



Health Care Sustainability Highlights

December 15, 2022

The December health care sustainability session began with an overview by Christi Pepe, SERS' health care director, and Michael Steiner, SERS' health care plan administration senior manager of [November's discussion](#).

Last month, staff introduced some options for encouraging new retirees examine the economic benefits available to them by enrolling in a non-Medicare Marketplace plan combined with the SERS Wraparound HRA, rather than the SERS non-Medicare plan.

Pepe and Steiner noted that in many cases the cost to the retiree would be lower under the Marketplace/Wraparound HRA plan. They also noted that while participation in the SERS-sponsored plan will continue, lower participation in SERS' non-Medicare plan would yield cost savings for SERS that would enhance the sustainability of SERS' health care fund.

Steiner described scenarios where non-Medicare enrollees would save money by selecting the Marketplace Wraparound HRA combination plan. For example, under the current SERS non-Medicare plan model, retirees with a \$30,000 income could save an estimated \$4,241 annually by selecting the Marketplace Wraparound HRA combination plan.

Currently, SERS communicates Marketplace Wraparound HRA savings to potential non-Medicare enrollees through various means.

When a member is considering or applying for retirement, they are notified of the Marketplace Wraparound HRA plan by a SERS counselor during a retirement counseling appointment, during SERS' retirement conferences and webinars, and in the service retirement application packet. A Board-approved disability recipient receives such information when mailed a health care application and via a follow-up call from a SERS health care outreach specialist.

Staff discussed options to further improve awareness by expanding knowledge of the member cost advantages through enhanced staff outreach and the potential for requiring Marketplace Wraparound HRA counseling prior to enrollment in a SERS non-Medicare group plan. The Board expressed interest in requiring such counseling but also noted that the level of customer service in the experience must meet SERS' high standards and maintain members' trust.

Steiner provided a demonstration of how such information is currently being provided by the vendor (HealthSCOPE Benefits).

HealthSCOPE Benefits counsels individuals about available Marketplace Plans, costs, available providers, and how to use the Wraparound benefit. Members can use their own computers or mobile devices with the counselor to view the online Marketplace plan alternatives while the representative describes these and how they work with the Wraparound HRA. HealthSCOPE Benefits is also looking into virtual counseling alternatives so members can observe the online selection process to enhance their understanding and plan selection decisions.

The Board briefly discussed alternative sustainability options regarding changes to the non-Medicare group plan premium subsidies, with consideration to aligning the disability and service retiree subsidies and premiums.

The Board and staff will convene for another health care sustainability discussion in February.