

# Diocesan Sponsored Retiree Health Plans

Solutions for Medicare  
Eligible Clergy and  
Retirees



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## Discussion Topics



**Retiree Healthcare Overview**



**Solutions for Medicare Eligible Clergy and Retirees**



**Group Medicare Advantage Explained**



**Benefits of Group Medicare Advantage**



**Eligibility Factors**



**Considerations when Offering Group Medicare Advantage**



**Q&A / Discussion**

# Retiree Healthcare Overview

A comprehensive retiree strategy is critical for managing an organization's overall risk and wellbeing

## Retiree Market Landscape

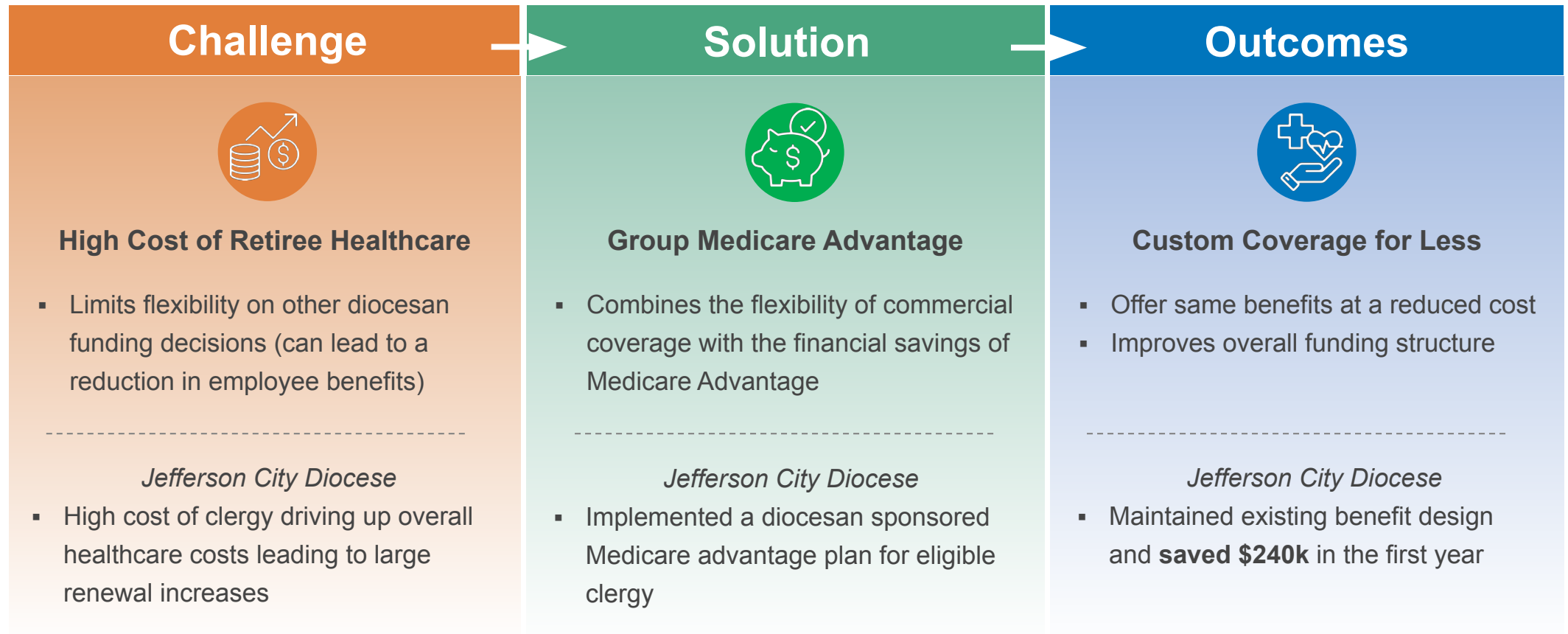
- Retirees are typically **2–3x more expensive** than active employees
- Healthcare costs have risen sharply over the last 20 years with further increases forecasted
- The Medicare eligible population has increased significantly over the last 10 years and is projected to further rise
- Multiple offerings available for retirees through group-sponsored solutions and individual markets

## Group Sponsored Offerings

Pre-65	Post-65	
Commercial Coverage	Commercial Coverage	Group Medicare Advantage (MA)
Self-funded or fully insured	Self-funded or fully insured	Medical fully insured
Pays primary	Can pay primary or secondary to Medicare	Drug can be fully insured or self-funded
Can include medical, drug, ancillary	When secondary, mimics MedSupp	Includes medical, drug, ancillary and extras
HRA options available	Higher premiums than Group MA	Lower premiums due to federal subsidy
	HRA options available	

# Solutions for Medicare Eligible Clergy and Retirees

## Diocesan sponsored Medicare Advantage plans



# Group Medicare Advantage Explained

Combines elements of commercial coverage and individual Medicare Advantage

## Group Medicare Advantage:

### Common Plan Elements

- Administered through insurance companies
- Fully insured (drug can be self-funded)
- Lower premiums than commercial offerings
- Custom benefit plans
- Custom marketing and communications
- Dependent coverage
- Flexible open enrollment
- High-touch member management

### Product Features

- PPO and HMO options
- Flexible coverage options with à la carte pricing
  - Medical, Pharmacy, Dental, Vision, Hearing, Transportation, Meal Delivery, Wellness, etc.
- Open network coverage available
- Calendar year benefit cycles are most common

# Benefits of Group Medicare Advantage

Creating financial sustainability while enhancing retiree care

1

## Financial Protection

- Transfer healthcare risk away from the organization
- Significant savings compared to commercial retiree coverage
- Increased negotiating power with carriers and vendors

2

## Administration

- Carrier manages regulatory compliance and enrollment
- Minimal ongoing internal administration
- Single point of contact for diocese and participants

3

## Strengthened Retiree

- Specialized clinical programs and engagement activities
- High-quality standards through federal oversight
- Supports recruitment and retention of employees

**This model allows dioceses to protect long-term financial sustainability while maintaining a high-quality retiree benefit**

# Eligibility Factors

## Participant eligibility criteria

- Participants must be eligible for Medicare Parts A and B (Part B premiums still apply)

- Dioceses maintain full control and discretion over plan eligibility and premium subsidy factors (position, years of service, etc.)

- Dioceses must comply with Medicare Secondary Payer (MSP) rules

- Coverage can be open to clergy and lay population, with dependent coverage permitted

# Considerations when Offering Group Medicare Advantage

Important factors influencing diocesan and participant experience



## Plan Management

- **Handheld Support**
  - Access to clinical programs designed to provide support and lower costs
- **Care Coordination**
  - Prior authorizations apply as required by the Centers for Medicare and Medicaid Services (CMS)
- **Customization Available**
  - Dioceses can influence prior authorization requirements (within CMS limits) to minimize participant abrasion



## Provider Network

- **National Networks**
  - Several carriers offer a national service area providing broad access nationwide
- **Passive PPO (Open Network)**
  - Common to offer a Passive PPO without non-network penalties (mimics MedSupp)
- **No Balance Bills**
  - Participants can visit any provider that accepts Medicare without balance billing
- **Custom Communication**
  - Extensive messaging on navigating provider networks



## Retiree Drug Subsidy (RDS)

- **RDS No Longer Applies**
  - When offering Group Medicare Advantage with drug included, the RDS no longer applies
- **Savings Maintained**
  - RDS savings are built into the Group Medicare Advantage plans
- **Drug Carve-Outs Available**
  - Based on diocese size and utilization, drug carve-outs and self-funding may be worthwhile

DISCUSSION



**Thank you.**

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