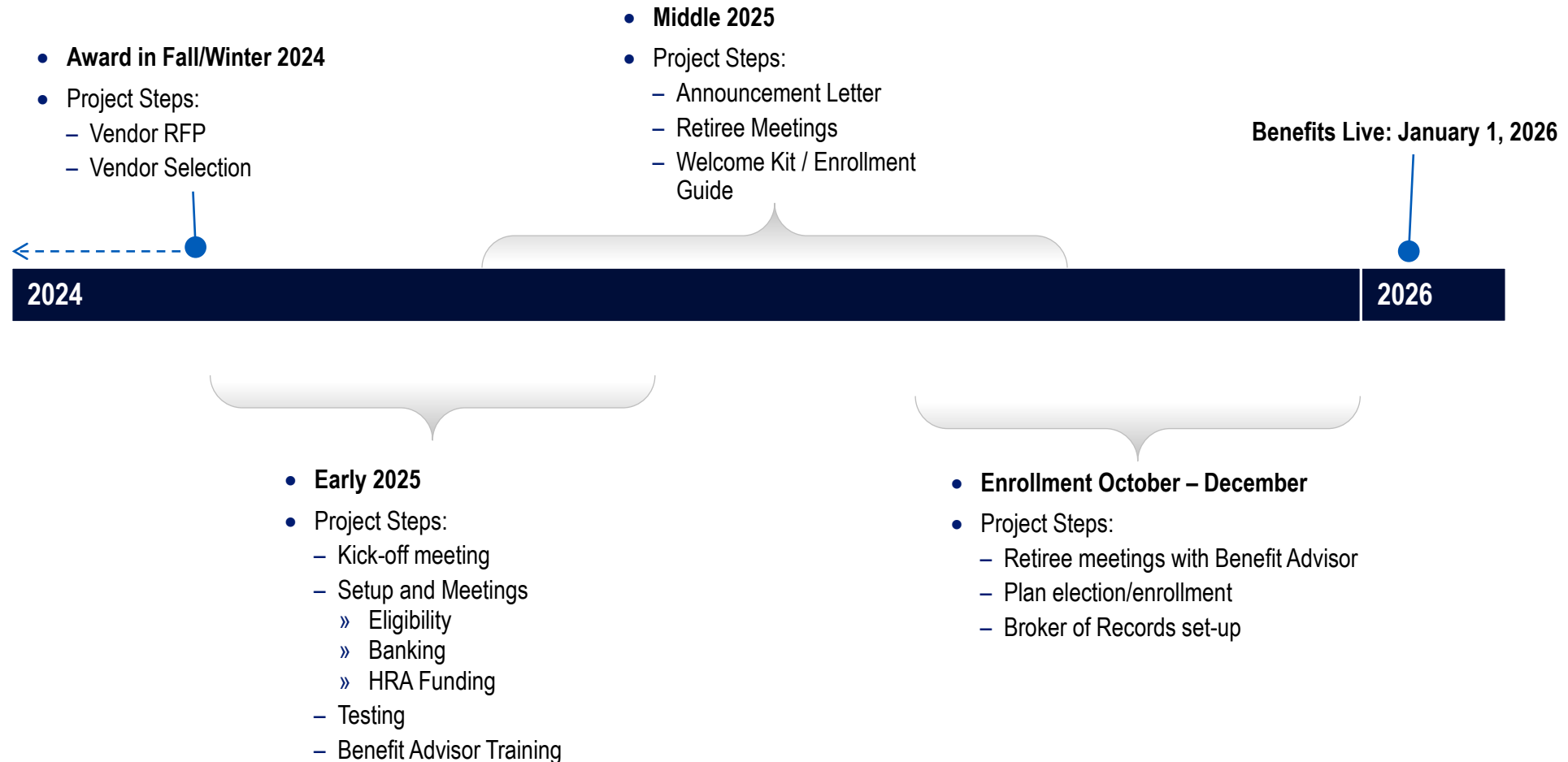
There have been a number of legislative and regulatory changes impacting Medicare Advantage and Part D plans.

- **Medicare Advantage:** CMS continues to adjust how Federal subsidies are calculated for Medicare Advantage Plans, resulting in a continued reduction in Medicare Advantage Subsidies (Medical)
- **Part D Plans:** Inflation Reduction Act
 - \$35 cap on member costs for insulin products (2024)
 - \$2,000 Out-of-Pocket Limit for Rx (2024)
 - Redesign of Basic Part D, resulting in reduction in total Part D subsidies (2025)
 - CMS negotiating pricing for high-cost medications (2026+)

These changes are increasing premiums and/or leading to tighter access or reduced benefits

Exchange Implementation Timeline

RFP and Implementation - Sample



Going Forward: One or Two Exchanges

New Exchange: attempt to transition

- Goal: current and future retirees use new exchange
- Can tie HRA allocation to using new Exchange
- Commissions follow Broker of Record (BOR)
- BOR may not follow retiree to new Exchange



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New Exchange: future retirees only

- Based on Date of Retirement
- Commissions for prior Exchange may sunset and not support required service level
- Two vendors to manage and communicate





Thank You

