

**Successful Medicare Case Study**

**Location:**

Johnson City

**Saving Realized**

\$1,039,850

**Case Study Developed By:**

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and

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**The Challenge**

A Village government with 280 enrollees was experiencing a large increase in premium, due to severity in claims. They needed a solution in order to achieve budget relief and comply with the State Mandated Tax Cap. Haylor, Freyer & Coon partnered with the Village's insurance carrier, Excellus BlueCross/BlueShield, to develop a solution. **A solution that has brought the last two renewals for the Active employees and Non-Medicare eligible retirees down to 4% and 0%!**

**The Strategy**

Haylor and BC/BS did an in-depth comparison of the existing Retiree Plan with Medicare Advantage Plans. The analysis included those retirees who are Medicare eligible.

Several meetings were held with the Medicare eligible retirees to explain why the Village needed relief along with providing detailed comparison information. In addition to these meeting, individual Medicare eligible retiree meeting were held to discuss their personal situations and answer any questions. Explaining that everyone would continue to be covered, with an adjustment to how they were categorized (individual vs. family).

**The Solution**

The Village then decided to implement a Health Reimbursement Account (HRA) for each Medicare eligible retiree, along with spouses if applicable, to assist with any out-of-pocket expenses associated with the Medicare Advantage Plan. Each person enrolled in the Medicare Advantage Plan also participated in the Village's HRA and received a subsidized debit card to be used for plan out-of-pocket expenses.

A committee was then established consisting of two Village reps, two Retiree reps and HF&C. A meeting is held monthly to review any issues. An action item is created and assigned until a resolution is achieved. The Medicare Advantage Plan selected was implemented in September 2014 with 2015 being the first full year of the plan. Every month in 2015 has seen a reduction in the number of open issues. As the members began utilizing the plan and became more comfortable with how the plan worked and how similar it was to their previous plan the number of open issues were reduced.

**The Result**

Village Retiree Plan - Classic Blue (Pre-September 2014)  
Individuals = \$971/month x 67 enrollees x 12 months = \$780,684  
Families = \$2,366/month x 33 x 12 months = \$936,936  
Total = \$1,717,602

**Village Medicare Advantage Plan**

Enrollees = 133 x \$358/month x 12 months = \$571,368  
Health Reimbursement Account Funds = \$100,000  
Administrative Expenses = \$6,384  
Total = \$677,752

**SAVINGS = \$1,039,850**