



Are you ready for the Silver Tsunami?

Presented by:

Jeffrey Mizokawa, Employee Benefits Practice Leader (Keenan)

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Meet our Presenters

Name

Jeffrey Mizokawa

Organization

Keenan

Role

Vice President – Employee Benefits Practice

Email

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Meet our Presenters

Name

Nate Brzovich

Organization

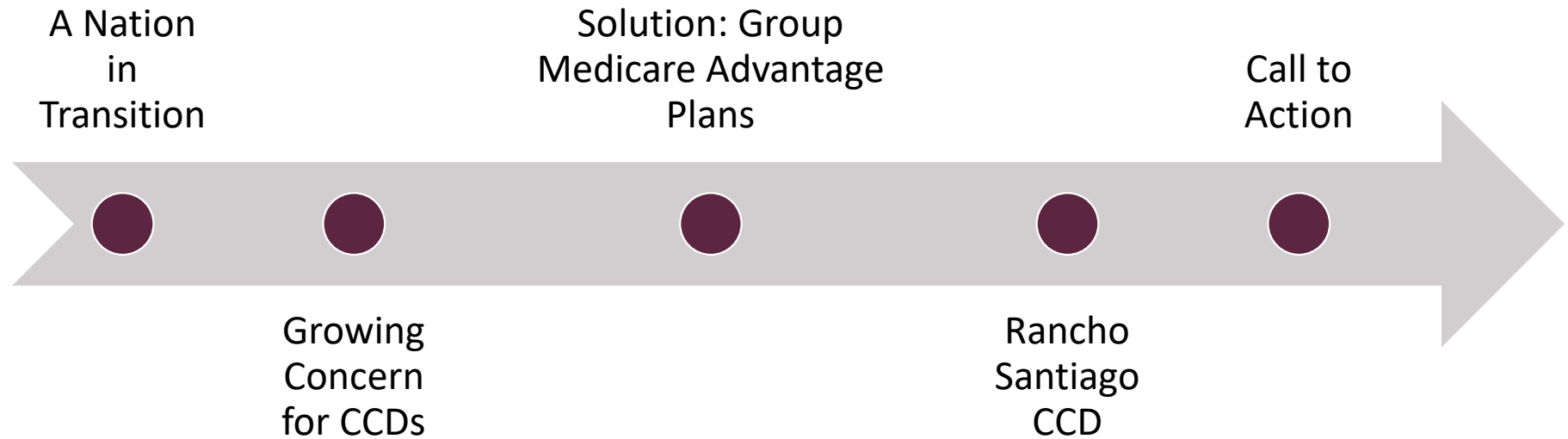
RetireeFirst

Role

Regional Vice President

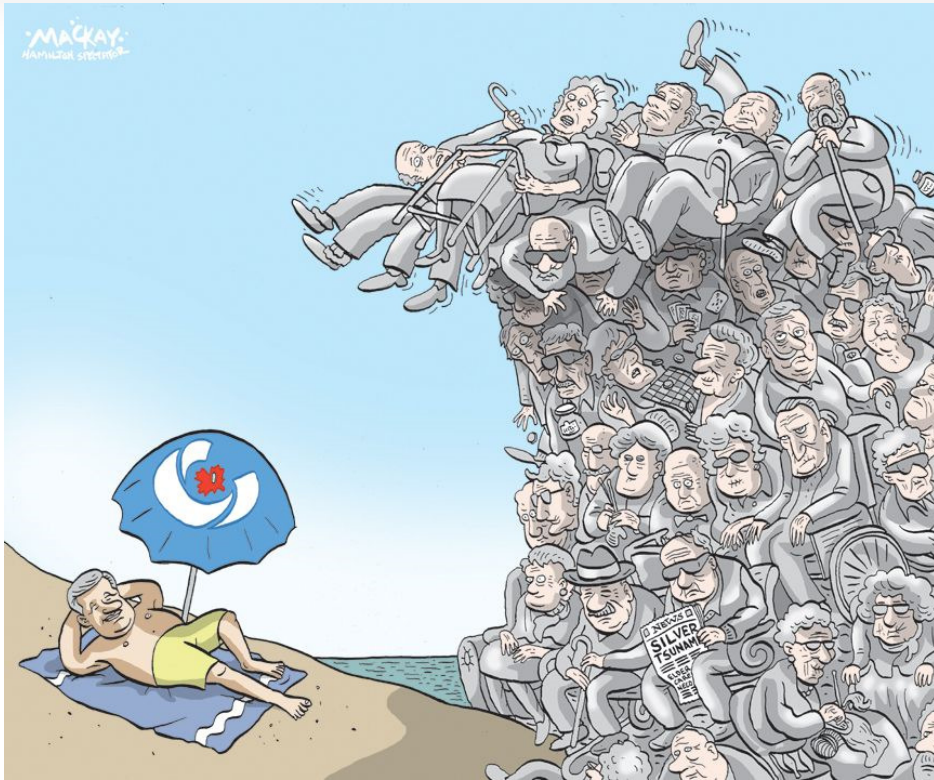


Our Goals Today



A NATION IN TRANSITION

The Year 2030...



All Baby Boomers will be 65 or older...

1 in 5 Americans will be at retirement age

of Americans in the age bracket will reach 71 million

In CA, the 65+ population will increase by 25%

The Promise of Public Employment

Hire



Retire

A GROWING CONCERN FOR CALIFORNIA'S COMMUNITY COLLEGE DISTRICTS

Have you seen the headlines?

Santa Cruz County is graying and the impending silver tsunami has service providers worried



BY CHRISTOPHER NEELY

Source: Lookout Santa Cruz

THE ORANGE COUNTY
REGISTER

News | Aging population spike could be far worse than...



Aging population spike could be far worse than first projected. Are we ready?

'Silver tsunami' threatens to drown seniors

The growing number of aging baby boomers reaching 60 is putting a strain on California's health care services aimed at helping low-income citizens.

Global 'silver tsunami' of older cancer patients is coming, experts warn

Oncologists sound alarm over risk of healthcare systems buckling due to rising need for specific care

Editorial: Marin faces growing challenge of 'silver tsunami'



By MARIN IJ EDITORIAL BOARD |
February 25, 2023 at 10:35 a.m.

FORBES > MONEY > RETIREMENT

The New Silver Tsunami

Sara Zeff Geber, PhD Contributor @
Author, Speaker, Nexus Insights Fellow

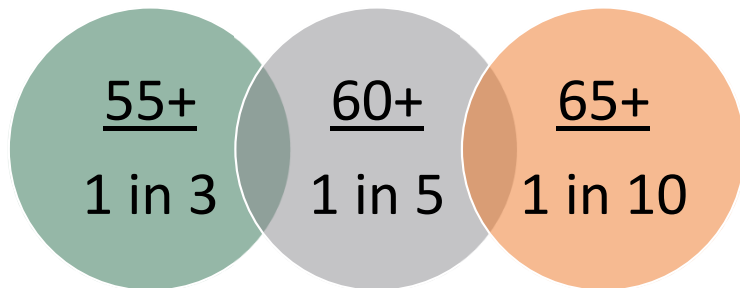
Follow

Nov 28, 2020, 01:53pm EST

California Community Colleges

As of Fall 2022, the Chancellor's Office DataMart shows:

Fall 2022 Employee Count: 85,079



Employee Group	55+ in Age	60+ in Age	65+ in Age
Educational Administrator	34.67%	18.39%	7.10%
Academic (Tenured)	35.73%	20.51%	9.26%
Academic (Temporary)	37.41%	26.48%	16.57%
Classified	27.86%	15.20%	5.67%

5 Major Impacts to Your Benefit Programs

Changes to
Risk Profile

Increasing
Utilization

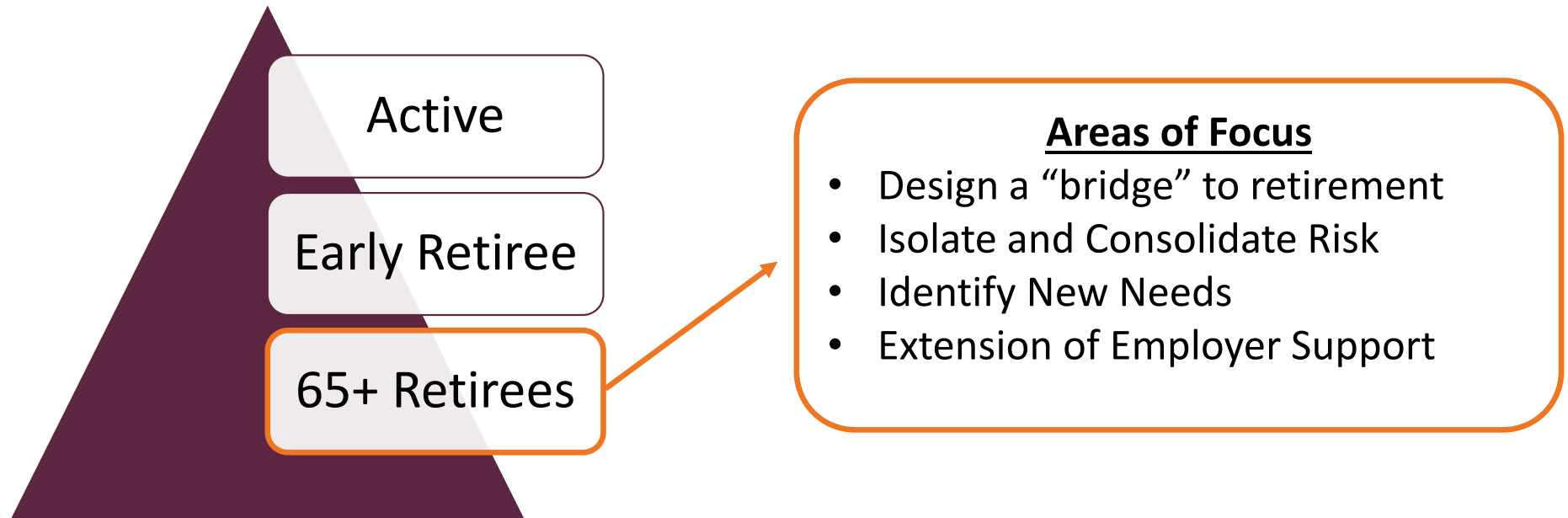
Healthcare
Cost Increases

Budget
Pressure

Collective
Bargaining

Strategic Approach to Retirees

Different Approaches to Each Group



Group Medicare Advantage Plans

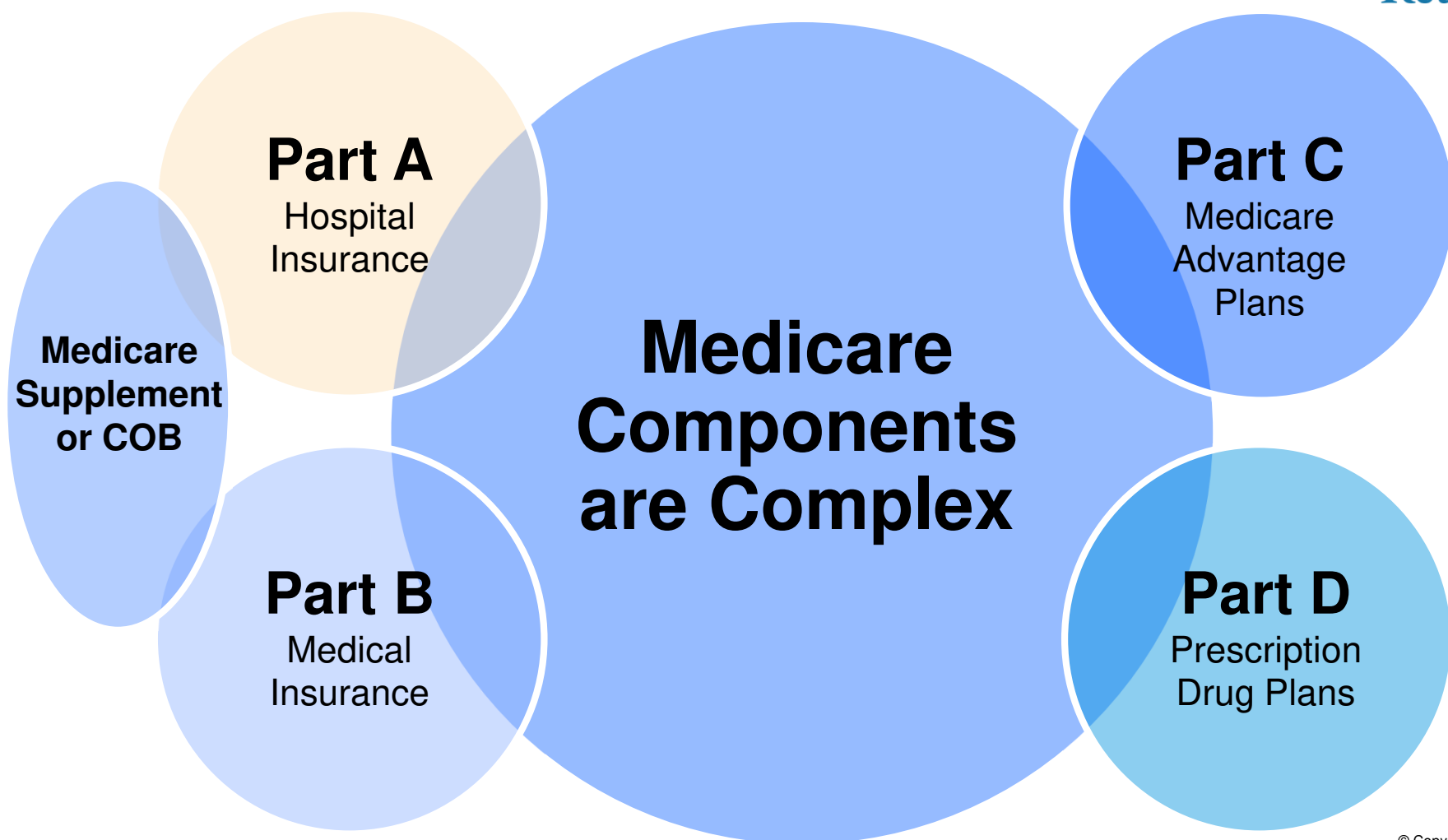
Let's explore how Group Medicare Advantage plans can help transition your retirees into a happy and secure future...



GROUP MEDICARE ADVANTAGE PLANS

What We'll Be Covering Today

- Overview of Medicare and the complex landscape
- Differences in Medicare Products
- Rise in Medicare Advantage Enrollment
- Best Practices for Medicare Advantage Plan Design



Medicare Snapshot 101

- Medicare was signed into law by President Lyndon Johnson in 1965
- Today, nearly 64 million Americans are covered with spending at about \$917 billion, projected at \$1.78 trillion by 2031



PART A

Covers hospital visits



PART B

Covers doctor visits and outpatient care



PART C

Something different, known as the Medicare Advantage program



PART D

A prescription drug program

Group Plan's Growing OPEB Liability Problem

Other Post Employment Benefits “OPEB” are benefits, other than pension (mainly healthcare), that members receive post-retirement

- Far more difficult of an actuarial assessment compared with pension obligations – the nation's OPEB liability is \$1.2 trillion
- OPEB debt is growing: New York City spent \$3.18 billion on retiree healthcare last year, but OPEB debt still grew by \$8.5 billion, totaling \$122 billion

IOUs to pay future costs just pile up!



Medicare Advantage provides a unique opportunity to stabilize costs and protect benefits, while improving OPEB liability

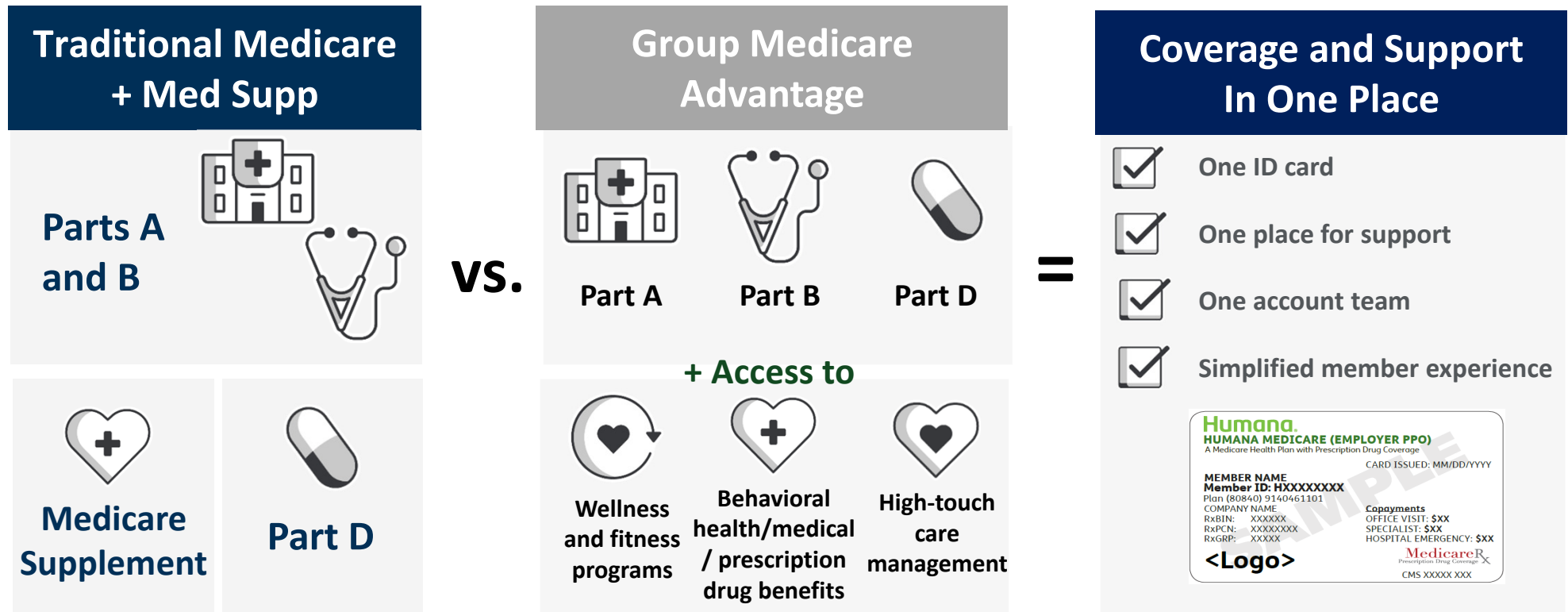
Medicare Advantage Overview

- **Medicare Advantage are medical plans offered by private insurance companies that contract with CMS to replace Original Medicare Parts A & B**
 - UHC group is PPO market leader by enrollment, followed by Humana, Aetna and Anthem
 - Plans are fully-insured with monthly per-member premiums
 - National Group PPO medical networks now widely available
 - Retiree still pays Part B premium
- **Can be offered with or without Part D Rx benefits**
 - Plans can also cover non-Medicare benefits including dental, vision, hearing, gym memberships and other services
- **Typical Savings in group plan transitions: 20 – 50%**



How Does Group Medicare Advantage Work?

RetireeFirst



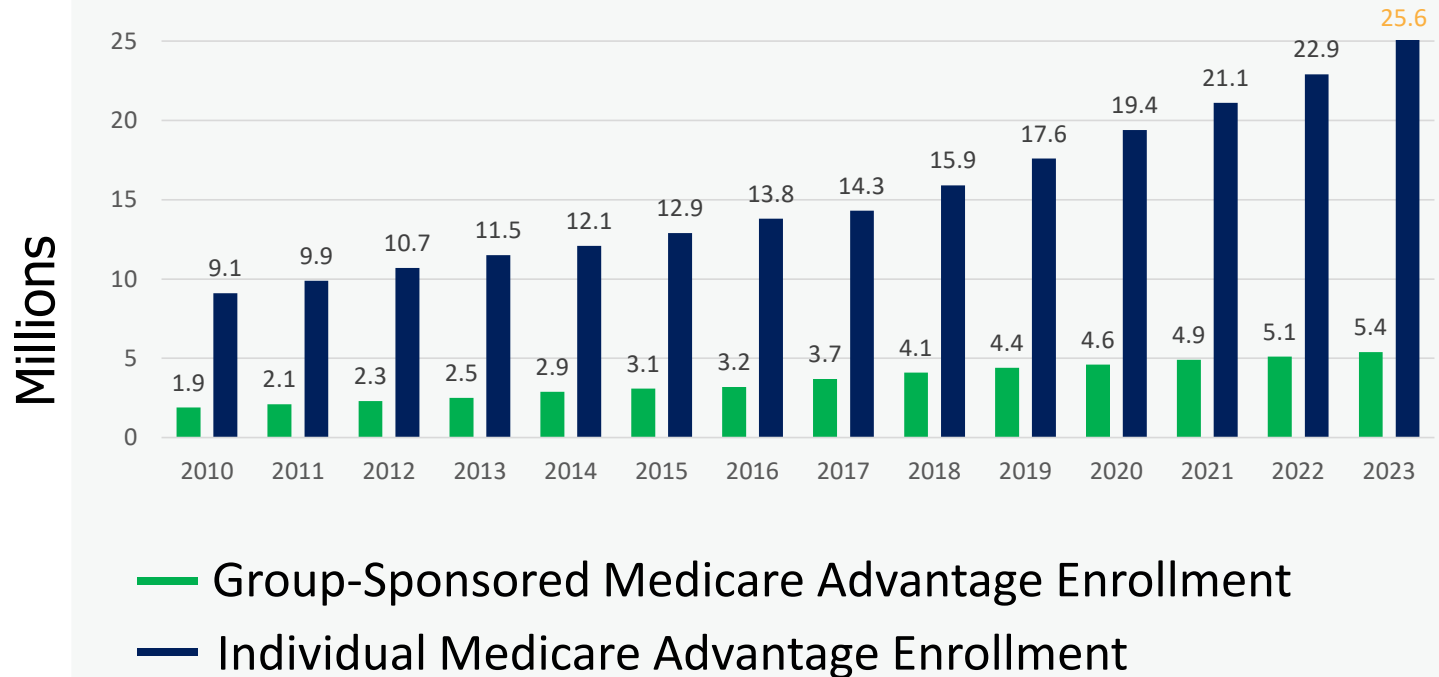
Medicare Advantage Growth

Medicare Advantage is expected to surpass 50% of the total Medicare population within the next year. At current growth rate, on track to reach 69% of the Medicare population by end of 2030.

Group Medicare Advantage carve-out growth of 174% in last 10 years (63% last 5 yrs.) – today, 1 in 5 (20%) of all Medicare Advantage enrollees from Group-sponsored plan.

RetireeFirst

Half of All Eligible Medicare Beneficiaries Are Now Enrolled in Medicare Advantage Plans



MA Marketplace Confusion

RetireeFirst



I Called The 800 Number To See What Extra Medicare Benefits I Could Get

CALL THE 2021 Medicare Helpline 1-800-531-3809 TTY: 711

Spot.tv



Turning 65?

You already know Medicare can be confusing...

We can help answer all your questions!

Our consultation is FREE and comes with no obligation!

SAMPLE INSURANCE COMPANY

John Smith
Call today! 1-800-628-1804



The New York Times

Medicare Advantage Plans Often Deny Needed Care, Federal Report Finds

Investigators urged increased oversight of the program, saying that insurers deny tens of thousands of authorization requests annually.

Give this article



NEW YORK RETIREES' LIVES



MEDICARE COVERAGE HELPLINE

The plan also includes:
Dental
Vision
Hearing
And Prescription Drug Coverage

CALL THE 1-800-404-9700 TTY: 711



Medicare Advantage

MANY AMERICANS

May **NOT** Have A Plan With All Available Benefits

Free today! NO OBLIGATION

800-310-3702 TTY: 711

CALL TO SPEAK WITH A LICENSED INSURANCE AGENT

Individual vs. Group Plans

When comparing a group Medicare Advantage (MA) or Medicare Advantage Prescription Drug (MAPD) plan to an Individual plan, there are several key differences and advantages to consider.

	Individual Medicare Advantage (MA) or Medicare Advantage Prescription Drug (MAPD) Plans	Group Medicare Advantage (MA) or Medicare Advantage Prescription Drug (MAPD)
Geographic Availability	Limited to areas with viable contracted networks	National service area, including all US
Provider Access	Contracted providers only	Contracted providers and all Medicare providers
Prior Authorizations for Drugs	Lack customization	Depending on the carrier, you have the flexibility to adjust the intensity of prior authorizations in a group plan. This customization allows you to determine the number of prior authorizations required for members concerning drugs.
Formulary Differences (List of covered medications)	Vary greatly	Group formularies are typically broader
Regulating Entity	Federal/CMS	Federal/CMS

How the Individual Healthcare Marketplace Works

RetireeFirst

Employer

Provides Eligibility and Funding

Marketplace: Retirees Customize their Benefits

Retiree Support

- Communications
- Enrollment support
- HRA Administration
- Lifetime advocacy for retirees

Individual Health Care Plans

Medicare Advantage
with Prescription Drug

Medicare Supplement
(Medigap)

Prescription Drug
(Medicare Part D)

Individual and Family Plans
(Pre-65)

Dental and Vision

Ancillary Plans

Medicare Supplement vs. Medicare Advantage

	Medicare Supplement	Medicare Advantage
Reduced Premiums driven by additional federal subsidies	No	Yes
Pre-Authorizations required for certain procedures	Limited	More frequent, at carrier discretion
Clinical and Wellness Engagement	No	Yes
Network access	Any provider who accepts Medicare	Accepted by all willing Medicare Providers and PPO Network Plan
Reminders and Rewards for healthy activities	No	Yes
Fitness memberships	No	Yes
Additional benefits beyond traditional Medicare	Not on individual plans, occasionally on group plans	Often included within the plans: podiatry, chiropractic, vision, fitness, and hearing visits
Improved Clinical Outcomes	No	Yes
Care Coordination	No	Yes
% of Medicare Beneficiaries		51% (31M)
ID Cards	3	1
Insurance Model	Fee for Service – Quantity Driven	Managed Care – Quality Driven

Medicare Supplement vs. Medicare Advantage (continued)

RetireeFirst

	Traditional Medicare and Medicare Supplement	Medicare Advantage
Clinical & Wellness engagement	×	✓
Care coordination	×	✓
In-home health assessments	×	✓
Reminders and rewards	×	✓
Nurseline support	×	✓
Fitness memberships	×	✓
Reduced premiums	×	✓
Improved clinical outcomes	×	✓
Ability to influence retiree behavior	×	✓
Maximization of government funding and pharmaceutical discounts	×	✓
Higher quality Stars plan performance	×	✓
Ability to close gaps in care	×	✓
Overall cost savings for plan sponsors and retirees	×	✓
Value-added benefits	×	✓

Advantages: Group Medicare vs. Individual MA/MAPD Plans

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Plan Design Differences



Ability to match in-force benefits



Benefit consistency, year-to-year and location-to-location



Passive PPO ability

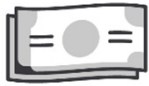


Richer plan designs

Group Medicare: Positive Results for the Member and Plan Sponsor

RetireeFirst

End Results for Member



Lower out-of-pocket costs



Better health outcomes



Better member experience and higher satisfaction

End Results for Plan Sponsor



Satisfied retirees and lower costs

Designing the Plan



Group MA/MAPD

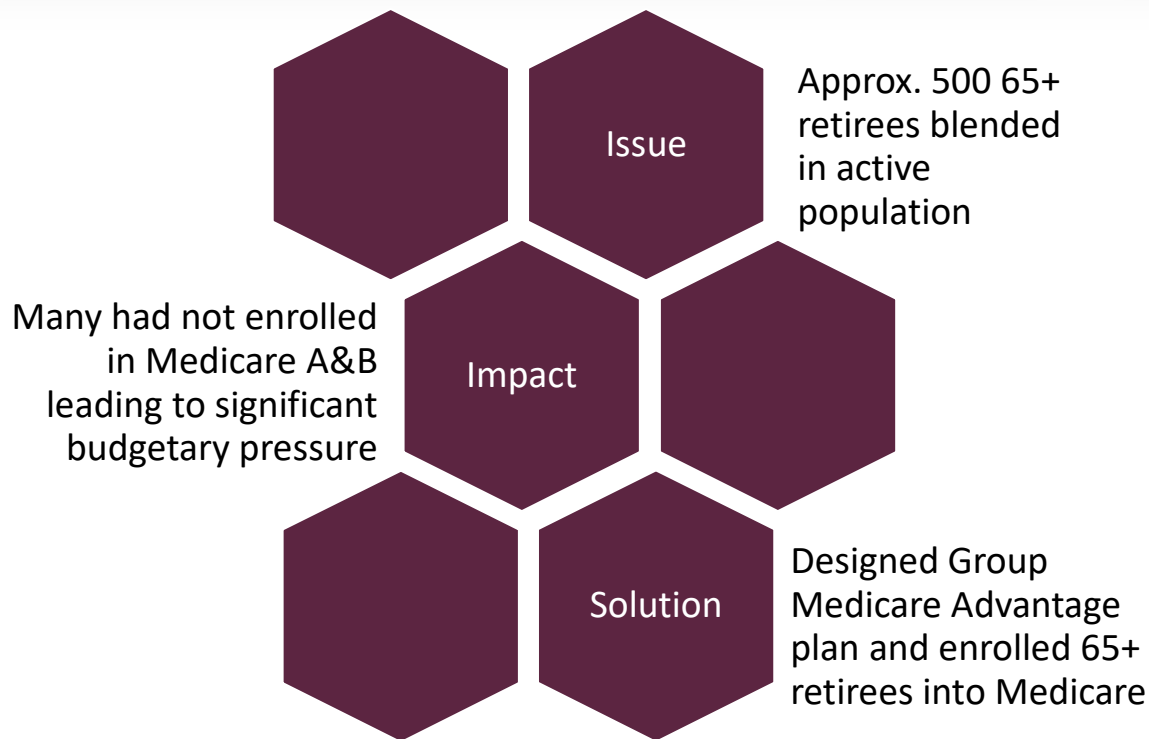
- Match Members' Current Offering
- Open Network over Closed Network
- PPO over HMO
- Incorporate Plan Improvements

Plan Improvement Ideas

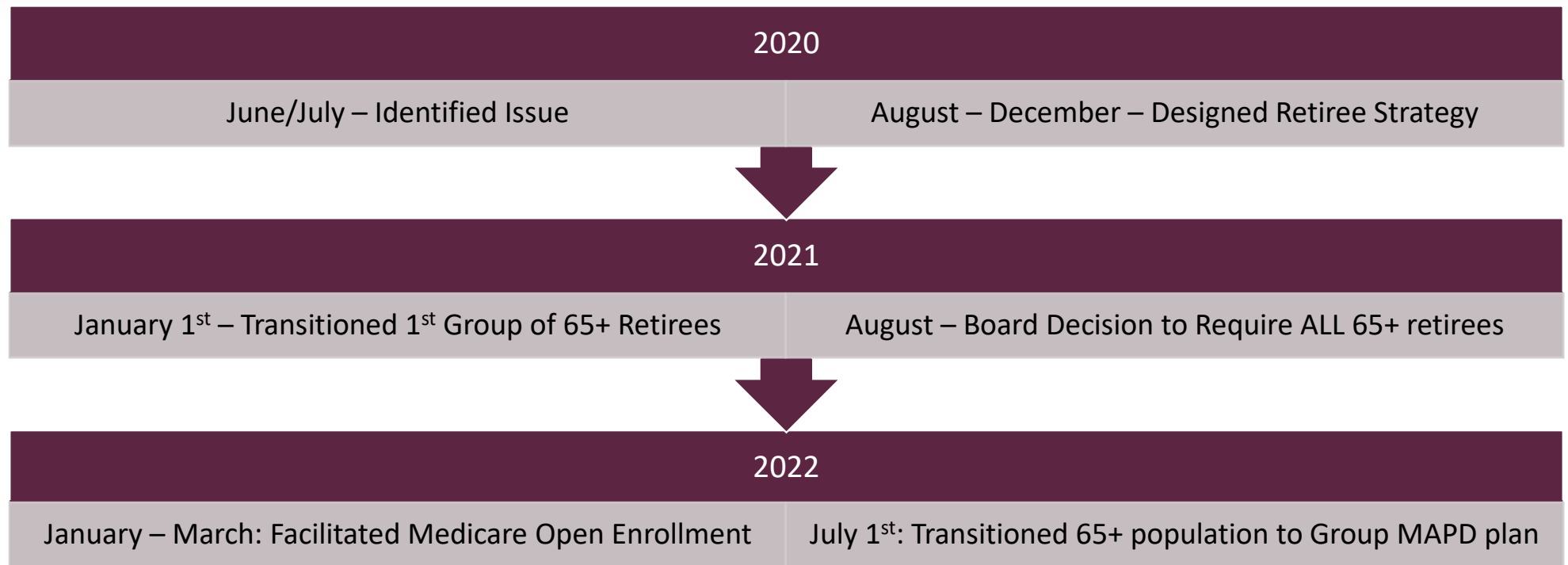
- Medical – Reduce/Eliminate Deductible or Copays
- Prescription: 90-Day Supply at Retail
- Additional Benefits:
 - Vision Discount
 - Hearing Discount
 - Enhanced Chiropractic
 - Private-Duty Nursing
 - Wig Coverage
 - Fitness Benefit
 - Meal Delivery Post-Discharge

CASE STUDY: RANCHO SANTIAGO CCD

The Year 2020...



3-Year Transition Strategy



Anthem Group Medicare Advantage Plan

Better Coverage

- Medicare supplement plans offer close to 100% coverage and in most cases provide higher coverage levels

Better Access

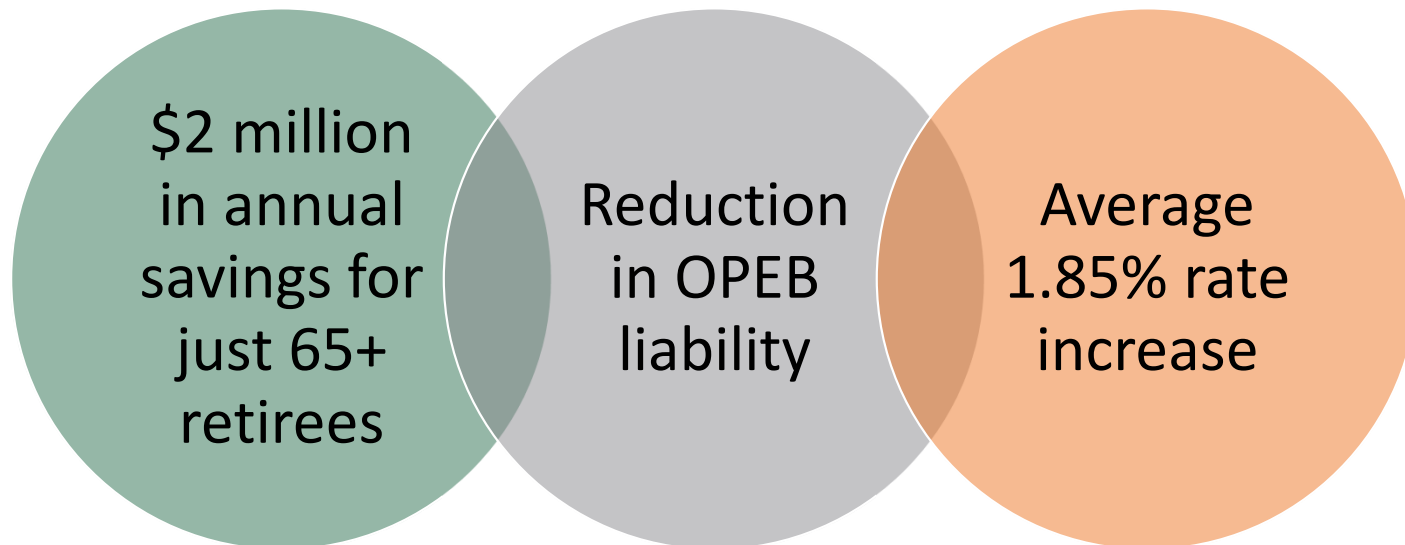
- With Medicare supplement plans, retirees are able to access medical services from any provider that accepts Medicare. This network is nationwide and provides significant flexibility to retirees.

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

Lasting Impacts

Comparison of 2023 65+ Retiree rates vs. Anthem MAPD plan rates shows...



CALL TO ACTION

A Call to Action

Action #1:

- Run a report from DataMart on Chancellor's website to understand the demographics

Action #2:

- Review your Collective Bargaining Agreement to understand your obligations

Action #3:

- Evaluate your current 65+ plan offerings to identify how you currently meet those obligations

Action #4:

- Explore the Group Medicare Advantage market to determine if you are able to transition your 65+ retirees

QUESTIONS