

# Medicare Plus Blue Group PPO

We have the solution....



A nonprofit corporation and independent licensee  
of the Blue Cross and Blue Shield Association

# Medical costs are not going down

- Lifetime medical expenditure averages nearly \$317,000 per individual.
- 60% of the lifetime costs are spent **after** age 65.
- The number of people 65 and older is expected to reach 20% by the year 2030.
- The population of “old-old” (85+) will quadruple over the next few decades as the baby boomers reach these advanced ages.
- The “old-old” consume three times as much health care per person as those 65-74, and twice as much as those 75-84.

Alemayehu, B. 2001. “The Lifetime Distribution of Healthcare Costs.” *Doctoral dissertation*, Ann Arbor: University of Michigan



A nonprofit corporation and independent licensee  
of the Blue Cross and Blue Shield Association

# What is Medicare Advantage?

- Plans offered by private insurance companies that contract with The Centers for Medicare and Medicaid Services (CMS). The insurer's contract with the federal government is renewed annually.
- Offers all the benefits, rights and protection of Original Medicare.
- Medicare Part A (hospital) + Medicare Part B (doctors and outpatient services) = Medicare Advantage plan.
- May also include Part D (prescription drugs) and other additional benefits not covered through Original Medicare
- **One ID card**, includes medical and pharmacy. No need to use red, white and blue Medicare card.
- **One explanation of benefits.**
- Are not Medicare supplemental, Medigap or Medicare select plans. Medicare Advantage plans pay instead of Medicare

# St. Clair County Medical Plan

- **Fully Insured Medicare Advantage Plan** with Medicare Part D prescription drug plan built in.
- Plans designed to match member's current level of benefits.
- Members will see the same benefits they have enjoyed for years, plus more.
- Dedicated Concierge style customer service.
- Medical Management Programs.
- Healthy Advantage Rewards
- Silver Sneakers Fitness plan



A nonprofit corporation and independent licensee  
of the Blue Cross and Blue Shield Association

# St. Clair County Part D Plan

- **Fully Insured Medicare Part D** prescription drug plan built in.
- Members will have the prescription drug copays they enjoy now.
- Medicare Part D Open Formulary included to much disruption. Between 5% and 6%.
- Medicare Part D “Enhanced” Open formulary provides for coverage of approximately 98% of the prescription drugs currently covered. (See RX analysis)
- Formulary equivalents available for those prescription drugs that are non-formulary.



A nonprofit corporation and independent licensee  
of the Blue Cross and Blue Shield Association

# Cost Savings

PROJECTED COSTS JANUARY - December 2013

CARRIER	JAN -DEC 2013			SAVINGS	% SAVINGS
	Post 65 Medical	Post 65 RX	TOTAL COST		
CURRENT PLAN	\$1,289,102	\$841,011	\$2,130,113	\$0	0.00%
BCBS MA/EGWP WITH ENHANCED FORMULARY	\$446,514	\$821,470	\$1,267,984	\$862,128	40.47%



A nonprofit corporation and independent licensee of the Blue Cross and Blue Shield Association

# Cost Savings Future Projections

- CMS reimbursement accounts for about 80% of the funding of the benefit package for Medicare Advantage Plans.
- CMS reimbursement is based on the county of residence of the members.
- Each year CMS updates the reimbursement amounts.
- Demographics of the group with respect to CMS county funding is the major factor in the renewal development process.
- CMS financial solvency rules deter plans from enrolling business at a financial loss to grow membership



A nonprofit corporation and independent licensee  
of the Blue Cross and Blue Shield Association

# Dedicate Concierge Customer Servicing

- Providing an accurate, friendly, proactive, solutions-based response to our customers' asked and un-asked questions
- Personal, customer relationship building
- Effectively and professionally managing the interaction with our customer on every contact
- **Exceeding** the customers' expectations
- Under promising and over delivering



A nonprofit corporation and independent licensee  
of the Blue Cross and Blue Shield Association



# The Welcome Call

- This is the first opportunity that we have to demonstrate to our members our commitment to being their advocate.
- Will occur shortly after enrollment
- Talking points will include:
  - Ensuring ID card receipt
  - Ensuring receipt of the evidence of coverage
  - Ensuring that the customer understands their benefits
  - Defining and selecting a primary care physician
  - Making the customer aware of extra benefits, like:
    - Silver Sneakers (if available)
    - Vision
    - Smoking cessation
    - Case management
    - 100% coverage on PSAs, Pap smears, mammograms
    - Flu and pneumonia shots
- An invitation to contact our service center with any questions,



A nonprofit corporation and independent licensee  
of the Blue Cross and Blue Shield Association








# Healthy Advantage Rewards

- It's easy to participate and there is no cost for participating! Members just take action on any of the seven Healthy Advantage Rewards initiatives, fill out the corresponding form and send it back to BCBSM.
- BCBSM will reward your members when they visit their doctor and complete different Healthy Advantage Rewards program initiatives.
- Members will work with their Doctors to develop a plan for staying healthy. He or she might also recommend tests or screenings you may need and help you with a plan for staying healthy. Many of these tests and screenings have no out-of-pocket cost to receive.



A nonprofit corporation and independent licensee  
of the Blue Cross and Blue Shield Association

# Healthy Advantage Rewards

Initiative		Reward
<b>Physician Assessment</b>		80-page Select Savings® Entertainment® coupon booklet, customized just for you with savings in your area for shopping and travel.
<b>Cholesterol Screening</b>		80-page Travel Rewards Entertainment® coupon booklet, with coupons and offers for vacation packages, attractions and hotel and car rentals.
<b>Glaucoma Test</b>		64-page Quality Living Entertainment® coupon booklet with coupons and offers for vitamins, optical services, books and more.
<b>Mammogram</b>		48-page Savings for Her Entertainment® directory, with coupons and an online access card to get more offers, such as discounts on health and beauty products and services.
<b>Flu Vaccine</b>		48-page Fun Activities Entertainment® directory, with coupons and an online access card to get more offers, such as discounted admissions to museums, attractions and sporting events.
<b>Pneumococcal Vaccine</b>		Neighborhood Select Savings® Entertainment® coupons for retail merchants and services in your ZIP code.
<b>Tobacco Cessation</b>		Healthy Dining Entertainment® coupons for healthy dining in your ZIP code. There is no form to return to us.

# SilverSneakers Fitness Program

- Membership in a network of health clubs and exercise classes, FREE!
- Use any of more than 9,000 participating U.S. locations, with no restrictions on days and times
- Program Advisors<sup>SM</sup> at each location
- SilverSneakers classes at many locations, appropriate for all fitness levels
- Learn how exercise can improve your body, mind and spirit
- Exercise at your own pace
- Have fun with people in your age group



A nonprofit corporation and independent licensee  
of the Blue Cross and Blue Shield Association

Questions?



A nonprofit corporation and independent licensee  
of the Blue Cross and Blue Shield Association