



# Burnham

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Ventura County Community  
College District

**Joint Meeting: Retiree Benefits Options**

January 17, 2019





## Insurance Committee Meeting

### 1. Cost Illustrations

- a) **Scenario I** - Move Tier II Retirees to Medicare Plan
- b) **Scenario II** - Move all Retirees currently enrolled in Medicare Parts A & B to Medicare Plan
- c) **Scenario III** - Move all over age 65 Retirees to Medicare Plan, enrolling those without Medicare Part B into Part B

### 2. Anthem – Medicare Plan Presentation

### 3. Retiree Association President - Questions/Issues

### 4. Next Steps

# Medicare Eligible Counts



		With Part A&B	With Part A	With No Medicare
<b>AFT</b>	<b>458</b>	<b>271</b>	<b>120</b>	<b>67</b>
Retirees	294	160	81	53
Dependents	164	111	39	14
<b>ASCC</b>	<b>453</b>	<b>337</b>	<b>81</b>	<b>35</b>
Retirees	295	223	56	16
Dependents	158	114	25	19

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# Scenario I



## Move Tier II Retirees to Medicare Plan

### Who is eligible?

- Group Numbers 1823AS, 1823AT, 1823ZP, 1823ZQ
- Tier II Retirees & Tier II Dependents
- Over Age 65
- Enrolled in Medicare Parts A & B
- # Eligible = **102** Retirees and **54** Spouses

### Who is not eligible?

- Tier II Dependents Under Age 65
- Not Enrolled in Medicare Parts A & B
- # Ineligible = **0** Retirees and **27** Dependents

# Scenario I



## Anthem Retiree Plan Options

### Plan & Rate Comparison

Deductible (individual / family)  
 Out of pocket max (individual / family)  
 Office visit copay (PCP / specialist)  
 Inpatient hospitalization  
 Prescription drugs

### Anthem PPO Faculty

\$200 / \$600  
 \$1,500 / \$4,500  
 80%  
 No Charge  
 \$50 Ded, \$10 / \$30

### Anthem Retiree Faculty

\$200  
 \$1,500  
 \$0  
 100%  
 \$50 Ded, \$10 / \$30

### Retirees w/ Restrictive Medicare

*Single* **\$797.16**  
*2 Party* **\$1,592.88**  
*Family* **\$1,991.11**

*Single* **\$556.44**

### Plan & Rate Comparison

Deductible (individual / family)  
 Out of pocket max (individual / family)  
 Office visit copay (PCP / specialist)  
 Inpatient hospitalization  
 Prescription drugs

### Anthem PPO ASCC

\$200 / \$600  
 \$1,700 / \$5,100  
 \$20  
 No Charge  
 \$100 Ded, \$10 / \$30 / \$50

### Anthem Retiree ASCC

\$200  
 \$1,500  
 \$0  
 100%  
 \$100 Ded, \$10 / \$30 / \$50

### Retirees w/ Restrictive Medicare

*Single* **\$691.91**  
*2 Party* **\$1,382.52**  
*Family* **\$1,728.20**

*Single* **\$513.24**

**\*No impact to Active Rates or <65 Retiree Rates in Scenario I\***

# Scenario I



## UNIT COST - Move Tier II Retirees to Medicare Plan

	Annual Unit Cost	AFT	ASCC
<b>CURRENT</b>	Tier II (Single)	\$9,566	\$8,303
	Tier II (2-Party)	\$19,115	\$16,590
	Tier II (Family)	\$23,893	\$20,738
<b>SCENARIO I</b>	Tier II (Single, <65)	\$9,566	\$8,303
	Tier II (Single, >65 AB)	\$6,677	\$6,159
	Tier II (2-Party, both >65 AB)	\$13,355	\$12,318
	Tier II (2-Party, one >65 AB)	\$16,243	\$14,462
	Tier II (Family, all <65)	\$23,893	\$20,738
	Tier II (Family, one >65 AB)	\$30,571	\$26,897
	\$ Change		
Tier II (Single, <65)	\$0	\$0	
Tier II (Single, >65 AB)	(\$2,889)	(\$2,144)	
Tier II (2-Party, both >65 AB)	(\$5,760)	(\$4,272)	
Tier II (2-Party, one >65 AB)	(\$2,871)	(\$2,128)	
Tier II (Family)	\$0	\$0	
Tier II (Family)	\$6,677	\$6,159	

# Scenario I



## BOTTOMLINE - Move Tier II Retirees to Medicare Plan

	Current Premium	Scenario I	\$ Change
Actives & Retirees <65	\$16,674,689	\$16,674,689	\$0
Retirees Over 65	\$12,497,314	\$12,170,579	(\$326,735)
Total Annual	\$29,172,003	\$28,845,268	(\$326,735)

# Scenario II



## Move all Retirees currently enrolled in Medicare Parts A & B to Medicare Plan

### Who is eligible?

- Group Numbers 1823AS, 1823AT, 1823AE, 1823AK, , 1822ZP, 1822ZQ, 1822ZC, 1822ZH
- Tier I and II Retirees & Tier I and II Dependents
- Over Age 65
- Enrolled in Medicare Parts A & B
- # Eligible = **359** Retirees and **196** Spouses

### Who is not eligible?

- Tier II Dependents Under Age 65 (does not apply to the group numbers, 1823AE, 1823AK, 1822ZC, 1822ZH )
- Not Enrolled in Medicare Parts A & B (does not apply to the group numbers, 1823AE, 1823AK, 1822ZC, 1822ZH )
- # Ineligible = **0** Retirees and **27** Dependents



# Scenario II



## Anthem Retiree Plan Options

### Plan & Rate Comparison

Deductible (individual / family)  
 Out of pocket max (individual / family)  
 Office visit copay (PCP / specialist)  
 Inpatient hospitalization  
 Prescription drugs

### Anthem PPO Faculty

\$200 / \$600  
 \$1,500 / \$4,500  
 80%  
 No Charge  
 \$50 Ded, \$10 / \$30

### Anthem Retiree Faculty

\$200  
 \$1,500  
 \$0  
 100%  
 \$50 Ded, \$10 / \$30

### Retirees w/ Restrictive Medicare

*Single* **\$797.16**  


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*2 Party* **\$1,592.88**  


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*Family* **\$1,991.11**

*Single* **\$556.44**

### Plan & Rate Comparison

Deductible (individual / family)  
 Out of pocket max (individual / family)  
 Office visit copay (PCP / specialist)  
 Inpatient hospitalization  
 Prescription drugs

### Anthem PPO ASCC

\$200 / \$600  
 \$1,700 / \$5,100  
 \$20  
 No Charge  
 \$100 Ded, \$10 / \$30 / \$50

### Anthem Retiree ASCC

\$200  
 \$1,500  
 \$0  
 100%  
 \$100 Ded, \$10 / \$30 / \$50

### Retirees w/ Restrictive Medicare

*Single* **\$691.91**  


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*2 Party* **\$1,382.52**  


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*Family* **\$1,728.20**

*Single* **\$513.24**

**\*Impact to Active Rates & <65 Retiree Rates in Scenario II\***

**AFT = \$2,214.58 | ASCC = \$1,884.64**

# Scenario II



## Anthem Retiree Plan Options

Plan & Rate Comparison	Anthem PPO Faculty	Anthem Retiree Faculty
Deductible (individual / family)	\$200 / \$600	\$200
Out of pocket max (individual / family)	\$1,500 / \$4,500	\$1,500
Office visit copay (PCP / specialist)	80%	\$0
Inpatient hospitalization	No Charge	100%
Prescription drugs	\$50 Ded, \$10 / \$30	\$50 Ded, \$10 / \$30
<b>Retirees Over 65 w/AB</b>		
<i>Composite Rate</i>	<b>\$2,008.74</b>	<i>Single</i> <b>\$556.44</b>
Plan & Rate Comparison	Anthem PPO ASCC	Anthem Retiree ASCC
Deductible (individual / family)	\$200 / \$600	\$200
Out of pocket max (individual / family)	\$1,700 / \$5,100	\$1,500
Office visit copay (PCP / specialist)	\$20	\$0
Inpatient hospitalization	No Charge	100%
Prescription drugs	\$100 Ded, \$10 / \$30 / \$50	\$100 Ded, \$10 / \$30 / \$50
<b>Retirees w/ Restrictive Medicare</b>		
<i>Composite Rate</i>	<b>\$1,743.44</b>	<i>Single</i> <b>\$513.24</b>

**\*Impact to Active Rates & <65 Retiree Rates in Scenario II\***  
**AFT = \$2,214.58 | ASCC = \$1,884.64**

# Scenario II



## UNIT COST - Move Tier I Retirees w/AB to Medicare Plan

	Annual Unit Cost	AFT	ASCC
<b>CURRENT</b>	Tier I (Single, 2 Party)	\$24,105	\$20,921
	Active & <65 Retirees	\$24,105	\$20,921
<b>SCENARIO II</b>	Tier I (Single, >65 AB)	\$6,677	\$6,159
	Tier I (2-Party, >65 AB)	\$13,355	\$12,318
	Active & <65 Retirees	\$26,575	\$22,616
	\$ Change		
	Tier I (Single, >65 AB)	(\$17,428)	(\$14,762)
	Tier I (2-Party, >65 AB)	(\$10,750)	(\$8,604)
	Active & <65 Retirees	\$2,470	\$1,694

# Scenario II



## BOTTOMLINE - Move Tier I w/AB & Tier II to Medicare Plan

	Current Premium	Scenario II	\$ Change
Actives & Retirees <65	\$16,674,689	\$18,208,995	\$1,534,306
Retirees Over 65	\$12,497,314	\$9,513,254	(\$2,984,060)
Total Annual	\$29,172,003	\$27,722,249	(\$1,449,754)

# Scenario III



## Medicare Eligible Counts

		With Part A&B	With Part A	With No Medicare
<b>AFT</b>	<b>458</b>	<b>271</b>	<b>120</b>	<b>67</b>
Retirees	294	160	81	53
Dependents	164	111	39	14
		<b>With Part A&amp;B</b>	<b>With Part A</b>	<b>With No Medicare</b>
<b>ASCC</b>	<b>453</b>	<b>337</b>	<b>81</b>	<b>35</b>
Retirees	295	223	56	16
Dependents	158	114	25	19

# Scenario III



## Anthem Retiree Plan Options

<b>Plan &amp; Rate Comparison</b>	<b>Anthem PPO Faculty</b>	<b>Anthem Retiree Faculty</b>
Deductible (individual / family)	\$200 / \$600	\$200
Out of pocket max (individual / family)	\$1,500 / \$4,500	\$1,500
Office visit copay (PCP / specialist)	80%	\$0
Inpatient hospitalization	No Charge	100%
Prescription drugs	\$50 Ded, \$10 / \$30	\$50 Ded, \$10 / \$30
<b>Retirees w/ Restrictive Medicare</b>		
<i>Single</i>	<b>\$797.16</b>	<i>Single</i> <b>\$556.44 / \$950.08 (B only)</b>
<i>2 Party</i>	<b>\$1,592.88</b>	
<i>Family</i>	<b>\$1,991.11</b>	
<b>Plan &amp; Rate Comparison</b>	<b>Anthem PPO ASCC</b>	<b>Anthem Retiree ASCC</b>
Deductible (individual / family)	\$200 / \$600	\$200
Out of pocket max (individual / family)	\$1,700 / \$5,100	\$1,500
Office visit copay (PCP / specialist)	\$20	\$0
Inpatient hospitalization	No Charge	100%
Prescription drugs	\$100 Ded, \$10 / \$30 / \$50	\$100 Ded, \$10 / \$30 / \$50
<b>Retirees w/ Restrictive Medicare</b>		
<i>Single</i>	<b>\$691.91</b>	<i>Single</i> <b>\$513.24 / \$924.81 (B only)</b>
<i>2 Party</i>	<b>\$1,382.52</b>	
<i>Family</i>	<b>\$1,728.20</b>	

**\*Impact to Active Rates & <65 Retiree Rates in Scenario II\***  
**AFT = \$2,214.58 | ASCC = \$1,884.64**

# Scenario III



## Anthem Retiree Plan Options

### Plan & Rate Comparison

Deductible (individual / family)  
 Out of pocket max (individual / family)  
 Office visit copay (PCP / specialist)  
 Inpatient hospitalization  
 Prescription drugs

### Anthem PPO Faculty

\$200 / \$600  
 \$1,500 / \$4,500  
 80%  
 No Charge  
 \$50 Ded, \$10 / \$30

### Anthem Retiree Faculty

\$200  
 \$1,500  
 \$0  
 100%  
 \$50 Ded, \$10 / \$30

#### Retirees Over 65 w/AB

*Composite Rate*

**\$2,008.74**

*Single*

**\$556.44 / \$950.08 (B only)**

### Plan & Rate Comparison

Deductible (individual / family)  
 Out of pocket max (individual / family)  
 Office visit copay (PCP / specialist)  
 Inpatient hospitalization  
 Prescription drugs

### Anthem PPO ASCC

\$200 / \$600  
 \$1,700 / \$5,100  
 \$20  
 No Charge  
 \$100 Ded, \$10 / \$30 / \$50

### Anthem Retiree ASCC

\$200  
 \$1,500  
 \$0  
 100%  
 \$100 Ded, \$10 / \$30 / \$50

#### Retirees w/ Restrictive Medicare

*Composite Rate*

**\$1,743.44**

*Single*

**\$513.24 / \$924.81 (B only)**

**\*Impact to Active Rates & <65 Retiree Rates in Scenario II\***

**AFT = \$2,214.58 | ASCC = \$1,884.64**

# Medicare Premium - Part A



## From Medicare.gov

### Part A premiums

If you buy Part A, you'll pay up to **\$422 each month in 2018**. If you paid Medicare taxes for less than 30 quarters, the standard Part A premium is \$422. If you paid Medicare taxes for 30-39 quarters, the standard Part A premium is \$232.

### Part A Late Enrollment Penalty

If you aren't eligible for premium-free Part A, and you don't buy it when you're first eligible, your monthly **premium may go up 10%**. You'll have to pay the higher premium for twice the number of years you could have had Part A, but didn't sign up.

### Example Calculation - Part A Late Enrollment Penalty

If you were eligible for Part A for 2 years but didn't sign up, you'll have to pay the higher premium for 4 years  $\$422 + (\$422 * 10\%) = \mathbf{\$464.20 \text{ each month}}$ . Usually, you don't have to pay a penalty if you meet certain conditions that allow you to sign up for Part A during a special enrollment period.



# Medicare Premium - Part B



From Medicare.gov

If your yearly income in 2016 (for what you pay in 2018) was			You pay each month (in 2018)
File individual tax return	File joint tax return	File married & separate tax return	
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$134
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	Not applicable	\$187.50
above \$107,000 up to \$133,500	above \$214,000 up to \$267,000	Not applicable	\$267.90
above \$133,500 up to \$160,000	above \$267,000 up to \$320,000	Not applicable	\$348.30
above \$160,000	above \$320,000	above \$85,000	\$428.60

## Part B Late Enrollment Penalty

In most cases, if you don't sign up for Part B when you're first eligible, you'll have to pay a **late enrollment penalty**. You'll have to pay this penalty for as long as you have Part B. Your monthly premium for Part B may go up **10% for each full 12-month period that you could have had Part B**, but didn't sign up for it. Also, you may have to wait until the General Enrollment Period (from January 1 to March 31) to enroll in Part B. Coverage will start July 1 of that year.

Usually, you **don't pay a late enrollment penalty if you meet certain conditions** that allow you to sign up for Part B during a Special Enrollment Period.

# Medicare Premium - Part B



## Example Calculation - Part B Late Enrollment Penalty

**Retirement Date = 12/1/2011**

**Age as of Retirement Date = 68**

**8 Months After Retirement Date or Last Month Eligible to Enroll Without Penalty = 7/1/2012**

**Current Income = Under \$85k**

**Medicare Part B Enrollment Effective Date = 7/1/2019**

**Number of Months Since First Eligible = 84 Months**

**Number of 12 month Periods Since First Eligible = 7**

**Part B Penalty Percentage = 70%**

**Part B Premium =  $\$134 * 1.7 = \$227.80$**

# Scenario III



## BOTTOMLINE - Move all over age 65 Retirees to Medicare Plan, enrolling those without Medicare Part B into Part B

	Current Premium	Scenario III	\$ Change
Actives & Retirees <65	\$16,674,689	\$18,208,995	\$1,534,306
Retirees Over 65	\$12,497,314	\$7,599,979	(\$4,897,335)
Total Annual	\$29,172,003	\$25,808,974	(\$3,363,030)

Additional Medicare Cost	Part B Only
Low	\$890,189
Mid	\$1,779,713
High	\$2,847,276

\*A cost not included in the above, is the Medicare premium for those who already have A&B

# Scenarios I, II, III



## Scenario I

	Current Premium	Scenario I	\$ Change
Actives & Retirees <65	\$16,674,689	\$16,674,689	\$0
Retirees Over 65	\$12,497,314	\$12,170,579	(\$326,735)
<b>Total Annual</b>	<b>\$29,172,003</b>	<b>\$28,845,268</b>	<b>(\$326,735)</b>

## Scenario II

	Current Premium	Scenario II	\$ Change
Actives & Retirees <65	\$16,674,689	\$18,208,995	\$1,534,306
Retirees Over 65	\$12,497,314	\$9,513,254	(\$2,984,060)
<b>Total Annual</b>	<b>\$29,172,003</b>	<b>\$27,722,249</b>	<b>(\$1,449,754)</b>

## Scenario III

	Current Premium	Scenario III	\$ Change
Actives & Retirees <65	\$16,674,689	\$18,208,995	\$1,534,306
Retirees Over 65	\$12,497,314	\$7,599,979	(\$4,897,335)
<b>Total Annual</b>	<b>\$29,172,003</b>	<b>\$25,808,974</b>	<b>(\$3,363,030)</b>

### Additional Medicare Cost

Low  
Mid  
High

### Part B Only

\$890,189  
\$1,779,713  
\$2,847,276

\*A cost not included in the above, is the Medicare premium for those who already have A&B

# School Pool Eligibility Rules - Retirees



	CalPERS	SISC	CVT	CSEBA	VEBA
<b>Retirees &amp; Medicare</b>	Required to enroll in Medicare Parts A & B, unless ineligible for free Part A.	Required to enroll in Medicare Parts A & B, otherwise pay a penalty for non-enrollment.	Required to enroll in Medicare Parts A & B. Failure to obtain both Medicare Parts A and B will result in the disqualification from eligibility to participate in CVT health plans.	Required to enroll in Medicare Parts A & B.	Required to enroll in Medicare Parts A & B.

# Next Steps



1. Direction from Committee on implementation of Scenarios I, II, or III
2. Renewal presentation