

RPEC Presentation: PEBB Retiree Portfolio Open Enrollment 2025

Laura Ryan
Retiree Benefits Manager,
Employees and Retirees Benefits Division

Agenda

- ▶ Medicare and PEBB
- ▶ PEBB Medicare Plan Types
- ▶ Medicare Part D coverage
- ▶ PEBB Retiree Premiums
- ▶ Non-Medicare PEBB Retiree Plans
- ▶ Split Accounts
- ▶ Why choose PEBB?
- ▶ Open enrollment
- ▶ Q & A

Medicare and PEBB

- ▶ When eligible, you must be enrolled in Medicare Part A and Medicare Part B to enroll in a PEBB Medicare plan
- ▶ HCA offers different Medicare plan types – each works differently with Medicare
- ▶ You pay your Part B premium directly to Medicare; it is **in addition** to what you pay for HCA plan premiums
- ▶ Medicare premiums and deductibles are set by CMS in early October (Medicare Part B premium \$185 in 2025 and deductible \$257 in 2025)
- ▶ Some members may be subject to Income-Related Monthly Adjustment Amount (IRMAA)

Medicare Income-Related Monthly Adjustment Amount (IRMAA)

- ▶ IRMAA is an additional monthly surcharge some Medicare beneficiaries must pay on top of the standard Medicare premiums
- ▶ IRMAA is determined by the Social Security Administration based on IRS tax returns of the two previous years.
- ▶ IRMAA is applied to the premium cost you pay Medicare for Part B and Part D
- ▶ PEBB does not have access to IRMAA data and cannot receive or adjust amounts owed to Medicare
- ▶ Questions, concerns, or appeals regarding IRMAA must be directed to Medicare

2025 Part B IRMAA Brackets

Your premium will change based on income as follows:

Your annual income		
Individuals	Couples	Your monthly premium in 2025
Equal to or below \$106,000	Equal to or below \$212,000	\$185
\$106,001 – \$133,000	\$212,001 – \$266,000	\$259
\$133,001 – \$167,000	\$266,001 – \$334,000	\$370
\$167,001 – \$200,000	\$334,001 – \$400,000	\$480.90
\$200,001 – \$499,999	\$400,001 – \$749,999	\$591.90
\$500,000 and above	\$750,000 and above	\$628.90

2025 Part D IRMAA Brackets

For 2025, your additional premium based on income is as follows:

Your annual income	Your annual income	
Individuals	Couples	What you pay in addition to your regular Part D premium
Equal to or below \$106,000	Equal to or below \$212,000	\$0
\$106,001 - \$133,000	\$212,001 - \$266,000	\$13.70
\$133,001 - \$167,000	\$266,001 - \$334,000	\$35.30
\$167,001 - \$200,000	\$334,001 - \$400,000	\$57
\$200,001 - \$499,999	\$400,001 - \$749,999	\$78.60
\$500,000 and above	\$750,000 and above	\$85.80

PEBB Medicare Plan Types

- ▶ Coordination of Benefits (COB)
 - ▶ Traditional Medicare (Fee for Service) pays primary on medical claims for Medicare covered services
 - ▶ COB savings bank can offset out-of-pocket amounts paid on Medicare covered services
- ▶ Medicare Advantage
 - ▶ Employer group waiver plans (not commercial plans)
 - ▶ Can be HMO or PPO
 - ▶ Include Part D prescription drug coverage (MAPD)
- ▶ Medicare Supplement
 - ▶ Designed to cover copays for Medicare covered services
 - ▶ Does not cover anything that Medicare does not
 - ▶ Offers **no drug coverage** (must purchase Part D plan from the commercial market)

PEBB Plans by Type

- ▶ Coordination of Benefits
 - ▶ UMP Classic Medicare with Part D (PDP)
- ▶ Medicare Advantage
 - ▶ KPNW Senior Advantage with Part D
 - ▶ KPWA Medicare Advantage with Part D
 - ▶ UHC PEBB Complete (MAPD)
 - ▶ UHC PEBB Balance (MAPD)
- ▶ Medicare Supplement
 - ▶ Premiera Plan F (closed for enrollment)
 - ▶ Premiera Plan G

Differences in How Plans Work

- ▶ Coordination of Benefits (UMP Classic with Part D) –
 - ▶ acts as full secondary insurance to Medicare;
 - ▶ expensive, but very rich plan with lots of flexibility;
 - ▶ covers non-emergencies internationally
 - ▶ includes Part D pharmacy coverage
 - ▶ Permanent residence must be in US
- ▶ Kaiser Medicare Advantage Plans –
 - ▶ all Kaiser plans are HMO plans
 - ▶ regional (must be within specific service area)
 - ▶ closed network (limited exceptions for out-of-network services)
 - ▶ includes Part D pharmacy coverage

Differences (continued)

▶ UnitedHealthCare Medicare Advantage Plans–

- ▶ group Medicare Advantage PPO plans
- ▶ can see any provider who accepts Medicare and takes the plan
- ▶ no difference in copay between in-network and out-of-network
- ▶ reimbursement for Medicare covered services for which the provider did not bill United is limited to the Medicare-allowed amount (less copay, if any)
- ▶ reimbursement for non-Medicare covered services – 100% (less copay, if any)
- ▶ nationwide
- ▶ provides coverage for non-emergencies internationally
- ▶ includes Part D pharmacy coverage

Differences (continued)

- ▶ Premera Medicare Supplement Plans –
 - ▶ Premera Plan F closed for enrollment (as of 1/1/2020)
 - ▶ Premera Plan G open for enrollment
 - ▶ designed to cover the 20% copays that Medicare does not cover
 - ▶ Medicare Part B Deductible paid by member; currently \$257 for 2025; will be set by CMS late fall for 2026
 - ▶ nationwide (covers emergency only internationally)
 - ▶ no drug coverage; members must obtain a standalone Part D plan from the commercial market
 - ▶ Premera has discounts for gym membership, hearing aids and more

Summary Benefit Comparisons

	Coordination of Benefits	Medicare Advantage with Part D		Medicare Supplement
Plan Options	UMP Classic Medicare with Part D (PDP)	Kaiser Senior Advantage; Kaiser WA Medicare Advantage (HMO)	United PEBB Balance; United PEBB Complete (PPO)	Premera Plan G
Nationwide Coverage	Yes	No	Yes	Yes
Medical Deductible?	Yes	No	No	Yes
Pharmacy Deductible?	Yes	No	Yes	N/A
Hearing Aids, Glasses/Contacts, Massage Therapy	Yes	Yes	Yes	No
Gym Membership	No	Yes	Yes	No
Drug Coverage	Yes	Yes	Yes	No

Some Benefits Comparisons



What you pay ↴	Original Medicare	Medicare Supplement	Medicare Advantage with Part D			
	Uniform Medical Plan	Premiera Blue Cross	Kaiser Permanente WA	Kaiser Permanente NW	UnitedHealthcare	
	UMP Classic Medicare with Part D (PDP)	Medicare Supplement Plan G	Medicare Advantage with Part D	Senior Advantage with Part D	PEBB Balance	PEBB Complete
Hospital care						
Inpatient	\$200 per day up to \$600 per admission	\$0	\$200 per day up to \$1,000 per admission†	\$500 per admission	\$500 per admission	\$0
Outpatient	15%		\$200	\$50	\$250	
Office visits						
Primary care	15%	\$0	\$15	\$25	\$15	\$0
Specialist			\$30	\$35	\$30	
Urgent care			\$15 (\$30#)		\$15	\$15
Preventive care	\$0		\$0	\$0	\$0	\$0
Telemedicine/ virtual care	Varies‡		\$0	\$0	Varies‡	

Some Benefits Comparisons (cont.)

What you pay ↘	Original Medicare	Medicare Supplement	Medicare Advantage with Part D			
	Uniform Medical Plan UMP Classic Medicare with Part D (PDP)	Premiera Blue Cross Medicare Supplement Plan G	Kaiser Permanente WA Medicare Advantage with Part D	Kaiser Permanente NW Senior Advantage with Part D	UnitedHealthcare	
					PEBB Balance	PEBB Complete

Hearing services

Hearing aids (per ear)	\$0 up to the allowed amount every 36 months‡	Not covered	\$0 up to \$3,000 every 36 months	\$0 up to \$3,000 every 36 months	\$0 up to \$3,000 every 3 years (limited to UnitedHealthcare Hearing Network)	
Routine annual hearing exam	\$0*		\$15 (\$30#)	\$35	\$0	

Vision care

Glasses and contact lenses	Any amount over \$200 every 2 years‡	Not covered	Any amount over \$300 every 24 months	Any amount over \$200 every 24 months	Any amount over \$300 every 24 months	
Routine annual eye exam	\$0‡		\$15‡	\$25	\$0	

Medicare Part D Coverage

Medicare Part D Overview

- ▶ All PEBB Medicare retiree plans (except for Plan F&G) have Medicare Part D coverage for pharmacy benefit
- ▶ People who live outside the US or US territories are not eligible for Part D coverage
- ▶ Cannot use manufacturer coupons with Part D plans

PEBB Part D

- ▶ Mail order drugs
 - ▶ 90-day supply for 2x copay of 30-day supply
 - ▶ Exception: Specialty drugs are limited to 30-day supply
- ▶ True Out-of-Pocket (TrOOP) Maximum
 - ▶ Member will not pay more than \$2,100 in 2026 for covered prescription drugs
- ▶ Low Income Subsidy (LIPS or LIS) may be available; members should contact Social Security directly

Some Drug Benefit Comparisons



Plan	Deductible	Maximum Out-of-Pocket
UMP Classic Medicare with Part D (PDP)	\$100 Tiers 3, 4, or 5	\$2,100
Kaiser NW Senior Advantage with Part D	None	\$2,100
Kaiser WA Medicare Advantage with Part D	None	\$2,100
UnitedHealthcare PEBB Balance	\$100 Tiers 2, 3, or 4	\$2,100
UnitedHealthcare PEBB Complete	\$100 Tiers 2, 3, or 4	\$2,100

Drug Benefit Comparisons



Plan Name	Tier 1 Preferred generic	Tier 2 Generic	Tier 3 Preferred brand name	Tier 4 Non-preferred brand name	Tier 5 Specialty
UMP Classic with Part D	\$0	\$10	\$40	\$75	\$90
KP WA MAPD	\$20	\$20	\$40	\$100	\$250
KPNW Senior Advantage with Part D	\$20	\$20	\$40	\$100	\$200
UnitedHealthCare Balance and Complete	\$5	\$45	\$100	\$100	N/A

PEBB Retiree Premiums

2026 Medicare Single Subscriber Monthly Premiums

	Monthly Premiums
Kaiser NW Senior Advantage with Part D	\$174.44
Kaiser WA Medicare Advantage with Part D	\$220.61
Premiera Plan G (eligible by age)	\$122.42
UMP Classic Medicare with Part D (PDP)	\$337.67
UnitedHealthcare PEBB Balance (MAPD)	\$172.83
UnitedHealthcare PEBB Complete (MAPD)	\$220.18

Premium after Medicare Explicit Subsidy (\$183 or 50% of premium, whichever is less) applied. Includes administrative fee of \$5.75 for 2025.

2026 Medicare Subscriber and Spouse Monthly Premiums

	Monthly Premiums
Kaiser NW Senior Advantage with Part D	$\$174.44 \times 2 = \$348.88 - 5.75 = \mathbf{\$343.13}$
Kaiser WA Medicare Advantage with Part D	$\$220.61 \times 2 = \$441.22 - 5.75 = \mathbf{\$435.47}$
Premiera Plan G (eligible by age)	$\$122.42 \times 2 = \$244.84 - 5.75 = \mathbf{\$239.09}$
UMP Classic Medicare with Part D (PDP)	$\$337.67 \times 2 = \$675.34 - 5.75 = \mathbf{\$669.59}$
UnitedHealthcare PEBB Balance (MAPD)	$\$172.83 \times 2 = \$345.66 - 5.75 = \mathbf{\$339.91}$
UnitedHealthcare PEBB Complete (MAPD)	$\$220.18 \times 2 = \$440.36 - 5.75 = \mathbf{\$434.61}$

Assumes both spouses are Medicare Part A and B eligible

2026 Retiree Dental Premiums

- ▶ Applies whether Medicare eligible or not
- ▶ Delta Care (managed care plan) - \$46.48
- ▶ Willamette (managed care plan) - \$59.84
- ▶ Uniform Dental Plan - \$52.45

Non-Medicare PEBB Retiree Plans

Non-Medicare Retiree Options

- ▶ All retirees are in PEBB regardless of Medicare eligibility
- ▶ Plan options are the same as those available to *Active* [PEBB] employees
 - ▶ SEBB Premiera plans not available
- ▶ Vision plans in PEBB for non-Medicare eligible members
 - ▶ Optional for retirees (just like dental)
 - ▶ Must enroll in PEBB retiree medical to enroll in Vision

Vision Plans

- ▶ Routine vision coverage is carved out of medical coverage
 - ▶ Davis Vision
 - ▶ EyeMed
 - ▶ MetLife Vision
- ▶ These plans are **not** available for **Medicare retirees** (vision is included in medical coverage)
- ▶ Vision coverage for medical conditions (e.g., eye diseases, glaucoma or cataracts) will remain under medical plan coverage

Vision Benefits

- ▶ Hardware benefit will reset in **odd** years (beginning in January 2025)
- ▶ Core benefits are the same across all 3 plans
- ▶ Specific plan benefits will be available on HCA website (www.hca.wa.gov)

2026 Non-Medicare Retiree Standalone Vision Premiums

- ▶ Davis Vision - \$5.02
- ▶ EyeMed - \$6.57
- ▶ MetLife Vision - \$8.30
- ▶ Medicare plans *include* vision coverage

2026 Non-Medicare Retiree Single Subscriber Premium

	Managed Care Plans					
	Kaiser Permanente NW		Kaiser Permanente WA			
	Classic	CDHP	Classic	CDHP	SoundChoice	Value
Subscriber only	\$1,081.63	\$889.16	\$966.75	\$855.84	\$927.91	\$975.67

	Preferred Provider Organization (PPO) Plans		
	Uniform Medical Plan		
	Classic	CDHP	Select
Subscriber only	\$970.43	\$887.83	\$907.50

Why does non-Medicare coverage cost more?

- ▶ As a retiree you no longer have access to the Employer Contribution (which is how the Legislature has funded reductions in premiums for employees)
- ▶ You don't have access to the Medicare Explicit Subsidy, which is also funded by the Legislature
- ▶ As appropriate, tobacco use and spousal surcharges are applied
- ▶ Alternatives
 - ▶ Defer PEBB coverage
 - ▶ Other employer plans available?
 - ▶ Health Benefit Exchange (HBE)
 - ▶ COBRA

Split Accounts

Split Accounts

- ▶ Describes an account where one person is enrolled in Medicare and the other(s) are not
- ▶ Premium rate is a combination of Medicare and non-Medicare coverage
- ▶ Some internal restrictions are in place which determine the corresponding non-Medicare plan available when accounts are split

2026 Split Account Premiums

(excluding Tobacco & Spousal surcharges)

Medicare/Non-Medicare Plan	Premium for Subscriber/Spouse
Kaiser NW Senior Advantage/KP NW Classic	\$1,250.32
Kaiser WA Medicare Advantage/KP WA Classic	\$1,181.61
Kaiser WA Medicare Advantage/KP WA Value	\$1,190.53
Kaiser WA Medicare Advantage/KP WA Sound Choice	\$1,142.77
UMP Classic Medicare/UMP Classic	\$1,302.35
United PEBB Complete/UMP Classic	\$1,184.86
United PEBB Balance/UMP Classic	\$1,137.51

Why Choose PEBB?

Why choose PEBB?

- ▶ PEBB is an employer group (like a union)
- ▶ PEBB consolidates the market basket to drive negotiations for the best possible plans
- ▶ Part D in PEBB plans usually have better benefits
 - ▶ Lower copays
 - ▶ More drugs on formulary
 - ▶ Over-the-counter products
- ▶ PEBB can intervene when escalation is needed

Why choose PEBB? (cont.)

- ▶ You can change your Medicare plan every year during Open Enrollment
 - ▶ No restrictions on switching PEBB plans during Open Enrollment
 - ▶ No medical exams
 - ▶ No added fees for health condition
- ▶ PEBB Medicare plans are richer and provide lower costs overall than anything on the commercial market
 - ▶ \$0 premium plans have very high out-of-pocket limits and more restrictive drug formularies

Open Enrollment

Open Enrollment Dates

- ▶ OE will start on ***last*** Monday in October
- ▶ OE will end on Monday ***before*** Thanksgiving
- ▶ 2025 dates: October 27 to November 24
- ▶ Forms must be **received** by HCA by November 24

Benefits Fairs

- ▶ Cities and schedules in October newsletter and on HCA website as of **October 3**
- ▶ Open to ALL (SEBB, PEBB, retirees)
- ▶ Presentations from retiree plans
- ▶ Virtual benefits fair has information about plans and is available 24/7

Resources

- ▶ HCA Website – www.hca.wa.gov as of October
 - ▶ Virtual benefits fair
 - ▶ Retiree OE page
 - ▶ Premiums

- ▶ PEBB Customer Service 1-800-200-1004
 - ▶ Monday-Friday 8am-4:30pm
 - ▶ Lobby Services 8am-4pm

- ▶ SHIBA 1-800-562-6900
 - ▶ Monday-Friday 8am-5pm
 - ▶ TDD: [360-586-0241](tel:360-586-0241)

Questions?

HCAPEBBMedicare@hca.wa.gov