

City of Gainesville's Medicare Supplement Program

190693



Retiree Health Insurance Utilization

10/01/2018-09/30/2019 (a snapshot of some of the costs)

Benefit	FL Blue PPO
Total Members	690
Members Covered	507
Outpatient	\$1,353,791.23
Inpatient	\$948,921.33
Total Medical	\$3,431,568.97
Pharmacy	\$2,019,637.37
Grand Total	\$5,515,226.42

Average RX per member cost approximately \$2,700. This cost is shifted out of the Plan onto Medicare Part D when a retiree opts into the Medicare Supplement Program.

Retiree Health Program

Yrs. Of Service *\$10	30*\$10	\$300
+/- (Age-65)*\$5	(56-65)*5	(\$45)
Net Monthly Cont.		\$245

This is the calculation of the monthly benefit of an individual who retired with thirty years of service and at Age 56.

The initial monthly benefit has an inflation protection benefit that increases the City's Contribution by 50% of the rate increase associated with the City's Group Health Plan

This formula and its application can only be modified by Ordinance and after it has been Collectively Bargained with the City's Employee Representative.



City of Gainesville Medicare Supplemental Plans



City Medicare Supplements

What Plans Are Offered?

- Plan F-Covers Gaps in Parts A & B (enrolled by 12/31/2019 grandfathered)
- Plan G-Covers Gaps in Parts A & B (as of 2020 member pays Part B deductible of \$197)
- Part D-Prescription (\$72.20)
 - \$360 deductible applies to Tiers 3,4 and 5

How Does It Work?

The City will use its contribution towards your health insurance premium to purchase Medicare Plans D (Rx) and/or G (Medical). The difference in cost, if any, is paid by the Retiree.

Preferred Pharmacies: Publix, Walgreens and Winn-Dixie

City Medicare Supplements

How is this a Win/Win for Retirees and the City?

- **City's contribution is set by formula**
- **364 retiree's contribution are greater than highest Medicare Supplement/Part D Premiums (\$339.70)**
- **570 retiree's contribution are greater than the lowest Medicare/Part D Premiums (\$253.50)**
- **If everyone transferred at the highest cost contribution savings are approximately \$24K per month (\$288K/yr)**
- **Average Rx cost per retiree is \$2,700**
- **Part D transfer of risk savings is estimated at \$1.27 million**

City Medicare Supplement Example Monthly Individual Coverage

City Contribution	City Plan	Medicare Supplement
\$245.00	\$245.00	\$245.00
Premiums:		
City Plan	\$675.71	
Med Plan F		\$180.60
Plan D		\$72.20
Retiree Cost	\$430.71	\$7.80

Medicare Supplement saves the retiree \$5,074.92 annually

City Medicare Supplement Example Monthly Individual Coverage

City Contribution	City Plan	Medicare Supplement
\$400.00	\$400.00	\$400.00
Premiums:		
City Plan	\$675.71	
Med Plan F		\$180.60
Plan D		\$72.20
Retiree Cost	\$275.71	\$(147.20)

Retiree pays \$0 and will continue to pay \$0 until the Supplement Rates exceed the City Contribution.

There are 364 current retirees whose City Contribution exceeds the highest cost supplement plus Part D (\$339.70)

City Medicare Supplement Example Retiree/Spouse Coverage

City Contribution	City Plan	Medicare Supplmt
\$245.00	\$245.00	\$245.00
Premiums:		
City Plan Ret/Sp	\$1,338.64	
Med Plan F		\$180.60
Plan D		\$72.20
Med F Spouse		\$180.60
Plan D Spouse		\$72.20
Retiree Cost	\$1,093.64	\$260.60

Total Monthly Savings = \$833.04
Total Annual Savings = \$9,996.48

Questions

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Answers

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