

RPEC Presentation: PEBB Retiree Portfolio 2025

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Agenda

- ▶ PEBB and Medicare
- ▶ Medicare Retiree Medical Plan Options
- ▶ Changes for 2025
- ▶ Non-Medicare Retiree Medical Plan Options
- ▶ Changes for 2025
- ▶ Resources
- ▶ Questions and Answers

PEBB and Medicare

- ▶ You must be enrolled in Medicare Part A and Medicare Part B to enroll in a PEBB plan
- ▶ You pay your Part B premium directly to Medicare; it is **in addition** to what you pay HCA as a premium
- ▶ HCA offers different Medicare plan types – each works differently with Medicare

PEBB Medicare Plan Types

▶ Coordination of Benefits

- ▶ Traditional Medicare (Fee for Service) pays primary on medical claims

▶ 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** (have to 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
 - ▶ Premera Plan F (closed for enrollment)
 - ▶ Premera Plan G

Differences in How Plans Work

- ▶ Coordination of Benefits (UMP Classic) –
 - ▶ acts as full secondary insurance to Medicare;
 - ▶ expensive, but very rich plan with lots of flexibility;
 - ▶ covers non-emergencies internationally
 - ▶ now includes Part D coverage
 - ▶ have to live in US

- ▶ Kaiser Medicare Advantage Plans –
 - ▶ Kaiser plans are all HMO plans
 - ▶ regional (must be within specific service area)
 - ▶ closed network (limited exceptions for out-of-network services)
 - ▶ now include Part D coverage

Differences (continued)

- ▶ PEBB Complete and PEBB Balance –
 - ▶ 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
 - ▶ provide coverage for non-emergencies internationally
 - ▶ include Part D pharmacy coverage

Differences (continued)

- ▶ Medicare Supplement plan –
 - ▶ 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 \$240 for 2024; will be set by CMS late fall for 2025
 - ▶ nationwide (covers emergency only internationally)
 - ▶ no drug coverage; members need to obtain a standalone Part D plan from the commercial market
 - ▶ Premera has discounts for gym membership, hearing aids and more

Medicare Plan Changes

Part D Overview

- ▶ UMP Classic Medicare changing from creditable drug coverage to Part D
- ▶ KP NW Senior Advantage changing from creditable drug coverage to Part D (MAPD)
- ▶ KP WA Medicare Advantage changing from creditable drug coverage to Part D (MAPD)

UMP Specifics

- ▶ Moda will still be pharmacy benefit administrator
- ▶ Name change to Array Rx
- ▶ People who live outside the US are not eligible for Part D coverage
- ▶ Formulary will be available through HCA website starting in October
- ▶ Pharmacy network list will be available through Array Rx starting in October

KP NW Specifics

- ▶ Senior Advantage with Part D (MAPD) replaces Senior Advantage plan
- ▶ Lower monthly premiums
- ▶ No deductible for prescription drugs

KP NW Specifics

Tier	Description	Copay (30-day supply)
Tier 1	Preferred generics (includes some brand name drugs)	\$20
Tier 2	Generic drugs (includes some brand name drugs)	\$20
Tier 3	Preferred brand name drugs	\$40
Tier 4	Nonpreferred drugs (includes both generic and brand name drugs)	\$100
Tier 5	Specialty drugs (includes both generic and brand name drugs)	\$200
Tier 6	Injectable Part D vaccines (includes brand name drugs only)	\$0

KP NW Specifics

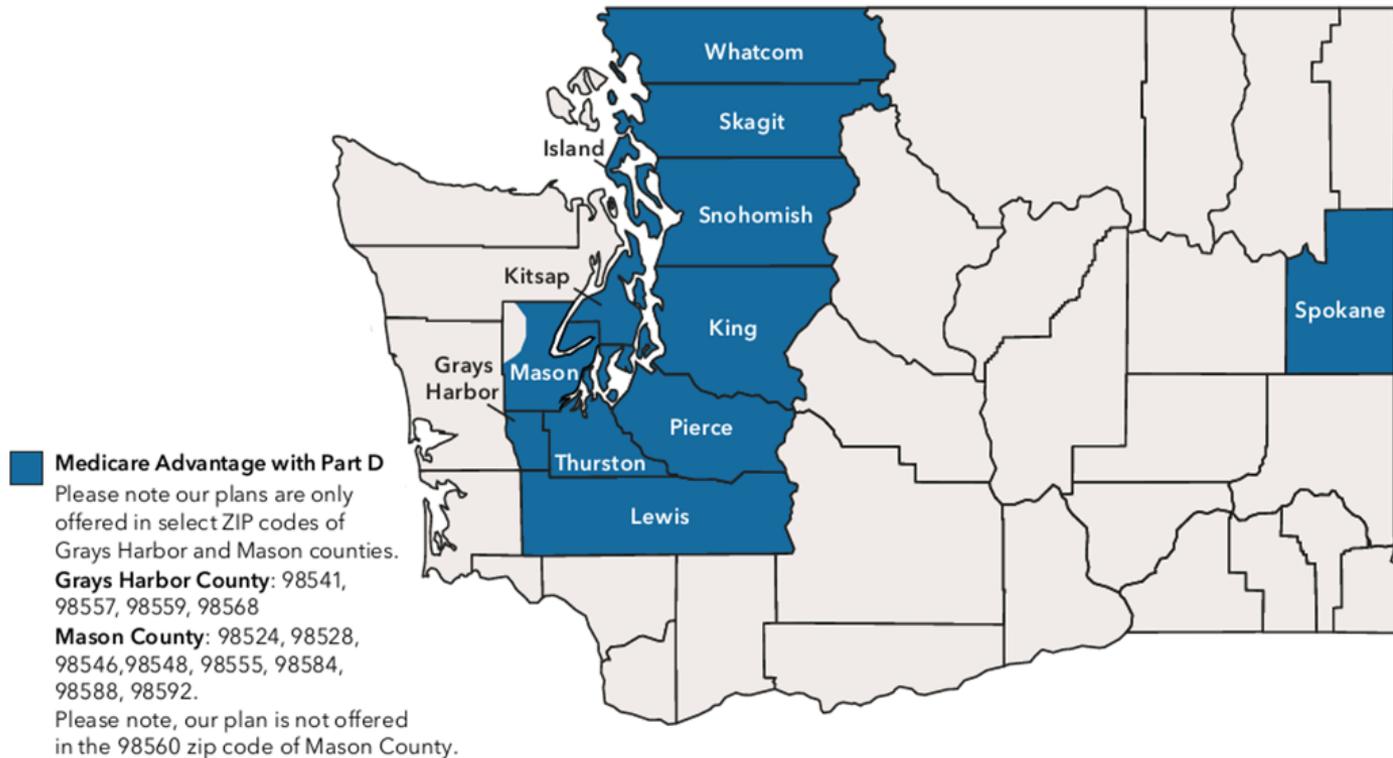
- ▶ Mail order drugs
 - ▶ 90-day supply for 2x copay of 30-day supply
 - ▶ Exception: Specialty drugs are limited to 30-day supply
- ▶ True Out-of-Pocket (TrOOP) Maximum
 - ▶ Member does not pay more than \$2,000/year for covered prescription drugs
- ▶ Low Income Subsidy (LIPS or LIS) may be available; members should contact Social Security directly
- ▶ Formulary will be posted 10/1 – kp.org/formulary

KP WA Specifics

- ▶ Original Medicare will NOT be offered in PEBB starting January 1, 2025
- ▶ Lower monthly premiums
- ▶ No deductible for prescription drugs

KP WA Specifics

KP Medicare Advantage with Part D Service Area



KP WA Specifics

Tier	Description	Copay (30-day supply)
Tier 1	Preferred generics (includes some brand name drugs)	\$20
Tier 2	Generic drugs (includes some brand name drugs)	\$20
Tier 3	Preferred brand name drugs	\$40
Tier 4	Nonpreferred drugs (includes both generic and brand name drugs)	\$100
Tier 5	Specialty drugs (includes both generic and brand name drugs)	\$250
Tier 6	Injectable Part D vaccines (includes brand name drugs only)	\$0

KP WA Specifics

- ▶ 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 - \$2,000
- ▶ Some members may need to change pharmacies;
 - ▶ MAPD pharmacies posted on kp.org/wa/pebb;
 - ▶ All Kaiser Permanente pharmacies are in MAPD network
- ▶ Low Income Subsidy (LIPS or LIS) may be available; members should contact Social Security directly
- ▶ Formulary will be posted 10/1 – kp.org/wa/pebb

Benefit Changes

KP NW Changes

▶ Hearing aids

- ▶ Increasing from \$1,400 to \$3,000/ear every 36 months

▶ Vision hardware

- ▶ Increasing from \$150 to \$200 every 24 months

KP WA Changes

▶ Hearing aids

- ▶ Increasing from \$1,400 to \$3,000 every 36 months

UnitedHealthcare Changes

▶ Hearing Aid benefit

- ▶ Increasing from \$2,500 combined for 2 ears
- ▶ Becoming \$3,000/ear
- ▶ Still every 3 years
- ▶ Still restricted to United Hearing network

2025 Medicare Single Subscriber Monthly Premiums

	Monthly Premiums
Kaiser NW Senior Advantage with Part D	\$171.19
Kaiser WA Medicare Advantage with Part D	\$177.41
Premera Plan G (eligible by age)	\$114.80
UMP Classic Medicare with Part D (PDP)	\$419.36
UnitedHealthcare PEBB Balance (MAPD)	\$153.56
UnitedHealthcare PEBB Complete (MAPD)	\$181.55

Premium after Medicare Explicit Subsidy (\$183 or 50% of premium, whichever is less) applied. Includes administrative fee of \$5.71 for 2025.

2025 Medicare Subscriber and Spouse Monthly Premiums

	Monthly Premiums
Kaiser NW Senior Advantage with Part D	$\$171.19 \times 2 = \$342.38 - 5.71 = \mathbf{\$336.67}$
Kaiser WA Medicare Advantage with Part D	$\$177.41 \times 2 = \$354.82 - 5.71 = \mathbf{\$349.11}$
Premera Plan G (eligible by age)	$\$114.80 \times 2 = \$229.60 - 5.71 = \mathbf{\$223.89}$
UMP Classic Medicare with Part D (PDP)	$\$419.36 \times 2 = \$838.72 - 5.71 = \mathbf{\$833.01}$
UnitedHealthcare PEBB Balance (MAPD)	$\$153.56 \times 2 = \$307.12 - 5.71 = \mathbf{\$301.41}$
UnitedHealthcare PEBB Complete (MAPD)	$\$181.55 \times 2 = \$363.10 - 5.71 = \mathbf{\$357.39}$

Assumes both spouses are Medicare Part A and B eligible

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



Plan	Cost Shares (Copays [\$] or Coinsurance [%])				
	Hospital	Primary Care	Specialist	Outpatient Surgery	Naturopathy
UMP Classic Medicare with Part D (PDP)	\$200/day up to \$600/admit	15%	15%	15%	15% (conditional - consult COC)
Kaiser NW Senior Advantage with Part D	\$500/admit	\$15	\$35	\$50	\$25
Kaiser WA Medicare Advantage with Part D	\$200/day up to \$1000/admit	\$25	\$30	\$200	\$15/3 visits per year
UnitedHealthcare PEBB Balance	\$500/admit	\$15	\$30	\$250	\$30
UnitedHealthcare PEBB Complete	\$0/admit	\$0	\$0	\$0	\$30
Premera Plan G	\$0	\$0	\$0	\$0	N/A

Some Drug Benefit Comparisons



Plan	Deductible	Maximum Out-of-Pocket
UMP Classic Medicare with Part D (PDP)	\$100 Tiers 3, 4, or 5	\$2,000
Kaiser NW Senior Advantage with Part D	None	\$2,000
Kaiser WA Medicare Advantage with Part D	None	\$2,000
UnitedHealthcare PEBB Balance	\$100 Tiers 2, 3, or 4	\$2,000
UnitedHealthcare PEBB Complete	\$100 Tiers 2, 3, or 4	\$2,000

Drug Benefit Comparisons



Plan	Copays (After Deductible is Met)				
	Preferred Generic	Generic	Preferred Brand	Non-Preferred Brand	Specialty*
UMP Classic Medicare with Part D (PDP)	\$0 (Tier 1)	\$10 (Tier 2)	\$40 (Tier 3)	\$75 (Tier 4)	\$90 (Tier 5)
Kaiser NW Senior Advantage with Part D	\$20 (Tier 1)	\$20 (Tier 2)	\$40 (Tier 3)	\$100 (Tier 4)	\$200 (Tier 5)
Kaiser WA Medicare Advantage with Part D	\$20 (Tier 1)	\$20 (Tier 2)	\$40 (Tier 3)	\$100 (Tier 4)	\$250 (Tier 5)
UnitedHealthcare PEBB Balance	\$5 (Tier 1)	\$5 (Tier 1)	\$45 (Tier 2)	\$100 (Tier 3)	\$100 (Tier 4)
UnitedHealthcare PEBB Complete*	\$5 (Tier 1)	\$5 (Tier 1)	\$45 (Tier 2)	\$100 (Tier 3)	\$100 (Tier 4)
Preferred Insulins - \$35 for ALL plans					
*Limited to 30-day supply					

30-day supply copays shown

90-day supply is 2x 30-day supply copay for all Tiers

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 has better benefits
 - ▶ Lower copays
 - ▶ More drugs
 - ▶ Over-the-counter products
- ▶ PEBB can intervene when escalation is needed

Why choose PEBB? continued

- ▶ You can change your Medicare plan every year during Open Enrollment
 - ▶ No restriction on rejoining UMP
 - ▶ No medical exam
 - ▶ 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

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
 - ▶ Premera plans not available
- ▶ Vision plans in PEBB are **new** for 2025
 - ▶ Optional for retirees (just like dental)
 - ▶ Have to be in PEBB retiree medical to get

Non-Medicare Changes

Vision Plans

- ▶ Routine vision coverage now 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

- ▶ Beginning January 1, 2025 the hardware allowance for all plans increases to **\$200**
- ▶ 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)

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?
 - ▶ COBRA

2025 Non-Medicare Retiree Single Subscriber Premium

	Subscriber
Kaiser NW Classic	\$953.54
Kaiser NW CDHP	\$806.85
Kaiser WA Classic	\$893.00
Kaiser WA Value	\$883.28
Kaiser WA SoundChoice	\$837.37
Kaiser WA CDHP	\$794.98
UMP Classic	\$898.12
UMP Plus	\$922.97
UMP Select	\$847.52
UMP CDHP	\$816.03

Split Accounts

- ▶ Defined as an account where one person is on Medicare and the other(s) are not
- ▶ Combined rate of Medicare and non-Medicare coverage

2025 Split Account Premiums

(excluding Tobacco & Spousal surcharges)

Medicare/Non-Medicare Plan	Premium for Subscriber/Spouse
Kaiser NW Senior Advantage/KP NW Classic	\$1,119.02
Kaiser WA Medicare Advantage/KP WA Classic	\$1,064.70
Kaiser WA Medicare Advantage/KP WA Value	\$1,054.98
Kaiser WA Medicare Advantage/KP WA Sound Choice	\$1,009.07
UMP Classic Medicare/UMP Classic	\$1,311.77
United PEBB Complete/UMP Classic	\$1,073.96
United PEBB Balance/UMP Classic	\$1,045.97

2025 Retiree Dental Premiums

- ▶ Applies whether Medicare eligible or not
- ▶ Delta Care (managed care plan) - \$41.50
- ▶ Willamette (managed care plan) - \$48.87
- ▶ Uniform Dental Plan - \$52.23

2025 Non-Medicare Retiree Standalone Vision Premiums

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

Open Enrollment

Change in OE dates

- ▶ OE will start on ***last*** Monday in October
- ▶ OE will end on Monday ***before*** Thanksgiving
- ▶ 2025 dates: October 28 to November 25
- ▶ Forms must be **received** by HCA by November 25

Benefits Fairs

- ▶ Cities and schedules in October newsletter and on HCA website as of **October 4**
- ▶ 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 4
 - ▶ 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