



**Interoffice Memo
HUMAN RESOURCES**

TO: Dr. Jon Bauer
DATE: September 22, 2015
FROM: Wendy Hartmann, Director
RE: UHC Medicare Advantage Plan Recommendation

RECOMMENDATION

This memorandum serves as a recommendation for the Board of Trustees to renew the Medicare Advantage plan with United Healthcare as the group Medicare Part C plan offered to eligible retirees. The 2016 plan is based on the current plan design but with a few changes as outlined below. The plan involves no premium for either the College or the individual. Membership will automatically roll over in 2016 for current participants. New participants may enroll during open enrollment in November 2015.

Summary of Medicare and Product Changes for 2016

Prescription Drug Coverage

2016 Member Cost Sharing Thresholds

In 2016, the cost sharing thresholds or amounts members must pay for Part D have changed. The standard member coverage in the gap continues to increase. See chart below:

	2016	2015
Deductible	\$360	\$320
Initial Coverage Limit	\$3,310	\$2,960
Standard Coverage Gap (your plan may have additional coverage)	Generic Drugs – 42% coverage Brand Drugs – 50% manufacturer discount PLUS 5% plan coverage	Generic Drugs – 35% coverage Brand Drugs – 50% manufacturer discount PLUS 5% plan coverage

	2016	2015
Catastrophic Phase Begins	\$4,850 TrOOP	\$4,700 TrOOP
Standard Catastrophic Member Cost Share	The greater of \$2.95 or 5% coinsurance for generic drugs The greater of \$7.40 or 5% coinsurance for brand name drugs	The greater of \$2.65 or 5% coinsurance for generic drugs The greater of \$6.60 or 5% coinsurance for brand name drugs
Maximum copayments		
Tier 1 Generics	\$15*	\$10
Tier 2 Preferred Brand	\$47	\$45
Tier 3 Non-Preferred Brand	\$100	\$95
Tier 4 Specialty Drugs	\$100	\$95

*CMS permits cost sharing up to \$20 per the Final Call Letter. However, UHC has set the limit at \$15. Requests for Tier 1 cost shares above \$15 must be approved through our exception process.

High Risk Medications

For the health and safety of our members, effective January 1, 2016, certain High Risk Medications (HRMs) will be removed from the formulary. HRMs are drugs that are generally not recommended for use by those age 65 and older due to the increased risk of potential side effects or safety concerns.* The use of better-tolerated alternatives is recommended for the Medicare population. The member or their provider can request an exception for the plan to cover these drugs.

*http://www.americangeriatrics.org/files/documents/beers/2012BeersCriteria_JAGS.pdf

Formulary Name Changes

The formulary names have changed as follows:

2015	2016
Formulary Group Basic (GB15) – 15015	Group Value
Formulary G (G15) - 15015G	Group Choice
Formulary H (H15) - 15015H	Group Select
Formulary UA (UA15) – 15016	PDP Group Advantage
Formulary UT (UT15) – 15017	Group Traditional

Retail and Mail Order Cost Share Parity

To comply with CMS guidelines, member cost sharing must be the same for 30-day supplies of prescription drugs purchased at the retail or mail order settings.