



SERS Health Care Sustainability

February 2023

Agenda



- Review Considerations from November/December
- **Goal** - Help members understand and choose the best, most affordable SERS' non-Medicare coverage for their situation
 - Require Marketplace Counseling
 - Current Marketplace Wrap Counseling, Enrollment and HRA Claims Administration
 - Impact: Marketplace Counseling requirement for Group Plan enrollment
 - Implementation Alternatives and Costs
 - \$1 M annual impact per 10% uptake
 - Make Disability and Service Premiums the Same
 - \$3 M annual impact
 - Premium Increase (Lowest member premium 30% / 40% / 50%)
 - \$10 M to \$20 M annual impact

Marketplace Wrap HRA Administration



Since 2016, SERS has contracted with HealthSCOPE Benefits (HSB), a full-service third-party administrator for:

1. Marketplace counseling
2. Medicaid eligibility verification
3. Marketplace plan enrollment and Medicaid application
4. Plan administration and claims reimbursement for the Marketplace Wraparound HRA

Marketplace Counseling / Plan Enrollment



- HealthSCOPE provides two SERS-dedicated and Marketplace-trained agents
 - Sebastian: process lead assigned to SERS since 2017
 - Dan: primary agent assigned to SERS from 2016 to 2017, and continuously since 2019
- Marketplace-trained supervisor and additional staff for absences or high-volume periods
 - June through August and January are SERS' retirement peaks
- Out-of-state plan selection and enrollment assistance

Marketplace Counseling / Plan Enrollment



- HealthSCOPE initial counseling calls average 30-60 minutes depending on member needs
- Primary member concerns:
 - Marketplace premiums (with reimbursement) compared to SERS' traditional plan
 - Coverage levels; co-pays, deductibles
 - Providers in network
- Once a plan is selected, calls to complete Marketplace or Medicaid applications average 60 minutes or more
- HSB call volume ranges from 30 to 150 calls per month
 - Higher volume during June through August, SERS peak retirement season
 - Higher volume during November through January, Marketplace Open Enrollment

Marketplace Wraparound HRA Administration



- Accepts eligibility and Marketplace Wraparound HRA plan enrollment files from SERS
- Sends Marketplace enrollment confirmations with plan effective dates to SERS
- Mails ID cards and plan documents to new Marketplace Wraparound HRA enrollees
- Plan administration of \$1,950 HRA reimbursements
- Provides customer service related to plan selection, enrollment, administration and member reimbursement

Members' Experience with HealthSCOPE



“Dan is right on top of it. He is thorough, picks up the phone or will call you right back. He does everything I would need him to do.”

**- Deborah, 63
26 years of service**

**“I had a guy, Sebastian, help me choose the plan. He did everything for me, picked plans, compared them and called and got me set up. It's a great program.” - Joy, disability, 64
26 years of service**

**“There's a fellow named Dan, do you know who he is? Every time I needed something I called him, and he would help me figure out how to get reimbursed. He's a wonderful man.” - Beth, disability, 63
22 years of service**

**“Dan was my helper; he was awesome. He helped me choose plans all three years.” - Leslie, 63
27 years of service**

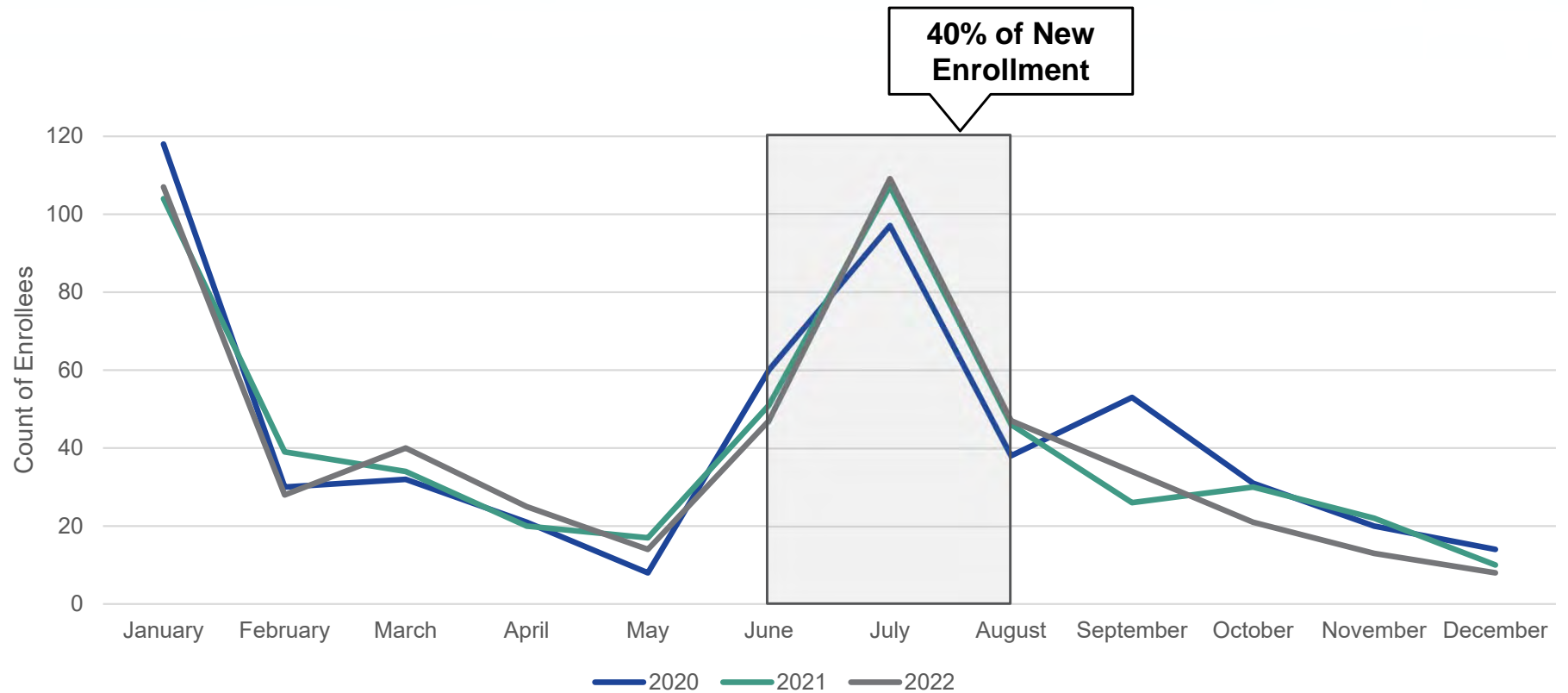
Improving SERS Communications



- Improve prominence and clarity of Marketplace Wraparound HRA cost advantages in SERS' materials
- Expand education for Member Services Counselors and Member Services Team
- Provide member eligibility specifics earlier to HSB

New Non-Medicare Enrollees by Month

2020 to 2022



Count of enrollees excludes spouses and dependents.

HealthSCOPE: Calendar Year 2022



- \$88,000 annual administrative cost
 1. Counseling & Enrollment
 2. HRA administration
 3. Customer service
- HSB processed \$112,000 in out-of-pocket member reimbursements

Requiring Marketplace Counseling



Requiring Marketplace counseling will add approximately **500** annual counseling calls

Assumption: 75 (15%) of 500 counseled annually will enroll in the Marketplace Wraparound HRA:

HealthSCOPE contract	Adds \$18,750 to current contract cost
SERS hires a licensed agent	Adds \$95,000 to SERS' personnel budget

- If SERS hires, HSB licensed agents are still needed to perform back-up during absences and high-volume periods
- As needed, SERS can perform a warm transfer to HSB agent for required counseling
- June-August account for 40% of annual new non-Medicare enrollment
- FY 2024 sustainability impact is dependent on timely action

Make Disability & Service Premiums the Same (Impacts 419 members)



Disability beneficiaries currently pay lower premiums based on years of service

Current Most Common Premium	Most Common Premium when Same as Service
\$296	\$482

Resolves issue of highest cost members contributing the least premium

Service Retiree Net Spend: \$11,766

Disability Beneficiary Net Spend: \$25,628

Estimated Impact

- \$72,000 increase in collected premiums
- 108 disability members likely pick the Marketplace Wraparound HRA or another option, reducing claims expenses by \$3.1 million

Estimated Total Annual Sustainability Impact: \$3.2 million

Potential Increases:

Subsidized Premiums for 20+ YOS



Years of Service	Current Premium Service / Disability		30% Lowest Premium Service / Disability		40% Lowest Premium Service / Disability		50% Lowest Premium Service / Disability	
5 to 9.9	N/A	50%	N/A	50%	N/A	50%	N/A	50%
10 to 19.9	100%	33%	100%	33%	100%	40%	100%	50%
20 to 24.9	50%	33%	50%	33%	50%	40%	50%	50%
25 to 29.9	30%	17.5%	30%	30%	40%	40%	50%	50%
30 to 34.9	20%	17.5%	30%	30%	40%	40%	50%	50%
35+	15%	17.5%	30%	30%	40%	40%	50%	50%
Members Impacted	3,042 Current Members		2,274		2,944		2,944	
Lowest Premium	\$333 (most common)		\$482		\$631		\$780	
Increased Premiums	N/A		\$2.7 M		\$3.5 M		\$5.5 M	
Reduced Claims	N/A		\$6.8 M		\$13.2 M		\$15.9 M	
Estimated Impact	\$45 M Current Cost		\$9.5 M		\$16.7 M		\$21.4 M	

Sustainability Impact Review



1	Increase member premiums (lowest to 30% / 40% / 50%)	\$10 M to \$20 M
2	Make disability and service premiums the same	\$3 M
3	Mandatory Wraparound HRA counseling	\$1 M per 10%
4	Continue current strategy – monitor and fine tune	

Estimated impact on projected solvency, provided by Cavanaugh Macdonald:

\$5 million reduction → Adds 4 years of solvency (42 total).

\$10 million reduction → Adds 22 years of solvency (60 total).