



CHOOSING A PURDUE RETIREE Health Care Plan

...That's Right for You

Agenda

2016 Health Care Options

- Medicare Advantage PPO
 - Prescription Drug Benefits
- PURcare
 - Prescription Drug Benefits
- Other benefits
- Future Considerations

The Choice Is Yours...

You have the choice of two different retiree group health care plans from UnitedHealthcare (UHC)

- Plan 1 - PURcare (Senior Supplement + Part D)
- Plan 2 - Medicare Advantage PPO (includes Part D)

PLAN 1

- Monthly premium: \$263.96/person
- Less risk for high out-of-pocket costs
- \$300 annual deductible
- \$150 vision benefit

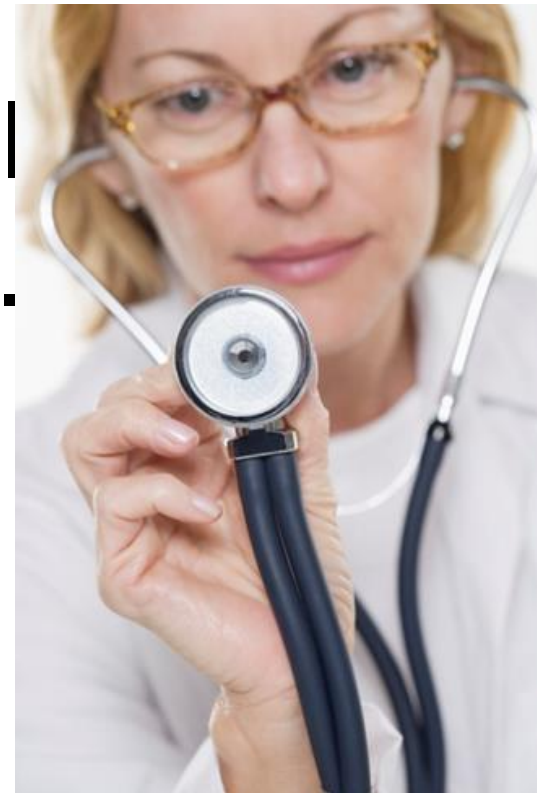
PLAN 2

- Monthly premium: \$208.49/person
- No annual deductible
- Co-pays or co-insurance for all Medicare covered services
- Maximum out-of-pocket \$3400

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PURA Retiree Group Health Plans

Plans are reviewed annual
and are subject to change.

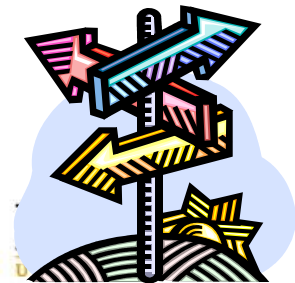


Important Decision!

Group Health Plan Eligibility

- Official Retiree, Spouse/SSDP
- Enrolled in Medicare Parts A & B
- Age 65 (PURcare)

If you're retired, age 65+ with Medicare, and enroll in an individual Medigap, Medicare Advantage or Part D prescription plan, you will not be eligible to return to a Purdue retiree group plan.



UnitedHealthcare Group Medicare Advantage PPO

Medicare Part C **private** insurance

- a Medicare Advantage Plan approved by Medicare
 - All claims paid by UHC
 - Nation-wide PPO network
 - Out of Network - any Medicare doctor or facility **that will accept payment from the plan**
 - Payment to provider is the same reimbursement as Medicare
- Includes medical/hospital and Part D prescription coverage

UnitedHealthcare Group Medicare Advantage PPO

- 2016 Premium is \$208.49 per person per month – no change
- Medical/Hospital coverage for all Medicare Part A & B covered services/procedures/supplies
- Prescription co-pays do **not** count toward out-of-pocket max.

Co-pay changes for 2016	2015	2016
Primary Care (Internist, Family Practice)	\$15	\$20
Specialist, Mental Health	\$25	\$35
Emergency Room	\$50	\$75
Annual Hospital/Medical Maximum Out-of-Pocket	\$3000	\$3400



How Your Rx Benefits Work

Medicare Advantage Part D Prescription Drug Coverage

- Defined formulary (not all drugs covered, but more brands included than in individual plans)
- No Deductible on prescriptions
- Tier 1 generic drugs are covered during the **Gap** – you pay only your co-pay.
- Step therapy, prior approval and limited quantities on some covered drugs

How Your Rx Benefits Work

Medicare Advantage Part D - Initial Coverage Stage

	Retail (30-day supply)	Mail order (90-day supply)
Tier 1 Preferred Generic Drugs	\$4 copay	\$8 copay
Tier 2 Preferred Brand Drugs (incl. some Generics)	\$28 copay	\$74 copay
Tier 3 Non-Preferred Brand Drugs (incl. some Generics)	\$58 copay	\$164 copay
Tier 4 Specialty Tier Drugs	33%	33%



How Your Rx Benefits Work

Medicare Advantage Part D - Coverage Gap Stage (Donut Hole)

In 2016, when the total cost of prescriptions reaches \$3,310

You pay

- \$4 co-pay for Tier 1 generic (Retail 30 day supply)
- 58% of the cost for Generic Rx (Tier 2,3)
- 45% of the cost for Brand Rx (Tier 2,3,4)

Closing the Gap (Donut Hole)

Your share decreases each year –

- 2016 58% for generics and 45% brand drugs
- 2017 51% for generics and 40% brand drugs
- 2018 44% for generics and 35% brand drugs
- 2019 37% for generics and 30% brand drugs
- 2020 25% for generics and 25% brand drugs



How Your Rx Benefits Work

Medicare Advantage Part D – Catastrophic Stage

In 2016 when the True Out-Of-Pocket (TrOOP) cost reaches \$4,850 you pay the greater of :

- \$2.65 co-pay for generic (incl. brand name drugs treated as generic)
- \$6.60 co-pay for all other drugs
- or 5% of the cost

UnitedHealthcare Group Medicare Advantage PPO

Questions?

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PURcare (from UnitedHealthcare - UHC)

UHC Senior Supplement plus Part D Medicare Rx for Groups

- Medicare Part A (Hospital) and Part B (Medical) pay first
 - UHC Senior Supplement pays second
 - \$300 annual deductible – once satisfied, plan pays 100% of Medicare allowed amounts for rest of the year
 - Use any Medicare provider or facility nation-wide
 - Part D plan has Open Formulary – covers all generic and brand name Rx that are medically necessary and FDA approved



PURcare (from UnitedHealthcare - UHC)

PURcare premium for 2016 is \$263.96/month/person

- Veterans with Rx coverage from VA, \$189.70/month

\$300 annual deductible (Medicare Parts A and B)

- Once satisfied, plan pays 100% of Medicare allowed amounts for rest of year

\$150 annual Vision benefit with **no** deductible



How Your Rx Benefits Work

PURcare Part D plan

- **Exceeds** coverage required under Medicare Part D legislation
 - No Deductible
 - Open formulary (FDA approved, medically necessary)
 - No step therapy
 - Few prior authorizations or limited quantities



How Your Rx Benefits Work

PURcare Part D - Initial Coverage Stage (no change from 2015)

- You pay the lesser of:
 - 50% co-insurance locally (30 or 90 day supply)
 - 45% co-insurance by mail order (90 day supply)
- Or the 2016 maximum co-pay
 - Tier 1 \$10 /mo. retail or \$20/mail order
 - Tier 2 \$45/mo. retail or \$90/mail order
 - Tier 3-4 \$95/mo. retail or \$180/mail order

Change for 2016

- The Affordable Care Act is closing the Coverage Gap (Donut Hole)
 - your share of the cost changes each year until 2020 when retirees will pay 25% of the cost of drugs while in the gap.
- In order to take advantage of this provision, the committee made a co-pay change for 2016.
- Prior to 2013 we paid a 50% co-insurance on all prescriptions purchased at a retail pharmacy.
- This change resulted in a major decrease in the premium for Part D.

Closing the Gap (Donut Hole)

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How Your Rx Benefits Work

PURcare Part D – Coverage Gap Stage (Donut Hole)

In 2016, when the total cost of prescriptions reaches \$3,310

- You pay
 - 58% of the cost for Generic Rx
 - 45% of the cost for Brand Rx
 - Manufacturer's discount for Brand Rx counts toward your True-Out-Of-Pocket (TrOOP) cost



How Your Rx Benefits Work

PURcare Part D – Catastrophic Coverage

When the True Out-Of-Pocket (TrOOP) cost reaches \$4,850 you pay nothing more for covered prescriptions.

Your PURcare Part D plan pays for your prescriptions for the rest of the calendar year.

Plan Comparison

PURcare

- Higher monthly premium (\$263.96)
- Lower yearly out-of-pocket costs for hosp./medical (\$300)
- Broader Rx coverage with few restrictions
- 100% Rx coverage during catastrophic phase

Medicare Advantage PPO

- Lower monthly premium (\$208.49)
- Higher yearly out-of-pocket costs possible for hosp./medical (\$3400)
- More limited Rx coverage, but with coverage of Tier 1 generics in the gap
- More Rx restrictions and some cost during catastrophic phase



Additional Benefits for Both Plans

- SilverSneakers
 - Cordova Recreational Sports Center, Ismail Center, Newtone, Curves, Snap Fitness, YMCA
 - Over 10,000 participating clubs nationwide
- NurseLine
- Optum Discount

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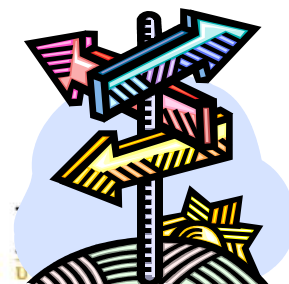


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Future Considerations

- Sept. 1, 2015 - 90 day termination policy implemented for lack of premium payment
- High Cost of Generic and Specialty Drugs
- Pre-65 Retiree Health Insurance Options
- Hospital Admits (Observation versus In-patient)
- Household Billing
- Negotiating Process and Available Data
- Communications and Education of Members.
 - Monthly meetings, Web-page, Newsletter, Purposeful Living in Retirement, and special workshops



Questions?