

Short-Term Options for the Retiree Health Benefit Plan

*Fiscal Committee Meeting
9/23/16*

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Today's Goals

- Review Short-Term Options to Mitigate the Increase in FY 18/19 Retiree Health Benefits Budget
- Focus on Calendar Year 2017 and the variety of currently available options:
 - < 65/Non-Medicare Premium Contribution
 - Medical Benefits: copays, deductibles and out-of-pocket expenses
 - Prescription Drug (RX) Benefits: copays, deductibles and out-of-pocket expenses
- Review example of how to achieve a savings goal

Retiree Health Long-Term Options

- Today's options do not include the Long-Term Study
- Examples of Long-Term Options
 - Defined Contribution
 - Eliminate Rx Medicare Part D EGWP (“Egg Whip” or Employer Group Waiver Program)
 - Eliminate Coverage for spouses based on hire date
 - Improve Retiree education on programs that save costs (Vitals Smartshopper (<65), Diabetes Prevention, Nutrition Counseling, Other)
 - Other

Tools Available to Manage Retiree Health Benefits Costs

- **RSA 21-I:30, XIII: Authority to request Fiscal Committee approve changes to <65/Non-Medicare Premium Contribution paid by retiree and spouse**
- **Authority to request Fiscal Committee approve changes to Retiree Health Benefit Medical and RX plan design**
- **The FY18/19 Budget**

Retiree Health Benefits and the FY18/19 State Budget

	Current Budget/ Projected Need	Biennium Total	Available Tools
FY16 Budget	\$69,832,000	\$142,699,000	Surplus, reserves, increased premium contributions, and Rx changes
FY17 Budget	\$72,867,000		
FY18	\$81,708,000	\$172,614,000	Increase Premium Contribution for <65/Non-Medicare Eligible, Rx and Medical changes, Budget
FY19	\$90,906,000		
Biennium Difference		\$29,915,000	

The current proposed FY18/19 Efficiency Budget includes an additional \$18 million General Funds/ \$12 million Other Funds to meet the projected need.

How Much Change in CY17?

- Goal: Best possible plan for retirees within Final FY18/19 budget allocation
- Projected Need – Budget = Required Plan Changes (\$0 - \$30m)
- Unknown variable: Final FY18/19 Retiree Health Budget

Example

	Biennium Year 1	Biennium Year 2
FY18/19 Projected Need	\$81,708,000	\$90,906,000
FY16/17 Budget	\$69,832,000	\$72,867,000
Increase per year	\$11,876,000	\$18,039,000

- **KEY: The Benefit of Time**
 - The earlier Premium Contribution and/or Medical and Rx Plan Design changes are implemented, the greater the State's cost savings across the biennium.
 - The earlier changes are made, the less severe they are on the retiree.

Timing of Changes

- Premium Contribution changes for <65/Non-Medicare retirees can occur anytime during a calendar year with adequate time for DAS to implement those changes and for retirees to plan for increased monthly premium contribution payments.
- Medical and Rx Plan Design changes (member cost share: copayments, deductibles, coinsurance and maximum-out-of-pocket expenses) are implemented on a Calendar Year (January 1-December 31) basis.
 - Medicare rules require notice to Over 65/Medicare retirees. This year's deadline is no later than 10/14/16 to provide sufficient time to provide notice to retirees.

Retiree Paid Premium Contributions

	Premium Contribution to the State	Premium Contribution to Medicare
Non-Medicare Eligible Retirees (<65)	17.5% (\$159.94 in CY2016)	N/A
Medicare Eligible Retirees (>65)	None	Part B Monthly Premium* \$104.90 - \$121.80 (CY2016)

* The standard Medicare Part B Premium is \$121.80 per month in CY16 and was \$104.90 in CY15. Those who paid \$104.90 in CY2015 through a deduction from their Social Security check still pay \$104.90 in CY2016 based on laws that prohibit an increased deduction if the Social Security amount is not raised. Retirees may pay \$121.80, \$104.90, or an amount determined by their annual income if they are a high income beneficiary.

Premium Contribution Amounts

- **RSA 21-I:30** The Fiscal Committee has the authority to approve changes to the Premium Contribution amounts paid by **<65/Non-Medicare Retirees (3,100 people)**
 - 2016 Legislation to implement a premium contribution for Over 65/Medicare retirees (9,100 people) failed
- **<65/Non-Medicare Premium Contribution History:**
 - 7/1/2009: First premium contribution: \$65/month
 - 7/1/2011: \$65 per month increased to 12.5% of premium (\$113.80)
 - 1/1/2016: 12.5% (\$113.86 in 2015) increased to 17.5% of premium (\$159.94 in 2016)

<65/Non-Medicare Retirees Premium Contribution Options

CY16 Monthly Premium and PC		\$913.95 (Retiree current PC at 17.5% = \$159.94)					
Projected FY 18 Monthly Premium and PC		\$1,006 (Retiree estimated PC at 17.5% = \$176)					
Projected FY 19 Monthly Premium and PC		\$1,079 (Retiree estimated PC at 17.5% = \$188)					
PC as a percentage	Estimated Avg. monthly PC as a flat dollar amount	Estimated Avg. increase in monthly PC as a dollar amount	Estimated Total projected increase in PC revenue in 24 months	PC Revenue	Other Funds*	General Fund Revenue*	Total budget increase from FY16/17
17.5%	\$182	\$22	Current	-	\$12M	\$18M	\$30M
18.5%	\$190	\$30	\$746,400	\$746K	\$11.8M	\$17.5M	\$30M
20%	\$210	\$50	\$1,866,400	\$1.9M	\$11.3M	\$16.8M	\$30M
25%	\$260	\$100	\$5,599,400	\$5.6M	\$9.7M	\$14.7M	\$30M
27.5%	\$286	\$126	\$7,466,200	\$7.5M	\$8.9M	\$13.6M	\$30M
30%	\$315	\$155	\$9,332,400	\$9.3M	\$8.1M	\$12.6M	\$30M
35%	\$360	\$200	\$13,065,500	\$13M	\$6.5M	\$10.5M	\$30M
37.5%	\$390	\$230	\$14,932,000	\$14.9M	\$5.7M	\$9.4M	\$30M
40%	\$420	\$260	\$16,798,500	\$16.8M	\$4.8M	\$8.4M	\$30M
45%	\$470	\$310	\$20,531,600	\$20.5M	\$3.3M	\$6.2M	\$30M
50%	\$520	\$360	\$24,264,900	\$24.3M	\$1.6M	\$4.1M	\$30M
58%	\$605	\$445	\$30,237,800	\$30M	-	-	\$30M

*For every 1% increase in the retiree premium contribution, approx. \$750K more is collected in premium contribution revenue **over the FY18/19 biennium** (assuming a flat under 65 enrollment), decreasing the general funds by \$425K (57%) and self-funded agency funds by \$325K (Other Funds) (43%).

<65/Non-Medicare Eligible Medical Plan Options Office Visit Copayments

Retiree <65 Medical Plan Design Alternatives		Savings Factor (% of Medical Claims)	Estimated Savings			
			FY 2017 (six months)	FY 2018 (full year)	FY 2019 (full year)	Total (30 months)
Increase Office Visit Copayments						
CURRENT	\$10 for PCP and \$30 for Specialist					
1A	Increase to \$15 for PCP and maintain \$30 for Specialist	0.45%	\$61,000	\$127,000	\$133,000	\$321,000
1B	Increase to \$20 for PCP and \$35 for Specialist	0.75%	\$102,000	\$211,000	\$222,000	\$535,000
1C	Increase to \$20 for PCP and \$40 for Specialist	0.85%	\$115,000	\$240,000	\$252,000	\$607,000

Actives Copayments: \$15 PCP / \$30 Specialist Office Visit

<65/Non-Medicare Eligible Medical Plan Options

Deductible and Out-of-Pocket Maximum

(+ High Cost Radiology to Deductible)

Retiree <65 Medical Plan Design Alternatives		Savings Factor (% of Medical Claims)	Estimated Savings			
			FY 2017 (six months)	FY 2018 (full year)	FY 2019 (full year)	Total (30 months)
Deductible and Out-of-Pocket Maximum (OOPM) Changes						
Alternatives include changing High Cost Radiology to be subject to deductible (removing \$150 copayment)						
CURRENT	In-Network: \$500 individual / \$1,000 family deductible and \$1,000 individual / \$2,000 family OOPM Out-of-Network: \$650 individual / \$1,350 family deductible and \$2,000 individual / \$4,000 family OOPM					
2	In-Network: \$750 individual / \$1,500 family deductible and \$1,250 individual / \$2,500 family OOPM Out-of-Network: \$1,500 individual / \$3,000 family deductible and \$2,500 individual / \$5,000 family OOPM	2.70%	\$367,000	\$761,000	\$799,000	\$1,927,000
3	In-Network: \$1,000 individual / \$2,000 family deductible and \$1,500 individual / \$3,000 family OOPM Out-of-Network: \$2,000 individual / \$4,000 family deductible and \$3,000 individual / \$6,000 family OOPM	4.90%	\$666,000	\$1,381,000	\$1,450,000	\$3,497,000
4	In-Network: \$1,500 individual / \$3,000 family deductible and \$2,000 individual / \$4,000 family OOPM Out-of-Network: \$2,500 individual / \$5,000 family deductible and \$4,000 individual / \$8,000 family OOPM	8.50%	\$1,155,000	\$2,396,000	\$2,516,000	\$6,067,000
5	In-Network: \$2,000 individual / \$4,000 family deductible and \$2,500 individual / \$5,000 family OOPM Out-of-Network: \$2,500 individual / \$5,000 family deductible and \$4,000 individual / \$8,000 family OOPM	11.30%	\$1,535,000	\$3,185,000	\$3,344,000	\$8,064,000

<65/Non-Medicare Eligible Medical Plan Options

Deductible, Coinsurance and Out-of-Pocket Maximum

(+ High Cost Radiology to Deductible)

Retiree <65 Medical Plan Design Alternatives		Savings Factor (% of Medical Claims)	Estimated Savings			
			FY 2017 (six months)	FY 2018 (full year)	FY 2019 (full year)	Total (30 months)
CURRENT	In-Network: \$500 individual / \$1,000 family deductible and \$1,000 individual / \$2,000 family OOPM Out-of-Network: \$650 individual / \$1,350 family deductible and \$2,000 individual / \$4,000 family OOPM					
Deductible, Coinsurance, and Out-of-Pocket Maximum (OOPM) Changes						
Implement an in-network 10% coinsurance for services subject to the deductible						
Alternatives include changing High Cost Radiology to be subject to deductible (removing \$150 copayment)						
6	In-Network: \$750 individual / \$1,500 family deductible and \$2,250 individual / \$4,500 family OOPM Out-of-Network: \$1,500 individual / \$3,000 family deductible and \$3,500 individual / \$7,000 family OOPM	6.10%	\$829,000	\$1,719,000	\$1,805,000	\$4,353,000
7	In-Network: \$1,000 individual / \$2,000 family deductible and \$2,500 individual / \$5,000 family OOPM Out-of-Network: \$2,000 individual / \$4,000 family deductible and \$3,500 individual / \$7,000 family OOPM	8.10%	\$1,100,000	\$2,283,000	\$2,397,000	\$5,780,000
8	In-Network: \$2,000 individual / \$4,000 family deductible and \$3,500 individual / \$7,000 family OOPM Out-of-Network: \$2,500 individual / \$5,000 family deductible and \$4,000 individual / \$8,000 family OOPM	13.70%	\$1,861,000	\$3,861,000	\$4,054,000	\$9,776,000

>65/Medicare Eligible Medical Plan Design Options Part A Deductible

Retiree 65+ Medical Plan Design Alternatives		Savings Factor (% of Medical Claims)	Estimated Savings			
			FY 2017 (six months)	FY 2018 (full year)	FY 2019 (full year)	Total (30 months)
CURRENT	Medicare Part A (Inpatient Hospital and Skilled Nursing Facility Benefits): Member pays nothing Medicare Part B (Physician Services, Hospital Outpatient, and Other Covered Services): Member pays \$166 annual deductible					
1	Medicare Part A: Member pays \$300 deductible Medicare Part B: Member pays \$166 deductible (no change)	2.70%	\$213,000	\$436,000	\$467,000	\$1,116,000
1B	Medicare Part A: Member pays \$350 deductible Medicare Part B: Member pays \$166 deductible (no change)	3.25%	\$257,000	\$525,000	\$563,000	\$1,345,000
2	Medicare Part A: Member pays \$500 deductible Medicare Part B: Member pays \$166 deductible (no change)	5.25%	\$415,000	\$849,000	\$909,000	\$2,173,000
3	Medicare Part A: Member pays \$750 deductible Medicare Part B: Member pays \$166 deductible (no change)	8.00%	\$632,000	\$1,293,000	\$1,385,000	\$3,310,000
4	Medicare Part A: Member pays \$1,288 deductible Medicare Part B: Member pays \$166 deductible (no change)	13.70%	\$1,083,000	\$2,214,000	\$2,372,000	\$5,669,000

>65/Medicare Eligible Medical Plan Design Options Part A Deductible and/or Copayment Structure

Retiree 65+ Medical Plan Design Alternatives		Savings Factor (% of Medical Claims)	Estimated Savings			
			FY 2017 (six months)	FY 2018 (full year)	FY 2019 (full year)	Total (30 months)
CURRENT	Medicare Part A (Inpatient Hospital and Skilled Nursing Facility Benefits): Member pays nothing Medicare Part B (Physician Services, Hospital Outpatient, and Other Covered Services): Member pays \$166 annual deductible					
5	Member pays \$166 Part B deductible (no change) Implement \$20 Office Visit Copayment Implement \$50 Emergency Room Copayment	9.05%	\$715,000	\$1,463,000	\$1,567,000	\$3,745,000
5B	Member pays \$166 Part B deductible (no change) Implement \$20 Office Visit Copayment Implement \$150 Emergency Room Copayment	9.75%	\$771,000	\$1,576,000	\$1,688,000	\$4,035,000
5C	Medicare Part A: Member pays \$350 deductible Medicare Part B: Member pays \$166 deductible (no change) Implement \$20 Office Visit Copayment Implement \$150 Emergency Room Copayment	13.00%	\$1,028,000	\$2,101,000	\$2,251,000	\$5,380,000

All Retirees RX Copay and Maximum Out-of-Pocket Options

Rx Plan Design Alternatives		Retiree Plan	Savings Factor (% of Rx Claims)	Estimated Savings				
				FY 2017 (six months)	FY 2018 (full year)	FY 2019 (full year)	Total (30 months)	
CURRENT	Rx Copayments and Maximum Out-of-Pocket (MOOP) <i>Current Plan Design (generic / preferred brand / non-preferred brand)</i> Retail Copayments: \$10 / \$25 / \$40 Mail Copayments: \$10 / \$50 / \$80 MOOP: \$750 individual / \$1,500 family			Active Copayments & MOOP: Retail \$10/\$25/\$40; Mail \$1/\$40/\$70 MOOP: \$750 Individual/\$1,500 Family				
	1	Retail Copayments: \$15 / \$30 / \$45	Retiree <65 Plan	1.3%	\$43,000	\$101,000	\$116,000	\$260,000
		Mail Copayments: \$15 / \$60 / \$90	Retiree 65+ Plan	2.9%	\$318,000	\$738,000	\$885,000	\$1,941,000
MOOP: \$750 individual / \$1,500 family		All Retirees	2.5%	\$361,000	\$839,000	\$1,001,000	\$2,201,000	
2A	Retail Copayments: \$15 / \$30 / \$45	Retiree <65 Plan	2.9%	\$93,000	\$217,000	\$251,000	\$561,000	
	Mail Copayments: \$30 / \$60 / \$90	Retiree 65+ Plan	5.1%	\$567,000	\$1,318,000	\$1,582,000	\$3,467,000	
	MOOP: \$750 individual / \$1,500 family	All Retirees	4.6%	\$660,000	\$1,535,000	\$1,833,000	\$4,028,000	
2B	Retail Copayments: \$15 / \$30 / \$45	Retiree <65 Plan	3.7%	\$120,000	\$277,000	\$321,000	\$718,000	
	Mail Copayments: \$30 / \$60 / \$90	Retiree 65+ Plan	7.5%	\$824,000	\$1,914,000	\$2,296,000	\$5,034,000	
	MOOP: \$1,000 individual / \$2,000 family	All Retirees	6.6%	\$944,000	\$2,191,000	\$2,617,000	\$5,752,000	
3	Retail Copayments: \$20 / \$35 / \$50	Retiree <65 Plan	3.6%	\$117,000	\$273,000	\$315,000	\$705,000	
	Mail Copayments: \$20 / \$70 / \$100	Retiree 65+ Plan	7.0%	\$768,000	\$1,785,000	\$2,142,000	\$4,695,000	
	MOOP: \$1,000 individual / \$2,000 family	All Retirees	6.2%	\$885,000	\$2,058,000	\$2,457,000	\$5,400,000	
4	Retail Copayments: \$20 / \$35 / \$50	Retiree <65 Plan	5.3%	\$172,000	\$399,000	\$462,000	\$1,033,000	
	Mail Copayments: \$40 / \$70 / \$100	Retiree 65+ Plan	10.4%	\$1,142,000	\$2,653,000	\$3,184,000	\$6,979,000	
	MOOP: \$1,000 individual / \$2,000 family	All Retirees	9.2%	\$1,314,000	\$3,052,000	\$3,646,000	\$8,012,000	
5	Retail Copayments: \$20 / \$35 / \$50	Retiree <65 Plan	4.3%	\$140,000	\$324,000	\$375,000	\$839,000	
	Mail Copayments: \$20 / \$70 / \$150	Retiree 65+ Plan	8.1%	\$893,000	\$2,075,000	\$2,491,000	\$5,459,000	
	MOOP: \$1,250 individual / \$2,500 family	All Retirees	7.2%	\$1,033,000	\$2,399,000	\$2,866,000	\$6,298,000	
6	Retail Copayments: \$20 / \$35 / \$50	Retiree <65 Plan	6.1%	\$199,000	\$462,000	\$534,000	\$1,195,000	
	Mail Copayments: \$40 / \$70 / \$150	Retiree 65+ Plan	11.9%	\$1,314,000	\$3,053,000	\$3,664,000	\$8,031,000	
	MOOP: \$1,250 individual / \$2,500 family	All Retirees	10.6%	\$1,513,000	\$3,515,000	\$4,198,000	\$9,226,000	

All Retirees: Introduce RX Deductible

Rx Plan Design Alternatives		Retiree Plan	Savings Factor (% of Rx Claims)	Estimated Savings			
				FY 2017 (six months)	FY 2018 (full year)	FY 2019 (full year)	Total (30 months)
CURRENT	Rx Copayments and Maximum Out-of-Pocket (MOOP)						
	<i>Current Plan Design (generic / preferred brand / non-preferred brand)</i>						
	<i>Retail Copayments: \$10 / \$25 / \$40 -- Mail Copayments: \$10 / \$50 / \$80 -- MOOP: \$750 individual / \$1,500 family</i>						
Introduce an Annual Deductible - Maintain Current Copayments and MOOP and implement an annual deductible that applies prior to copayments							
7A	\$25 Annual Deductible	Retiree <65 Plan	0.7%	\$23,000	\$46,000	\$46,000	\$115,000
		Retiree 65+ Plan	0.9%	\$96,000	\$200,000	\$208,000	\$504,000
		All Retirees	0.7%	\$119,000	\$246,000	\$254,000	\$619,000
7B	\$50 Annual Deductible	Retiree <65 Plan	1.4%	\$44,000	\$88,000	\$88,000	\$220,000
		Retiree 65+ Plan	1.7%	\$192,000	\$399,000	\$415,000	\$1,006,000
		All Retirees	1.5%	\$236,000	\$487,000	\$503,000	\$1,226,000
7C	\$75 Annual Deductible	Retiree <65 Plan	2.0%	\$65,000	\$130,000	\$130,000	\$325,000
		Retiree 65+ Plan	2.6%	\$285,000	\$593,000	\$617,000	\$1,495,000
		All Retirees	2.2%	\$350,000	\$723,000	\$747,000	\$1,820,000
7D	\$100 Annual Deductible	Retiree <65 Plan	2.6%	\$84,000	\$168,000	\$168,000	\$420,000
		Retiree 65+ Plan	3.4%	\$377,000	\$784,000	\$815,000	\$1,976,000
		All Retirees	2.9%	\$461,000	\$952,000	\$983,000	\$2,396,000
7E	\$125 Annual Deductible	Retiree <65 Plan	3.2%	\$103,000	\$211,000	\$218,000	\$532,000
		Retiree 65+ Plan	4.2%	\$467,000	\$995,000	\$1,068,000	\$2,530,000
		All Retirees	3.6%	\$570,000	\$1,206,000	\$1,286,000	\$3,062,000
7F	\$150 Annual Deductible	Retiree <65 Plan	3.7%	\$120,000	\$246,000	\$254,000	\$620,000
		Retiree 65+ Plan	5.0%	\$555,000	\$1,182,000	\$1,269,000	\$3,006,000
		All Retirees	4.3%	\$675,000	\$1,428,000	\$1,523,000	\$3,626,000
7G	\$175 Annual Deductible	Retiree <65 Plan	4.2%	\$137,000	\$281,000	\$290,000	\$708,000
		Retiree 65+ Plan	5.1%	\$566,000	\$1,206,000	\$1,295,000	\$3,067,000
		All Retirees	4.5%	\$703,000	\$1,487,000	\$1,585,000	\$3,775,000
7H	\$200 Annual Deductible	Retiree <65 Plan	4.7%	\$153,000	\$313,000	\$323,000	\$789,000
		Retiree 65+ Plan	5.9%	\$646,000	\$1,376,000	\$1,478,000	\$3,500,000
		All Retirees	5.1%	\$799,000	\$1,689,000	\$1,801,000	\$4,289,000
7I	\$225 Annual Deductible	Retiree <65 Plan	5.2%	\$168,000	\$344,000	\$355,000	\$867,000
		Retiree 65+ Plan	6.6%	\$724,000	\$1,542,000	\$1,656,000	\$3,922,000
		All Retirees	5.7%	\$892,000	\$1,886,000	\$2,011,000	\$4,789,000
7J	\$250 Annual Deductible	Retiree <65 Plan	5.6%	\$182,000	\$373,000	\$385,000	\$940,000
		Retiree 65+ Plan	7.2%	\$799,000	\$1,702,000	\$1,828,000	\$4,329,000
		All Retirees	6.3%	\$981,000	\$2,075,000	\$2,213,000	\$5,269,000

All Retirees: Miscellaneous RX Options

Rx Plan Design Alternatives		Retiree Plan	Savings Factor (% of Rx Claims)	Estimated Savings			
				FY 2017 (six months)	FY 2018 (full year)	FY 2019 (full year)	Total (30 months)
CURRENT	Rx Copayments and Maximum Out-of-Pocket (MOOP) <i>Current Plan Design (generic / preferred brand / non-preferred brand)</i> Retail Copayments: \$10 / \$25 / \$40 Mail Copayments: \$10 / \$50 / \$80 MOOP: \$750 individual / \$1,500 family						
	Additional Rx Plan Options - Maintain Current Copayments and MOOP, except implement the changes noted below						
8	Specialty Coinsurance of 10% per script to maximum of \$100 at retail and \$200 at mail	Retiree <65 Plan	0.5%	\$16,000	\$32,000	\$32,000	\$80,000
		Retiree 65+ Plan	3.5%	\$390,000	\$907,000	\$1,088,000	\$2,385,000
		All Retirees	2.8%	\$406,000	\$939,000	\$1,120,000	\$2,465,000
9	Implement a closed formulary (non-preferred drugs not covered) and only provide coverage for Part D eligible drugs	Retiree 65+ Plan	11.1%	\$1,229,000	\$2,856,000	\$3,427,000	\$7,512,000
10	Only provide coverage for generic drugs while retiree is in the Part D coverage gap	Retiree 65+ Plan	13.5%	\$1,485,000	\$3,451,000	\$4,141,000	\$9,077,000
11	Exclude coverage for drugs available over-the-counter (OTC) (examples: Imodium, Pepcid, Neosporin)	Retiree <65 Plan	1.9%	\$61,000	\$128,000	\$138,000	\$327,000
		Retiree 65+ Plan	2.1%	\$236,000	\$499,000	\$536,000	\$1,271,000
		All Retirees		\$297,000	\$627,000	\$674,000	\$1,598,000

Examples of Options to Save Approximately \$5M

Reference Slide/#	OPTIONS	30-Month Savings
Slide 10	Increase Non-Medicare Eligible Premium Contribution (PC) to 25% effective 1/1/17	\$5.6M
Slide 17, #7J	Implement a \$250 Annual Deductible for the Rx Plan (All Retirees)	\$5.3M
Slide 14, #4	Implement a Medicare Part A Deductible of \$1,288	\$5.7M
Slide 15, #5C	Implement a \$350 Medicare Part A Deductible, \$20 Office Visit Copayment, \$150 ER Copayment	\$5.4M
Slide 10; Slide 17, #7E; Slide 11, #1A	Increase Non-Medicare Eligible PC to 20%; Implement a \$125 Annual Deductible for the Rx Plan; Non-Medicare Eligible Medical Copays to \$15 for PCP and \$30 Specialist	\$1.9M+\$3.1M+\$300K = \$5.3M

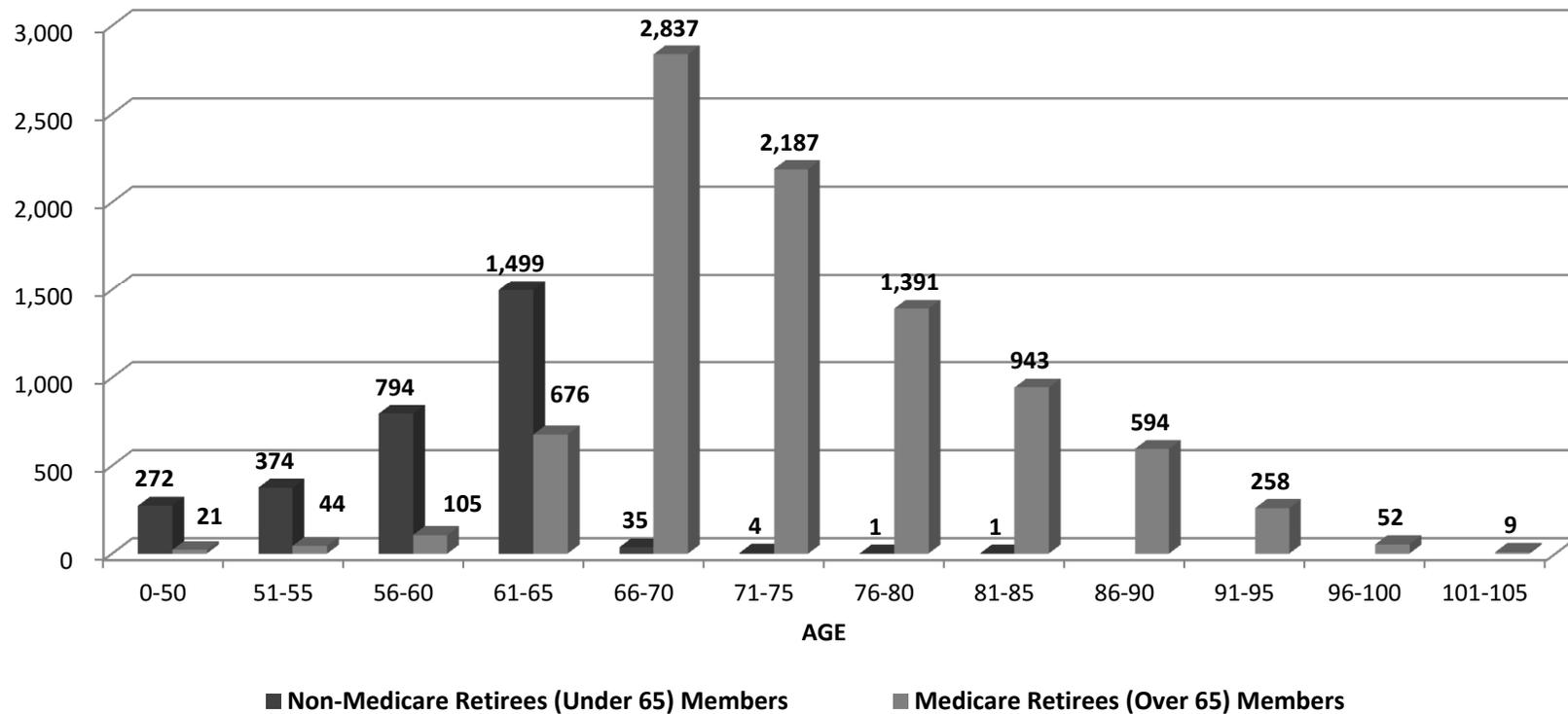
Questions?

Appendix

Number of State of NH Retirees

- **<65/Non-Medicare Retirees (Under 65)**
 - January 2016 – 3,100
 - *Projected* Jan'18 (FY 18) - 3,100
 - *Projected* Jan'19 (FY19)- 3,100
- **>65/Medicare Retirees (Over 65)**
 - January 2016 – 8,975
 - *Projected* Jan'18 (FY 18) – 9,700
 - *Projected* Jan'19 (FY19)– 10,100

Ages of State of NH Retirees



5,440 (45%) members over age 70	1,857 (15%) members over age 80	319 (3%) members over age 90
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Source: Anthem - June 2016

Retirees and Years of State Service Summary Chart

Years of Service	% of State Retirees
Less than 10 years	7%
10 to 19 years	40%
20 to 29 years	30%
30 years and greater	23%

Based on NHFIRST plan subscriber data and NHRS pension data as of February 2016

Over 65 Retiree: Pension and Longevity*

- **All Retirees age 65 and Older (Group I & Group II)**
 - Average Pension: \$17,250
 - Median Pension: \$13,980
 - 90% have an annual pension \$34,000 or less
 - 67% have an annual pension \$20,000 or less
 - 34% have an annual pension \$10,000 or less
- **State Service Longevity**
 - Longevity: Age 65 and Older
 - 7% have less than 10 years of service
 - 44% have 10 to 19 years of service
 - 28% have 20 to 29 years of service
 - 21% have 30 or more years of service
 - Longevity: 34% annual pension of \$10,000 or less and age 65 and older
 - 14% have less than 10 years of service
 - 34% have 10-11 years of service
 - 44% have 12-19 years of service
 - 9% have 20 or more years of service

Under 65 Retiree: Pension and Longevity (Cont.)

- **All Retirees Under Age 65 (Group I & Group II)**
 - Average Pension: \$26,680
 - Median Pension: \$23,160
 - 90% have an annual pension \$50,000 or less
 - 73% have an annual pension \$34,000 or less
 - 44% have an annual pension \$20,000 or less
 - 14% have an annual pension \$10,000 or less
- **State Service Longevity**
 - Longevity: Under Age 65
 - 6% have less than 10 years of service
 - 28% have 10 to 19 years of service
 - 36% have 20 to 29 years of service
 - 30% have 30 or more years of service
 - Longevity: 14% annual pension of \$10,000 or less and under age 65
 - 8% have less than 10 years of service
 - 31% have 10-11 years of service
 - 50% have 12-19 years of service
 - 11% have 20 or more years of service