


2020 Joint Benefits Committee Meeting

Rancho Santiago Community College District
Retiree Strategy Discussion
November 13th, 2020

Keenan
Associates



11.13.2020
JBC Agenda

Agenda

1. Open Enrollment Statistics
2. Recent and Future Retirees
3. Recap of Group #3 Medical Options
4. Medicare Enrollment Strategy
 - Part B Penalties
 - Enrollment

2020 Open Enrollment Retiree Statistics

2020 Enrollment Statistics

174 CompanionCare
Packets Received

13 CompanionCare
Packets Outstanding

Approximately 50
New Retirees

503 Total Retiree
Population

Recent and Future Retirees



Medicare Enrollment



LICENSE NO. 0451271

Important Information

Under-65 Retirees (Early Retirees)

- **If you're eligible for Medicare when you turn 65 there is a 7-month period that:**
 - ✓ Begins 3 months before the month you turn 65
 - ✓ Includes the month you turn 65
 - ✓ Ends 3 months after the month you turn 65

65 and Over Retirees (Medicare Eligible Retirees)

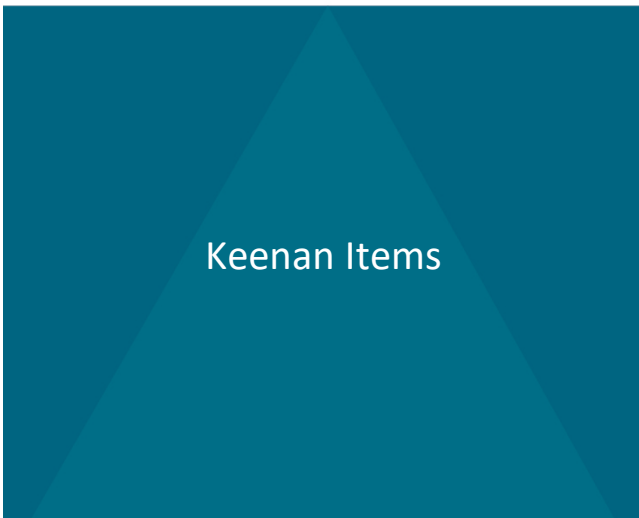
- **8-month Special Enrollment Period to sign-up for Part A and/or Part B that's starts at one of these times (whichever happens first):**
 - ✓ The month after employment ends
 - ✓ The month after group health plan insurance based on current employment ends



Recommendations

Recommendation

1. Notify and require recent and future retirees to enroll in Medicare Part A and B by:
 - *65 or older Retirees: Within 8-months of retirement*
 - *Under-65 Retirees: Within 7-month enrollment window*
2. Allow for enrollment ONLY in Companion Care plan, Kaiser Permanente Senior Advantage plan, or similar Medicare supplement plan




Keenan Items

- Confirming with ASCIP how other agencies offering Companion Care administer their retirees transitioning from active status



Recap of Group #3 Medical Options



Group #3 Obstacles for 2021 Policy Year

Group #3 Obstacles for 2021 Policy Year

- **Mandate Enrollment of Medicare Part A and B:** A strategy will need to be developed to mandate enrollment in Medicare Part A & B for those who are not currently enrolled. This will require an additional plan for how to pay for the Part B late enrollment penalties. Without both Parts A and B, Group #3 quotes are not accessible.
- **Timing of Medicare Open Enrollment:** RSCCD is not eligible for a Special Enrollment Period under Medicare rules. Thus, open enrollment for Medicare is from January 2021 – March 2021. As a result, Group #3 quotes are not accessible until the 2022 Policy Year.

Current Placement – Medicare A & B Only

Rancho Santiago Anthem Plans - 2021 Renewal Rates, SQ or Companion Care Option																	
		Enrollment			2020 Current Rates - Blend Actives & Retirees			2021 Status Quo Renewal - Blend Actives & Retirees				2021 Revised Rates - Move Medicare Eligibles w/ A&B to Companion Care					
		ee	ee+1	fam	ee	ee+1	fam	ee	ee+1	fam	Rate Chng	ee	ee+1	fam	Rate Chng Ee	Rate Chng Ee+1	
HMO	Act	57AMVA	105	129	321	\$675.94	\$1,418.15	\$2,026.38	\$706.36	\$1,481.97	\$2,117.57	4.5%	\$730.02	\$1,531.60	\$2,188.49	8.0%	
	COBRA	57AMVB	2			\$675.94	\$1,418.15	\$2,026.38	\$706.36	\$1,481.97	\$2,117.57	4.5%	\$730.02	\$1,531.60	\$2,188.49	8.0%	
	Ret<65	57AMVC	14	24	9	\$675.94	\$1,418.15	\$2,026.38	\$706.36	\$1,481.97	\$2,117.57	4.5%	\$730.02	\$1,531.60	\$2,188.49	8.0%	
	Ret A&B	57AMVK	16	17		\$675.94	\$1,418.15	\$2,026.38	\$706.36	\$1,481.97	\$2,117.57	4.5%	\$416.24	\$832.48		-38.4%	-41.3%
	Ret A	57AMVL	11	21		\$675.94	\$1,418.15	\$2,026.38	\$706.36	\$1,481.97	\$2,117.57	4.5%	\$730.02	\$1,531.60	\$2,188.49	8.0%	
	Ret No	57AMVM	3	1		\$675.94	\$1,418.15	\$2,026.38	\$706.36	\$1,481.97	\$2,117.57	4.5%	\$730.02	\$1,531.60	\$2,188.49	8.0%	
PPO	Act	40783A	158	160	41	\$968.74	\$2,034.44	\$2,906.44	\$1,012.33	\$2,125.99	\$3,037.23	4.5%	\$1,120.63	\$2,353.41	\$3,362.13	15.7%	
	COBRA	40783A	0	0	0	\$968.74	\$2,034.44	\$2,906.44	\$1,012.33	\$2,125.99	\$3,037.23	4.5%	\$1,120.63	\$2,353.41	\$3,362.13	15.7%	
	Ret<65	40783R	10	47	6	\$968.74	\$2,034.44	\$2,906.44	\$1,012.33	\$2,125.99	\$3,037.23	4.5%	\$1,120.63	\$2,353.41	\$3,362.13	15.7%	
	Ret A&B	40783T	93	73		\$968.74	\$2,034.44	\$2,906.44	\$1,012.33	\$2,125.99	\$3,037.23	4.5%	\$416.24	\$832.48		-57.0%	-59.1%
	Ret A	40783V	42	54	1	\$968.74	\$2,034.44	\$2,906.44	\$1,012.33	\$2,125.99	\$3,037.23	4.5%	\$1,120.63	\$2,353.41	\$3,362.13	15.7%	
		Ret No	40783X	10	5		\$968.74	\$2,034.44	\$2,906.44	\$1,012.33	\$2,125.99	\$3,037.23	4.5%	\$1,120.63	\$2,353.41	\$3,362.13	15.7%
		Monthly Accrual Premium				\$2,175,457			\$2,273,354				\$2,243,006				
		Annual Accrual Premium				\$26,105,484			\$27,280,244				\$26,916,069				
		PEPM				\$1,584.46			\$1,655.76				\$1,633.65				
		% Change							4.5%				3.1%				

Current Placement – ALL Medicare Eligible

Rancho Santiago Anthem Plans - 2021 Renewal Rates, SQ or Companion Care Option

			Enrollment			2020 Current Rates - Blend Actives & Retirees			2021 Status Quo Renewal - Blend Actives & Retirees				2021 Revised Rates - Move ALL Medicare Eligibles to Companion Care				Rate Chng Ee	Rate Chng Ee+1
			ee	ee+1	fam	ee	ee+1	fam	ee	ee+1	fam	Rate Chng	ee	ee+1	fam			
HMO	Act	57AMVA	105	129	321	\$675.94	\$1,418.15	\$2,026.38	\$706.36	\$1,481.97	\$2,117.57	4.5%	\$702.98	\$1,474.88	\$2,107.44	4.0%		
	COBRA	57AMVB	2			\$675.94	\$1,418.15	\$2,026.38	\$706.36	\$1,481.97	\$2,117.57	4.5%	\$702.98	\$1,474.88	\$2,107.44	4.0%		
	Ret<65	57AMVC	14	24	9	\$675.94	\$1,418.15	\$2,026.38	\$706.36	\$1,481.97	\$2,117.57	4.5%	\$702.98	\$1,474.88	\$2,107.44	4.0%		
	Ret A&B	57AMVK	16	17		\$675.94	\$1,418.15	\$2,026.38	\$706.36	\$1,481.97	\$2,117.57	4.5%	\$416.24	\$832.48		-38.4%	-41.3%	
	Ret A	57AMVL	11	21		\$675.94	\$1,418.15	\$2,026.38	\$706.36	\$1,481.97	\$2,117.57	4.5%	\$416.24	\$1,474.88	\$2,107.44	-38.4%		
	Ret No	57AMVM	3	1		\$675.94	\$1,418.15	\$2,026.38	\$706.36	\$1,481.97	\$2,117.57	4.5%	\$416.24	\$1,474.88	\$2,107.44	-38.4%		
PPO	Act	40783A	158	160	41	\$968.74	\$2,034.44	\$2,906.44	\$1,012.33	\$2,125.99	\$3,037.23	4.5%	\$1,007.49	\$2,115.82	\$3,022.70	4.0%		
	COBRA	40783A	0	0	0	\$968.74	\$2,034.44	\$2,906.44	\$1,012.33	\$2,125.99	\$3,037.23	4.5%	\$1,007.49	\$2,115.82	\$3,022.70	4.0%		
	Ret<65	40783R	10	47	6	\$968.74	\$2,034.44	\$2,906.44	\$1,012.33	\$2,125.99	\$3,037.23	4.5%	\$1,007.49	\$2,115.82	\$3,022.70	4.0%		
	Ret A&B	40783T	93	73		\$968.74	\$2,034.44	\$2,906.44	\$1,012.33	\$2,125.99	\$3,037.23	4.5%	\$416.24	\$1,474.88		-57.0%	-27.5%	
	Ret A	40783V	42	54	1	\$968.74	\$2,034.44	\$2,906.44	\$1,012.33	\$2,125.99	\$3,037.23	4.5%	\$416.24	\$1,474.88	\$3,022.70	-57.0%		
		Ret No	40783X	10	5		\$968.74	\$2,034.44	\$2,906.44	\$1,012.33	\$2,125.99	\$3,037.23	4.5%	\$416.24	\$1,474.88	\$3,022.70	-57.0%	
		Monthly Accrual Premium				\$2,175,457				\$2,273,354				\$2,072,620				
		Annual Accrual Premium				\$26,105,484				\$27,280,244				\$24,871,441				
		PEPM				\$1,584.46				\$1,655.76				\$1,509.56				
		% Change								4.5%				-4.7%				

Group #3
Results Overview

Carrier / Pool	Estimated Annual Premium	Difference from Renewal
ASCIP – Incumbent	\$ 24,871,449.12	\$ (2,408,794.56)
Anthem	\$ 25,503,501.60	\$ (1,776,742.08)
HealthNet	\$ 26,015,850.00	\$ (1,264,393.68)
AETNA	\$ 24,417,614.16	\$ (2,862,629.52)
UHC	\$ 25,175,105.28	\$ (2,105,138.40)
Blue Shield	\$ 27,009,183.72	\$ (271,059.96)
CVT	\$ 23,603,100.00	\$ (3,677,143.68)



Benefit for Retirees

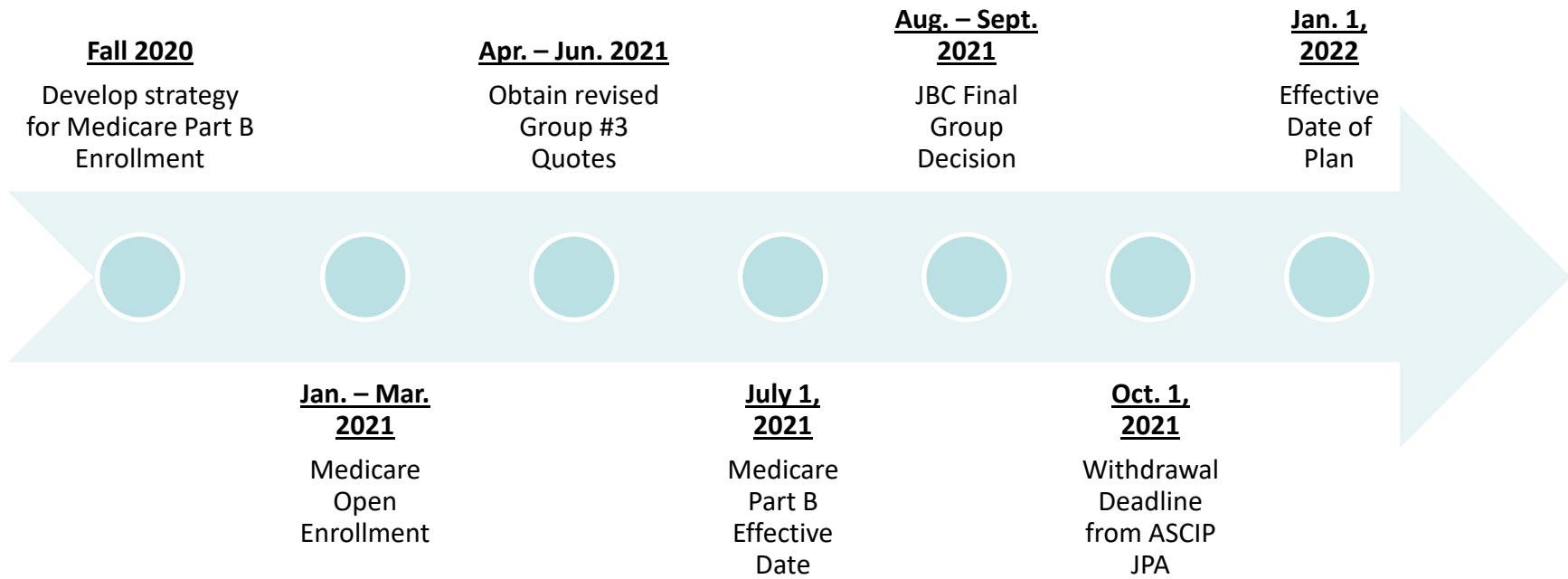


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Benefits for Retirees

- Better Coverage - Medicare supplement plans offer close to 100% coverage and in most cases provide higher coverage levels
- Better Access – With Medicare supplement plans, retirees are able to access medical services from any provider that accepts Medicare
- Better Security – With enrollment in the Medicare Parts A and B, retirees will be assured that they will have access to medical benefits regardless of any future moves as it relates to carrier or pool

Group #3 Strategic Plan



Part B Penalties



Part B Penalties

Part B Penalties

Late Enrollment Penalty

- **Those who don't enroll when first eligible will receive a 10% penalty for each 12-month period they could've had Part B but didn't sign up.**
 - ✓ Penalty remains for as long as you have Part B
 - ✓ There is no cap on penalty
- **Example:**
 - Your Initial Enrollment Period ended December 2016. You waited to sign up for Part B until March 2019 during the General Enrollment Period. Your coverage starts July 1, 2019. Your Part B premium penalty is 20% of the standard premium.

Part B Premiums

If your yearly income in 2019 (for what you pay in 2021) was			You pay each month (in 2021)
File individual tax return	File joint tax return	File married & separate tax return	
\$88,000 or less	\$176,000 or less	\$88,000 or less	\$148.50
above \$88,000 up to \$111,000	above \$176,000 up to \$222,000	Not applicable	\$207.90
above \$111,000 up to \$138,000	above \$222,000 up to \$276,000	Not applicable	\$297.00
above \$138,000 up to \$165,000	above \$276,000 up to \$330,000	Not applicable	\$386.10
above \$165,000 and less than \$500,000	above \$330,000 and less than \$750,000	above \$88,000 and less than \$412,000	\$475.20
\$500,000 or above	\$750,000 and above	\$412,000 and above	\$504.90



Part B Payment

Part B Payment

- Your Part B premium will be automatically deducted from your benefit payment if you get benefits from one of these:
 - Social Security
 - Railroad Retirement Board
 - Office of Personnel Management
- If you don't get these benefit payments, you'll get a bill.

Enrollment



Enrollment Options

Exploring Enrollment Options

- Third-party enrollment vendors
- Assistance from Anthem Medicare Enrollers
- Mandate CompanionCare or KPSA enrollment for 2022 year and require proof of Medicare Parts A and B for enrollment

Keenan

Your Dedicated Keenan Service Team

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Name:	Kim Gleeson
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Email:	kgleeson@Keenan.com
Responsibilities:	<ul style="list-style-type: none">• Negotiates renewals/contract changes• Coordinates implementation of new/existing plan and benefit programs• Communicates Keenan Resources• Preparation for Benefit Committee Meetings• Coordinates open enrollment meetings, health & wellness fairs

About Keenan



Thank you for choosing Keenan.

We truly appreciate your business and look forward to working with you and RSCCD employees for many years to come.

We believe in forming a mutually beneficial partnership and welcome your feedback on how we may serve you better.

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