

WARF Healthcare Discussion – L Rinker presentation notes - 11/1/19 (\$ amts updated to 2021)

- I'm here to present a real life example of costs within the WMU healthcare system and options available outside of it
 - If you decide to seek an alternative to WMU health insurance, there are really two options that Lisa and Gigi will talk more about...Medicare Advantage plans and Medigap plans
 - My example is the Medigap Plan G offered through AARP by United Health Care. Even though plan G is nearly identical to Plan F, because they are capping new enrollment in F, G seems to be a safer place to be down the road
 - The Medigap plans work similarly to WMU's plan in that they wrap around Medicare as the primary payer.....It should be noted that the examples I present here assume a Medicare eligible enrollee
- Leaving WMU's retiree healthcare can be a scary proposition....but it shouldn't be
 - First of all, if you decide it wasn't what you wanted, you can always switch back to the WMU plan during fall open enrollment (providing WMU Retiree is still living and on the plan).....I have that in writing from HR. Secondly, I think you'll find that the health claim process works very similarly to what you are used to. And lastly, who doesn't want to save \$8K.
 - My example is my wife Kathy's actual rates and options. Kathy's sister and her husband had been on this plan for 5 years before Kathy enrolled and have been very happy with the coverage and rates
 - You'll note in my example that Kathy opted not to do a vision add on since her vision claims have been classified as medical.
 - A disclaimer is that there are a few items covered by WMU that are not covered by Medicare or Medigap plans....they include therapeutic massage, chiropractic adjustments and annual physical exams, but \$8K buys a lots of those kinds of services.
- The numbers in these slides are based on current year rates...and the message for 2020 is essentially the same. WMU's rates and deductibles are up a couple of hundred dollars, as are the rates for the Medigap options.
 - Looking first at the Spouse slide....you'll note that the premium dollars are shown across the top. Both WMU and the UHC plans have premiums and both require Medicare enrollment....the \$1,782 is the annual amount deducted from her ss checks for healthcare
 - The \$2,316 for UHC Medigap G plan was \$144/mo + Part D CVS Rx \$7/mo + BCBS Dental \$42/mo (to include vision it was \$13/mo more)
 - When you add the effect of the annual deductibles and the out of pocket max, the WMU plan would cost approx \$12,780 (assuming normal usage and claims) while the UHC option would cost about \$4,301....or an estimated savings of about \$8,479
 - The second slide is for the retiree only....all the numbers are the same except for the WMU premium
 - Right now, not worth considering a switch as savings are only a few hundred \$\$
 - But...if premiums continue to rise, co-insurance %, co-pays, deductibles and out-of-pocket all go up.....at some point it will be worth walking away from WMU's health plan entirely