



CITY OF KALAMAZOO RETIREE HEALTHCARE INFORMATIONAL MEETING

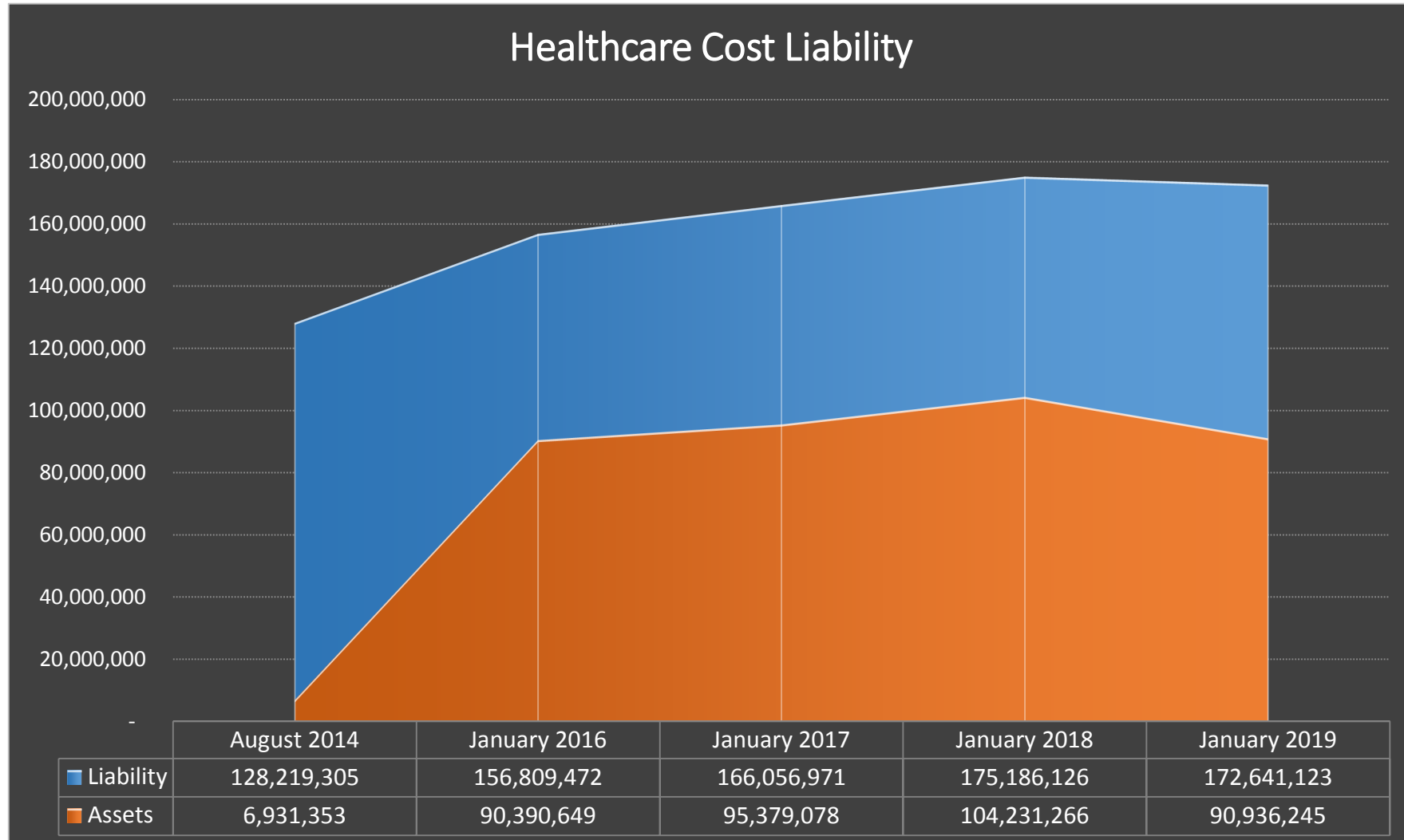
July 24, 2019

Agenda

- **WHY** is the City of Kalamazoo considering a change to current retiree healthcare plan?
- **WHAT** is the City considering?
- **HOW** would this change impact YOU?

WHY - Financial Update

OPEB (Other Post Employment Benefits)



Sources:

2014: GRS actuarial data included in the Comprehensive Financial Plan submitted to the Michigan Treasury

2016-2019: GRS actuarial valuation report dated January 1 of each given year

WHAT - City of Kalamazoo Retiree Healthcare Plan

Medicare Eligible

TODAY

Multiple Insurance Plans

\$12,741 (Avg)

Per Medicare Age Retiree

Future

Single Insurance Plan (Bundled)

\$5,917

Per Medicare Age Retiree

City of Kalamazoo -
Blue Cross Blue
Shield

COK Retiree
Coverage =
Medical &
Prescription Drug

Government -
Medicare

Medicare Part B =
Other Services
(Example:
Lab/X-ray/Doctors)

Medicare Part A =
Hospital Coverage



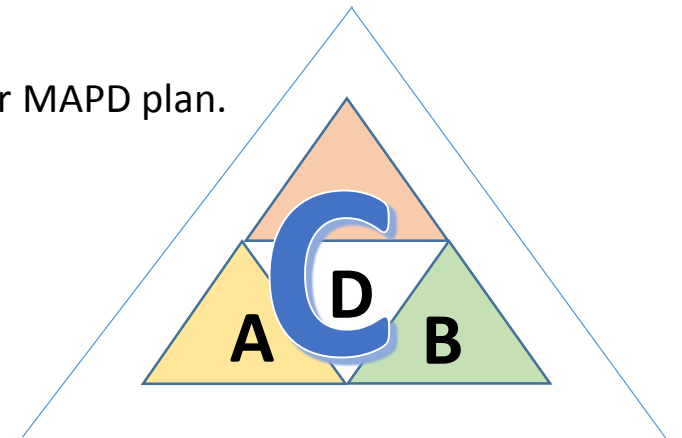
Part C = MAPD

Hospital Coverage
Other Services
(Example: Lab/
X-ray/Doctors)
Prescription Drug

City of Kalamazoo
- BCBSM
(Overseen by
CMS)

Part C Medicare Advantage = Medicare Parts A, B & D

- MAPD integrates Medicare Part A, B and D coverages
 - A = Hospital
 - B = Medical Other (Doctors, Labs, Radiology, Specialists)
 - D = Prescription Drugs
- When you are enrolled in MAPD Plan, you still receive all the entitlements and privileges of Original Medicare + City's BCBSM plan.
- The plan (MAPD) would be administered through BCBSM.
- The Federal Centers for Medicare & Medicaid Services, or CMS, oversees the private health insurers to manage the benefits for you if you are enrolled in a MAPD plan.
- When you enroll in the MAPD plan, CMS applies your original Medicare benefits to your MAPD plan.
- To be eligible for MAPD you must:
 - Reside in the U.S.
 - Be entitled to Medicare Part A
 - Have enrolled in Medicare Part B
 - Continue to pay your Medicare Part B premium
 - Generally, Part B Premiums for 2019 = \$135.50 per month (Depends on Tax Bracket)



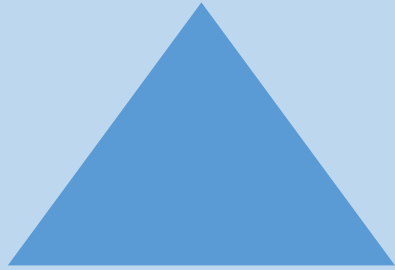
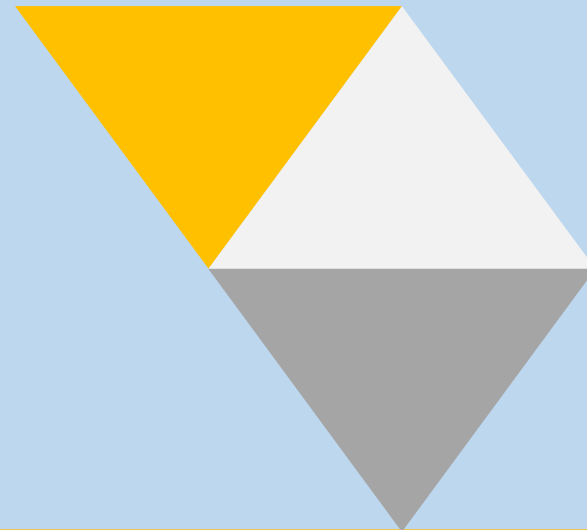
HOW - Medicare Advantage Plans (MAPD) Q & A

- **Q. When would I enroll in a Medicare Advantage Plan through the City of Kalamazoo?**
 - A. Enrollment period proposed would be from October 2020 – December 15, 2020. YOU MUST BE ENROLLED IN PART B. General Enrollment Period (GEP) for Part B: January 1 – March 31, 2020. Part B Coverage would be effective July 1, 2020.
 - Coverage for the new City plan would be – January 1, 2021
- **Q. Can I change my MAPD Plan if my current plan is not meeting my needs?**
 - A. No. Through the proposed City's plan, there is only one MAPD plan that would be available to you based on when you retired from the City of Kalamazoo.
- **Q. Will the MAPD plan cover me when I travel or live out of state of Michigan for all or part of the year?**
 - A. Yes. The plan would offer emergency and urgent care coverage worldwide, and offer normal coverage outside of the state of Michigan because what is being proposed is a PPO MAPD plan.
- **Q. What happens to my spouse or children currently covered on my plan who are UNDER age 65, not eligible for Medicare coverage?**
 - A. The City would allow those dependents and spouses to remain on the current plan until they are eligible for Medicare, or no longer meet dependent status. At which time a dependent/spouse becomes eligible for Medicare, they will become covered under the new MAPD plan.
- **Q. Will the MAPD plan offer fitness programs?**
 - A. Yes. The providers offered will vary by state. In Kalamazoo area for example, the following locations are participating:

YMCA – Maple St & Portage	Powerhouse Gym – Westnedge Ave	The Point Community Center
Curves – Romence Rd	Just Move Fitness – Stadium Drive	Courthouse Athletic Center – Sprinkle Rd
Anytime Fitness – Stadium Dr	Anytime Fitness – Centre Ave	Family Fitness Center – Constitution Blvd (Women Only)
- **Q. What about Medicare Part B? Do I need to continue paying the monthly premium to enroll in a MAPD Plan?**
 - A. Yes.
- **Q. Can I enroll in both a Medicare Advantage plan and a stand-alone prescription drug plan for drug coverage?**
 - A. No. If you still elect to stay enrolled in a separate prescription drug plan, you will automatically be disenrolled from the MAPD plan.

Plan Design Comparison

Pre-2007 Retirees Sample 1



Pre-2007 Retiree Plan Comparison (Sample 1)

(Suffix 0011 General Retirees) Current Plan - \$100 Deductible if no Medicare Part B elected

Benefit Description	Current Coverage (Medicare A & B coverage)	Medicare Advantage PPO
		Passive
Deductible amounts	\$0	\$0
Coinsurance	0%	0%
Out of pocket maximum	\$0	\$0
Preventive care services		
Health maintenance exam	Covered in full by Medicare; no additional charge by BCBSM	Covered annually
Gynelological exam	When not covered by Medicare, covered at 100% of BCBSM approved amount, one per member per calendar year	Covered at 100% of approved amount
Pap smear screening - laboratory services only	When not covered by Medicare, covered at 100% of BCBSM approved amount, one per member per calendar year	Covered at 100% of approved amount
Well-baby and child care	Covered at 100% of BCBSM approved amount	Not covered
Immunizations		
* Flu Shots and pneumonia vaccines	Covered in full by Medicare; no additional charge by BCBSM	Covered at 100% of approved amount
* Hepatitis B vaccines -for those at risk of contracting the disease	Covered in full by Medicare; no additional charge by BCBSM	Covered at 100% of approved amount
Prostate specific antigen (PSA test)	When not covered by Medicare, covered at 100% of BCBSM approved amount, one per member per calendar year, no age restrictions	Covered at 100% of approved amount
Mammography		
Mammography screening	When not covered by Medicare, covered at 100% of BCBSM approved amount, one per member per calendar year, no age restrictions	Covered at 100% of approved amount
Office visits	Not covered	\$0 copay
Outpatient and home visits	Not covered	Covered at 100% of approved amount
Office consultations	Not covered	\$0 copay
Urgent care visits	Not covered	\$0 copay

Pre-2007 Retiree Plan Comparison (Sample 1)

(Suffix 0011 General Retirees) Current Plan \$100 Deductible if no Medicare Part B elected

Benefit Description	Current Coverage (Medicare A & B coverage)	Medicare Advantage PPO
		Passive
Hospital emergency room (professional services) – must be medically necessary	Covers Medicare deductible and coinsurance	\$0 copay waived if admitted within 3 days
Ambulance services – must be medically necessary	Covers Medicare deductible and coinsurance	Covered at 100% of approved amount
Laboratory and pathology tests – used in the diagnosis and treatment of an illness or injury	Covered in full by Medicare	Covered at 100% of approved amount
Semi-private room, inpatient physician care, general nursing care, hospital services and supplies		Covered at 100% of approved amount
• Days 1-60	Covers Medicare deductible	
• Days 61-90	Covers Medicare daily coinsurance	
• Lifetime reserve days (60 days)	Covers Medicare daily coinsurance	
• Additional days	Covered at BCBSM approved amount, up to an additional 275 days	
Chemotherapy	Covers Medicare deductible and coinsurance	Covered at 100% of approved amount
Skilled nursing facility care – specific criteria applies		Covered at 100% of approved amount up to 120 days
• Days 1-20	Covered in full by Medicare	
• Days 21-100	Covers Medicare coinsurance	
• Days 101 and after	Not Covered	
Hospice care	Covers limited costs not covered by Medicare	Covered at 100% of approved amount
Home health care – medically necessary	Covered in full by Medicare	Covered at 100% of approved amount
Surgical services provided by a physician		
Surgery – includes related surgical services	Covers Medicare deductible and coinsurance	Covered at 100% of approved amount

Pre-2007 Retiree Plan Comparison (Sample 1)

(Suffix 0011 General Retirees) Current Plan \$100 Deductible if no Medicare Part B elected

Benefit Description	Current Coverage (Medicare A & B coverage)	Medicare Advantage PPO
		Passive
Human organ transplants		
Note: Payment is based on medical necessity and must be rendered in an approved facility		
Heart and liver	Covers Medicare deductible and coinsurance	Covered at 100% of approved amount
Lung and heart-lung	Covers Medicare deductible and coinsurance	
Pancreas	Not covered	
	Note: Covers Medicare deductible and coinsurance when covered by Medicare	
Cornea	Covers Medicare deductible and coinsurance	
Bone marrow and kidney	Covers Medicare deductible and coinsurance	
Mental health care		
Inpatient mental health care in psychiatric facility		Unlimited days in a general hospital
• Days 1-90 lifetime	Covers Medicare deductible and coinsurance	190 day limit applies in psychiatric hospitals
• Additional days after 190 lifetime days are used	Not covered	Covered at 100% of approved amount
Outpatient mental health care	Covers Medicare deductible and coinsurance	Covered at 100% of approved amount
		Office visits \$0 copay
Other services		
Allergy testing and therapy with approved diagnosis	Covers Medicare deductible and coinsurance for testing. Injections are not covered.	Covered at 100% of approved amount
Chiropractic spinal manipulation must be medically necessary	Not covered	Covered at 100% of approved amount
Outpatient physical, speech and occupational therapy	Covers Medicare deductible and coinsurance or set copayment	Covered at 100% of approved amount
Durable medical equipment and prosthetic appliances	Covers Medicare deductible and coinsurance	Covered at 100% of approved amount
Private duty nursing	Not covered	Covered available at 50% coinsurance
Silver Sneakers Fitness Program	Not covered	Covered at 100%

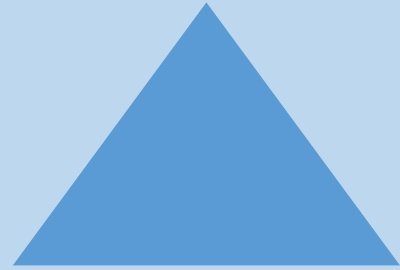
Pre-2007 Retiree Plan Comparison (Sample 1)

(Suffix 0011 General Retirees) Current Plan - \$100 Deductible if no Medicare Part B elected

Benefit Description	Current Coverage (Medicare A & B coverage)	Medicare Advantage PPO
		Passive
Foreign travel		
Hospital Services	Covered at BCBSM approved amount, up to 30 days for covered services	Covered foreign travel for emergent care
Physician Services	Covered at BCBSM approved amount	Covered foreign travel for emergent care
Pharmacy - Retail - 30 day supply		
Preferred Generic	Mandated Rx only	Standard pharmacy \$4 copay
		Preferred pharmacy \$1 copay
Generic	Mandated Rx only	Standard pharmacy \$4 copay
		Preferred pharmacy \$1 copay
Preferred Brand	Mandated Rx only	Standard pharmacy \$4 copay
		Preferred pharmacy \$1 copay
Non-Preferred Drug	Mandated Rx only	Standard pharmacy \$4 copay
		Preferred pharmacy \$1 copay
Specialty Drugs	Mandated Rx only	Standard pharmacy \$4 copay
		Preferred pharmacy \$1 copay

Plan Design Comparison

Post-2007 Retirees Sample 1



Post-2007 Retiree Plan Comparison (Sample 1) (Suffix 0023 NBU)

Benefit Description	Current Coverage In Network	Medicare Advantage PPO
		Passive
Deductible amounts	\$800	\$300
Coinsurance	20%	20%
Out of pocket maximum	\$4,000	\$3,000
Preventive care services		
Health maintenance exam	Covered at 100%	Covered at 100% of approved amount
Gynelological exam	Covered at 100%	Covered at 100% of approved amount
Pap smear screening - laboratory services only	Covered at 100%	Covered at 100% of approved amount
Well-baby and child care	Covered at 100%	Covered at 100% of approved amount
Immunizations		
* Flu Shots and pneumonia vaccines	Covered at 100%	Covered at 100% of approved amount
* Hepatitis B vaccines -for those at risk of contracting the disease	Covered at 100%	Covered at 100% of approved amount
Prostate specific antigen (PSA test)	Covered at 100%	Covered at 100% of approved amount
Mammography		
Mammography screening	Covered at 100%	Covered at 100% of approved amount
Office visits	\$25 copay	\$25 copay
Outpatient and home visits	80% after in-network deductible	80% after deductible
Office consultations	\$25 copay	\$25 copay
Urgent care visits	\$25 copay	\$25 copay

Post-2007 Retiree Plan Comparison (Sample 1) (Suffix 0023 NBU)

Benefit Description	Current Coverage (Medicare A & B coverage)	Medicare Advantage PPO
		Passive
Hospital emergency room (professional services) – must be medically necessary	\$150 copay (copay waived if admitted or for an accidental injury)	\$50 copay waived if admitted within 3 days
Ambulance services – must be medically necessary	80% after in-network deductible	80% after deductible
Laboratory and pathology tests – used in the diagnosis and treatment of an illness or injury	80% after in-network deductible	80% after deductible
Semi-private room, inpatient physician care, general nursing care, hospital services and supplies		80% after deductible
• Days 1-60	80% after in-network deductible	
• Days 61-90	80% after in-network deductible	
• Lifetime reserve days (60 days)	80% after in-network deductible	
• Additional days	80% after in-network deductible	
Chemotherapy	80% after in-network deductible	80% after deductible
Skilled nursing facility care – specific criteria applies		
• Days 1-20	80% after in-network deductible	80% after deductible
• Days 21-100	80% after in-network deductible	80% after deductible
• Days 101 and after	80% after in-network deductible covered up to 120 days	80% after deductible covered up to 120 days
Hospice care	Covered 100%	Covered at 100% of approved amount
Home health care – medically necessary	80% after in-network deductible	Covered at 100% of approved amount
Surgical services provided by a physician		
Surgery – includes related surgical services	80% after in-network deductible	80% after deductible

Post-2007 Retiree Plan Comparison (Sample 1) (Suffix 0023 NBU)

Benefit Description	Current Coverage (Medicare A & B coverage)	Medicare Advantage PPO
		Passive
Human organ transplants		
Note: Payment is based on medical necessity and must be rendered in an approved facility		
Heart and liver	80% after in-network deductible	80% after deductible
Lung and heart-lung	80% after in-network deductible	
Pancreas	80% after in-network deductible	
Cornea	80% after in-network deductible	
Bone marrow and kidney	80% after in-network deductible	
Mental health care		
Inpatient mental health care in psychiatric facility		Unlimited days in a general hospital
• Days 1-90 lifetime	80% after in-network deductible	190 day limit applies in psychiatric hospitals
• Additional days after 190 lifetime days are used	80% after in-network deductible	80% after deductible
Outpatient mental health care	80% after in-network deductible	80% after deductible
		Office visits \$25 copay
Other services		
Allergy testing and therapy with approved diagnosis	Covered 100%	80% after deductible
Chiropractic spinal manipulation must be medically necessary	\$25 copay (limited to 24 visits max)	\$20 copay
Outpatient physical, speech and occupational therapy	80% after in-network deductible	80% after deductible
Durable medical equipment and prosthetic appliances	80% after in-network deductible	80% after deductible
Private duty nursing	50% after in-network deductible	Covered available at 50% coinsurance
Silver Sneakers Fitness Program	Not covered	Covered at 100%

Post-2007 Retiree Plan Comparison (Sample 1) (Suffix 0023 NBU)

Benefit Description	Current Coverage (Medicare A & B coverage)	Medicare Advantage PPO
		Passive
Foreign travel		
Hospital Services	Covered at BCBSM approved amount, up to 30 days for covered services	Covered foreign travel not restricted to emergency and urgent care only
Physician Services	Covered at BCBSM approved amount	Covered foreign travel not restricted to emergency and urgent care only
Pharmacy - Retail - 30 day supply		
Preferred Generic	\$15 copay	Standard pharmacy \$5 copay
		Preferred pharmacy \$1 copay
Generic	\$15 copay	Standard pharmacy \$5 copay
		Preferred pharmacy \$1 copay
Preferred Brand	\$35 copay	Standard pharmacy \$25 copay
		Preferred pharmacy \$20 copay
Non-Preferred Drug	\$80 copay	Standard pharmacy \$50 copay
		Preferred pharmacy \$45 copay
Specialty Drugs	\$20% (\$150 min-\$300 max) copay	Standard pharmacy \$100 copay
		Preferred pharmacy \$95 copay

For further questions or information, please contact:

Lisa Brown, Retirement Services Manager at 269-337-8472, or email pension@kalamazocity.org. Emails will be summarized and shared periodically as a FAQ.

Q&A Session

